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# DISCUSSION BULLETIN

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## STUDY POLITICAL ECONOMY TO MAKE REVOLUTION!

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#### EDITORIAL

We expect that the emphasis on Political Economy found in this 'Discussion Bulletin' will become a regular feature. As the following article points out ('Why Study Political Economy?'): "In Australia there exists today a serious scarcity of understanding and basic knowledge of Political Economy".

The purpose of the 'Discussion Bulletin' is to encourage and facilitate discussion on vital political questions affecting Australia and the world today. We don't advocate discussion for its own sake, but to promote understanding of the world so that we can fight for a better world.

We cannot do this properly without the active participation of our readers. Contributions from outside 'Red Eureka Movement' (REM) are welcome. For those in a hurry, or who lack confidence in writing, draft articles in note form and/or readers letters are welcome.

There is nothing more boring than a "discussion" where everyone is in basic agreement. For far too long attitudes of intolerance have existed towards those who have had the courage to speak out and say what they feel. Obviously, REM does not claim to be the repository of all wisdom. For these reasons, articles hostile to REM policy and Mao Tsetung Thought may be published in the 'Discussion Bulletin'.

"What is correct invariably develops in the course of struggle with what is wrong. The true, the good and the beautiful always exist by contrast with the false, the evil and the ugly, and grow in struggle with the latter. As soon as a wrong thing is rejected and a particular truth accepted by mankind, new truths begin their struggle with new errors. Such struggles will never end. This is the law of development of truth and, naturally, of Marxism as well."

(Mao Tsetung. Selected Readings, p.464, 'Correct Handling...')

Issues that we are particularly (though not exclusively) interested in opening up for further discussion at the moment are :-

- + Political Economy.- studying Marxist political economy and applying it to Australia.  
Eg. analysis of the Budget, further articles based on the recent Sydney National Political Economy Conference, the theme of technology and progress, the Energy "crisis" - fact or fiction ?
- + Analysis of any current workers or peoples struggle.  
Eg. Radio 3CR in Melbourne, recent teachers struggles in Melbourne, fascist developments in W.A., Queensland and elsewhere .
- + The conflict in Indo-China (Vietnam-Kampuchea-China etc.)  
Eg. analysis of divisions within the Vietnamese and Kampuchean leaderships, linking this conflict to the theory of the 3 worlds.
- + The Womens question. Eg. How to implement the slogan "Women and Men Unite" in practice.
- + Party building. Eg. we expect a reply to the article 'Party Building is Important!' published in this issue.
- + Follow up on any discussion that is started in the 'Discussion Bulletin'.  
Eg. The debate started in 'Discussion Bulletin'4 on independence V. socialism is continued in this DB by the article "Intellectuals and the Working class". The comment on the "Letter from India" continues the debate on the theory of the 3 worlds .

All these questions are being debated within REM at the moment. We want to make these debates more public and to involve the public more in them .

MESSAGES .

I. NOTICE to anyone who at anytime had some reason to believe they may have been members of the CPA(ML), or may still be.

The last 'Australian Communist' contained an article on democratic centralism and the last Party Congress. For anyone with actual experience of "democratic centralism" in the CPA(ML) the article was obviously the product of fantasy. Real Bullshit.

The thing about it is though that the CPA(ML) are seen by people who have heard of the CPA(ML) as Maoists. Until such time as genuine Maoists can make a clear line of demarcation between these bullshit artists and Maoism it is extremely important for their political line (and this obviously includes their line on organisation) to be challenged and exposed.

So all you ex-, current or maybe members of Hill's heir apparent to Malcom Fraser please submit your experiences to 'Discussion Bulletin' because I am rather keen to collate all of them and use them for an article to answer 'Australian Communist' rubbish .

Paul - ex (at least I think I'm ex) Central Committee member CPA(ML)

(the offending article is "Congress and its documents are the product of democratic centralism", 'The Australian Communist' 95, pp.8-18).

2. We have received a justified complaint from W.A. about our failure to send material that was ordered. This will now be rectified. Any others with similar problems please write c/- After Hours Books. We have not had a Leninist standard of organisation or even a particularly businesslike one and we accept criticism for this.

The letter also inquires about a rumour in W.A. about an REM supporter "accidentally falling down stairs" with assistance from some of Norm Gallagher's friends. Such rumours are purely the result of frustration. A public call was made for violent attacks on us "riff raff" and "scum" by Mr.E.F.Hill in Vanguard of Nov. 17, 1977, p.3 (See The Rebel ! Vol I, No 6, December 21, 1977 "Are You a R-R-(Riff-Raff) Revolutionary?").

Immediately after the first such attack, Mr.Hill was visited personally by three CPA(ML) Central Committee members associated with the Red Eureka Movement and informed in writing that he would be held personally responsible, and would suffer personally, if these continued. In addition a mobilization within the Australian Independence Movement resulted in some of Mr Hill's supporters avoiding expulsion by a vote of only 93 - 95.

As a result of our willingness to struggle openly against social fascist violence we are probably the only opponents of Mr Hill that have not been subjected to continued harassment. There have in fact been no further problems and the rumours are a product of frustration about this.

3. REM is exchanging publications with the Worker's Viewpoint Organisation, GPO Box 2256, New York City, New York 10001, who wrote on May 6, 1979, saying that they agree with polemics against the line of the Party of Labour of Albania that they read in our 'Discussion Bulletin' (DB3, March 17, 1979), that the current leadership in China are revisionist and that the "three worlds" line is Chairman Mao's line.

4. REM is also exchanging publications with the Communist Party of New Zealand.

5. An article called "Productive and Unproductive Workers" discussing the class position of so-called white collar workers has been received. It will be published in the next 'Discussion Bulletin' (DB 7).

6. In 'Discussion Bulletin' 5 (30th July, 1979) we offered E.F.Hill (Chairman of the CPA(ML)) access to the pages of 'Discussion Bulletin' to reply to our critique of his revisionist book "Class Struggles in the Communist Parties". So far Mr Hill has politely ignored our offer . It still stands .

LETTERS .

Comrades,

I've got a gripe or 2 about the introduction to the last DB. In short I wasn't all that keen. What I'm having a go at is not so much the content as the style.

What was said about wise leader E.F.Hill, his progress along the road to perdition, the need to expose the new revisionists etc. is spot on but there were a few things that really gave me that deja vu feeling. Seriously, there was also one thing that was wrong. On page 2 it is said that :

"Hill has lost possession of the truth. Inevitably his Party will dwindle decline and putrify and lose the support of the masses."

It sounds great, but the CPA(ML) has never had the "support of the masses". There is a big difference between having the support of the masses and having a mass line. Any genuine ML Party or organisation will have, or must develop a mass line and from this the support of the masses will come. For a time the CPA(ML) strove to develop a mass line and especially during the period of the Vietnam war the Party did begin to go places. Its degree of support in the anti-war movement grew to be a significant one. So too among various active issue orientated groups. But its level of support among "the masses" was very small. Its degree of working class support, with the exception of the Builders Labourers Federation and the Waterside Workers Federation, was quite insignificant. Of these unions only among the WWF was an active rank and file group under ML leadership developed. The BL's did not develop one. The high degree of support for Norm Gallagher was because of his unionism and not his "communism" and sadly, the "rising stars" of the BLF during this period were nearly all committed communists ex-students and not rank and file workers who embraced communism because of their work and union experiences and their contact with ML union leaders. Bewdy Norm !

OK, I've made my point. You might feel I'm splitting straws but I don't think so. It may appear to be a small thing, but potentially its pretty nasty. Its an indication of a stereotyped approach not only to writing but to analysis. Taken to an extreme we can see a tiny sect who have a totally unrealistic idea about what constitutes "the masses" and who pontificate to whoever is silly enough to listen, convinced that this constitutes fine "mass work" while isolating themselves totally.

In this case I'm sure its just a hangover from the CPA(ML) (and we all suffer from various ones). But its just this sort of hangover, this lazy approach to writing that leads (as in this case) to concrete factual error, the consequences of which are far more important than the original error.

Over the next dozen or so lines there are 2 other things that bug me style wise.

"In the last 2 years the fact that the leaders of the CPA(ML) have been surprised and most annoyed at the formation and development of the REM...etc" and,

"This brings us to the question that a few people have asked us: Why do they do it ? Why have E.F.Hill and others ... turned into splitters ..."

Without doubt Hill and his fellow parrots have been very annoyed by the formation of REM and people certainly have asked, why do they do it ? But it reads like stuff right out of guardsvan and the Australian parrot. It strikes me as rather pretentious because it gives the uninformed reader a false view of our importance and strength. It leads one to believe that the struggle against the Hillites is more advanced than it really is (in fact, it has hardly even started). Pissed off with us they may be, but also with 'The Way Forward' and the communist opposition to them on the Melbourne waterfront. We are not the only fish in the ocean and we shouldn't pretend to be. And sure people ask why they do it. But it reads like a pronouncement of the "wise" leader who surveys all and knows all. I know its not intended that way, and maybe I'm overreacting, but given our history - Made in the CPA(ML), This side up - where the wise men of the CPA(ML) patronisingly give audience to any passing micro-organism, I don't think I'm over reacting. Still, if it gives them pleasure who are we ...? The thing is if its good enough for them it should definitely not be good enough for us.

Stereotyped Party writing and stereotyped writing in general is not only an indication of laziness but also a matter (in the long term at least) of the degree to which one is isolated from the nitty gritty world. Over the last couple of years we have made a lot breaks with the CPA(ML) revisionism. More are bound to come. The trouble is that on so many things (and for so many years) we didn't appreciate the gravity of the problems - if we recognised problems at all. At least when a problem is recognised we can start to work on it.

Just remember, one divides into two and its all a process (whoops my history is showing again)..... Paul .

SOME SUGGESTED READING IN POLITICAL ECONOMY .

WAGES, PRICES AND PROFIT - Marx  
WAGE LABOUR AND CAPITAL - Marx  
ECONOMIC AND PHILOSOPHIC MANUSCRIPTS OF 1844 - Marx  
COMMUNIST MANIFESTO - Marx and Engels  
ANTI - DUHRING - Engels  
THE POVERTY OF PHILOSOPHY - Marx  
A CONTRIBUTION TO THE CRITIQUE OF POLITICAL ECONOMY - Marx  
INTRODUCTION TO A CONTRIBUTION TO THE CRITIQUE OF PE - Marx  
MARX ON ECONOMICS - extracts, published by Penguin  
IMPERIALISM THE HIGHEST STAGE OF CAPITALISM - Lenin  
THREE SOURCES AND THREE COMPONENT PARTS OF MARXISM - Lenin  
INTRODUCTION TO MARXISM - Emile Burns  
POLITICAL ECONOMY, A BEGINNER'S COURSE - A.Leontiev  
THE EVOLUTION OF PROPERTY - Paul Lafargue  
A CRITIQUE OF SOVIET ECONOMICS - Mao Tse-tung  
THEORY OF CAPITALIST DEVELOPMENT - Paul Sweezy

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## WHY STUDY POLITICAL ECONOMY ?

"Red Eureka Movement" places a lot of importance on the study of Political Economy and is setting up study groups to systematically study Marxist Political Economy.

These study groups are very important. They must not be considered ordinary or casual get togethers to study general topics. Some comrades may be well versed in political economy, while others are not. Because of this every comrade must help the other to learn. At first this will be a slow process but with patience and willingness to learn we will develop a strong knowledge of political economy.

In Australia there exists today a serious scarcity of understanding and basic knowledge of political economy. The best exposition of this is the lack of class analysis for the purpose of identifying our enemies and friends for the purpose of revolution.

Articles should be theoretical and practical. One of the major obstacles that comrades come across in the workplace is the inability to be positive and scientific in criticising capitalism, in raising the political consciousness of the workers in a Marxist and consequently scientific manner. Because of these shortcomings comrades have been reduced to giving unconvincing, hotch potch descriptions of events in the country at large and the workplace in particular. This is not good enough. We have now reached a stage where we cannot accept this spontaneous and romantic reaction to capitalism. What is required is a Marxist analysis of capitalism. This means that political economy is our main tool in giving such a critique, in raising the workers political level and in clarifying the road we must take in attaining state power.

That means that we must understand not only political economy but also the industry in which we work in, the workers grievances, the type of wage they receive, the overall economics of the industry. With this in mind we have to also disseminate our propaganda in the workplace that is scientific and practical; is critical and constructive.

One of our important tasks is to scientifically criticise the economic policies of the Australian Labour Party; the political Party that hoodwinks the Australian working class and ties them down to liberalism. Of course that does not mean that we ignore the Liberal party or any other group of "prominence". Such criticism in the past has never been adequately and correctly undertaken. There is much research to be done on a practical level in terms of wages and wage indexation, inflation and unemployment; the economic crisis.

Political economy can help us to analyse classes and to formulate the proletarian party's political line. None of these are simple tasks but with an understanding of political economy our tasks will become much more clearer.

Marxist political economy is a science with a clear-cut class nature and a high degree of militancy. It is a sharp weapon of the proletariat for opposing the bourgeoisie. Through studying Marxist political economy, we can strengthen our faith in the inevitable victory of the communist cause. At the end of the preface to 'A Critique of Political Economy', Marx quoted the lines "all hesitation must be stamped out, no timidity will help" as a demand for proletarian revolutionaries to adhere firmly to the revolutionary truth. In the course of founding Marxist political economy, Marx had suffered various kinds of persecution by the international bourgeoisie. However, for the liberation of the proletariat all over the world, Marx extirpated all hesitation, explored the scientific truth with unbending efforts, and firmly adhered to the scientific truth.

Is it difficult to learn Marxist political economy? "Things are always difficult at the beginning" (Preface to the first edition of Capital). For beginners, mastery of the basic theory of Marxist political economy naturally calls for effort. The key is to surmount the difficulties, to persevere in reading, and to combine theory with reality.

Marx once said: "There is no royal road to science, and only those who do not dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits."

## THE POLITICAL ECONOMY CONFERENCE IN SYDNEY

If you went to the 4th Political Economy Conference, held in Sydney from August 24-26th, expecting to find a group of radicals seriously trying to work out how to deal with the present economic crisis, in order to further revolutionary ends, you'd have been disappointed. There were radicals there, of course, and there were some attempts to work out some aspects of the present crisis, but for the most part it was just a show-case for academic 'Marxists'. There was heavy emphasis on theory, jargon and formulae in many papers. Some examples of this follow: (taken from the booklet of synopses of papers)

From the paper "The Relevance of the Critique of Social Forms to the Struggle for Socialism"; "The main thesis to be discussed is that (1) the critique of social forms is something to be distinguished from conjunctural and historical studies of capitalist society and (11) such a critique is indispensable for a radical political movement in assessing how radical the changes have to be to overcome capitalism".

From the paper "Uneven Development and Labour Force Segmentation"; "It will be argued that the differentiation and disequilibrium of capitalism manifest in such phenomena as uneven development and labour force segmentation can only be understood in terms of Marx's value categories and the dynamics of the value sphere."

From the paper "Observations on General Equilibrium and Reproduction Models"; "How is it therefore possible to explain the increasing use of G.E. theory (or rather its more rudimentary version represented by linearly constrained optimization models) in centrally planned socialist economies...."

I'm quite sure that this kind of language is neither necessary nor helpful. Many of these papers were not at all appreciated by the audience (I use that word deliberately). The forum on legal practice in particular was reported to be boring. Papers which relied on formulae were not well received (I found it impossible to sit through the one by Katherine Gibson). Unless you are already an expert in a particular field, it really isn't possible to take in formulae in these circumstances, and it seems to me it isn't at all necessary. It must be done mainly to impress people with the author's erudition.

Many of the aspects covered by the conference were not at all radical or alternative. There was much discussion of strategies within the system, e.g. health care, public transport, maternity leave, anti-discrimination legislation, taxation, the Victorian Football League, the N.S.W. Law Reform Commission, housing estates. The extreme example of this was the paper by Groenewegen, suggesting that the economic crisis could be dealt with by expanding employment in the public sector. It is true that Groenewegen was severely criticised in the opening remarks of the conference, and also that there is room for discussion of strategies within the system in a conference about radical alternatives, but the former should not exclude the latter, or take up such a large proportion of the time. The extent of discussion of such topics says a great deal about the orientation of the conference.

The contribution by the Russian representative A. Bykov "The Problems of Planned Development of the Soviet Economy", fitted very comfortably into this framework. Bykov was sponsored by the Building Workers Industrial Union. He kept up the pretence that the Soviet Union is a socialist country, claiming that they have no unemployment (in fact, all the 'problems' mentioned, required only simple adjustments to disappear completely!). More significant were his statements that "new technology is introduced only if it is profitable", and "the world division of labour is used as a lever to increase production in the U.S.S.R.", and that "a bigger profit shows more efficient production". People mostly went along with the pretence, although they sniggered, and even laughed aloud, when Bykov said the Russians "weren't prejudiced against nuclear energy", but most of them clapped when he'd finished. There was some hostility, but it



wasn't taken up by most of the audience, unfortunately.

There are other minor criticisms which can be made. Child-care had to be paid for (\$7.50 per child per day for those on high incomes, and \$2.50 for those on low incomes). These prices, it seems to me, would discourage parents from attending, especially single, student parents. Child-care is an important part of such conferences, and should be used to provide positive encouragement for parents to attend.

Some of the sessions were certainly worthwhile. "The Politics of the I.W.W." by Verity Bergman, which analysed the I.W.W. in Australia as a "revolutionary Marxist political party", was reported to be excellent. "The Sexual Division of Labour and the Crisis", given by four women from the Women's Employment Rights Campaign was also a real contribution to our understanding of what's happening to women, in three industries in particular: banking, white goods and clothing. The way women's employment is manipulated to boost profits and avoid industrial unrest was illustrated. F.G. in banking, women have been able to become tellers because the job will soon be obsolete through computerization, and presumably women won't make a fuss about being displaced. In the white goods industry young men are replacing women in advance of technological change (presumably the young men will be operating the new machines).

The participation of women in the conference was quite impressive. About 15 out of 32 papers were by women, and about one third of these were on specifically women's issues. It is certainly a change to see women taking part in the heavy theoretical approach to Marxism, but it's a pity that some of the research wasn't applied to more immediate practical use.

Another session which was quite good was the Action Groups Forum. This involved the Movement Against Uranium Mining, the Unemployed People's Union, Inside Welfare, and Friends of the Earth. The representatives discussed their histories and strategies, and a discussion developed on the need for a coherent political analysis behind such movements, together with the need to fight against sectarianism.

Other sessions which were reported to be interesting included a Forum on Technology, Feminist Film Workers Forum, Asian Industrialization Forum, a paper on "The C.P.A....and Workers Organization", and "The Media and Social Control", but it was impossible to attend many of them. This, in fact, was a major fault of the conference. There were up to 6 sessions on concurrently, on both days, so that there were 54 forums and papers crammed into 2 days. It's fair enough to have some concurrent sessions, but I think 6 concurrently is ridiculous. It's fairly difficult to review a conference when you couldn't possibly attend more than one sixth of it.

There was quite a distinction between the people attending the conference and those giving the papers. People seemed to go along because they really wanted to find out something about political economy and have some idea of what's going to happen in the future and how they can deal with it. It seems to me that because of this attitude on the part of the audience, it would be worthwhile for PEM to put a lot of effort into participating in such conferences in future, especially when they take place in Melbourne or Adelaide. If we're doing at least a minimum amount of work in the area of political economy it shouldn't be too hard to write a few papers which generate more interest than many of those at Sydney this year, and which are of more use to people interested in being part of the revolutionary movement.

17 September 1979

The following article "Cut Prices - Cut Profits?" was written around November 1974. It is somewhat dated as well as having a number of errors. For example:

- 1) The article defends the slogan "Make the Rich Pay" (which originated from the French CP in the 1930s and is still a favourite of Hardial Bains' Communist Party of Canada (ML)). The article wishfully assigns a scientific content to this slogan, which in fact it never had, and wrongly contrasts it to the slogan "Cut Prices - Cut Profits".
- 2) In fact "Make the Rich Pay" meant much the same to the CPA(ML) leadership as "Cut Prices - Cut Profits" and it too ultimately fell into disuse after going down like a lead balloon. The article predicted correctly that "Cut Prices - Cut Profits" wouldn't get off the ground, but failed to link this to "Make the Rich Pay".

Subsequently this was corrected, for example a passing criticism of "Make the Rich Pay" was expressed in "Wages and Unemployment" written around 1976 and first published in The Rebel! Vol. 1 No 2 of August 1977. More detailed criticisms, although still indirect, were made in other unpublished articles also written in 1975 and 1976, some of which will be published shortly.

Vanguard and Australian Communist have been very indignant that the slogan "Make the Rich Pay" was criticized, even by implication, and several articles have explained, with great enthusiasm, what a really marvellous slogan it was, and how important the set of concrete demands it embraced were. Remember them? - No taxation on incomes under \$10,000, raise taxes on higher incomes etc etc. But of course it didn't correspond to reality so eventually these slogans and demands just faded away again (but without any self-criticism).

- 3) The article uncritically endorses such CPA(ML) pamphlets as "Economic Crisis in Australia" and "Make the Rich Pay", and accepts the "monetarist" theories about "currency inflation" as simply the result of depreciated paper money. Although not as bad as the theory of "monopoly profiteering" criticized here, the theory of "currency inflation" is also misleading. Corrections have already been published in The Rebel! as follows:

"The State is Not Bankrupt" (28/7/76) Vol 1, No 3  
"Studying Inflation" (5/4/76) Vol 1, No 4  
"Inflation and Paper Money" (31/7/76) Vol 1, No 6

- 4) There are also some confusing references to the falling rate of profit, which is really a long term trend not directly connected to the sudden collapse of profitability in an economic crisis. A better explanation of the movement in profit rates during the business cycle will be found in an article on "Surplus Value and Profit" dated 14/9/76.

Likewise there is a reference to the masses being unable to buy the goods they have made, which is later corrected in several articles, including one called "Underconsumption" dated 29/8/76.

This was one of the first in a series of articles and notes, mainly on political economy, that were written for self-clarification in 1975 and 1976 and most of which were also submitted to the CPA(ML) leadership for internal discussion and criticism.

Naturally none of these articles were discussed at the time, unless one counts as discussion, the comments noted in the note to "Inflation and Paper Money" in The Rebel! Vol 1 No 6.

Nevertheless, the writer accepted a request from the party leadership, not to discuss these matters with anybody else, on the basis that the views expressed were completely wrong and anti-Marxist, as would be explained by the party leadership in discussions shortly. (This was coupled with a polite suggestion that the author should consider withdrawing from the Party).

Since early 1977 "replies" (of a sort) to this and other articles have been published in numerous issues of Vanguard and Australian Communist (e.g. A.C. No 82 p138, No 84 p57, No 85 p81, No 87 p30 and p50, No 88 p45, No 90 p71).

The proposed discussions evaporated as a result of a firm policy not to talk about anything at all to supporters of the "gang of four" (so as not to turn the party into a debating society etc etc). Although the whole issue has been overshadowed by other controversies, it seems appropriate now to let people read for themselves the material that has been replied to so often and with such venom.

Apart from the usual abuse, and a rather strange preoccupation with a fantasy about some alleged "theory" concerning "socialised relations of production", only one theme has been repeated over and over again, as the answer to questions raised concerning political economy.

The reply has been that criticism of the party's uncritical (and unsuccessful) promotion of the "Cut Prices" slogan (and by implication of "Make the Rich Pay") means confusing and diverting the people's struggle. (See A.C. No 82 p138-147, No 84 p69-70)

This argument has been refined into a theory that "The gang of four supporters say essentially that no struggle should occur because you are dealing with an inevitable process...If accepted this idea does mean that monopoly capitalism can ride roughshod over the people." (No 87 p54)

It has been refined further to conclude that "They want, as Marx said, to reduce the workers 'to one level of broken wretches'". As the critic righteously points out "This is simply service to the monopolies." (No 87 p33-34)

Readers can now judge for themselves whether or not that was our theme.

This reply fits well together with the claims that our criticisms of distortions of the concept of "three worlds" means we support the Albanian attacks on that concept, that our criticism of the sectarian disruption of the united front against social imperialism by attributing everything that happens to "superpower contention" means we are agents of Soviet imperialism, our defence of socialism and revolution means we oppose the independence movement and want provocations in the streets etc etc.

In short no criticisms can be discussed, because unless you are an obsequious slave, or only wish to draw attention to a misprint, you are an enemy.

Unfortunately this barrage of hateful lies has successfully discouraged people from polemicising with the CPA(ML) leadership because there seems no point in arguing with people so far "off the planet" and one wonders how we ever got mixed up with that lot in the first place.

But we have an obligation to clarify our own position and expose it to public criticism and a resumption of polemics may contribute to that, as well as assisting those taken in by the lies earlier and now starting to wake up.

Contrary to claims made in Australian Communist etc nobody in the Red Eureka Movement has presented a new "system" of political economy or held themselves out to be "experts" on it. We have no great geniuses of even greater modesty like the present great leader of the Australian people.

But in this and subsequent issues of our Discussion Bulletin we are now publishing, under the byline "Alan Ward" some of the internal criticisms that were written between three and five years ago and never previously circulated, except in some cases, to the party leadership.

There are several reasons for this publication:

1. These articles present some ideas that should provoke discussion and so promote the serious, scientific study of political economy among Australian Marxist-Leninists (or as others would say, promote "abstract theorizing").

One reason publication was delayed for so long is that the author was nowhere near as certain of his ideas as the infallible leader of the Australian revolution was certain of his.

The test of time has confirmed that there was indeed nothing to be cocky about, as shown by the corrections above. Nevertheless, the ideas expressed in these articles, and in particular the present critique of Vanguard's preoccupation with "monopoly profiteering" has stood the test of time rather better than the ideas being criticized (and the resulting attempted campaign against supermarkets).

2. Publication allows people to judge for themselves the adequacy, accuracy and honesty of the replies to these articles which went on for month after month without anyone actually knowing what was being replied to.

3. Publication also allows people to judge for themselves whether or not a sincere effort was made to correct errors in the "proper way" as long ago as two years before the violent public attacks on "scum" and "riff raff" made it necessary to fight back more sharply. People can judge whether these criticisms were comradely or disruptive and can compare their approach to the desperate efforts made to smother criticism in "dialectics" or abuse. (Later criticisms grow sharper as the two years goes by without any reply, until finally a reply came in the form of open support for Chinese revisionism).

4. As a "negative example", the present article's naive faith that the party leadership had some grasp of Marxism and were not themselves responsible for the absurdities of the "Cut Prices" campaign, may serve as a warning.

Possibly this blind faith was mistaken for sarcasm since in fact they know nothing whatever about political economy and regard the three volumes of "Capital" as an awesome mystery to be admired rather than studied.

It may remind people that in this struggle, as in most, the revisionists were more consistent in their (bourgeois) class stand and quicker to recognize that the contradictions were antagonistic and could not be resolved through comradely criticism and self-criticism!

## CUT PRICES - CUT PROFITS ?

'Vanguard' has often said that inflation is caused by the printing of banknotes to finance Government debts. Some mass leaflets have also made that claim.

Most people do not have the faintest idea what this means, so there is no point just repeating it. There must be explanation, which requires understanding, which requires investigation and study. (A more accurate description of currency inflation, which goes beyond "banknotes", and of the reasons for Governments resorting to currency inflation, is also required).

In practice most people active in struggles connected with inflation and the economic crisis do not really believe that rising prices are due to currency inflation at all. Statements about currency inflation in mass leaflets (and often in 'Vanguard') seem irrelevant to the main content of the leaflet or article. They lack conviction and appear to be mere lipservice.

The explanation for inflation really put forward in practice is that it is due to arbitrary price rises by the monopolies in their greed for extra profits. This is quite a different matter from currency inflation or "printing banknotes" (there is only one monopoly engaged in printing banknotes). Advocating both theories at once does not resolve the contradiction between them. Nor is it correct to say that monopoly profiteering "aggravates" currency inflation.

The popular view about inflation among progressive people is that whenever the workers win a pay rise, the monopolies raise their prices once again to restore their profits or even increase them. This is in fact what the monopolies announce whenever they increase prices and it has been repeated endlessly in the newspapers and other mass media. Since it reflects little credit on the monopolies it is not surprising that many people accept it.

But there are obvious reasons why the monopolies should want to spread such an idea. Firstly it demoralizes workers and makes it seem futile to struggle for wage rises. "What's the use, they'll only increase prices again" is a common comment. Secondly it appeals to farmers, small capitalists and the petit-bourgeoisie, who are severely affected by the capitalist crisis. These middle sections accept the permanence of capitalism and see inflation as the source of their problems. Intimidated by the power of the monopolies they are asked to blame the workers for struggling against the monopolies when such struggle is futile anyway. This splits them from their real allies the workers and unites them with their real enemies the monopolies who do not openly say that they increase their prices even more than their increased costs, or that they seize opportunities created by the inflationary situation to raise their prices whether wages have risen or not. Nor do they say that in the "wages-prices spiral" of alternative wage and price rises the workers fall further and further behind and the monopolies make record profits. But when you look closely at the implications of these "progressive" views, they have the same sort of demoralising and splitting effects and are equally in the interests of the monopolies.

It does not really matter how indignant people get against the monopolies so long as they are convinced there is nothing they can do about it - and that is exactly what these "progressive" theories assert.

Marx recognised the dangers of the belief that capitalists could offset wage rises by price rises and made a detailed refutation to the General Council of the First International in 1865. It was published as a booklet in 1898 and has been recognised as a classic exposition of basic principles of Marxist political economy. The Chinese have reprinted it under the title of "Wages, Price and Profit" and it is really essential reading today.

The relation between Wages, Price and Profit is exactly what needs to be understood to defeat the frenzied cries for "wage restraint". Every revolutionary should study Marx's explanation so that they understand it well enough to be able to popularise it, not just "agree with it" and ignore it.

Following from the "arbitrary price rises theory" a practical program for a "two-pronged attack" to prevent price rises robbing pay rises of their value has become very popular.

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This is also perfectly natural. Workers seem to be getting the same, or even more money in their pay packets. But when they go to buy things, prices have risen and they cannot buy as much as before. It appears that price rises are the problem, and there seems no "reason" for these more and more frequent price rises. The obvious answer is to try to prevent these "arbitrary" price rises.

But materialist dialectics goes beyond appearances to analyse the essence and interconnections of things. Such analysis shows that there is a "reason" for these price rises and that the reason is the fall in the value of money. From this analysis it follows that price rises cannot be prevented while the value of money continues to fall. Therefore action to defend the worker's living standards must be directed either at preventing the currency being inflated, or at ensuring that the value of wages is not reduced, by insisting on payment of more money to compensate for the lower value of money. There is no point in trying to force other sellers of commodities, whether monopolists or not, to sell their commodities below their value by accepting the same amount of money as before (not raising prices), when this money is less valuable. Rather the workers must raise the price of their commodity, labour power, so as to receive its value.

Of course many workers accept the "wages-prices spiral" as advocated so effectively in the newspapers. This creates a more difficult climate for struggle to "raise wages and pensions substantially" and increases the temptation to merely issue propaganda telling people how monstrous the price rises are (already they already know that).

Instead of organising action around the Communist Party program to "Make the Rich Pay", it seems easier to organise consumer boycotts, demonstrations and strike action directed at preventing price increases. This is more popular and it is said that anyway people will learn in the course of their struggle.

This is quite wrong. The program to "Make the Rich Pay" did not leave out "demands" to cut prices by accident. There is no point in having a Communist Party if it is good enough to just trail behind whatever is popular at the moment. Certainly people learn from their defeats as well as victories. No permanent damage will be done if there are a few bloody noses from attempting to batter down prices through boycotts. The mass enthusiasm for struggle against price rises is a very precious thing. It has mobilised many people. Nothing should dampen it. Communists should participate to help sum up experience and lead it in a direction that will win victory. Only then will the very good work that is being done really have fruitful results and not just end up being dissipated.

The real reason people want to struggle against price rises is because they want to do something about the decline in real wages that appears to be caused by price rises. The action that is taking place against supermarkets and so forth provides wonderful opportunities to popularise the truth about the economic crisis and advocate the party program.

But just because one is demonstrating outside a supermarket, or handing out leaflets to shoppers, it is not necessary to say that prices are rising because the supermarkets and food processors are increasing them. People already know that, they want to know why and what can be done about it. The shoppers are thinking about price rises, they are eager for struggle. On no account should communists mislead them into struggle that will end in defeat.

The slogan which really sums up the program for struggle against price rises is "Cut Prices - Cut Profits". Adding "Make the Rich Pay" does not change the fact that these are two entirely different programs.

"Cut Prices-Cut Profits" is based on the bourgeois theory that profit is made at the point of sale by selling commodities at prices greater than their value. It contradicts the Marxist theory that profit is made at the point of production

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where the labour of workers creates value far exceeding the value received as wages to maintain their ability to labour.

"Cut Prices-Cut Profits" is really a retreat in the face of bourgeois propaganda for "wage restraint". Simply because the newspapers say there is a "wages-prices spiral" and blame the workers, a "progressive" version of exactly the same "wages-prices spiral" is developed, blaming the monopolies as the leading factor.

It disarms people and opens the way for "wages and prices controls" to "stop the spiral". By depriving workers of a scientific understanding of currency inflation and the difference between real wages (what can be purchased with wages) and nominal wages (the amount of paper money paid), it becomes easier for the monopolies to impose the drastic cut in real wages that they want to rescue capitalism from its crisis. Workers are left futilely struggling against things they have no control over - prices, instead on things they can at least influence - wages.

In favourable conditions (capitalist "boom") well organised industrial and political (reformist) action can force a rise in real wages. In unfavourable conditions (capitalist "bust") such action can slow down their fall. There is no need to say "Raise wages - Cut Profits". Everybody knows what happens to profits when wages rise.

But how on earth are consumer boycotts, demonstrations and so forth supposed to prevent price rises when the currency is being inflated ?

How can these struggles be won ?

Safeway's for example does operate on a profit margin of less than 1 cent in each dollar of sales (1973 sales \$98,023,000, net profit \$955,000). This may be an enormous rate of profit on the capital invested (which of course is nothing like the \$98 million that passes through their hands each year from shoppers to suppliers). Or it may be a very low rate of profit. But either way, how could prices be reduced by more than one cent ? If the store was taken over by the people without compensation and run at no profit, the goods sold each year would still have to be priced at \$97,068,000 to cover costs. Only \$955,000 could be knocked off the total and each item could only be reduced by an average of 1 cent in the dollar. A \$40 shopping bill would still be \$39.60. We may add a little for reduced wastage, corruption, concealed profits and inefficiency, and take away a little for higher wages to employees and less squeezing of the suppliers. But it won't make that much difference.

Safeway's should be nationalised along with other U.S. monopolies because its nearly \$1 million profit is squeezed out of the surplus labour performed by Australian working people to line the pockets of parasites in the United States. Everything done by Safeways is done by wage workers and other salaried employees. We do not need the capitalist parasites in order to have supermarkets.

If instead Safeway's is nationalised to "bring down prices", the failure to bring down prices will come as a defeat. It may even be quite convenient for the other monopolies, to discredit the idea of nationalisation.

With prices rising by more than 20% each year, a 1% reduction would not be noticed within a few weeks.

According to the figures published in 'Vanguard' (Myer's Record Fleecing of the People' 10/10/74) one may calculate the profit margin of Myer's at 3.6 cents in each dollar of sales last year and 3.8 cents the year before. Until recently Myer's has been making a staggering 30% profit on its capital. It increased its profits by cutting prices to sell more goods. (Actual money prices rose, because of currency inflation, but as far as Myer's is concerned, the profit mark-up was cut).

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If, as proposed in 'Vanguard', Myer's prices were to be cut by 30% upon the store being taken over by the people, because the rate of profit on capital was 30% when privately owned, the entire stock and all other assets including buildings would be gone in less than 6 months, even assuming that sales did not jump dramatically as a result of the reduced prices. Nothing would be left to replace the stock and continue operations after the 6 months. How would a "people's store" run like that benefit the people?

Heinz in Australia operates on a profit margin of 4 cents in the dollar. That is much higher than the average in the food industry and represents monopoly superprofits on the capital invested. But how could the price of Heinz products be reduced by more than 4% and who would notice after 3 months at the present rate of inflation (more than 5% each quarter).

If Heinz superprofits are twice the "ordinary" rate of profit, then a can now costing 51 cents could be forced down to 50 cents by enforcing freely competitive prices. If its profit was eliminated entirely, it could be brought down to 49 cents (perhaps 48 cents to take into account massive concealment of half the profits that are really being made). Big deal, the can would still go up in price by 1 or 2 cents each quarter because of currency inflation.

Kraftco's figures for its Australian operations are not to hand. But the U.S. parent made a gigantic profit of \$US 103,428,000 in 1973. It made that profit on sales of \$US 3,601,535,000 ( 3.6 billion dollars ) which indicates a profit margin of 2.87 cents in each dollar of sales. How could the price of Kraft foods be reduced by more than 3%, and who would notice if they were reduced by this much?

The profit of these monopolies does not come from mark-ups on prices. It comes mainly from selling commodities at their value (or strictly speaking, the "price of production") and paying wages corresponding to the value required to maintain the worker's labour power, rather than the value created by his labour.

Thus Kraftco for example made \$ 103 million because the labour of its workers added something like \$ 103 million to the value of the raw materials used up and machinery etc. depreciated, on top of the amount they received as wages. ( Not to mention the value of their personal income taxes and Kraft's \$ 86 million company taxes, also produced by the workers' labour). Kraftco's shareholders did not produce any of this wealth, but they got hold of it.

This is a gigantic rip-off. It is called capitalism .

But Kraftco did not make its \$ 103 million by overcharging people by 3% for its products. Take Kraft cheese for example. People do not buy this cheese, and pay its price, including the profit margin, because Kraftco has cornered all supplies of cheese and will not let them buy any other. On the contrary, you can buy cheese from all over Australia and all over the world in shops and supermarkets.

People buy Kraft cheese because it is cheaper than others. Annual consumption of cheese per head of population in Australia has risen from 2.6 kg in 1958-59 to 4.2 kg in 1971-72, largely because of the increased availability of relatively cheap cheese within the means of ordinary working people.

If Kraft cheese is cheaper, how are Kraft's prices a rip-off. The rip-off is Kraft's wages .

The same is true of supermarkets. People shop at Safeway's because they prefer to. They are not idiots and nobody forces them to. Small shopkeepers are being ruined because people prefer supermarkets. The supermarkets are undercutting the shopkeepers. How is that a rip-off?



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The situation is quite different with labour. People do not work for wages because they prefer to. They work because they are forced to by capitalists like S. J. F. Way's and Kraftco who "own" the means of production. (Most workers work for monopolies outside the food industry and retailing, and most profit is gained outside these industries incidentally).

Without means of production such as cheese factories where cheese can be processed cheaply, machine building industries where the cheese processing machinery can be manufactured, transport facilities, steel mills for the machine building industries, and finally supermarkets where the cheese can be retailed efficiently modern cheap cheese production would be impossible. The same goes for dairy farming and all other industries and commodities.

Since the capitalists own the means of production (built entirely by the workers), the workers have no choice but to work for wages and be ripped-off to produce surplus value (profit, rent and interest) for the capitalists. It is either that or starve.

The same problem faces the smaller capitalists supplying to or purchasing raw materials from the big monopolies, and the farmers and petit-bourgeois independent producers. The big monopolies ruin these people because they own the decisive means of production.

This is the real rip-off. Why obscure the class struggle by confusing one kind of rip-off with another ?

Of course it is true that the monopolies grab an extra share of the surplus value produced by the workers, by charging maximum prices which are higher than the prices that can be charged where there is free competition.

Supermarkets, retailing in general, and the food industry in general would not be important examples of this however, as they are notoriously industries where fierce "cut throat competition" and "price wars" prevails, as compared with heavier industries like steel production where the much higher capital investments required to start up discourage competition breaking out against existing monopolies.

Where monopoly prices are charged for commodities that enter into the necessary consumption of workers however, for example cars and telephones, then this has the same effect as a wage cut. It can best be countered by a wage rise (see Marx, Capital Vol. III, part VII, Chapter I ).

Even the strongest looking monopoly prices tend to break down in conditions of a major crisis of overproduction, since the struggle over who is to go under forces renewed competition. The flood of cheap Japanese imported cars against the wishes of the most pampered monopoly in Australia - GMH, is a good example.

Monopolisation can explain why the relative prices of some commodities are higher than they "ought" to be. But how is it supposed to explain why these prices, and indeed all prices, including non monopoly prices, and wages, are rising ? And how can it explain why prices are rising faster now than only a short time ago ?

Currency inflation does explain these phenomena fully. The whole question is explained very well, and placed properly in perspective to the general economic crisis, in the 1971 Marxist-Leninist pamphlets "Economic Crisis in Australia" and "Make the Rich Pay". There is no need to "supplement" this correct and scientific explanation with stuff about "arbitrary price rises" and "profiteering" as in the 1974 pamphlet "You Fight Inflation". Inflation has accelerated since 1971, it has not changed its character. As predicted then, the economic crisis has started to affect even the biggest monopolies. Some of them

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have already collapsed. Nearly all are screaming about how bad things are. How could inflation be a matter of "record profits" for them (except on paper). Of course the even greater anarchy than usual accompanying the accelerated inflation creates conditions in which profiteering (as distinct from "ordinary" profit-taking) will occur more frequently than usual. This is a central issue for petit-bourgeois opposition, but not for communists.

Neither profiteering, nor monopoly prices in general, can be said to "aggravate" inflation. They are separate issues. Inflation does not run at say 20% instead of say 15% because of these things .

It is absurd for example to say that prices are rising faster than they would otherwise because monopolies are "arbitrarily raising prices" in their greed for "record profits".

Monopolies have always been greedy to the absolute limit. They have not suddenly become greedier, let alone 20% greedier each year.

They always charge the maximum price possible in order to secure the maximum profit possible.

If the maximum price possible was simply the biggest price you could think of, then of course the monopolies would be raising prices as fast as they could write zeroes on the ends of price tags. Inflation would not be running at 20% per annum but more like 1000% (per minute!).

But as Marx said in "Wages, Price and Profit" :

"The will of the capitalist is certainly to take as much as possible. What we have to do is not to talk about his will but to enquire into his power the limits of that power and the character of those limits."

The maximum price possible for a monopoly is simply "what the traffic will bear", and that is a very definite limit, depending on the "traffic".

It is the price at which any further increase would be beyond the means of so many potential buyers that the loss in volume in sales would exceed the gain from greater profit margins on each sale. (The costs of production are also taken into account).

Monopolies try to avoid charging more than this price because to do so means obtaining less than the maximum profit possible. Sometimes "specials" and "discounts" as well as ordinary "market research" are used to estimate whether perhaps greater profit could be made at a lower price. If sales increase sufficiently then the price will certainly be lowered in order to grab the extra profit.

Sometimes, too, monopolies charge less than the maximum price for fear of inducing renewed competition and ceasing to be monopolies as a result of other monopolists moving in to grab a share of the superprofits.

The details of the way monopolies "fix" their prices do not in any way prevent the law of value from asserting itself to produce average "prices of production" in exactly the way described by Marx. Although actual enterprises are not wound up or freshly established as readily when the rate of profit in a particular industry rises or falls, the movement of capital from one area to another in search of the highest profit is still what determines the movement of contradictions between supply and demand.

If anything prices are far more stable under monopoly capitalism than they were with free competition because the movement of capital from one area to another

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is far more organised in fairly sophisticated "capital markets". The sort of prices that fluctuate wildly are those of commodities like vegetables that have seasonal factors, and farm commodities produced by independent producers who have not yet been superseded by the "orderly marketing" of a cartel or monopoly.

Currency inflation changes monopoly prices only by changing "what the traffic will bear". When the Government spends more and taxes less it increases the amount of money available to buy commodities and therefore increases the prices that can be charged without losing sales and obtaining less than the maximum profit.

Conversely, currency inflation means that when "costs" rise, prices can be increased without losing too many sales. It appears as though the costs are being "passed on", but in fact it would be impossible to increase prices without obtaining still less profit, if the maximum price possible had not already been changed by the currency inflation.

Bourgeois economists call these two types of price rise "demand pull inflation" and "cost push inflation". But actually they are both caused by currency inflation. Prices rise because "what the traffic will bear" rises (or appears to rise). "Will" alone does not raise them.

Marx explained in "Wages, Price and Profit" why a real wage rise cannot produce a general price rise in this way. He showed that the increased demand for commodities by workers who have more money is compensated by the decreased demand by capitalists who have less. Only an increase in the amount of money beyond what is required, i.e. currency inflation, can produce a general increase in apparent demand, and hence a general rise in all prices, including nominal wages and profits. When the currency is inflated, prices must rise, it is as simple as that. "Will" alone cannot stop it, no matter how much the Government may rant and rave and impose "controls".

The ranting and raving has quite other, "psychological" purposes, mainly to cover up the attack on real wages that takes place under the cover of controls.

This was recognised by the present Labour Government in the interim report on "Goals and Strategies" prepared by its priorities review staff in December 1973:

" PRICE AND/OR INCOMES POLICIES

"EXPERIENCE in a variety of countries suggests that these sorts of measures can have some early successes but that the medium term consequences for inflation are minor. The initial effects have probably been due to effects on expectations. The lack-lustre performance in the longer term seems due to the fact that psychological effects are short-lived if the basic factors governed by monetary policies, fiscal policies and the exchange rate are not brought to appropriate levels. In particular, initial effects and enthusiasm are undermined when :

- (1) Sellers can lower the quality of goods or change other dimensions of the sales contract.
- (2) Suppliers of labour and other resources can seek, and firms will concede, disguised payments and various non-price inducements.
- (3) People become annoyed by shortages.

"All of this suggests that attempts to fix prices, wages or other incomes might, at best, play a part in affecting the psychological climate at a time when other policies are brought to the required stance. If these more basic policies are not adjusted, the various forms of circumvention will lead to disillusion with such policies and their progenitors."

They cannot say they have not been warned !

Nevertheless, the Government is forced to inflate because although it can govern inflation by monetary and fiscal policies and exchange rates, it cannot prevent the real rate of profit from declining and it cannot prevent the crisis of overproduction. Every attempt to absorb the overproduction produces accelerated

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inflation and every attempt to slow down inflation produces mass unemployment. Depression and uncontrollable inflation are now both happening at once. J.M.Keynes would be most perplexed and his followers certainly are.

If prices did not rise with inflation, the only result would be shortages since there would still be money available to buy commodities at the old prices after all the existing supplies had already been purchased (some going to the usual purchasers and some going to the new purchasers arising from the increased Government spending not covered by taxation).

There is really no difference between having inflated money which cannot buy as much as before because prices have risen, and having the same problem because the shops are empty. Shortages and blackmarkets are the only results of price control being used to "prevent" the consequences of currency inflation.

Chile provides an example of this - and it played right into the hands of the imperialists whose fascist agents were able to mobilise the national and petit-bourgeoisie against the workers with mass demonstrations against shortages, strikes by small businesses and truck owners etc. etc.

If the Labour Government is going to follow the same sort of suicidal policy here, we should certainly not be associated with it, let alone "demanding" it. If the monopolies are going to ruin the smaller businesses by price wars etc., the supermarkets against the small shopkeepers for example, there should be no suggestion that the workers are the cause of the shopkeepers troubles. They may welcome the attacks on "profiteering" supermarkets now but they could easily blame the workers and not the monopolies if we support the monopolies in price cutting. The same goes for the farmers who will inevitably be squeezed further to "bring down food prices".

Just as price rises are not caused by wage rises, so also wage rises are not caused by price rises. They are both caused by currency inflation.

Real wages rose, without much struggle, during the "boom" at the end of last year. They did not rise because of inflation but because the demand for labour was increased as capitalists wanted to increase production to gain their share of the apparently increased profits in the boom. Marx pointed out that such a rise in wages is a sure sign of a coming collapse.

But a large component of those wage rises, and certainly of all wage rises since, was not a real wage rise but exactly the same sort of increase due to currency inflation, as has been described for prices.

When the currency is being inflated no amount of complaints by Charlie Jones and other Ministers will prevent Ansett and QANTAS offering higher salaries to their pilots, when the alternative is that the pilots will work for some other airline that also has large supplies of inflated paper currency, leaving Ansett and QANTAS with lots of money they could have afforded to spend on salaries, but no pilots. It is not that the airlines have a particular fatherly concern for the living standards of pilots at all.

The same goes for other industries where large increases in nominal wages have been "granted".

Of course the Arbitration Court always announces that wage rises are "granted" to "offset" increases in the cost of living. The trade unions always make their "submissions" on this basis too. But that doesn't make it true. It is no more true than that price rises are "justified" by the need to "pass on" increased costs. (In fact it is the identical proposition).

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Quite often the employer's are perfectly willing to increase nominal wages, and the "Labour" Government actually intervenes with denunciations of "sweet heart deals" that are supposed to be "made at the expense of the public" because they will be "passed on as price rises".

It is all complete nonsense. The reality is that each employer has to offer more inflated paper money to workers as wages because otherwise the workers will work for some other employer who would.

It is quite amusing to read complaints by the Prices Justification Tribunal against ruthless monopolies like BHP for not opposing wage rises, while the monopolies try to explain that they haven't actually changed sides, they don't really want to pay the workers more, but they are forced to do so.

The truth about wage rises and "cost-of living adjustments" becomes clear when you examine the actual process by which nominal wage rises are granted.

The process is always one of "leap-frogging" in which one union in a favourable position obtains a rise for its members and then other unions obtain "flow ons" either with or without actual struggle. The flow ons and "restoration of relativity" are quite clearly forced by the competition for labour and have nothing to do with increases in the cost of living on which they are supposedly based. The capitalists sometimes even announce that they feel "obliged" to pay wages comparable to those of similar workers in other industries, to avoid "inequities". They are obliged. If they didn't the workers would move to the other industries.

The best proof that rises in nominal wages are due to currency inflation increasing the apparent demand for labour, is the fact that now real wages are starting to decline. Suddenly all the employers that used to accept wage demands easily are stiffening their resistance. They are not interested in what the cost of living is. They couldn't care if the workers starve, so long as they work.

With inflation the decline in real wages takes the form of nominal wages rising less quickly than consumer prices. The process is one of "flow ons" having to be fought for harder and harder and taking longer and longer to achieve. Relativities seem impossible to restore, with flat rate increases instead of percentage ones (in fact the more highly paid are taking a wage cut).

But the essence is simply that real wages are being cut. Less is actually flowing on, it is not just taking longer. Naturally the bigger cuts are taken out of the more highly paid workers. There isn't much there to cut if you are on the minimum. Highly paid white collar workers and junior executives are finding their real wages dropping very sharply indeed, relative to the industrial workers and lower grades of white collar workers below them (and of course they are told that this is the fault of the lower paid workers who are driving up prices at their expense when they "win" their nominal pay rises, leaving those on fixed salaries behind).

Real wages are now declining because the real demand for labour is declining. In other words, as unemployment grows, the capitalists are no longer forced to offer higher wages in order to attract workers. There are plenty available. Naturally the fact that the cost of living has increased does not cause them to offer increased wages when they aren't forced to. They have their own problems.

Inflation is not the cause of the decline in real wages. In fact real wages were rising at the height of the "boom" last year, despite inflation.

Real profits are also falling. Many people seem reluctant to admit this. They seem to think that if prices are rising and wages are not keeping up, then the capitalists must be increasing their profit. It sounds logical but then capitalism

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is not a very logical system. It has things called depressions which are not logical at all.

A depression means that factories stand idle because their products cannot be sold, while the workers cannot buy them because they have no jobs. The reason the products cannot be sold is because the workers have produced too many, therefore the workers will have to do without and live in poverty and unemployment.

It is all completely illogical but it is happening in Australia right now. The obvious solution is that money should be provided so that the products can be sold and then the workers will be employed and will be able to buy the goods they produce. Unfortunately this obvious solution is precisely what the Governments of all capitalist countries have been trying to do for the last few decades - run their economies on the HP. It has just come unstuck.

Real profits are falling at the same time as real wages are falling because real production is falling and hundreds of thousands of workers are unemployed. So far the figures only show a fall in real production of about 10% in the past year, probably it is much more than that. Nevertheless there is plenty of room for both real wages and real profits to keep on falling much further (while the monopolies complain that their "share" in the falling production is falling faster than the workers - who really ought to be living on nothing to leave a fair share for the monopolies).

With inflation the fall in real profits takes the form of costs rising faster than prices. The Prices Justification Tribunal "advises" monopolies to "absorb" a certain proportion of their increased costs instead of "passing them on" as increased prices. The monopolies grumble about this but humbly accept the advice.

Actually they do not need this advice at all, they have no choice but to "absorb" increased costs since real demand has fallen. How on earth is BHP supposed to raise its prices for steel enough to cover the increased costs, when the car industry is already grinding to a halt and the metal trades have been squeezed dry? It simply can't be done, let alone done at an increasing profit.

Again, inflation is not the cause of falling real profits. Real profits were rising, despite inflation, during the "boom" last year.

Nevertheless it is pretty silly to say that inflation is a source of record profits for the big monopolies when some of the biggest monopolies are actually crashing. If they were making record profits they would be enthusiastically stepping up production, and talking about what a tremendous contribution they are making to the community. They would not be laying off thousands of workers, closing down plants, and demanding that "somebody do something".

It is also dangerous. If we say that the Rich Must Pay because they are making record profits then there is no reason why they should pay when it becomes obvious when they aren't. We are going to look pretty silly blaming supermarket profiteering for high food prices if one of the chains ends up going under. It is not impossible. Leylands were not notorious for cut price vehicles either.

The cause of falling real profits is the crisis of overproduction. The masses simply can't afford to purchase the goods they have made, not because the prices are too high but because if they could then the capitalists could not be making a profit from employing them. Underlying it all is the falling rate of profit on capital invested (even when the size of real profits was rising). This inevitable trend is partly concealed by inflation because fixed capital assets are shown at their old cost prices instead of their new inflated ones, but it is still a fact and it still leads the capitalists to hoard their capital instead of investing it. Only inflation prevents the hoarding of money and the capitalists call it "investing" in commodities instead of hoarding them.

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Commodities like silver apparently "grow in value" faster than any other investment so the capitalists think they can all sit on their piles of silver (or land or whatever) and grow steadily richer without actually employing many workers to run around making things for them .

The only way capitalism can get out of a depression is to force real wages down so that the rate of profit is raised to a point where the capitalists will resume investing their capital instead of hoarding it.

Then investment and hence production and employment would rise again until there was another boom and another crash. That is the way capitalism works. It cannot be made to work in any other way .

All the "solutions" proposed by the economists end up boiling down to "wage restraint". Indexation is just a more sophisticated form of it, with the cuts in real wages only applied above a certain level (which level therefore drops each time the cut is applied). Even straight percentage indexation is really a wage cut because income tax rates would not be indexed and are "progressive".

There is no point arguing with the economists. Even though they are all nincompoops their class instincts towards a wage cut are perfectly correct. No other solution is possible. The only question is whether the cut would have to be so deep as to kill off most of the working class entirely, in which case the alternative of not solving the crisis but shifting it by war seems more attractive.

A lot of the ideas behind "Cut Prices, Cut Profits" are really based on the idea that capitalism could be made to work, if only the ruling class could be forced to accept the people's demands . Many people do think that if the monopolies only made "reasonable" profits, and gave the workers enough to live on, then all would be well. These people have never heard of the declining rate of profit (neither have most capitalists, but it catches up with them just the same). They seem to think that capitalism will be ended by indignation at the faster and faster growth in the capitalists profits.

The Communist Party program to "Make the Rich Pay" is not offered as a solution to the crisis. It calls for concrete struggle around specific demands to raise wages and pensions substantially, increase taxes on high incomes, nationalise GMH and so forth. These demands defend the immediate interests of the workers and working people and prepare the ground for revolution. They can be raised in all sorts of struggles and can certainly be raised among shoppers concerned about high prices at supermarkets. They require real creativity and imagination to develop further and to find ways of combatting the concepts about the economic crisis and inflation spread by the monopoly spokesmen (including those that have been adopted as "progressive") and popularise instead the Marxist-Leninist analysis of these questions.

Little effort is required to convince people that prices are rising. A much bigger contribution could be made by helping them to understand that week by week their actual wages are falling because the value of money is falling. This would be a real weapon that would arm workers for the struggle against "wage restraint" and to "raise wages and pensions substantially". It would counter the die-hards proposal to Make the Poor Pay to prevent inflation by cutting Government spending on schools, hospitals and so forth, which is widely accepted, by the counter proposal to Make the Rich Pay for these things by increasing the taxes on their high incomes. (The Labour Party line seems to be that nobody need pay and it can all be done by clever fiscal and monetary policies, which is accurately rubbish as wishful thinking by the die-hards).

But it is certainly not suggested that if the rich were made to pay through increased wages and taxes etc., this further decline in their rate of profit would encourage them to increase investment and employment and get capitalist production on its feet again.

Nor is it suggested that capitalist nationalisation will eliminate the contradictions of capitalism and prevent further crisis. It is simply a useful step to have the state already in control of the means of production and the monopolists isolated entirely as parasites playing no part whatever in production, when the workers and patriotic people of Australia overthrow imperialism and establish their own state .

Certainly capitalist nationalisation will not stop price rises while the currency is still being inflated. Just look at the PMG. It is the biggest monopoly in Australia and it engages in massive profiteering on telephone rentals to subsidise the postage of bills and as a form of indirect taxation. Its prices are rising faster than the average rate of inflation. But it will be relatively easy for the worker's to take it over because they already know exactly what to do. GMH production lines are also something the workers know how to run already. But how many workers and working people know how to supervise the bourgeois engineers and executives engaged in organising the supplies of parts and materials, co-ordinating the production of different plants, estimating the demand for different kinds of vehicles (presumably buses and trains rather than more cars when the people take over), and so forth. This is still done by direct representatives of the monopolists. The sooner it is run as routinely as any Government Department the better.

The reason the rich must pay for the present economic mess is not because they are profiting further from this mess or we suspect that they actually prefer being in the mess. We understand that their profits have fallen and this is a crisis. If it was just our wages that had fallen it would not be a crisis, it would be "prosperity".

We are not saying that "business is booming" and therefore must pay. Only those who want to "restore business confidence" (while they get rid of their shares) have an interest in saying that business is booming (or "making record profits" to use another phrase meaning exactly the same). We have no shares to dispose of and "business confidence" can go hang itself.

Perhaps if there had been some natural calamity then there would be some logic in asking workers to "share the burden" even if the rich as usual profited from it instead. If half of Australia had been washed away in a flood then workers might accept a lower standard of living and work harder to repair the flood damage, even if the rich didn't.

But there has been no such flood, there has been no natural calamity. There has not even been a war, and its no use asking us to join up if you start one now, we've been through too many.

The rich must pay for this mess because it is their mess, not ours.

The workers do not run the Australian economy and they have not wrecked it. The rich , mainly foreign monopolies run the Australian economy and it is they who have wrecked it. It is their mess.

If these rich monopolists won't pay for the mess they have made. If they can't keep things going because they can't make sufficient profit, then that is not a weakness of the Communist Party program.

It does not oblige the workers to accept unemployment and wage cuts. It does not reconcile us to fascism and war.

If the rich cannot run Australia at a "satisfactory" profit, then the workers will be ready to relieve them of the trouble.

We will organise production for use, instead of profit.

MAKE THE RICH PAY



In 'Vanguard' of 12th, 1976, the following statement appears (p.3) :

"Unemployment and inflation are not caused by high wages at all. They are caused by the economic crisis of capitalism. As a matter of fact high wages offer a way out of the crisis because they increase the market for the overproduced goods. But if wages were increased profits would be reduced. Capitalism would never do that."

Similar statements have appeared on other occasions. Basically this view reflects the Labour Party theory of a "consumer led recovery". The idea is that if workers have more wages to spend, then there will be sufficient demand for the goods capitalists produce, so there will be no over production and no need for capitalists to lay off workers and increase unemployment.

If that were true then of course there is no need for socialist revolution to end the crisis by overthrowing capitalism. All that would be required is a militant trade union struggle to compel the capitalists to surrender some of their profits.

Naturally the capitalists might not be too keen on this, but after all it is better than revolution.

The statement that "Capitalism would never do that" (increase wages and reduce profits) is quite wrong. Real wages have increased over the years (although not necessarily the value of wages), and it is only as the crisis develops that they have begun to stagnate and slightly decline.

Moreover money wages have increased at the expense of profits. Indeed the sharp rise in the proportion of wages and salaries to profits during the 1970s has been an important feature of the current pre-crisis situation.

No doubt the drop in profits has been mainly due to the difficulty in realizing surplus value rather than to the increase in wages and any reduction in the rate of exploitation. Nevertheless wages have been increased and profits reduced. Capitalism did "do that" and it has not offered "a way out of the crisis".

The fact is that under capitalism high wages do lead to unemployment (inflation is another matter). This is a damning indictment of capitalism, not a matter to be covered up at all. The solution is not low wages (which in any case can only be brought about by the unemployment), but the overthrow of capitalism.

As Marx explains:

"If the quantity of unpaid labour supplied by the working class, and accumulated by the capitalist class, increases so rapidly that its conversion into capital requires an extraordinary addition of paid labour, then wages rise, and, all other circumstances remaining equal, the unpaid labour diminishes in proportion. But as soon as this diminution touches the point at which the surplus-labour that nourishes capital is no longer supplied in normal quantity a reaction sets in: a smaller part of revenue is capitalised, accumulation lags, and the movement of rise in wages receives a check. The rise of wages is therefore confined within limits that not only leave intact the foundations of the capitalist system, but also secures its reproduction on a progressive scale."  
(Capital, Vol.I, Ch.XXV, s.I, p.680 Kerr ed.)

Or again:

"To put it mathematically: the rate of accumulation is the independent, not the dependent variable; the rate of wages, the dependent, not the independent variable; Thus, when the industrial cycle is in the phase of crisis, a general fall in the price of commodities is expressed as a rise in the value of money, and, in the phase of prosperity, a general rise in the price of commodities, as a fall in the value of money. The so-called currency school concludes from this that with high prices too little, with low

prices too much money in circulation. Their ignorance and complete misunderstanding of facts are worthily paralleled by the economists, who interpret the above phenomena of accumulation by saying that there are now too few, now too many wage labourers".  
(Ibid. pp.679-680)

Thus rapid accumulation in boom conditions produces a rise in wages (and also prices) due to full employment, which in turn checks the rapid accumulation and so brings about unemployment (and also falling prices) to push wages back down again.

This is a very different picture of the role of both unemployment and prices from that presented in the statement quoted from 'Vanguard'. It makes nonsense of the idea that unemployment and inflation can be combatted by raising wages.

The theory that capitalist crises are due to the masses underconsumption, and could be alleviated by raising wages, has a very long history in the working class and socialist movement. But it was refuted by Marx long ago :

"...The reverse takes place during periods of prosperity, particularly during the time of bogus prosperity, in which the relative value of money, expressed in commodities, decreases primarily for other reasons (without any other actual revolution in values), so that the price of commodities rises independently of their own value. It is not alone the consumption of necessities of life which increases at such times. The working class, actively re-inforced by its entire reserve army, also enjoys momentarily articles of luxury ordinarily out of its reach, articles which at other times constitute for the greater part "necessities" only for the capitalist class. This contributes to a rise in prices from this quarter.

"It is purely a tautology to say that crises are caused by the scarcity of solvent consumers, or of a paying consumption. The capitalist system does not know any other modes of consumption but a paying one, except that of the pauper or of the 'thief'. If any commodities are unsaleable it means that no solvent purchasers have been found for them, in other words, consumers (whether commodities are bought in the last instance for productive or individual consumption). But if one were to attempt to clothe this tautology with a semblance of a profounder justification by saying that the working class receive too small a portion of their own product, and the evil would be remedied by giving them a larger share of it, or raising their wages, we should reply that crises are precisely always preceded by a period in which wages rise generally and the working class actually gets a larger share of the annual product intended for consumption. From the point of view of the advocates of 'simple' (!) common sense, such a period should rather remove a crisis. It seems, then, that capitalist production comprises certain conditions which are independent of good or bad will and permit the working class to enjoy that relative prosperity only momentarily, and at that always as a harbinger of a coming crisis."

(Ibid., Vol.2, Chapter XX, s. IV, pp.475-6).

Lenin puts the matter even more clearly :

"Rodbertus ... explained crises by saying that with the growth of production the workers' share of the product diminishes ... The scientific analysis of accumulation in capitalist society and of the realization of the product undermined the whole basis of this theory, and also indicated that it is precisely in the periods which precede crises that the workers' consumption rises, that underconsumption (to which crises are allegedly due) existed among the most diverse economic systems, whereas crises are the distinguishing feature of only one system - the capitalist system. This theory explains crises by another contradiction, namely, the contradiction between the social character of production (socialised by capitalism) and the private, individual mode of appropriation ... The two theories of which we are speaking give totally different explanations of crises... But the question is: does the second theory deny the fact of a contradiction between production and consumption, does it deny the fact of underconsumption? Of course not. It fully recognises this fact, but puts it in its proper,

subordinate, place as a fact that only relates to one department of the whole of capitalist production. It teaches us that this fact cannot explain crises, which are called forth by another and more profound contradiction that is fundamental in the present economic system, namely, the contradiction between the social character of production and the private character of appropriation. What, then, should be said of those who, while they adhere essentially to the first theory, cover this up with references to the point that the representatives of the second theory note the existence of a contradiction between production and consumption. Obviously, these people have not pondered over the essence of the difference between the two theories, and do not properly understand the second theory." ( Collected Works, Vol.2, pp.167-8, 'A Characterisation of Economic Romanticism')

Obviously some "pondering over" is urgently required !

SURPLUS VALUE AND PROFIT 14/9/76

Surplus value is produced whenever a worker is exploited in the process of production. Profit is realised whenever a commodity is sold for a price greater than its cost of production. These two aspects are closely related, yet at the same time contradictory.

Surplus value is the foundation of profit. If the working class was not exploited to produce greater value than it consumes, then it would not be possible for the goods they produce to have a value (or a price) greater than the cost of production. In appearance the capitalist makes a profit by simply "marking up" the price of his product over the cost of production, but a little thought shows that this cannot be the essence. If profit was made simply by buying and selling, then on the average, each one would lose as much in buying as he would make in selling. For the capitalists to make a profit they would have to sell more than they buy, and there would have to be some other class that bought more than they sold. But where would they get the money ? Obviously surplus value has to be created in production before profit can be realized in sale.

It is fundamental to understand this basic role of surplus value. Failure to understand it lies behind a great deal of incorrect views about wages, price and profit. The capitalists naturally see things in terms of profit being a mark up on the cost of production and their view naturally prevails amongst workers too. Many statements in 'Vanguard' about inflation, profiteering and so on have reflected this incorrect view.

At the same time it is just as important to understand that profit is not the same as surplus value.

First, surplus value is produced in many modes of production, while the realization of profit through buying and selling is peculiar to capitalism. Under

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slavery the slave produces more than he consumes and the surplus, together with the slave himself, belongs to his master. Under feudalism the serf also produces a surplus which belongs to the landlord. In neither of these modes of production is the surplus realized as a profit through buying and selling. Under slavery the whole product belongs to the slave owner, who allocates part of it to his slaves to keep them going, just as he allocates part to his cattle, and part as seed etc. Under feudalism the serf either works directly for his landlord part of the time, or directly hands over part of his product.

Only under capitalism does the worker sell his ability to labour to the capitalist for money and the capitalist realizes the surplus value produced by the worker through selling the product for more money than it costs to produce.

Attempts to explain capitalist crisis as due to the fact that the worker cannot afford to buy what he produces ("underconsumption") stumble on this point. Underconsumption is common to all systems of exploitation, but economic crises are unique to capitalism. Economic crises arise from the anarchic character of capitalism in which continued reproduction depends on the ability of the capitalist to realize the value of his product through sale on the market. Such realization through buying and selling may proceed smoothly, or it may break down in crisis. Production which is carried out socially, is not organised on a socialist basis but depends on anarchic market forces.

Second, the surplus value realized as gross profit by a capitalist is itself divided into categories of rent, interest, taxes and industrial profit. Industrial profit separates into the profit of manufacturers and merchants, and the net profits of a capitalist firm divide into that part which is directly capitalized for expanded reproduction and that part which first has to be paid out as dividends to the shareholders before it can be spent on capitalist consumption or re-invested (along with those parts paid out as rent, interest and taxes).

The contradictory division of surplus value itself conceals its true origins, resulting in confusion between the rate of profit and the rate of surplus value as well as other problems fully discussed by Marx in 'Capital'.

This contradictory division of surplus value is also important for understanding the concrete phenomena of capitalist crisis. If interest rates and taxes rise, then industrial profits will be relatively reduced. If more is required for direct re-investment then less is available to be paid out as dividends.

These contradictions are characteristic of the present capitalist crisis. Even when more gross profit is realized through the sale of a company's products, the firm is unable to finance its own expansion and pay normal dividends because of high interest rates and taxes. The individual capitalists complain of being squeezed by the workers when in fact they are squeezing more out of the workers but are caught in the contradictions of their own mode of squeezing it.

Third, surplus value may be created in production while no profit can be realized because the product cannot be sold (at sufficient price).

This is particularly important in understanding crisis because there is in fact a contradictory movement between surplus value and profit in the different phases of the capitalist business cycle.

During the phase of "boom" the anarchic market forces result in demand outstripping supply, so that prices are rising and profits are high. Yet these same forces are also increasing the demand for labour power so that real wages are rising even more rapidly than productivity and the amount of surplus value produced actually declines. Thus profits are rising while surplus value is falling. Since capitalists are only concerned about profits, while the under-

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lying mechanisms of surplus value are outside their direct knowledge, they think the boom will go on forever.

These contradictions between supply and demand, between production and consumption, between price and value, between surplus value and profit, can only be resolved by a sudden crisis which turns everything back on its head.

In the phase of "depression" supply exceeds demand (due to previous overproduction), prices are falling (whether or not this is modified by nominal depreciation of the currency) and profits are low. Yet the mass unemployment permits capitalists to pay lower real wages and intensify labour - thus increasing surplus value. So once again we have surplus value and profits moving in opposite directions, until the recovery begins again and the next crisis follows it.

The cycle of crisis, depression, recovery (or "prosperity"), boom and crisis again goes on repeating itself at higher and higher levels until the workers put a stop to it. There are many other important aspects to this cycle, but the contradictions between surplus value and profit is certainly one aspect that needs to be understood.

At present there has not yet been a proper "crisis", so there cannot be a recovery either. The system is still teetering on the brink of crisis and going through the "minor oscillations" that always occur in the course of the cycle.

Nevertheless, the contradiction between surplus value and profit sheds some light on the current "recession". Real wages have been reduced and are still falling. So it is unlikely that surplus value has been falling much. Nevertheless real profits certainly are low, because there is a contradiction between surplus value and profits resulting from overproduction. General Motors for example, may be exploiting its workers just as intensely as before and extracting even more surplus value from them. That surplus value is manifested in the stock of cars and trucks that the workers' have produced as always. But if General Motors cannot sell those cars it cannot make a real profit (even if nominal profits, due to inflation, are "record"). Throughout the capitalist world goods are either piling up in warehouses or being sold for less than the normal profit. The surplus value is being produced alright, but it is just sitting there - it cannot become profit because of overproduction.

Our response to the capitalists moaning about inadequate profits is therefore clear. We must not pretend that they are really making "record" profits, just because their phoney inflated accounts pretend this. To do so implies that it is alright for them to make "adequate" profits and that it is really a terrible thing, which the workers must pay for, if their profits are "inadequate" or if, (as will certainly happen more and more), they make actual losses.

We must simply point out that it may be a terrible shame about their profits, but what the people need is real goods and services, not profits. The workers are able to produce more than ever before, but are being asked to produce and consume less than before. We will just have to organise production for use instead of profits, and we shall just have to do it without the kind assistance of the capitalists.

The rich need not worry about who is to pay for the crisis. It is their crisis and it will be solved by ending their system of production. We cannot expect them to get us out of it, or to pay for it. All we ask is that they shove off and let the workers reorganise things along socialist lines.

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## WOMEN IN THE PRESENT ECONOMIC CRISIS

Sexism is an instrument of the ruling class to repress and reproduce an exploited class. Its role in the workforce is to divide the workers and prevent them from uniting for social change. Women workers as a group have been more exploited than men workers, and have been used to undermine the gains made by men unionists. This has been possible partly because of social role interfering with union organising, but also because a greater effort has been made to suppress women's unions. Because of this they can function as a reserve labour force, but their relation to the workforce is much more intimate and much more complex than is usually implied in that term. In particular women don't form a reserve labour force to any great extent during depressions.

Women's employment during depressions has followed a very definite pattern. Even as far back as the depression of the 1890's, women's cheaper labour was used to undermine the gains made by men unionists. In that depression women replaced men in several industries. In the more skilled branches of the tailoring industry this happened to a considerable degree. Commissioners investigating out-work as a system of sweated labour, concluded :

" The sweating system in connection with the tailoring business bids fair to place the entire trade in the hands of females, who can, of course, work for lower wages than men. The latter are now confined to the finer and better class of work, but they are becoming gradually supplanted in the trade by females ." (1)

In the depression of the 1930's, this pattern was even more clear, or at least, we have much more evidence from this time. In an analysis of employment by industries, we can see that unemployment in the wood-working and engineering industries reached 35-38 % and 30-31 % respectively. In the building industry unemployment was over 40% at the worst stage of the depression. In the clothing and book industries, unemployment was around 22-23 % and 15 % respectively. These last two were women's industries. In 1933, 13 % of male breadwinners were unemployed, and only 10.9 % of female breadwinners were unemployed (2). This is not to say that women were better off financially than men, simply because a larger proportion of breadwinners had jobs. The fact that women's wages were so low, meant that it was extremely difficult for women to manage, even though they had these jobs.

In the U.S. a similar pattern was showing itself. In 1930 in that country, the unemployment rate for males was 7.1 %, and for females 4.7 %. This is shown in a survey by the U.S. Census Service. In every category of occupations ( and we have no reason to suppose that the U.S. Census Service was trying to show anything particular about women by choosing particular occupational categories ), the rate of unemployment for males was higher than that for females (3).

During the time between depressions, the unemployment rate for females has risen a great deal, thus running counter to the general idea that in times of boom women are taken into the workforce at a faster rate. Now that a depression is setting in, a similar pattern to that of the 1930's is emerging. During the time from 1973 until May 1975, the ratio of male to female unemployment increased from .67 to .85 (4). Thus the male labour market is certainly suffering more than the female market.

Turning back to the situation in Australia, figures show that the same thing is happening. While there has been for a long time a higher rate of unemployment for women than for men, the rate of unemployment for men is rising at a higher rate than for women. This is not just speculation. Margaret Power says that : "... in the present crisis male unemployment has risen much faster than female unemployment " (5).

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So it isn't the case that women simply get thrown out of work during depressions, including the present one. Depressions tend to affect heavy industry, which employs mainly men, and this is why men become unemployed at these times. Unemployment is high for everyone, but of those women who are working full-time less women lose their jobs.

#### PART TIME WORK

There is another factor which must be taken into account, and that is part-time work. One thing that happens is that women part-time workers and casual workers replace the full time labour of men. Not in a very direct sense, that would cause too much trouble, but in a more general way. As more men lose their jobs, the part time labour of women increases. This is confirmed from several sources. Margaret Power says that :

"... part time work is the most rapidly expanding area of employment in the recession." (6)

The Bureau of Census gives figures to show that the number of part time females has risen from 662,800 in May '76 to 719,400 in May '78.

Deborah McCullagh also shows that from November 1972 to Nov. 1975, part time employment rose from 12 % to 16 % as a proportion of the workforce. She says that women are 64 % of these part-time workers (7).

From these figures we can see that the present depression is following in the same pattern as previous depressions. Even the factor of part-time work is not really a new factor, as it was the outwork of women workers that was the threat to men unionists in the depression of the 1890's. But in the present situation I think part-time work is more important because there are now quite a few industries where women get equal wages with men (at least in theory). This would tend to produce an even greater threat from part-time labour than from full-time labour because the former is cheaper. After all, there is little point in replacing a man by a woman in a job if you have to pay her the same wages. You're much more likely to re-arrange the work so that you can put full-time people off, and take on more part-time people. The extent to which part-time work and casual work is exploited is not often realised. It must play a very real role in keeping profits at a satisfactory level by reducing the wages bill.

The desire to keep profits up is one common to all capitalist enterprises. But in the present situation in Australia, where so many industries and areas of economic life are dominated by foreign multinationals, this determination to keep profits up is sustained by the economic power to enforce whatever measures are necessary. Especially as profits fall in the parent company branches (mainly, of course in America), the economic power that

these multinationals have is used to place more of the burden onto the Australian people. One of the ways this is done is by intensifying the competition between men and women workers by using women's low paid labour. With overseas resources, and with other sources of cheap labour, it is easy for foreign multinationals to arrange their workforce so as to maximise profits. Their overseas resources and global strategies give them the power to do so. Because of this they are much more powerful than any Australian unions, and by adopting the policy of using more women's part-time labour, they are avoiding any power that the unions might have anyway. Women working part time, thinking that their main job is really to look after homes and family anyway, are not in a position to exert any economic pressure to alleviate their exploitation, and scarcely in a position to join any unions. Those unions they could join are pretty useless anyway.

Because of this use of the labour of women in depressions is such an important factor in the profit of multinationals, it is extremely important to fight it. It makes it essential for men and women workers to unite to protect everyone's jobs, but even more important than that, they must unite to free themselves from the power of the multinationals, by fighting for independence and socialism at the same time.

Foot notes :

- (1) E.C. Fry, "Outwork in the Eighties", University Studies in History and Economics, Vol. II, University of W.A., 1954, p.82.
- (2) F.K. Crowley, Modern Australia in Documents, Vol. L, 1901-1939, Wren, Melbourne, 1973, p. 530.
- (3) Ruth Milkman, "Women's Work and Economic Crisis: Some Lessons of the Great Depression", Review of Radical Political Economics, Vol.8, No. 1, Spring, 1976.
- (4) Ibid.
- (5) Margaret Power, "Women and Economic Crisis: The Great Depression and the Present Crisis."
- (6) Ibid.
- (7) D. McCullagh, Position Paper on Women in Employment.



9 September, 1979

Today is the third anniversary of Mao Tsetung's death.

In those three years the international communist movement has received enormous setbacks with the overthrow of proletarian dictatorship in China and the desertion of most "Maoists" to either the Chinese or Albanian revisionists.

Among those few who have not deserted outright there is a fair amount of cynicism and "Left Wing Communism" is a stronger influence than Leninism or Maoism with its emphasis on the united front and continuing the revolution by stages.

What a refutation of the mechanistic theory that individuals play no important role in history! The mess we are in since Mao died is an adequate proof of his historical importance!

While many pay homage to Mao very few still follow his line, and in Australia at least we are still a bit shell shocked and dizzy from the somersaults all around us.

Does the shortage of Maoists, and their inactivity and confusion, prove the bankruptcy of Maoism?

So it would seem, but only if the collapse of the Second International proved the bankruptcy of Marxism. Mao Tsetung's supporters were several times isolated and defeated and the Chinese Communist Party was several times dominated by "left" or "right" opportunist lines in the history of China's new democratic revolution and the proletarian socialist Cultural Revolution. History proved who was ultimately right and who was wrong, and history has not stopped yet.

If Mao Tsetung was right we can expect to see the present policies leading to ever growing class polarization in China and a widening gap between city and countryside as well as severe economic crisis as the foreign investments welcomed now become burdens to be repaid when the terms of trade have moved sharply against China in the course of the coming world depression (what a time to link up with the capitalist world market!) There are literally millions of Chinese who have learnt how to wage class struggle against capitalist roaders in the Communist Party and will know what to do.

If Mao was right we can expect to see a continuing increase in the importance of the Third World and a continuing trend towards world war between the superpowers. Again, Communists who are still confused now, will find themselves forced to act in accordance with Mao's analysis when confronted with the concrete problems of this situation.

Events themselves will prove the importance of Mao's basic line and compel Communists to once again take up the study of his fundamental theories on continuing the revolution, on party building, on armed struggle, the united front, philosophy and so forth.

All of Mao's writings are of great importance for grasping revolutionary theory, including those published by the Kuomintang and by the Chinese revisionists after his death. We should promote the real and serious study of all this material in opposition to the religious worship that has passed for study before.

It is up to us to find the path for the Australian revolution and nobody can do it for us. If Mao's death has had no other positive impact, at least it has forcibly reminded us of that, and dispelled the comforting illusion that we must be OK because 800 million people can't be wrong. It takes storms and tests to find out what people are made of and we will benefit from having gone through this one.

The period of confusion and disarray into which we have been plunged since Mao's death is a necessary preliminary to the reconstruction of a communist movement that can actually overthrow imperialism in the coming period of economic crisis and war - just as the collapse of the second international was a necessary preliminary to the October Revolution three years later.

If Mao was still alive, the struggle against revisionism in the CPA(ML) would be still staggering along at a snails pace and we would probably still be wondering if Hill was a Marxist-Leninist!

All the shit that is coming to the surface now would have remained concealed to continue poisoning us if Mao had not died when he did, and no doubt the Albanian takeover bid would still have kept waiting off stage.

So there's no use regretting Mao's death. Rather we should celebrate it for bringing things to a head, just as he recommended throwing a party to welcome the new replacing the old instead of a funeral wake, in one of his unpublished writings.

This may sound like some optimistic whistling in the dark, trying to find something positive about a disaster, after the event.

To prove it isn't, as well as to pay a tribute to Mao on the third anniversary of his death, we are publishing below an obituary originally written for Vanguard on 14 September 1976.

This was written three weeks before the revisionist coup d'etat and naturally does not predict it. Nevertheless it already reflected an awareness, based on the developing contradictions in Australia, that there would be stormy times ahead, and expressed optimism about the outcome. At that time there was even less grounds for optimism within Australia since until Hill's open support for Chinese revisionism very few in Australia were even thinking about rebelling against Australian revisionism.

The obituary sharply raised the question of permanent revolution, swimming against the tide and opposition to arid dogmas. It openly declared that revolutionary youth of the Red Guard generation had matured in struggle and would continue to rebel against reactionaries. At the same time it defended the 'orthodox' principles of Marxism-Leninism and not just youthful "leftism".

Written when the struggle against revisionism in the CPA(ML) was only just beginning (but the author had already been politely asked to withdraw from the party), the obituary declared: "We are not in the least afraid of the twists and turns that struggle must go through. We can find our way even though we are bound to get lost sometimes". It concluded "Thorough going materialists are fearless".

The obituary did not "mourn" for Mao, but used his death to promote the struggle. It must have seemed very strange to the hypocritical religious Mao worshippers who were so "tearful" about Mao's death that they deserted his

stand within a few weeks.

On the struggle against Teng Hsiao-ping, the obituary cautiously said only that "Those struggles will certainly continue". Even a casual reading of Peking Review, Hsinhua and the Shanghai "gang of four" organ Studies and Criticism, (translated by the US in Selections from PRC Magazines), gave no grounds for confidence that they would win victory. (At that time the writer was anxiously reading Hsinhua every day to follow the trends in different provincial declarations and see what would happen - only Shanghai and Heilungkiang seemed to be militantly pushing the struggle forward while others, like most of the Chinese press for the previous few months, were just "warnly hailing" the official anti-Teng line. Hill of course was quite confident the "radicals" would win and made public statements denouncing the "moderates", only to reverse himself on discovering his "mistake" of backing the loser).

On Mao's international united front against the Soviet Union the obituary was more confident in asking "Who dares tamper with that line". (Naturally this did not prevent Hill from taking advantage of the confusion created by Albania to accuse us of opposing it, and so avoid discussion of the actual issues on which we really disagreed).

In rejecting this obituary for publication, the publishers of Vanguard showed a sound grasp of what issues were being raised, and who they were being raised against.

But its worth publishing now, as evidence that optimism and fearlessness about the current dark situation is not a recent invention, but the result of scientific analysis, made before the event.

On this depressing third anniversary of Mao's death too, we should not mourn, as Joe Hill said, but ORGANIZE.

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#### CHAIRMAN MAO'S DEATH

14 September, 1976

The death of Chairman Mao Tsetung is a very bad thing. Throughout the world, hundreds of millions are grief stricken by it. People cried, not only in China, but also in Australia. Can one imagine people crying at the death of Brezhnev or Ford?

But at the same time Chairman Mao always pointed out that a bad thing can be turned into a good thing. Grief can be turned into strength. If there was no death of the old, there could be no birth of the new, so there is even cause for celebration of death.

Chairman Mao was an inspiration for all Australian revolutionaries. For those who came to Communism in the Comintern era, Chairman Mao was the mighty upholder of Marxist-Leninist principle against revisionism.

But I would like to say something about what Chairman Mao meant for the younger generation that came to Communism in the late 1960s and 1970s. For us Mao Tsetung's line was not just the defence of a cause we already believed in, but the inspiration that led us to join that cause in the first place.

We were not Communists, but we took that road because of the banner of permanent revolution raised by Chairman Mao. (Not the permanent counter-revolution of Trotsky, but the Marxist principle of continuing revolution by stages).

As the Vietnam war repelled us from imperialism and revisionism, the Cultural Revolution, initiated and led by Chairman Mao, attracted us to Communism. It was not a question of a 'personality cult' like the followers of various diversionary 'leaders'. We rallied around Chairman Mao because of the spirit of permanent revolution that he stood for.

That spirit cannot die with the death of Mao Tsetung. Even in his last days, Chairman Mao was launching new struggles under the slogans "the bourgeoisie is right inside the communist party" and "the capitalist roaders are still taking the capitalist road". Those struggles will certainly continue.

Chairman Mao set not only China, but the whole world's people, firmly on a course against the imperialist and fascist Soviet Union. Who dares tamper with that line ?

But Chairman Mao lives on in more than just his immortal achievements in the past and his specific initiatives of recent years. Perhaps his greatest contribution lies in the seemingly abstract manner of spreading the principles of materialist dialectics in a mass way all over the world.

With those principles, we are not in the least afraid of the twists and turns that struggle must go through. We can find our way, even though we are bound to get lost sometimes. "Swimming against the tide is a Marxist-Leninist principle".

We are grief stricken at the death of our leader. But precisely because he was a Marxist Leninist leader of the workers and working people, not an individualist "hero", his death and our grief will be a source of renewed strength, not of despair.

Chairman Mao was a Communist of the Comintern era. He upheld the 'orthodox' principles of Marxism-Leninism and inspired the radical youth of today. He united two generations of the revolutionary movement throughout the world into one movement that is both the oldest and the youngest in the world. Revolution has been going on since time began, yet it is constantly renewed and passing through new stages.

Chairman Mao's materialist dialectics teach us how to "Dare to Struggle and Dare to Win". All sorts of people will mourn the passing of Mao Tsetung, but Communists mourn it in a special way - in struggle.

Revolutionary youth both in China and throughout the world have matured greatly in the storms and stresses since the days of the Red Guards. But we still stand for the spirit that "It is right to rebel against reactionaries". That is what brought us to Communism, not any arid dogmas.

After Chairman Mao's death has been mourned, the victory of his life and his ideas should be celebrated. "Thorough going materialists are fearless!"

## INTELLECTUALS AND THE WORKING CLASS .

Explanatory note : Use of the term working class

In this article the term working class is used generally to mean industrial proletariat or blue collar workers. While this lack of concise definition is unsatisfactory I still believe that one of the arguments that follows - that we should be doing more political work amongst the blue collar workers - is still valid .

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It has been said over the years that the working class should be the overall centre of gravity of our political work. This proposition is correct for Australia. There will be no Australian revolution without the active and conscious political leadership of the Australian working class. In Australia, the working class is both the leading class and the main revolutionary force (unlike China where it was leading but the peasantry was the main force).

But the simple fact is that over the years the 'should be' has not become the reality. The quality, regularity and effectiveness of our political work among the working class has been inadequate over at least the last 10 years .

### What is the problem ?

If we are Marxist-Leninists then one of our most important tasks is to bring Marxism-Leninism to the working class. This requires an understanding of 2 things : (i) Marxism-Leninism, and (ii) the Australian working class. Only by understanding both will we correctly solve the problem of our relationship with the working class .

There is a problem in that not enough workers are embracing Marxism-Leninism. Some workers have come forward but not enough. If more workers became Marxist-Leninists then we would be so much closer to making the working class our centre of gravity.

Realisation of this as a problem has caused quite a few intellectuals to go into the factories and other labouring jobs over the last 10 years. This has certainly helped those intellectuals understand the working class better. It has helped those intellectuals to get rid of subjective ideas about the working class (eg. romantic ideas) and it has helped them to make worker friends and to struggle in the workplace. For all intellectuals integration with the working class is a pre-condition for doing good political work amongst the working class. By this we do not intend to say that all intellectuals must work full time in the factories. Integration can take many forms .

Mao Tse-tung put this forward as a fundamental principle :

"In the final analysis the dividing line between revolutionary intellectuals and non revolutionary or counter revolutionary intellectuals is whether or not they are willing to integrate themselves with the workers and peasants and actually do so".  
( 'Orientation of the Youth Movement' Selected Works, Vol.2, p.246)

### The role of communist intellectuals .

Intellectuals are trained mental workers. They are trained to talk well, write well and analyse deeply etc. These are very valuable and essential skills for the revolutionary movement. Simultaneously, an important task of the revolutionary movement is to train workers to master these skills, to become working class intellectuals.

In 'What is to be Done?', Lenin repeatedly stressed the idea that the communists must take revolutionary ideas to the workers from the outside ,and that the working class by its own efforts only develops trade union politics :

"The history of all countries shows that the working class, exclusively by its own effort, is able to develop only trade union consciousness, ie., the conviction that it is necessary to combine in unions, fight the employers, and strive to compel the government to pass necessary labour legislation etc. The theory of socialism, however, grew out of the philosophic, historical and economic theories elaborated by educated representatives of the propertied classes, by intellectuals. By their social status, the founders of modern scientific socialism, Marx and Engels, themselves belonged to the bourgeois intelligentsia. In the very same way, in Russia, the theoretical doctrine of Social-Democracy (communism) arose altogether independently of the spontaneous growth of the working class movement; it arose as a natural and inevitable outcome of the development of thought among the revolutionary socialist intelligentsia."

( Lenin. Ch II A 'What is to be Done?' )

The years that Marx, Lenin and Mao together spent working in factories would have been minute. But together the time they would have spent working on "pet projects" would have been enormous (eg. Lenin was criticised for working on 'Materialism and Empirio-Criticism' abroad, allegedly at the neglect of the day to day struggle in Russia). What they had in common was a system of scientific and revolutionary ideas, based on a deep analysis of reality, which they put into practice and tested in practice.

Right now the initiative of intellectuals must be encouraged and stimulated. The international communist movement is in a terrible mess. Australia and the world urgently needs a contingent of Marxist-Leninist theorists. Even the role played by intellectuals like the late Malcom Caldwell was a valuable one.

The role that intellectuals who serve the people and use their initiative can play should be promoted as something very positive. Just as the role that communists struggling in the workplace can play should be promoted as something very positive too.

Intellectuals are needed to do investigation into all sorts of questions. For example, political economy, class analysis, uranium, aborigines, Australian culture, medicine and health, international questions etc. Marxist - Leninist intellectuals are needed in all these areas to combat the anti-Marxist views propagated by bourgeois intellectuals.

#### Counter - currents .

##### (a) Worker chauvinism .

There exists an anti-Marxist Leninist counter-current that says: "Worker is better than intellectual". Predictably, this comes from some people who work in manual or blue collar jobs. The origin of these ideas is spontaneous but they are reinforced by the attitudes propagated by the leadership of the Communist Party of Australia (Marxist-Leninist) (CPA(ML)).

It is correct to say that "intellectuals should learn from the workers". But the extension of this idea to "intellectuals can systematically learn Marxism-Leninism from the workers" is quite wrong. It is correct to say that "intellectuals should integrate with the working class". The extension of this idea to "those with factory jobs at the moment are necessarily better Marxist-Leninists" is again quite wrong. These ideas do not contribute to our understanding of the 2 essentials:- Marxism - Leninism and the working class. On the contrary, they encourage a neglect of Marxist-Leninist theory amongst workers ( "it is not necessary because we are workers" ) and a subjective idealist (romantic) assessment of the working class.

The social pressures that operate on workers in factories (eg. the long and tiring working hours) and the division of labour in society (ie. the division

between mental and manual labour and the extraordinarily high degree of division of labour between different manual jobs in assembly line work in factories) makes it extremely difficult for revolutionary intellectuals (whether of university or working class background) to carry out deep analysis and social investigation while working in the factory.

In Chapter 4D of 'What is to be Done?' Lenin discussed this problem in detail. The worker chauvinists amongst us don't learn from Leninism because they take the narrow and sectarian view that as workers they know best :

"...we do not recognise our duty to assist every capable worker to become a professional agitator, organiser, propagandist, literature distributor etc. etc. In this respect we waste our strength in a positively shameful manner; we lack the ability to husband that which should be tended and reared with special care. Look at the Germans: their forces are a hundred fold greater than ours. But they understand perfectly well that really capable agitators etc., are not often promoted from the ranks of the 'average'. For this reason they immediately try to place every capable working man in conditions that that will enable him to develop and apply his abilities to the fullest: he is made a professional agitator; he is encouraged to widen the field of his activity, to spread it from one factory to the whole of the industry, from a single locality to the whole country. He acquires experience and dexterity in his profession; he broadens his outlook and increases his knowledge; he observes at close quarters the prominent political leaders from other localities and of other parties; he strives to rise to their level and combine in himself the knowledge of the working class environment and the freshness of socialist convictions with professional skill, without which the proletariat cannot wage a stubborn struggle against its excellently trained enemies .... We are directly to blame for doing too little to 'stimulate' the workers to take this path, common to them and to the 'intellectuals', of professional revolutionary training, and for all too often dragging them back by our silly speeches about what is 'accessible' to the masses of the workers, to the 'average workers' etc. "

( from 'What is to be Done?' Lenin, Chapter 4D).

Worker chauvinists play a backward, retrograde role because they attack and try to undermine the initiative of intellectuals. These attitudes arise spontaneously from the divisions between mental and manual labour that exist in capitalist society . They can only be broken down by conscious political education ( as Lenin did in 'What is to be Done?' ).

Workers influenced by these views are often "good blokes" with strong class feelings. The point is that this is not enough. As Ni Chih-fu, a member of the Central Committee of the Chinese Communist Party, while Mao Tse-tung was alive, put it :

"A worker-cadre like me has deep class sentiments for the Party and Chairman Mao as well as experience in my work, but simple class sentiments cannot replace consciousness in the struggle between the two lines and pure practical experience cannot replace Marxism - Leninism. If I should overlook the importance of studying Marxism-Leninism- Mao Tsetung Thought, which is a summing up of the experience of the world revolution and the Chinese revolution, I cannot avoid committing empiricist errors".

( from 'Overcoming Empiricism', Peking Review 43 ,1972,p.7 )

For some time now the leadership of the CPA(ML) has pursued a campaign to undermine the initiative of intellectuals. They distort the mass line and downplay the role that has to be played by intellectuals in social research and ideological work. The anti-Leninist Economist suggestion is made that the workers, in general, can teach intellectuals communism :

"This is essentially the reason why intellectuals should integrate with the labouring people, to learn from them, because labouring people have an overall correct method of thinking whereas intellect-

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(intellectuals) don't."  
( 'Australian Communist' 92, p.52).

This is wrong because neither labouring people in general nor intellectuals in general "have an overall correct method of thinking". This can only be obtained by integrating Marxism-Leninism with Australian conditions. This is not God sent to any class or group in society but requires professional training .

In another article in the same issue the High Priests of the CPA(ML) warn the intellectuals to beware their bourgeois university background in almost religious terms:

" They (intellectuals) learn the great never ceasing wisdom of the common people. Of course they also contribute with due and proper modesty their own teaching of Communism"  
( 'Australian Communist' 92, p.37 )

In the same issue on p.53 there is even a Confession from an intellectual who learnt to become a docile tool of the CPA(ML). The CPA(ML) encourages a religious attitude to criticism and self criticism - Confessions rather than change.

The emphasis between what an intellectual has to offer and what they have to learn is weighted extraordinarily heavily on the learning side. Such ideas, if accepted, are a recipe for destroying the initiative of intellectuals.

At the same time the CPA(ML) leadership distorts the mass line in such a way as to restrict the initiative of communists in general. They talk endlessly about the need for "merging with the people" ( 'Fundamental question is detailed mass work' in 'Australian Communist' 92 strokes this arrow II times in a mere 6 pages ) as the method of breaking out of the "left bloc" (also see 'Australian Communist' 90, p.92). In fact the main correct method of breaking out of the left bloc is to overcome dogmatism and fight for correct ideas where-ever you are, not by a passive "merging". For all its talk about "merging" the CPA(ML) remains one of the worst left blocs in Australia . Why? Because you can't "merge" your way out of a left bloc, you can only fight your way out .

This distortion of Leninism in the CPA(ML) publications (ie. the negation of Lenin's idea that communist ideas develop from outside the spontaneous working class movement) has probably arisen from the desire of the CPA(ML) leaders to protect their leading positions. Another article reveals this fear :-

"A few continually thrust themselves forward, resent being 'left out', 'passed by' etc. It is not a question of being 'left out' or 'passed by'. This is sheer personal individualism. It has no place in a genuine Communist Party or Communist. The fundamental question is not self-importance but mass work and if need be (and the need is great) taking pains to do minute and detailed work among the masses."  
( 'Australian Communist' 92, p.31 )

These nice sounding words would appear to mean in reality : Don't question Party policy, keep your nose to the grindstone and don't rock the boat . The same appeal that the ALP leadership makes to its own rank and file.

Suppressing the initiative of intellectuals has played an important role in producing the sterile and unimaginative propaganda now churned out by the CPA(ML) .

(b) Bourgeois intellectualism .

There exists another anti- Marxist-Leninist counter-current that says "intellectual is better than worker". These people do not do enough to remould their world outlook and do not have a basic understanding of the Australian working class.

Worker chauvinists are often quite open about their dislike for intellectuals. The unremoulded intellectuals are generally not so direct. They pay lip service to "working class leadership" but do little in practice to come to grips with it.



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The organised Marxist -Leninists in Australia do lag far behind the needs of the industrial workers. Workers express deep feelings of frustration at the futility of their jobs and lives (eg. "All we do is build cars all day. It is useless and frustrating. All that is happening is that we get older").

There is no Marxist-Leninist Party that gives a lead. But the workers are looking round for an organisation that fights, tells the truth and that they can trust. But there is nothing there to fill the gap. 'Vanguard' does not fill the gap. REM has done very little to fill the gap.

The question of how we should go about doing more systematic and organised political work amongst the working class must be tackled seriously.

#### Unite or Split ?

These ideas are related to two articles that were published in 'Discussion Bulletin' 4 (13th July, 1979) discussing the nature of the Australian revolution. The first one ("Working Class leadership vital to win socialism !") asserted that the struggle for independence was "bullshit". The second article ("Rejection of the Independence Struggle?") defended the independence struggle and advanced the demand for independence and socialism.

I feel that the line - independence is bullshit - is wrong and adequately answered in the article "Rejection of the Independence Struggle?" (refer DB 4). Nevertheless, the first article does raise some valid points about the need for more active agitation in the workplace and the need to extend contacts with workers. We can only agree with the following sentiments :-

"It is not enough to hail strike struggles etc. from the sidelines after they have occurred but get in there and establish contacts and give real support to people who are already agitating in their workplace situations. A militant MIS ('Movement for Independence and Socialism') should be seen to be out in the thick of things and should consciously be working to extend contacts with fellow workers and be promoting younger people to come forward to positions of leadership and responsibility as a matter of extreme importance." (from 'Working class leadership vital to win socialism!! DB4).

Unfortunately, the author of the second article does not comment in a concrete way to these proposals. All that is said in this regard is :-

"The author correctly points out that independence without socialism is nonsense (a point which I thought was a fundamental agreement upon which the establishment of MIS was based). S/he also correctly points out that the working class must be firmly in control of any revolutionary movement for it to be successful in moving along the path to socialism (again in basic agreement with MIS)." (from "Rejection of the Independence Struggle?" DB 4).

Of course it is true in theory that MIS ( and many other organisations including REM ) are in "basic agreement" with working class leadership of the revolution. One's reputation as a communist is not enhanced by overtly denying this . The point is - what is done in practice ???

REM cannot afford to become another organisation that only pays lip service to working class leadership. Clearly the problem exists and it is difficult to solve. It must be frankly acknowledged as a problem - and we must start thinking and acting seriously to do something about it. Otherwise we will never solve it.

I feel that the reply in the second article can only reinforce the first authors ideas that those who advocate independence only pay lip service to the question of working class leadership. I feel that to some degree tendencies towards the counter-currents of worker chauvinism and bourgeois intellectualism do

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exist within REM and that only by fighting for a political line that combats both counter-currents can we hope to achieve unity.

Simplistic solutions are presented by those influenced by the 2 wrong counter-currents referred to. The worker chauvinists say that all the intellectuals should take working class jobs. If this was done the main effect would be the collapse of all the valuable "pet projects" that are now going on. It would lead to the liquidation of many good things that now exist. On the other hand, those influenced by bourgeois intellectualism pay lip service to working class leadership but do not treat it seriously in practice.

Inadequate solutions like these will only generate a schism between the opposing sides. Each will concentrate and feed off the deficiencies in the other sides proposals. There will not be a real dialogue that acknowledges the strengths of "both sides". but only snipings at the "others" weaknesses.

It has happened before. In the "Young Communist League" in Melbourne 10 years ago an acute and bitter division developed where the "intellectuals" blamed the "workers" for "Economism", while the "workers" blamed the "intellectuals" for "insufficient integration".

It is divisive and wrong to play off workers v. intellectuals. A communist organisation should be consciously striving to narrow the gap, not to widen it or use it as a debating point.

"...the organisation of the revolutionaries must consist first and foremost of people who make revolutionary activity their profession ... In view of this common characteristic of members of such an organisation, all distinctions as between workers and intellectuals, not to speak of distinctions of trade and profession, in both categories, must be effaced."  
(from 'What is to be Done?' Lenin, Chapter 4C).

#### Conclusions .

Not enough workers are becoming Marxist-Leninists. This puts a lot of pressure on Marxist-Leninists in the workplace who are doing their best to develop the political consciousness of their workmates. These Marxist-Leninists need some kind of back-up and support (eg. assistance in analysing their industry) from intellectuals with more time and training for analytical work. Its a long, hard grind and if this support is not forthcoming then frustration will arise.

What is the role and responsibility of intellectuals to the working class in this situation ?

On the one hand we have said that the initiative of intellectuals must be stimulated. On the other hand, we have said that some intellectuals are not sufficiently coming to grips with their responsibility to the working class.

The key is to correct the contradiction between these statements. The latter statement does imply some form of supervision over intellectuals according to our judgement of the needs of the working class. The tendency for everyone to do their own thing is a bad one. As an organisation we have to ensure that we form functioning groups that do systematic and effective political work amongst the working class . These groups may do necessary backup and research on particular industries or they may send cadres into factories where needed.

If we start from the basis that all of us, whether 'intellectual' or 'worker', recognise that the working class should be the overall centre of gravity of our political work and to achieve this we need to understand both Marxism-Leninism and the Australian working class then that should be a good starting

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point to solving the problem. Can we agree on such a starting point ?

We need a genuine Marxist-Leninist Party in Australia .

Our responsibility to the working class would be much easier to discharge if we had a properly functioning Marxist-Leninist movement in Australia that was fighting, leading and summing up experience at different levels (both 'pet projects' and the workplace). But we haven't .

One of the reasons why quite a few intellectuals went into the factories is that they were under the delusion that there was an effective contingent of Marxist Leninist theorists in the leadership of the CPA(ML).

A necessary pre-condition for branching out into new and difficult areas of work is a degree of confidence and solidity in the organisation as a whole. The frog in the well seeing only one part of the sky can also be looked at from another angle, positively, as necessary division of labour and specialisation.

But when the storm clouds fill the whole sky, as at the moment, in the Marxist-Leninist movement internationally (plus thunder, lightning and torrential downpour !) it naturally becomes very difficult to find communists willing to concentrate their vision on only one part of the sky. This is one very important reason to rebuild a solid Marxist Leninist group and eventually a Party .

In the meantime, to overcome the division between 'intellectual' and 'worker' within our ranks we must aspire to become professional revolutionaries, and not amateur slobs .

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## BOOK REVIEW

Class Struggles in the U.S.S.R. by Charles Bettelheim  
Vol. I First Period 1917-1923, Vol II Second Period 1923-1930  
Published by Harvester Press and Monthly Review.

Charles Bettelheim's work on the Soviet Union should be studied by all those who have any serious commitment to revolutionary politics. As socialists, it's fairly difficult to get an objective analysis of countries that are, or were, socialist. All we get are the tremendous achievements, the great enthusiasm, or the betrayal of socialism, and then the picture is all black. It seems that only after socialism has been overthrown do we find any real basis for supposing that all is not well.

Particularly in the case of Russia, we hear two contrasting stories - the enormous achievements when it was socialist, and now the crimes of Soviet social-imperialism. What Bettelheim has done is examine the successes and failures right from the beginning of Soviet government, analysing the class forces which provided the basis for those successes and failures. In doing this he relies heavily on Lenin's work, taking as his fundamental theme Lenin's statement that "classes still remain and will remain in the era of the dictatorship of the proletariat" (Vol.I, p.22). This is in contrast to the view of most of the Soviet leaders, including Stalin, that the exploiting classes had disappeared by the mid-1930s. Indeed Stalin had not even corrected this in his last writings in 1952, when he said that "socialist society...does not include obsolescent classes that might organise resistance" (Vol.I, p.25).

One of the central, and most illuminating themes of the two volumes so far published, is the nature of the NEP, and the effect of its abandonment in 1929.

The NEP was of central importance because it concerned the peasants, who were 80% of the population. As Lenin said: "Ours is not actually a workers' state, but a workers' and peasants' state" (Vol I, p.99). Bettelheim points out that "...the concrete reality of the Soviet state was necessarily affected by the nature of the relations that the peasant population - the determining social force in a country with a peasant majority - maintained with the proletariat, the leading social force operating through its party" (Vol.II.p.99).

There was no way socialism could be developed if the peasants were unhappy. The dictatorship of the proletariat could not be a dictatorship over the peasantry, as Trotsky and some other would have had it. Lenin would have nothing to do with coercing the peasants. "You can't create anything here by coercion. Coercion applied to the middle peasants would cause untold harm...The aim is not to expropriate the middle peasant but to ...learn from him methods of transition to a better system, and not to dare to give orders!" (Vol.I, p.227)

The still commonly accepted view of the NEP is that it was an unfortunate necessity, a retreat back to capitalism. This view is not far from Lenin's original conception of the NEP. "This first conception was one of temporary compromises which had to be accepted so as 'to hold out until the victory of the international revolution'" (Vol.II, p.478). At this stage Lenin could not see that the peasantry could be a reliable base as part of the alliance for building socialism. "Large-scale industry is the one and only real basis upon which we can ... build a socialist society" (Vol.I, p.479).

However, after 1921, Lenin's view of the NEP changed. "The new definition of the NEP meant a comparatively extensive reestablishment of overt commodity and money relations" (Vol.I, p.479). This was seen by many as a further retreat towards capitalism, but in fact it was the formation of a proper alliance between the peasantry and the proletariat. This alliance had been greatly damaged during the years of war communism and grain requisitioning. It was a "new political line

in relation to the peasantry, a line which treated these masses as the true ally of the proletariat...capable of moving toward socialism, provided that it was shown the right road" (Vol.I, p.495).

Lenin's new conception of the NEP as the foundation of a political alliance between the peasants and the proletariat not only had its consequences in Russia, but it was "later to be the political line of the Chinese Communist Party, a line aimed at drawing the working peasantry on to the socialist road ... by persuasion" (Vol.I, p.500).

In short, the "NEP as an active alliance between the peasantry and the proletariat in power was a special form of the dictatorship of the proletariat" (Vol.II, p.21).

It is in the second volume that Bettelheim follows the application of the NEP (or rather the failure to apply it) and the consequences of this - the grain procurement crisis of 1928-1929, and subsequent collectivization.

During the years 1921-1928, the NEP was applied fairly consistently, and resulted in a great increase of trust and respect on the part of the peasants for the Soviet government, which was Lenin's intention. But then came the grain procurement crisis of 1928. "The problem of the procurement crisis cannot be isolated from the low standard of living of the peasantry, the inadequacy of the means of production at their disposal, and the struggle of the poor and middle peasants to avoid falling into increasing dependence on the rich peasants" (Vol.II, p.94). Thus the peasants would not deliver the grain because they did not really have enough to eat for themselves, because there were few industrial goods for them to buy in exchange, and so that they wouldn't have to borrow grain before the next harvest.

The measures taken to deal with this were extraordinarily severe. They involved the abandonment of the NEP. Those peasants not complying with the grain procurement were jailed, exiled or refused the right to buy other goods. It was not just the rich peasants who were involved. Mikoyan admitted that it was the middle peasants (who were 67.5% of the peasant population) who held most of the reserves of grain, and even the poor peasants suffered. "The Party tried to organize these bednyaki (poor peasants) for a struggle against the kulaks, while at the same time requiring that they surrender their own grain reserves, so as to set an example - otherwise sanctions would be applied to them as well" (Vol.II, p.41).

The harsh measures used to deal with the grain crisis, and which constituted abandonment of the NEP, thus broke the alliance between the peasants and workers. "The rupture of the worker-peasant alliance weakened the dictatorship of the proletariat. It entailed a decline in proletarian democracy, with a strengthening of hierarchical relations and an authoritarian style of leadership. It was accompanied by a substantial fall in grain production and stockbreeding and a grave crisis in food supplies". (Vol.II, p.42).

It is against this background of the breaking of a fundamental class alliance that the Bolshevik Party decided to push collectivization. "The large-scale collectivization begun in the autumn of 1929 was thus carried out essentially 'from above', by means of administrative measures". (Vol.II, p.111).

The main purpose of this collectivization was not to improve the lives of the peasants. "The close link between the forecasts for collectivization and the targets for procurement shows that the deciding factor in fixing the pace of collectivization was not the transforming in depth of the situation of the peasant masses, but the will to establish as quickly as possible structures that would facilitate securing from the countryside the quantities of grain needed for the realization of industrial targets". (Vol.II, p.462).

Just as during the procurement crisis, measures of coercion were used extensively against those who would not go along with the policy, even if they were not kulaks. No effort seemed to have been made to

distinguish between class enemies and honest objectors. Trainloads of people who disagreed with collectivization were simply transported to other parts of the country. Others were jailed or penalised in countless other ways. You may think you've heard these sorts of stories before, in the capitalist press, but we cannot doubt Bettelheim's word, as he documents these facts thoroughly, from official Russian sources. And besides, he doesn't simply report that these things, but he shows us the basis on which they could happen, i.e. the ideological and political failings which were already evidence in the leadership and the Bolshevik party generally.

When this subject of collectivization is brought up, we always hear from socialists that Stalin recognized that everything was not as it should have been, and that he tried to do what he could by the publication of his article "Dizzy with Success", but as Bettelheim says, it wasn't much of an analysis. "And so, a serious violation of the Party line, affecting the entire country, was 'explained' by referring to a mere psychological metaphor - 'dizziness from success' which had proved too much for 'some of our comrades'. Given the scale of what had happened, and the gravity of its consequences, such an 'explanation' is obviously inadequate. Mistakes made on such a scale and persisted in for several months could only result from a political line and a style of leadership that engendered certain practices" (Vol.II, p.470).

Stalin's article had no lasting effect anyway. "In any case, the stop put to certain methods of dekulakization and collectivization did not prevent some of those who had been labeled 'kulaks' from continuing to be sent into exile...nor did it prevent similar methods from reappearing after a few weeks had passed". (Vol.II, p.471).

Bettelheim's conclusion is that "...by setting in motion an immense social transformation without the active participation of the broad masses of the peasantry, and frequently even against their will, serious prejudice was done not only to the worker-peasant alliance but also to collective farming itself and to the role that it might have played in the development of agricultural production". (Vol.II, p.474).

I have concentrated on the issue of the NEP and its relevance to collectivization because it's such an important issue, and Bettelheim's analysis challenges our accepted ideas about it. In reading the book you cannot doubt that what Bettelheim says is true - everything is massively documented, and Bettelheim makes every effort to consider all sides. Thus, I think, is what is so valuable about his analysis. He really seems to have no axe to grind. He is not trying to excuse or condemn any of the major participants, but simply to find the foundation on which the enormous reversals to the socialism of the Soviet Union were built.

There are so many other important themes in the books it's impossible to even mention them all. The struggles within the Bolshevik Party, the relations of production in industry, the relations of the Bolshevik Party with other political groups, the problem of national minorities, and so on. In reading Bettelheim's analysis of Trotsky's career and mistakes I learned far more about what was wrong with Trotsky (and consequently Trotskyists) that I've ever learned from any other M-L publications.

On the question of Stalin, Bettelheim goes out of his way to be impartial, and doesn't indulge in any polemics at all. He doesn't describe Stalin as a blood-thirsty beast, or as a much maligned Marxist-Leninist (as for instance Bruce Franklin does in his introduction to the Essential Stalin, which, while making valuable points of reassessment, I think does go overboard). Nor does Bettelheim attribute any of Stalin's errors to his 'personality'. He tries to see the historical antecedents and the prevailing attitudes in the Bolshevik Party which were the determining factors in actions by Stalin. Certainly if Stalin were around today, saying what he said then, we'd call him a revisionist. There seemed to be no-one at the time who

was able to do that (who could in fact see his mistakes in this light), but Stalin did have the writings of Marx, Engels and Lenin to go on, and Bettelheim does show just how far Stalin departed from the ideas and attitudes of Lenin, and what excuse is there for that? Bettelheim shows how it happens, and he doesn't call him a revisionist (that's my word), but perhaps we should wait for the next volume of Bettelheim's work before making final conclusions. However, I think that the evidence and analysis presented in these two volumes does challenge the view that Stalin was the next Marxist-Leninist in line from Lenin, even though this challenge is implicit.

Bettelheim's work has much contemporary relevance. It shows just how hard it is to remould a society - just how serious the problems were - even when the revolutionaries were conscious of them. One of the most important areas of Bettelheim's work is his assessment of Lenin. Through detailed examination of Lenin's writings, in conjunction with the actions of the Bolshevik Party and the Russian people, we can see just how hard Lenin struggled to change his own attitudes and ideas, to come closer to the reality of the Russian revolution. We all talk about this kind of thing a fair bit, but we don't seriously do too much of it.

I should add just one more small point - in spite of the size of these books, and the massive documentation, the text is fairly light reading, which shows that Bettelheim is not just writing for academics, but that he intends everyone to read them.

PARTY BUILDING IS IMPORTANT :

(June 1979)

'Red Wreath Movement' is a Marxist-Leninist group. We are not a Communist Party and cannot become one until we develop a political program on key questions of the day (eg. class analysis, nature of the Australian revolution, economic crisis, international questions etc.).

Drafting a program for an Australian Communist Party is an important pre-condition for forming such a Party :-

"The program of a workers' party ... is a brief, scientifically formulated statement of the aims and objects of the struggle of the working class. The program defines both the ultimate goal of the revolutionary movement of the proletariat, and the demands for which the Party fights while on the way to the achievement of the ultimate goal." ('Short Course', p.38)

Before we can draft a program we have to do a proper analysis and we have to get organised. Party building is an important task being hopelessly neglected by REM. It has been said many times in the past year that we have to get organised. It has been said both within our own ranks and by our enemies (eg. the leadership of the CPA(ML)). Every issue of the 'The Way Forward' states publicly that REM has organisationally collapsed. The eloquent proof of this statement resides in the fact that these attacks are met by silence on our part.

Internally, call after call has been made that we should get organised. A checkup shows that these calls have not been met.

As far as I can work out, REM members appear to be involved in various broad, united front activities (eg. radio 3CR in Melbourne) and doing good work there, but there is a terrible neglect of Party building. I feel that united front activities and Party building have to go side by side. Otherwise the energy put into united front work is dissipated.

To carry out Party building efficiently we need at least the following:

- + A regular 'Discussion Bulletin', eg. one every 6 weeks.
- + An end to our neglect of publicly exposing the class enemies leading the CPA(ML)
- + Study of Party building .

A study of Lenin's efforts to build a Communist Party in Russia is valuable here. In "One Step Forward. Two Step Backward" Lenin said : "In its struggle for power the proletariat has no other weapon but organisation". In the split between the Bolsheviks and the Mensheviks in 1904 Lenin defined the position of the Mensheviks as "opportunism in matters of organisation". "Lenin considered one of the gravest sins of Mensheviks lay in its underestimation of the importance of party organisation as a weapon of the proletariat in the struggle for its emancipation". ( Short Course, p.50 ). At the time this was the main difference between the Bolsheviks and the Mensheviks.

It has to be said that in matters of organisation REM displays the same opportunism as the Mensheviks. This has to be seen as an important ideological question .

References :

- History Communist Party of the Soviet Union - Short Course, Chapter 2.
- Stalin. Foundations of Leninism, Chapter 8.
- Lenin. One Step Forward . Two Step Backwards.



A L E T T E R F R O M I N D I A

The newspaper "Mass Line" in India wishes to establish contact with other Marxist-Leninist groups and asks for publications to be sent to:

Mass Line  
KOTTAYAM - 686001  
KERALA  
INDIA

Their letter reads as follows:

\*\*\*\*\*  
3/8/79

Dear Comrades,

We have received 17th March issue of Discussion Bulletin published by the Red Eureka Movement. As intimated you we are sending one copy of Mass Line by Airmail and 5 copies by surface mail. Due to financial and other difficulties we could not publish it after the May 15th issue. From this issue onwards we will be trying our level best to publish it regularly.

In India CPI(ML) is now split into two wings. One wing is advocating for the new leadership in China and their 'Three World Theory'. We as well as like-minded comrades in other parts of the country are upholding Marxism-Leninism-Mao Tsetung Thought and Comrade Charu Majumdar's revolutionary line while denouncing Teng-Hua clique and their "Three World Theory". Based on this the genuine Marxist-Leninists are engaged in re-(con)structing the party. As far as the Albanian line is concerned it is isolated and advocated now only by a few agents sent by Hardial Bains from Canada. It has no following in this country.

It seems you are upholding the 'Three World Theory' as that of Mao Tsetung'. It seems there is some confusion. In this context we request you to study Mao's 'General Line of the International Communist Movement' (1963), Peaceful Co-existence - two diametrically opposite views (1963) and 1970 May 20th statement. Establishing contacts with countries where different social systems exist based on peaceful coexistence comes third after proletarian internationalism and relations with socialist countries in the foreign policy of a socialist country. Krushchev transformed this and made peaceful coexistence the sum total of S.U.'s foreign policy and then put it as the general line of the world communist movement. This was opposed by Mao. He differentiated the countries like Lenin and Stalin before him only to apply correctly the policies of peaceful coexistence with different types of countries. But the Three World theoreticians have put the UF based on this theory as the general line of China's foreign policy and then advocated it as the global strategy and rev. line of the world proletariat with their 11th Congress Report. A detailed study we are publishing shortly. So we should not confuse Mao's differentiation and talk with Kuanda with the present 'Three World Theory'. Hope through discussion we will be able to come to agreement on this point.

.....  
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(The remainder of the letter deals with other matters which have been replied to directly)

COMMENT (from Tom Bell)

Hoping to reach agreement through discussion is a refreshing approach to disagreements within the international communist movement which we warmly welcome!

During our internal discussion of the "Three Worlds", the 1960s polemics on the general line of the international communist movement, and Mao's statement of May 20 1970 were frequently referred to. An article "Reject the Theory of Three Worlds" by Martin Connell was circulated internally on 24 August 1978 which drew on this material.

This, and a reply, will soon be published in this Bulletin, and may help to clarify some of the issues raised.

An open letter from the Revolutionary Communist Party of Chile made similar points and the RCP USA takes the same sort of view. We have also received correspondence on it from the China Study Group in the USA and our internal "Reference Material from Overseas" dated 3 December 1978 lists some of the great quantity of similar arguments that have been published by many groups around the world. Some of these were published for reference in the third issue of our Study Notes. Our Discussion Bulletin (especially No 2) has also published arguments along these lines.

So we are quite familiar with the arguments against the "three worlds" and our rejection of those arguments is not based on ignorance.

But we have also studied other material, quite independent of what the Chinese revisionists say, for example the works of Lenin, Stalin and Mao listed in our "Study Guide on International Questions" (21 December 1978, published in Discussion Bulletin No 3).

It seems that opponents of the "three worlds" are mainly familiar with the Chinese revisionist material on it, of which they are naturally suspicious, and are not familiar with our views, or the material we have studied on it. At any rate, we have never seen any refutation or even reference to this material, let alone a convincing one, and all the arguments we have seen about the "Three Worlds" have been for or against the Chinese revisionists, which is really a separate issue.

Certainly the 1960s polemics put proletarian internationalism ahead of peaceful coexistence while revisionists try to make the international United Front into the basic foreign policy of socialist countries and the general line of the international communist movement.

Our "Opinions on Some International Questions" clearly takes the proletarian revolution as the starting point and only then goes on to deal with the international united front and the three worlds as a subordinate question.

This is different from the way the concept of "three worlds" is used by the Chinese revisionists and is similar to the way it was used by the Chinese leadership before Mao's death and the revisionist coup d'etat.

But it is also different from the attitude taken by people who attack the concept of "three worlds" and thereby promote a "pure" revolution minimizing the importance of the United Front.

Our position is not "intermediate" or vacillating. We strongly oppose both Chinese and Albanian revisionism and strongly support both Mao Tsetung's line of continuing the revolution against capitalist roaders and his line of the international united front.

Mao Tsetung was never a "left wing communist". On the contrary many of his classic works are polemics against the various "left" lines of Li Li-san, Wang Ming etc, including "left" lines supported by Stalin, the Comintern and the overwhelming majority of the international communist movement at the time.

Mao Tsetung did not carefully differentiate various countries and forces merely for purposes of peaceful coexistence. Like Lenin and Stalin he did so as an important aspect of determining the overall strategic direction of the world revolution. The differentiation of

"democratic" and "fascist aggressor" states in the 1930s for example, was not just for peaceful coexistence, but for war (in alliance with US, British and other imperialists) and for revolution. If the Soviet Union had not been socialist then, it would have been just as important for revolutionaries to make these differentiations and form appropriate alliances. Indeed Mao did so when Japan invaded China, long before the Soviet Union was directly involved in that war. Likewise Mao had no hesitation about allying, not only with democratic revolutionaries who were not Communist, but also with counter revolutionaries like Chiang Kai-shek, who was surely no better than many "Third World" leaders today.

It was Mao Tsetung who formed a formal military alliance with Chiang Kai-shek and re-designated the Red Army as a part of the Kuomintang army (while keeping the guns safe). It was also Mao Tsetung who shook hands with every tinpot third world "leader" that set foot in China (although he did not have to since he had no formal Government position). It was Mao Tsetung who not only invited Nixon to visit China but also personally invited him back a second time after he had been deposed.

What more could he do to convince everybody that he personally supported the diplomatic line that the Chinese press repeatedly said was being directly supervised by the Central Committee leadership?

The shift in Chinese policy, towards an alliance with the US against the Soviet Union, came after the US defeat in IndoChina, and long before the revisionist coup d'etat. It has speeded up since then mainly (although not entirely) because the U.S. and other Western powers are more willing to ally themselves with a China on the capitalist road than they were willing to ally themselves with a socialist China that mobilized the Third World countries and peoples against both superpowers.

It is easy enough to distinguish Mao's concept of "three worlds" from the use of this concept by the Chinese revisionists as an all embracing "Theory". In fact they have already largely dropped the question, having successfully used it to confuse the international communist movement and distract attention from their revisionist internal policies by concentrating on "victorious" polemics with the Albanians.

Chinese foreign policy is not now based on the concept of "three worlds" at all. This would involve relying on the Third World countries and peoples as the main force, mobilizing them against both the two superpowers, winning over the second world countries and uniting with all forces that can be united (including the United States) against the more dangerous Soviet superpower.

In fact Chinese policy is to rely first on their alliance with the United States, and secondly on Western Europe and Japan for capital and technology. The third world countries are no longer seen as very important and the peoples hardly count at all. It is no longer a question of advancing the proletarian revolution, but of advancing China's national interests.

Nevertheless, for their own reasons, the Chinese bourgeoisie, like the American bourgeoisie, does regard Soviet imperialism as their main enemy, and gives concrete support (as in Kampuchea) to people threatened by it. On this FUNDAMENTAL point we agree with the Chinese and US imperialists more than we agree with "left wing Communists" who can't yet see what is happening in the world around us. It's that important.

We would stop agreeing with the Chinese if they fundamentally changed their attitude towards the Soviet Union, and will not do so merely because of other disagreements. Such a change is of course not impossible, since appeasement may be a more attractive policy to the Chinese revisionists than it was to the revolutionaries.

While China continues to stand up to the Soviet Union we are as much in favour of Teng Hsiao-ping's foreign policy as we would have been in favour of Churchill's (British imperialist) policy of resisting Hitler, or Chiang Kai-shek's (vacillating Chinese comprador's) policy of resisting Japan.

If the Soviet Union was the main danger and the Third World countries and peoples were the main force when China was socialist, how does it become any less true now that China is on the capitalist road? It does not reduce the Soviet threat, nor decrease the importance of the Third World countries, nor increase the strength of the proletarian revolutionary forces so that they have less need for allies.

True enough, the world situation will change and eventually even Chinese social imperialism could become the main enemy instead of the Soviet Union, but the basic alignment of forces has not fundamentally changed over the last three years simply because China is no longer led by revolutionaries - just as the strategic orientation of the world revolution against US imperialism did not change in the first few years after Khrushchov came to power in the Soviet Union, although it did lead to later changes.

When China was socialist, the Chinese revolutionaries made a point repudiating concepts that over-estimated China's importance in world affairs. They insisted that China was just another poor and developing third world country that sought to unite with others against the superpowers and rejected the concept that China was at the centre of a "socialist camp" that was the main force opposed to imperialism. This accurately reflected reality then, whatever the wishful thinking of revolutionaries who are small minorities in their own countries and would like to imagine a powerful China backing them up. It still reflects reality today. China's leadership of the world revolution was ideological, not material and even in ideology they were careful not to promote flunkeyism by fundamentally leaving it to each party to figure things out for themselves (although one cannot say they were very successful in eliminating flunkeyism!)

If Mao's foreign policy had been simply in China's narrow national interests as a state with hostile neighbours, then it would have been opportunist to promote this in the international communist movement and there would have been no reason for communists to support it. Those who apologized for Chinese policies that were perplexing many progressive people, using various excuses about the needs of diplomacy etc were supporting that policy for opportunist reasons. It is not surprising that many went on to opportunistically support the Chinese revisionists. But also "left wing communists" opportunistically tried to pretend that the policy they never really understood, but apologized for, could be just quietly dropped without analysis on the excuse that China isn't a socialist country any more so we don't need to worry about alliances and united fronts (what a relief!).

Surely the Albanian stand is enough to prove that these policies were Mao's and not just his successors. They would have much more support if they were not forced, by

the absurdity of pretending otherwise, to admit this and attack Mao directly.

In fact China did not follow a policy of uniting all forces that could be united against the Soviet Union out of narrow nationalist considerations, but on the basis of a sober analysis of the world situation. Indeed, they explicitly pointed out that, despite appearances, the Soviet Union was only making a "feint in the East to strike in the West" and its main target was not China but Europe. This explicitly refuted the apologetics about China's actions being justifiable to preserve socialism from invasion but being irrelevant to revolutionaries elsewhere. Preventing a Soviet invasion, or leading the resistance to it, is as important to Communists in Western Europe as it is in Kampuchea and as it was for European Communists faced with Nazism, or Chinese Communists faced with Japanese militarism in the 1930s.

If that analysis about Europe was correct at the time of the Chinese Communist Party's historic 10th National Congress, then what has changed since? The Soviet Union has not disarmed, nor has it become less expansionist. Indeed it is precisely because it has done the opposite that more and more people, whether US imperialists or Chinese revisionists or revolutionaries can see the logic of Mao's analysis - just as far sighted people in the 1930s came to agree with Stalin's analysis.

If the world is still threatened by the Krenlin in the same way that it was once threatened by Hitlerism, then why shouldn't revolutionaries take the lead in calling for a united struggle to stop it (following Mao's example of independence and initiative within the united front so that the fruits of victory go to the people and not to our enemies).

If on the other hand this analysis is wrong and opportunist now, then it was also wrong and opportunist before. If it was a "mistake" of the Chinese Communists under revisionist influence, then it was a pretty big one and Mao himself was pretty directly associated with it - or at the very least he failed to vigorously struggle against it as a Communist should.

We know what the polemics between the Maoists and the revisionists were about in China and they were not very much concerned with foreign policy. Indeed the "gang of four" 10th Congress marked a victory over Lin Piao whose line rejected the "Three Worlds", the Nixon invitation etc.

So why reject the Albanian view that Mao was a revisionist if we are going to reject his international strategy and support Lin Piao's?

There may be some problems distinguishing our support for Mao's analysis from the big deal "Theory". Nevertheless, the plain fact is that we do make a similar analysis to the Chinese revisionists as to who our friends and enemies are (they may be many things, but in analysing the Soviet threat, they are not stupid). So this is not the essential difference to emphasize. Even though they do it for their nationalist reasons and we do it for our Communist reasons, we have at least as much agreement as Stalin and Churchill. Naturally this does not preclude us from calling them revisionist any more than it made Churchill cease to be an imperialist.

But there are much bigger problems distinguishing "left wing" opposition to "their" "Three Worlds Theory" from the Albanian opposition which is not "left", but a capitulation to appease Soviet imperialism.

If the Albanian line is isolated now, it is only because they have attacked Mao Tsetung personally and he has very great prestige. Really that is not a very sound basis for their views to be rejected since it amounts to little more than blind faith. The best proof is that they were not isolated, and many groups were strongly influenced by their polemics about "three worlds" when they were pushing the same line as now, but without openly attacking Mao.

The "Albanian line" now amounts to virtual apologetics for Soviet imperialism and will become increasingly isolated. But the "left wing communist" rejection of, or hesitancy about the united front, will not be so easily discredited and will continue to do great harm - both in sidetracking and weakening the struggle against Chinese revisionism and in disrupting the united front against the Soviet Union, even though the motives may be quite different from Hoxha's.

In Europe even the old "Council Communism" of the German Communist Workers Party (which was stronger than the Comintern section in the 1920s) is being revived. The works of Pannekoek and other "left wing communists" that Lenin polemicalised with are being widely read.

This is a natural and inevitable development in a period in which the rottenness of Soviet and Chinese revisionism appears to prove the failure of Leninism itself. It may be compared to the revival of syndicalism when Marxism was discredited by Kautsky and the revival of Trotskyism when Stalinism was discredited by Khrushchov.

Reaction against the rottenness of right opportunism by a tilt to the left is perfectly understandable. Nevertheless, as well as breaking resolutely with the Chinese and Albanian revisionists, we must also defend Leninism against "left wing communism".

Taking similar attitudes to the Chinese and Americans on important international questions (eg IndoChina - Vietnam and Kampuchea) may make us unpopular in progressive circles for some time. But if we are proved right, what does it matter? Communists were very unpopular at the time of the Nazi-Soviet pact and the invasion of Finland (which are also examples worth studying).

The Red Eyreka Movement rejected Chinese revisionism as soon as the coup d'etat occurred and our organization was formed on that basis.

We also published criticisms of the Albanian editorial "The Theory and Practice of the Revolution" as soon as it was published, and well before the Chinese reply. (See Discussion Bulletin No 1)

Others, who now take a "left" position were silent about rejecting first the Chinese and then the Albanian revisionists for much longer than we.

We are a small group, disorganized, and on many issues we are quite "confused".

But on international questions we are simply upholding the same Marxist-Leninist line that all "Maoists" paid lip service to only three years ago.

We are confident that as the situation develops, other comrades will return to the same position.

Tom Bell



# AFTERHOURS BOOKSHOP

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Aug. 30, 1979

## LIST OF NEWSPAPERS AND PERIODICALS

A list of some of the newspapers and periodicals stocked.

- 25c LEARNING EXCHANGE. Melbourne Learning Exchange.  
freeFREE PALESTINE. Melbourne publication  
freeUNEMPLOYMENT NEWS . Work For Today Coalition Melbourne.  
\$2. JOURNAL OF AUST. POLITICAL ECONOMY. Aust. Political Economy Movement  
\$1.20 SCIENCE FOR THE PEOPLE. Radical British science magazine.  
\$3 AMPO. Japan-Asian quarterly review.  
80c GAY CHANGES. Adelaide Homosexual Alliance.  
65c FOCUS. International Defence & Aid Fund (London). Deals with South Africa, Zimbabwe and Namibia.  
20c TAPOL. British Campaign for the Release of Indonesian Political Prisoners.  
**20c EAST TIMOR NEWS. East Timor News Agency (Sydney).**  
20c JAZA NEWS. Jews Against Zionism & Anti-semitism (Melbourne).  
20c MIDDLE-EAST - NORTH AFRICA NEWS. Melbourne publication.  
40c ROUGE. Australian Feminist Newspaper.  
\$2 ECATE. A women's interdisciplinary journal (Brisbane).  
40c SIBYL. W.A. feminist magazine.  
Left-wing Lunies of Many Shades.  
25c THE CALL . CP(ML), US Teng tsiao ping supporters.  
25c UNITE. CPUSA(ML), US Albania liners.  
25c WORKERS VIEWPOINT. WVO, US supporters of theory of 3 worlds but anti-Teng.  
90c REVOLUTION. US anti-Teng, anti 3 world theory.  
25c THE COMMUNIST. Workers Congress (ML), US Teng supporters  
PEOPLES VOICE. Communist Party of New Zealand.  
30c UNITY. Wellington Marxist-Leninist Organisation. NZ  
80c ALBANIA TODAY. The good oil from Enver Hoxha.  
**50c the GUARDIAN. Independent radical newsweekly. (U.S.)**  
50c WAY FORWARD. Melbourne publication. Under the title banner we find:  
"Leninism is Marxism in the era of imperialism and proletarian socialist revolution."  
30c DISCUSSION BULLETIN. Red Eureka Movement, variously described as riffraff, rabble, r-r-revolutionaries. Describe themselves as unreconstructed Maoists.

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Afterhours Bookshop specialising in political and social science books and periodicals.