

Socialist Equality Party Election Statement '98

For a socialist alternative

5 September 1998

This election is being held in the midst of what is, by any objective reckoning, the most severe crisis of the global capitalist system since the Great Depression of the 1930s. The jobs, livelihood and social conditions of millions of people all over the world are being shattered by an economic breakdown of unprecedented proportions.

Prime Minister John Howard opened the government's campaign by declaring that there was no prospect of a global recession and that the US economy remained "strong". Just hours later Wall Street experienced its second biggest point fall in history.

Last year US President Clinton called the collapse of the Asian boom a "glitch". Today the crisis of capitalism has taken the form of a tidal wave sweeping across countries and continents as regional and national economies are overcome by forces that they cannot withstand, let alone control.

The Socialist Equality Party is the only party that uncompromisingly defends the interests of the working class. We fight for the complete re-organisation of society from top to bottom on the basis of genuine social equality. The vast wealth created by technological innovation and the common labour of working people all over the world must be freed from the destructive grip of the capitalist market and profit system, and made to serve the interests of humanity as a whole through the development of conscious planning.

All the other parties--Labor, Liberal, National, the Greens, Democrats and One Nation--vigorously defend the present social order. They all regard the "market" as the highest form of social organisation. Yet it is the daily operation of the market--distributing wealth on the basis of profit, not social need--that is creating the ever-widening social chasm between rich and poor.

The Socialist Equality Party is seeking to open a new road for the working class. The economic domination of the global corporations and banks cannot be challenged through the very parties and institutions that have a vested interest in defending private profit. Working people must start to intervene directly into political life, through the building of a powerful independent movement based on a socialist perspective.

We pursue this objective on the basis of an international strategy. As the Australian section of the Fourth International, the SEP is part of a world party. The working class can only combat globally organised capital if it begins to integrate its own struggles on an international scale. The fundamental division in society is not between "Australians" and "others", but between those in every country who have to work in order to live, and those who profit from their labour.

For the past decade and more the media pundits, capitalist politicians and economic "experts" hailed the hothouse development of the "Asian Tigers" such as Korea, Thailand and Indonesia as proof of the vigour and vitality of the market system. When the Asian crisis erupted last year they laid the blame on regional peculiarities and mismanagement, insisting that the economic crisis would not spread.

Events themselves have provided a stunning refutation of these glib assurances. Now it is clear that the "Asian meltdown" was but the initial

expression of a global crisis. In the wake of the financial chaos, a mood of perplexity, bewilderment and outright panic grips ruling circles. No explanations are offered, let alone a solution.

The complete inability of capitalist governments to provide in any way for the livelihood of masses of people is rooted in a fundamental transformation in the world economy. The international integration of production, finance and markets has unleashed the global circulation of colossal amounts of capital, dwarfing the resources of governments, central banks and bodies such as the International Monetary Fund.

Globally mobile capital increasingly demands the abolition of all impediments to profit--job security, safety standards, social welfare payments and minimum wage levels--to provide a competitive return on shareholder funds.

Consequently national governments have entered a never-ending struggle with their rivals to offer the best possible returns, winding back or destroying social services, health care and education, and privatising and restructuring state-owned enterprises and services in order to become "internationally competitive".

This economic and political transformation marks the end of a whole historical epoch. It signifies that the post-war economic and political order, which was established to regulate and contain the most destructive effects of the profit system, has irrevocably broken down.

The fundamental contradictions of capitalism--between world economy and the nation-state system and between the development of social production and private ownership of the means of production--have already brought economic devastation and two world wars this century. Now they are once again erupting to the surface of political life. Global rivalry for resources, cheap labour, markets and profits is fuelling sharpening economic and trade conflicts, and the increasingly reckless military actions of the US and other major capitalist powers.

In many parts of the globe, capitalism has already created a social catastrophe of unimaginable proportions. The entire continent of Africa, home to 600 million people, is suffering the ravages of famine, plagues, and internecine warfare. Key strategic areas of the world such as the Balkans, the Horn of Africa and Central Asia, have become hotbeds of inter-imperialist rivalry and intrigue, and open civil war.

The economic and social crisis in Asia--where hundreds of million of people have been plunged into poverty virtually overnight--is not an aberration, but a warning of the future which faces people the world over.

An air of unreality hangs over the election campaign. After the bitter experiences of recent years few people, if any, believe the campaign promises of the major parties. Whichever party wins office, the next government's policies will be determined by the dictates of capital, under conditions of a deepening economic crisis.

But in order to win office, capitalist politicians must attract the votes of those whose living standards they have devastated. If they told the truth, no one would vote for them. Hence lies and deceit--supported and promoted by the mass media, whose role is to cover up and distort the real issues--perform a vital political function.

The so-called "tax debate" is a prime example. Howard has promoted the GST and other tax measures as a "plan" to meet the economic problems lying ahead. In fact, they represent the latest attempt in the long-running campaign by big business, stretching back to Labor's consumption tax plan in 1985 and Hewson's Fightback program in 1993, to reduce even further the tax on capital and corporate wealth, and increase the burden on workers and the poorest sections of society.

Predictably, Labor claims to have a more equitable alternative. But in assessing its credibility one need only recall what happened in 1993. After defeating John Hewson on the basis of opposing the Liberals' taxation proposals, Keating immediately set about implementing a raft of indirect taxes every bit as regressive as the GST.

There is not one iota of difference between Labor and Liberal--both are big business parties that are responsible for destroying the living standards of the working people.

Between 1983 and 1996, the Hawke and Keating governments carried out an unrelenting assault in the name of economic restructuring, deregulation and international competitiveness. The Accords with the trade unions resulted in the destruction of hundreds of thousands of full-time jobs in basic industry, the slashing of real wage levels and conditions, the lengthening of the working day for those still in work, and the serious compromising of safety standards.

Labor reduced tax rates for companies and the wealthiest layers of society, adding an estimated \$17 billion a year to corporate profits. The loss in government revenue was made up through cutbacks in budget spending, particularly at the state level, where public hospitals and health care, housing, education, welfare and childcare all deteriorated.

Howard came to power in 1996 by exploiting hostility to Labor's program and appealing to its victims--the so-called "battlers". But once in office, the Liberals carried out the most extensive cuts to public spending ever. A massive \$7 billion was slashed over two years, leaving no section of the working class unscathed--from young families hit by exorbitant childcare costs, to students faced with increased tertiary fees and reduced allowances, to the elderly, forced to pay large new imposts for nursing home care. Funds were cut across-the-board for public health, housing, education, dental care, legal aid, migrant welfare and other services.

The legacy of Labor and Liberal rule is the huge and growing social chasm between rich and poor. According to the latest statistics, the richest 20 percent of society earn 47.5 percent, or nearly half, of all income, and own 72 percent of the wealth. These are the corporate chiefs, bankers, financial brokers, media personalities, politicians, union bureaucrats and their advisers and hangers-on, who have enriched themselves through the corporate downsizing, stock-market speculation and restructuring that have impoverished millions.

The other 80 percent comprise the vast majority, struggling to provide food, clothing and basic household items and pay the rent or mortgage, car repayments and credit card debts. At least 30 percent of the population, numbering more than 5 million people, live below or near the poverty line, including 2 million children.

In rural areas, small farmers and businesses have been driven to the wall by the incursion of large-scale operators, cuts to rural subsidies and falling commodity prices. In rural towns and regional centres, the whole fabric of life has been torn apart by the closure of railways, bank branches, post offices, schools, hospitals and other services.

This deepening social polarisation has far-reaching political consequences. Throughout the post-war period, the middle class formed the basis of social stability and the parliamentary system. Now it is being torn apart. A smaller layer has rocketed upwards, drawing an increasing proportion of its wealth from stock market windfalls and property speculation. A much larger section, including professionals, small farmers and business people, and middle management, whose lives were reasonably secure, has been reduced to the status of wage earners, lacking

any economic security.

It is this transformation in social relations that lies behind the growing instability of the whole parliamentary system, reflected in the collapse of the base of support for the major parties and the emergence of hung parliaments and minority governments.

The emergence of the extreme right wing nationalist One Nation party underscores the necessity of a broad-based political movement of the working class, imbued with a socialist perspective. One Nation has been able to exploit the frustrations of small farmers, business people and a section of workers and turn them in a reactionary direction.

Like all previous right wing demagogues and outright fascist movements, Pauline Hanson and her backers, such as the self styled "national socialist" David Oldfield, seek to divert social discontent and anger away from a struggle against the capitalist system, and direct it, instead, against the victims--the most exploited and vulnerable layers of the population such as immigrants, Aborigines, the unemployed and welfare recipients.

What class interests One Nation represents can be seen in the economic policies it promotes. Tariff protection, foreign investment controls and rural subsidies represent, not the interests of working people, but of those sections of business, large and small, that have been unable to compete on global markets.

Both Labor and coalition governments, as well as the trade unions, bear full responsibility for the social conditions that have fuelled One Nation's rise. Moreover, the ideological soil for its growth was prepared long before Hanson appeared on the scene. The racism espoused by Hanson was initially cultivated by the Labor Party in the form of the White Australia policy at the turn of the century, in order to try and block the development of a socialist movement of the working class.

Throughout the 1980s and early '90s, the Hawke and Keating governments, with the support of the unions and the coalition parties, incarcerated hundreds of Asian refugees for years in concentration camp-style conditions in remote Western Australia, stripping them of all legal rights.

And for years, politicians and tabloid journalists have used the same rhetoric as Hanson, in seeking to blame the victims of government and corporate policies for decaying social conditions as they promote the reactionary notion that governments have no obligations to the needy, the disadvantaged, the sick or the elderly and that the principle of "user pays" must predominate.

The media, recognising that Hanson's social philosophy dovetailed neatly with its own, initially gave her saturation coverage, while Howard hailed her reactionary pronouncements as a victory for "free speech".

But having fostered Hanson's rise, both the mass media and ruling circles received a rude shock when One Nation obtained nearly a quarter of the vote in the Queensland state election. From being a useful tool in shifting official politics further to the right, One Nation began to be regarded as a threat to parliamentary stability.

Virtually overnight Hanson came under attack from every quarter. Liberal and National politicians and personalities joined the media, business leaders, trade union bureaucrats and the ALP in denouncing One Nation as racist. The various radical protest groupings, including the Democratic Socialist Party (DSP), Resistance, the International Socialist Organisation (ISO) and others, formed the "left" flank of this de-facto bourgeois coalition, bound together by a common concern for the stability of Australian capitalism.

On all the basic issues, the outlook of the anti-Hanson radicals, as well as their allies in the Greens and Democrats, forms a continuum with that of One Nation. For all their denunciations of Hanson's racism, they have the same response to globalisation, demanding a return to the nationalist programs of the past.

The socialist response to globalisation is entirely different. The causes

of the economic breakdown lie in the social relations of the profit system, not globalisation or technology.

Globalisation has greatly exacerbated the fundamental contradictions of capitalism, resulting in a growing social catastrophe. But, at the same time, the global integration of production has created the basis for overcoming the crisis. It has brought together millions of workers in a single social process of production and enormously enhanced the productivity of human labour. All the preconditions now exist for resolving the most fundamental problems of humanity and vastly improving the living standards of the world's population.

Yet left in private hands and to the anarchic operation of the market, the immense resources created by the labour of the international working class are squandered. Everywhere the contradictions are obvious. Food exists in abundance, yet it is dumped or destroyed while tens of millions go hungry around the world. Technology has vastly increased the productivity of labour, yet working hours are getting longer and unemployment is rising.

The US magazine *Forbes* recently revealed that the wealthiest 200 individuals on the planet control combined assets worth more than \$1,600 billion. This amount is greater than the annual Gross Domestic Product of the whole African continent, where millions of children die each year for lack of a few dollars for medicine or food.

Such glaring inequalities cry out for the rational reorganisation of the world's resources for the benefit of humanity as a whole. The contradictions of capitalism can only be overcome by placing the most important economic levers--the banks and the big corporations--under public ownership and the democratic control of the working class.

The Socialist Equality Party advances a socialist program grounded on three fundamental principles:

- **For the international unity of the working class**

Internationalism is no abstract ideal. It is based on a recognition of the objective fact that workers in Australia, whatever their occupation, form part of an international class, faced with a common enemy.

The struggle to unite workers internationally is inseparably bound up with the fight against all forms of racism and nationalism. The SEP opposes all racial politics: the White Australia racism of One Nation, as well as the supposedly more progressive "identity politics" based on ethnicity and race, including black nationalism and multiculturalism.

- **For social equality**

Economic and social life must be reorganised on the basis of social equality. Everything that is necessary for a productive, secure and comfortable life must be made available to everyone, regardless of ethnic background, national origin or religion. The principle of social equality--the provision of goods and services on the basis of need--is in direct conflict with the operation of the market, which distributes wealth according to the principle that "to those that have, shall be given" and "from those that have not, shall be taken away".

- **For a workers government**

Parliament is nothing more than a political apparatus aimed at maintaining the fiction that democratic forms of government prevail. In reality, the lives of ordinary people are determined firstly by the operation of financial markets over which they have no control, and secondly by decisions made in corporate boardrooms and the capitalist state in which they likewise have no say. While the SEP stands in parliamentary elections to win support for our policies, our principal task is the political education and organisation of the working class on an ongoing daily basis.

Our aim is to mobilise the working class to put an end to the political domination of the present financial oligarchy and establish genuine democracy--a government of the workers, for the workers, and above all, by the workers. Only a workers government, resting on the active and militant support of a politically aroused and vigilant working class, will be able to take the economic and political measures necessary to eliminate poverty and unemployment.

Our candidates advance the following policies:

- **Secure and well-paid jobs for all!**

Every worker must be guaranteed a well-paid and secure job and an income sufficient to raise a family in comfort. The exploitation of the unemployed as a pool of cheap labour must end. We call for the abolition of all work-for-the-dole schemes and the raising of unemployment benefits to a living wage. To guarantee full employment, with well-paid and secure jobs for all, the working week must be reduced to 30 hours, with no loss of pay and a program of public works established to provide decent housing, transportation, child care, hospitals and education.

- **Raise living standards and eradicate poverty!**

Millions of people are struggling to survive on incomes that fall below the austere official poverty line. We demand an immediate increase in all pensions and benefits to the level of a proper wage. Minimum wage levels must be raised to \$20 an hour, fully indexed to cost-of-living increases. Evictions and foreclosures, as well as the cutting off of electricity, gas, water or telephone services to the unemployed or to welfare recipients must be outlawed.

As a first step towards ending the gulf between rich and poor and providing the resources for an expansion of jobs and public services, we advocate a progressive tax system to lower taxes on working and middle class families while raising those on the wealthy. All personal incomes over \$150,000 should be taxed 100 percent, while those under \$20,000 should be tax-free.

- **Guarantee the right to first class health care, education, housing and child care!**

Billions of dollars must be poured into the upgrading, expansion and staffing of public hospitals, schools, universities and child care facilities so that these services are equipped with the latest technologies and are freely available to all. The sell-off of public housing must be halted, new high quality housing units constructed, and rents and house payments reduced so that no worker pays more than 20 percent of his or her income for shelter.

- **Guarantee a future for youth!**

We propose a huge expansion in the number of apprenticeships and the availability of high quality training and educational programs for all young people. Night work and rotating shifts for young workers must be prohibited. A reduced working week on full pay must be established for workers under 21 to allow them to engage in sports and other recreational activities.

- **Proper care for the elderly!**

All elderly people must be able to live in dignity, with all the necessary financial and social supports, including access to free transport, health facilities, decent accommodation and recreation. Generous subsidies must

be provided to families caring for ageing parents, and all nursing home fees abolished.

- **Defend democratic rights!**

To uphold the democratic rights of all, every law against strikes and pickets must be repealed and all discrimination based on nationality, colour, religion, sex or sexual preference outlawed. All refugees held in detention centres must be released immediately. We call for an end to all forms of immigration control and restriction. Workers must have the right to live and work wherever they wish with full citizenship rights and full access to social benefits.

- **For rational planning and a safe environment**

Nowhere is the irrationality of the profit system more evident than in the chaos that characterises both city and country. Rural towns and regions are being devastated while the cities are becoming choked. The domination of profit over social needs is evident in a growing list of disasters--the spread of cancers in the steel towns of Wollongong and Newcastle, the infestation of the Sydney water supply with potentially fatal parasites, the increasing damage caused by floods, the growing incidence of land degradation in rural areas, to name but a few.

Only when need, not private profit, becomes the organising principle for production and all aspects of social life, will resources be utilised to provide a better living standard and a safe environment for all.

Each one of these demands will be met with the cry from the big business media and capitalist politicians that "there is not sufficient money." No other response should be expected to a program that challenges the very foundations of their wealth and privileges. The resources exist to meet every one of these demands, but they must be freed from the grip of the banks and major corporations.

Seven years ago, the collapse of the Soviet Union was proclaimed as the dawn of a new era for world capitalism and the historical triumph of the market over socialism and conscious planning. This assertion was based on the grossest falsification--the identification of the Stalinist bureaucratic apparatus with genuine socialism and Marxism.

This falsification formed the basis of the campaign, waged by the ruling class and its parties all over the world, to prevent the development of a conscious opposition to the "free market" agenda. If socialism had failed, then there was no alternative to the profit system.

The learned representatives of the ruling class declared that Russia only had to dismantle what remained of state owned industry and institute the market in order to enter the realm of capitalist prosperity. The outcome has been a social and economic disaster--the halving of national production over the past seven years and the reduction of what was the third largest economy in the world to an economic unit smaller than the Netherlands.

Recent events also expose the lies, fraud and hypocrisy upon which the capitalist politics of the past decade has been based. Workers were told that the restoration of capitalism in Russia meant the "end of history". In fact, all the great historical issues that have confronted the working class this century are back on the agenda.

The Russian Revolution of 1917 was the first attempt to end the anarchy and social devastation produced by capitalism. Due to its isolation, the revolution was betrayed by the Stalinist bureaucracy, which usurped political power from the working class and trampled on the principles of socialist internationalism.

In order to enforce its rule, the bureaucratic regime carried out a political genocide unprecedented in history--murdering the leaders of the revolution and thousands of socialist workers and intellectuals. Above all,

the purges were directed at Stalin's most consistent socialist opponents--the Left Opposition founded by Leon Trotsky and his supporters, whose program and traditions are embodied today in the International Committee of the Fourth International and the Socialist Equality Party.

Today, these principles constitute the basis for the revival of a genuine socialist movement of the working class. Such a movement requires the active participation of the most far-sighted layers of workers, young people and intellectuals, based on the ideals of social equality, freedom and justice that have animated the great revolutionary struggles of the past. Its goal must be to end the destructive anarchy of capitalism and carry out the conscious re-organisation of society, on a new and higher level.

We urge all workers and youth to support the Socialist Equality Party's election campaign in every way possible, and above all, to join our party and build it as the new leadership of the working class.

See the Election Campaign '98 web site of the Socialist Equality Party

See Also:

The market, planning and socialism

By Nick Beams, SEP Senate candidate for NSW

[3 September 1998]

Amid global economic meltdown

Australian government calls crisis election

[1 September 1998]



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