

# The political economy of “New Labor”

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*Below we are reposting a review written by Nick Beams, a member of the WSWs Editorial Board and National Secretary of the Socialist Equality Party, of a book entitled Civilising Global Capital by Mark Latham, the newly-elected parliamentary leader of the Australian Labor Party. The review, originally published on 27 June 1998, helps to clarify Latham's political orientation and the direction that the Labor Party now intends to take.*

At the turn of last century, the founders of the Australian Labor Party sought to block the development of a socialist perspective in the working class with the assertion that demands for social justice and equality could be met with a series of reforms aimed at modifying the operations of the capitalist economy.

State intervention and regulation, an industrial arbitration system to ensure a “living wage”, the promotion and protection of national industries, coupled with the maintenance of restricted immigration under the racist White Australia policy, they maintained, could ensure that Australia became a “workingman's paradise” free from the class conflicts and divisions of Europe.

The political imperatives motivating this program lay in the emergence of the working class in the class battles of the early 1890s, regarded at the time as a war between capital and labour, and were reinforced by events internationally. The first Russian Revolution of 1905, which saw the development of the political general strike and the formation of workers' councils (soviets) sent a shock wave around the world. It signified that a new era in politics had dawned, characterised by the emergence of the working class as a mass political force.

Above all, the petty-bourgeois politicians, nationalists and trade union bureaucrats who comprised the leadership of the ALP sought to block the program of Marxism and its perspective for the overthrow of capitalism and the conscious reorganisation of society on socialist lines and sought to subordinate the working class to the bourgeoisie and its newly-founded nation-state.

In a series of articles written in the early 1900s, entitled “The Case for Labor,” Billy Hughes, later to become Australian prime minister, summed up the arguments of his fellow Labor leaders, insisting that a socialist society would come about neither through a “Russian Red Sunday” nor an Act of Parliament but would “grow and develop in a natural way” just as “manhood comes to a boy”. It would arrive virtually unnoticed through the extension of the activities of arbitration courts, wages boards, the operation of “new protection”, regulations governing the activities of employers and the progressive expansion of state-run industries.

A century on, world capitalism is passing through even more momentous changes, arising from the globalisation of production and the development of a world market dominating every national economy.

Already this economic transformation has had profound political consequences. The program of social reformism advanced by the ALP and social democratic parties internationally lies in tatters. Everywhere its promise of social justice and equality has been turned into a cruel joke as mass unemployment becomes endemic, living standards decline and social reforms granted in the past are ripped up.

The far-reaching technological revolution associated with

computerisation, which could make possible a decent life for all, has been accompanied by a deep-going social polarisation. Marx's analysis that the development of capitalism inevitably produced the accumulation of wealth at one pole and poverty and misery at the other—declared outdated by the Labor reformists—reads like a description of present-day social conditions.

Hence the political imperatives that drove the Laborites at the turn of the century to try to block the development of a socialist outlook in the working class are more powerful than ever. Herein are the origins of this book.

Its stated aim is to establish a program through which the Australian Labor Party could advance policies to secure social justice and equity within the framework created by the globalised capitalist market economy.

A detailed examination of its contents reveals not only the impossibility of such a perspective, but lays bare the real agenda being advanced—a program for deepening attacks on social conditions and living standards, organised under the banner of reforming social welfare to meet the new conditions resulting from globalisation.

Its author, Mark Latham, is a member of the frontbench of the Labor Party opposition and is currently the party's spokesman on education. Latham, who identifies himself as an adherent of the “new radical centre” typified internationally by Clinton and Blair, begins by setting out the economic foundations on which the program of laborism for “civilising national capital” rested.

Under conditions where the economic returns from mining and agriculture in Australia were among the highest in the world, the surpluses generated by these industries “were distributed through a transmission mechanism of basic wage adjustments, tariff protected industries and a labour market buttressed by growing public sector employment” providing the basis for the maintenance of living standards. [Mark Latham, *Civilising Global Capital*, p. 6]

These conditions have now been completely transformed. Commodity prices have undergone a long-term decline—accelerating during the 1980s—and the Keynesian program—government intervention and “fine tuning” of the national economy—on which Labor Party policies rested in the post-war period, has been shattered by the unprecedented global mobility of capital developed over the past two decades.

This new situation—an open economy in which capital is highly mobile—confronts social democracy with a series of policy dilemmas. “Is it possible,” he asks, “to adequately fund the universal rights and services of citizens off an internationally competitive tax base? How can the declining legitimacy and effectiveness of the welfare state be reversed? Is it possible to offset the tendency of globalisation towards economic exclusion and inequality? Can Labor sustain its traditional role as a party of social protection in the face of economic insecurity and the loss of national economic controls? Is it possible to reconstruct a model income gain sharing which reconciles social justice with economic openness? Can the historic cause of Labor successfully adapt to the new political economy of global capital?” [p.9]

According to Latham, the distinguishing feature of the “old economy”

was “the way in which the relative immobility of capital brought it under the clear jurisdiction of nations” [p. 46]. This enabled social democratic parties and the trade unions to advance a program of social reform based on using the political power of the nation-state to effect a certain redistribution of resources from capital to the working class.

This perspective has today completely broken down. Consequently, Latham writes: “Internationally, left-of-centre parties are ... grappling to frame an adequate response to the economic leverage of footloose capital. The development of a policy bridge between globalised economic events and localised electoral issues remains unformed. Yet without the resolution of these tensions it is difficult to perceive how social democracy can ensure the basis of a socially just system of economic distribution” [p. 45].

It is significant that Latham who, together with preceding generations of Labor reformists, maintained that the Marxist program of socialist revolution was not necessary because reforms could be won within the framework of capitalism, is now forced to acknowledge that the mechanisms through which such reforms were obtained have collapsed. Moreover, they have come to grief on the very tendency analysed by Marxists throughout this century—the inherent drive of the productive forces themselves to break through the confines of the nation-state system.

In the past, governments were able to finance social reforms out of taxes imposed on capital which, to a great extent, remained anchored in the national soil. Today, however, the international mobility of capital—the ability to site production virtually anywhere in the world and sell the commodities produced on the world market—has meant that rather than taxing nationally-based capital, governments are increasingly involved in a bidding war against each other to offer global capital the best rate of return.

As Latham is forced to acknowledge: “Among the many contradictions between global capital and local politics, Labor’s agenda is particularly disadvantaged by what has become known as the fiscal crisis of the state—that is, the gap between the revenue raising capacity of an internationally competitive taxation regime and the public outlays required to fund social democratic programs and the local costs of economic adjustment” [p. 31].

In other words, while, on the one hand, the globalisation of capital has increased the need for social welfare measures to meet growing unemployment, the decline in real wages and the economic devastation of whole regions as a result of the closure of industry, on the other it has led to the reduction of revenue to meet these demands.

Latham insists that the ALP needs to “show how the distributional features of global capital [which he acknowledges to be the inexorable tendency to deepen social inequality NB] can be superseded by the work of the nation state” [p. 9].

In other words, unless some means can be found through which the nation-state is able to exercise control over globally mobile capital, the entire social democratic perspective of effecting reforms within the framework of capitalism is rendered completely unviable.

Latham’s perspective for reforming or “civilising global capital” can be summed up as follows:

The key factor in the expansion of capital in the new information-based economy is the development of a skilled workforce and the expansion of the infrastructure of education and research. This means that not only can the national economy grow through the skills of the workforce “but the enhancement of these assets and advantages—education, research and development—can produce economic benefits that remain strongly fixed within the boundaries of the nation state.

“The theory of global capital requires a perfectly mobile labour force and set of workplace skills. In practice, the relative immobility of people, anchored in the geography of localism and nationalism, has given to the nation state a potential source of economic leverage” [p. 53].

In other words, because capital accumulation depends directly on scientific and technical knowledge and the workers who embody this knowledge and skills remain relatively immobile, globally capital will be forced to move towards these workers and the national state will be able to exert leverage over it.

This entire argument, upon which Latham bases the possibility for the “reform” of capitalism, collapses as soon as the most basic issues are considered. Capital accumulation certainly depends on the utilisation of new forms of labour based on information technology. But the labour of the workers who embody these skills is, by its very nature, globally mobile. While a particular worker lives in a given national state, the labour which he or she performs can be carried out across countries and continents.

For example, a computer programmer resident in Australia can work on projects all over the world, employed by companies which have no Australian base. A designer or an architect, likewise, can add their labour to production processes taking place on the other side of the world. It is possible that a worker who operates a steel production process by means of a computer could live in a different country from the plant where the steel is produced. Even the labour of those involved in the provision of the most highly personalised services will be able to be transported around the world. For example, the use of virtual technology will make it possible for a surgeon, resident in one part of the world, to perform operations in another, without ever leaving his own hospital.

It is true, as Latham argues, that capital accumulation depends more and more upon the application of science and technology to the production process. But this does not provide the nation-state with greater leverage over capital, for the labour based on this knowledge is itself the most globally mobile of all the inputs into the production process. Consequently, capital can exploit the scientific and technological resources developed within the confines of a given national state without ever setting foot in the geographical borders of that state, let alone coming under its economic and political jurisdiction.

To put the issue in terms of the categories of Marxist political economy, while the purchase of a particular type of skilled labour power—the realisation of its exchange value—takes place within the confines of a given national state, the consumption of its use value in the production process—through which surplus value and profit is produced—can take place anywhere in the world.

The collapse of Latham’s core argument—that it is possible to develop a new agenda to reform capitalism and provide social justice and equality—necessarily raises the question: what is the real agenda of this book, and what social forces does it speak for?

To answer these questions it is necessary to probe more deeply into the crisis of the post-war welfare state. One aspect of the crisis is the fact that the mobility of capital has meant that national governments are in a bidding war against each other as they offer reduced taxes and increased concessions and thereby cut their own revenues. But that is not all there is to it.

It needs to be remembered, as Marx drew out, that competition is not the driving force of capitalist production, but rather the means through which its basic laws are expressed. The source of the crisis of the welfare state does not lie in competition but is to be found in the contradictions of capital itself.

Capitalist production as a whole does not involve production for the sake of wealth as such, nor the advancement of society. Rather, it is driven on by the extraction of surplus value from the labour power of the working class, which forms the basis for the further expansion of capital.

This mass of surplus value is divided up between the different sections of capital, in accordance with their share of the total capital of society and their relative productivity. Those sections of capital which are less productive than the average receive a smaller proportion of the available

surplus value than they would otherwise have obtained, while those which are more productive receive a greater share. This apportioning of surplus value takes place through a never-ending conflict in the market. That is, competition is the social mechanism through which surplus value is distributed between different sections of capital in the form of profits.

Viewed from this perspective, social welfare provisions represent a deduction by the national state from the overall mass of surplus value available for distribution among the competing sections of capital.

The post-war expansion of the welfare state, undertaken as a concession to the working class in the advanced capitalist countries out of fear of the eruption of massive social struggles, was made possible by the growth in profitability of the capitalist economy which resulted from the development of more efficient production methods.

The expansion of the mass of surplus value extracted from the working class enabled the state to apportion some of this surplus value to provide social welfare measures, ensure full employment, and expand education and health facilities.

Initiated in the late 1940s, the social welfare system underwent a further expansion at the beginning of the 1970s in response to the upsurge of the working class between 1968 and 1975. But that movement coincided with the end of the long post-war capitalist expansion. From the end of the 1960s profit rates began to turn down and in 1974-75 world capitalism entered its deepest recession since the Depression of the 1930s.

The downturn in the rate of profit was the driving force behind two interconnected processes: the globalisation of production in order to try to lower costs, and the development and application of new technologies of production. Together, these processes have been responsible for a transformation of the structure of the capitalist economy, with major consequences for the welfare state.

The global mobility of capital has spelt the end of the program of Keynesian national regulation which formed the basis for the post-war welfare state. At the same time, the enormous technological innovations in the production process, based on the computer chip have intensified the crisis of the profit system. Surplus value—the basis of profit—represents in the final analysis surplus labour extracted from the working class. But the essence of the new information technology is the replacement of value-creating labour in the production process. Consequently, the new technology, rather than alleviating the tendency of the rate of profit to fall, has worked to exacerbate it. This is what lies at the heart of the collapse of the social welfare state.

Under conditions where the overall mass of surplus value was expanding, capital was able to tolerate the welfare state—even welcome it as a means of containing and regulating the class struggle. But in conditions where the tendency is for the mass of available surplus value to decline, deductions to finance social welfare measures become increasingly intolerable.

In the light of these general considerations, we can turn to Latham's specific proposals on social welfare. In essence all of them amount to a series of measures for decreasing the cost of social welfare to capital with the aim of making individuals and families "self provident" so far as their health, education and employment is concerned.

According to Latham, the basis of the new forms of welfare must be the "entrenching of a system of reciprocal responsibility throughout the work of the welfare state." The last Labor government, he writes, began to introduce this system when it made assistance under the so-called Job Compact conditional on the long-term unemployed accepting a "training position" or a "subsidised job placement" on pain of losing their unemployment benefit.

Of course, the obvious question is never addressed: if, as Latham claims, the Labor government developed a system "in a manner mutually satisfying to both society and the recipients of welfare" [p. 205], then why the need for compulsion? If the so-called training schemes were really

providing "skills enhancement" and the other virtues claimed for them by their adherents, there would be no need for the threat of loss of benefits to enforce participation in them. In reality, such schemes are nothing more than a form of cheap labour.

Among his proposed changes to the welfare system, Latham advocates a program of "lifelong income support". Here again the terms employed belie the purpose. The aims of this program is not to provide complete income security for all members of society from the cradle to the grave, but to set up a system where social welfare recipients are obliged to repay the assistance they receive—thereby lessening the social welfare bill and increasing the resources available for expropriation by capital.

Just as the Labor government abolished free tertiary education—one of the major education reforms won in the early 1970s—with the introduction of the HECS repayment system—so Latham proposes that this system be extended.

"While governments need to advance income support whenever its [sic] citizens are victim to economic uncertainty, they should also consider the equity features of a repayment system (similar to the principles underpinning HECS, the Higher Education Contribution Scheme) for recipients who subsequently benefit from economic change. This should be regarded as a key aspect of the development of reciprocal responsibilities in the welfare system" [p. 227].

He maintains that the "requirements of the new economy" must be met through income support based on public sector provision and "self-provident savings." In other words, in the conditions of the "new economy" where capital demands that social welfare be reduced, wage earners must be made to pay more for their retirement, the education of the children, their health and periods of unemployment.

It is "simply not possible for social democracy or, for that matter, the citizenry to expect the open-ended allocation of public resources to be able to meet every demand and need arising from the spread of insecurity" [p. 230].

Here, however, we have a vicious circle in operation. According to figures which Latham himself cites, the average working class family is "50 percent more likely to face an unexpected decline in its living standards" reflecting the pace of "economic restructuring and the rise of casual, part-time, temporary and contract employment in the new economy" [p. 224]. Yet, according to his plan, social welfare assistance must be cut back even as the need for it increases.

In the field of education, which Latham likes to claim as his own speciality, the same direction of policy can be seen—the individual must be made responsible.

"For parents dependent on welfare support there can be no excuse for not upgrading their skills and effectiveness as educators in the home. This responsibility needs to be written into a case management contract, the fulfilment of which determines the ongoing allocation of income support. Sanctions should be applied to those transfer payment recipients unwilling to accept their proper responsibilities as home educators. Educational disadvantage cannot be resolved simply by providing better schools for the poor" [p. 245].

The reactionary program is presented as a modern innovation. In fact, it represents a turn back to the attitudes which the workers' movement and progressive thinkers had to combat in the nineteenth century. The universal education system was only developed against those who maintained that education was a question of "self improvement" and not a social responsibility.

It is doubtful if there is another passage in the entire book which better illustrates the socially vicious character of Latham's policy prescriptions and the class interests they serve. Under his proposals families already facing a myriad of problems caused by unemployment, the lack of well-paying jobs and inadequate social welfare payments, should have their incomes cut still further if they fail to become "home educators."

According to Latham educational disadvantage cannot be resolved by simply providing better schools for the poor. But the present situation is characterised by the fact that educational facilities in working class areas are worsening and, as he is forced to acknowledge: “Residential location has become the most reliable indicator of a person’s educational attainment and lifetime opportunities” [p. 240].

The most socially regressive of Latham’s proposals is a progressive expenditure tax (PET). The mobility of capital means that if income and corporate taxes are raised too high, corporations will simply transfer their operations elsewhere. Consequently, he maintains, it is necessary to ensure that taxation falls on economic activities which are relatively fixed within the boundaries of the nation-state.

Under his PET proposal, a consumption tax would be levelled on income after deductions for savings. The regressive character of this proposal can be easily demonstrated. Some years ago, a leading academic in the field of accounting summarised his review of the taxation system under the Fraser government by concluding that the problem was not to get the rich to pay more tax but to get them to pay any tax at all.

Since then the problems in revenue collection have worsened. The Australian Tax Office has reported that multinational corporations operating in Australia, whether domestically or foreign-based, pay virtually no tax. According to figures published in the *Australian Financial Review* of April 25-26, 1998, the marginal tax rate on the highest income levels is less than the lower ones.

But under Latham’s PET scheme the tax burden on the wealthy, who are able to save a higher proportion of their income, would be further decreased. And even if such a system were introduced with various safeguards and regulations aimed at trying to prevent tax minimisation by the wealthy, these would be rapidly undermined.

The problem lies in the very structure of the legal system itself which is aimed at providing protection for capitalist property and income. That is why, as the history of the taxation system shows, as soon as one legal loophole for the evasion of tax is closed, another is opened up.

The development of a socially progressive tax system is therefore inseparably bound up with a broader political struggle for a new form of social organisation in which social wealth, the product of the combined labour of working people, is utilised for the advanced of social welfare and human need and not the profit demands of the owners of capital.

Throughout his book Latham presents himself as a representative of the “radical centre” and an advocate of the so-called “third way” developed by Tony Blair and New Labour in Britain.

The origins of this program lie in the increasingly complex political situation that confronted the British bourgeoisie from the beginning of the 1990s. The Thatcher government, which came to power in 1979, tore up the program of social compromise that had characterised British politics in the post-war period and undertook the reorganisation of social and economic life in line with the demands of finance capital for Britain to be made competitive within the global economy.

Throughout the 1980s it based its offensive against the working class on sections of the middle class who were able to derive material gains from its destruction of jobs and social conditions and the privatisation of large sections of state-owned industry. But by the end of the decade, in the wake of the global stockmarket collapse of 1987, large sections of the middle classes were being hit by the Tory program.

This backlash, which was reflected in the revolt against the poll tax proposal, saw the ousting of Thatcher and the installation of John Major. Major was able to retain sufficient support for the Tory government to scramble back to office in the 1992 elections, but increasingly his government was seen as being unable to carry out the demands of the ruling class.

Every capitalist government is a government of finance capital. But this does not mean that any government can simply impose the agenda of the

ruling circles without regard to the response in the working class and middle classes. The essence of bourgeois politics consists in the development of a program through which the demands and aspirations of broad masses for improvements in their social position can be manipulated and subordinated to the program of capital.

This is the program of Blair which his Australian acolyte seeks to emulate. In Britain, the New Labour program—based on the “third way” and the so-called “stakeholder society” is actually the means through which the Blair government, which has pledged to uphold all the policies of Thatcher, is carrying out an agenda more directly representative of the needs of big business than was its Tory predecessor under Major.

The political developments in Australia parallel those in Britain. In Australia, however, the dismantling of the post-war class compromise, based on national economic regulation, and the opening up of the economy to the unfettered operation of global market forces, was carried out by the Hawke-Keating Labor government.

The implementation of this program produced deep hostility in wide sections of the working class and lower middle class, leading to a collapse of electoral support for the Labor Party. The Liberals came to office with a direct appeal to these layers, pledging to safeguard the social position and living standards of the “battlers.”

But from its very beginnings the Howard government has been bedevilled by the contradiction between the demands of finance capital, which had become increasingly dissatisfied with the slowing of the “reform” agenda under Keating, and the millions of workers and middle class voters who turned against Labor out of their bitterness and opposition to the implementation of that program.

The cutting edge of the demands of the finance capital is the destruction of what remains of the welfare state in order to meet the demands for “international competitiveness” in the global economy. This constitutes the core of Latham’s program. But it cannot be presented for what it is, but as a “third way”—neither a return to the national regulation of the past, nor the operation of the “free market.”

Hence Latham presents the program of capital for the destruction of social welfare as “managing the public commons”, “mutual provision”, the need to build a “post-Fordist” welfare state and the creation of “reciprocal social responsibility.”

The essential aim of this new terminology is to mystify social processes. Not surprisingly, therefore, Latham engages in the greatest mystification of all—that with the emergence of the “new economy,” the class division of society, between capital and labour, has been superseded.

According to Latham, “The traditional binary of capital and labour no longer holds. For instance, as capital has disaggregated and opened itself to public subscription, it has come within reach of a large number of workers. More than 20 percent of adults in Australia, some 2.6 million investors, own shares. With the growth of mandated superannuation, around 90 percent of Australians now indirectly hold an interest in shares, bonds and other fund investments. The spread of franchises and economic outsourcing has turned a generation of workers into entrepreneurs. Notions of competition between capital and labour in the distribution of national income are no longer clear cut. In terms of the expression of economic interests, many Australians now barrack for both sides” [p. 78].

Consequently, he asserts, “The binary divide between capital and labour, based on the ownership of industrial investment, is no longer sufficient to deal with key questions of economic distribution and equity” [p. 83].

Latham’s claim that the class struggle has been superseded is based on a crude identification of a social class—the proletariat—with the performance of certain types of labour. It is certainly true that the development of computerisation and information technology has reduced the industrial working class in the major capitalist countries. But those same processes have intensified the conflict between capital and labour, between the class

which derives its income from the ownership of property in one form or another, and that class which lives by the sale of its labour power.

The processes which Latham maintains represent the transcendence of class antagonisms actually signify their deepening. Large sections of what constituted the middle class have been polarised—a small layer has moved upwards, deriving an increasing proportion of its income from property, either in the form of shares or bonds, while the overwhelming majority have been proletarianised, dependent for their livelihood upon the sale of their labour power, to be hired and fired according to the needs of capital.

It is also true that new forms of wealth have been developed. The demands of capital, and indeed the capitalist class itself, can no longer be simply identified as the interests of some 30 families—the Myers, Baillieus, Coles, Darlings etc. These families, of course, still retain considerable wealth, and their heirs and successors occupy leading positions in the upper echelons of capital. But there have been new additions to this group through the operations of financial markets, accumulating wealth not simply by the old methods, based on industrial capital, but from the accumulation of capital in its purest form—as finance capital.

It is true that many workers have investments on the stockmarket—either directly, or, more often, indirectly through the operation of superannuation funds. But the source of their income is wages. A wage earner, who might invest his or her savings on the stockmarket to try to provide for health, education or retirement, is no more a member of the capitalist class than another worker who undertakes the purchase of a home.

Far from the capital-labour conflict having disappeared, the globalisation of finance capital means that it assumes an even more direct form. Vast amounts of wealth today are accumulated through the operation of share and financial markets which constitute the mechanism through which the surplus value extracted from the labour of millions of workers all over the world is divided up between the competing sections of capital.

A significant addition to the ranks of the capitalist class has comprised those chief executive officers and other high ranking corporate executives who have been rewarded with share packages, whose value increases as a direct consequence of job destruction and corporate downsizing.

Latham seeks to compound the confusion by insisting that a fundamental change in social and class relations has resulted from the increase in the role of science and technology in the production process.

“Wealth is being generated,” he writes, “through the exchange of data, information and knowledge, downgrading the traditional significance of machinery and raw materials.”

Here again he bases himself on a false identification of social and class relations with particular forms of the production process. In the first place, the application of knowledge and science has always formed a crucial component of the production process.

Secondly, the labour which embodies this knowledge and technical skills produces profits in the same way as older forms of labour. The surplus value extracted from technical workers arises from the difference between the value of the labour power these workers sell to the owners of capital—embodied in their wages—and the value which they produce in the course of the working day.

To be sure, production processes have changed dramatically with the development of computerisation. But the “revolutionising of the means of production”, which Marx identified as the essence of the capitalist production process, does not transcend the capital-labour relationship but, on the contrary, is driven forward by it.

Knowledge and science are applied to the production process with the aim of increasing profits through the lowering of costs in order to improve the position of a given firm in relation to its rivals, or to develop new products which make those of its rivals obsolete. In other words, the application of technology to the production process does not take place

outside capital, it is one of the means through which capital seeks to increase its appropriation of profit. And the workers who embody these skills and scientific knowledge stand in the same objective social relationship to capital as workers engaged in older forms of labour.

Latham maintains that questions of social equity can no longer be dealt with on the basis of the capital-labour divide. In fact, this very social relationship—the production of social wealth by labour and its appropriation by capital—has produced the deep-seated social polarisation and inequality which is so glaringly visible in Australia and every other capitalist country.

The fight for genuine social equality can therefore only be taken forward on the basis of a socialist program which directly challenges the domination of society by the profit demands of capital and undertakes a fundamental social reorganisation to meet the needs of labour—the millions of workers, manual and professional, skilled and unskilled alike, who produce all the social wealth.

The Socialist Equality Party is undertaking this task through the construction of a new mass party of the working class in a struggle against the Labor Party and the program of every deepening attack on social conditions and living standards articulated by Latham in the interests of capital.



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