SEP (Australia) conferences pass resolution

The World Economic Crisis, the Failure of Capitalism and the Case for Socialism

14 July 2010

The following resolution was passed unanimously at conferences convened by the Socialist Equality Party (Australia) and the International Students for Social Equality in Sydney, July 4, and Melbourne, July 11, 2010.

1. The political coup that suddenly erupted in Canberra on June 24 constitutes a striking demonstration, against the oft-repeated mantra of "Australian exceptionalism", that the country is being swept into the global turmoil produced by the most serious crisis of world capitalism since the 1930s. Orchestrated by a small group of Labor Party factional bosses the coup against Prime Minister Rudd stands as a stark warning to the working class. Without any discussion in the Labor caucus, let alone the party's membership, and behind the backs of the population, an elected prime minister was deposed within the space of 24 hours. Not a single Labor politician, including Rudd himself, has registered a word of protest.

2. Julia Gillard was installed at the direct behest of the major mining companies and finance capital. Her total capitulation to the multinational mining giants makes clear where political power really lies. Behind the elaborate facade of parliamentary democracy and national elections stands the naked dictatorship of capital, backed, as Friedrich Engels once explained, by detachments of "armed men and also material adjuncts, prisons, and institutions of coercion of all kinds".

3. Exactly which sections of the ruling elite participated in Rudd's ousting and the nature of their precise motivation are not yet fully known. Under conditions of growing economic and political tensions between the US and China, geo-strategic questions may well have played a part. Canberra is being forced to conduct an increasingly fraught balancing act between its long-standing military and geo-strategic dependence on the US and its growing economic dependence on China. Throughout the past century, Australian capitalism has always been highly sensitive to such global political shifts. In 1975, during a period of acute international turmoil, the Whitlam Labor government was sacked by the governor-general in a coup involving the highest levels of the state apparatus, as well as international intelligence agencies including the CIA and MI5.

4. Thirty-five years later, Gillard's installation comes amid the most severe international capitalist crisis since the Great Depression. So profound has been the degeneration and transformation of the Labor Party into a direct political instrument of the bourgeoisie, that the coup of 2010 was executed by forces from within the Labor Party itself.

5. Throughout the world the ruling elite is preparing new authoritarian methods of rule to permanently slash the living standards of broad sections of the population. In 2008 national governments reacted to the financial crash by implementing a series of unprecedented bank bailouts and stimulus spending measures. But these steps have only created new contradictions. The latest stage of the crisis is driven by fears generated by mounting budget deficits and sovereign debts. In response, one regime after another is imposing brutal austerity programs, making the working class pay for the crisis through cuts to public spending, wages, jobs and living conditions.

6. In the US, President Barack Obama's intervention into the auto industry, slashing wages in half and gutting conditions, encouraged the American corporate elite to unleash an unprecedented wave of mass layoffs and wage cuts. In Britain, the Conservative-Liberal government has implemented budget cuts on a scale not seen in the post-war period, outstripping the measures taken by the Thatcher government in the 1980s. Across Europe, pensions are being gutted, the retirement age lifted, public sector jobs cut and wages slashed. In Japan, Yukio Hatoyama's resignation after less than a year as prime minister has been accompanied by a rapid shift to austerity measures.

7. The economic crisis is of a systemic, not a conjunctural character. Class relations are being restructured on an international scale. Mounting tensions within nation states coincide with escalating geo-strategic rivalries between the major powers, fuelled by the historic decline of US capitalism. The criminal and predatory US-led wars in Afghanistan and Iraq have been aimed at ensuring the domination of the US, and its access to resources, against its rivals in Europe and Asia. Other powers, major and minor, are seeking to shore up their own "spheres of influence"—with Australia launching neo-colonial operations in the South Pacific, particularly East Timor and the Solomon Islands. Potential military flashpoints are emerging across the planet. There is no solution within the existing social and economic order. Once again humanity confronts the alternative of socialism or barbarism. The Socialist Equality Party, the Australian section of the International Committee of the Fourth International, advances, in collaboration with its sister parties throughout the world, a revolutionary socialist perspective as the basis for a new international political movement of the working class.

The global crisis of the profit system

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8. The capitalist system has failed. The 2008 financial crash and its aftermath stand as a devastating refutation of the various ideological nostrums advanced in defence of the so-called “free market” by the right-wing opponents of socialism. For the overwhelming majority of the world’s people, the profit system has nothing to offer except worsening exploitation, poverty, repression and violence.

9. More than 200 million people are unemployed internationally. One billion, about one out of every six human beings, are undernourished. Even more endure what is officially described as “extreme poverty”, living on less than $1 a day. Such statistics could be augmented by many more, detailing the pervasive incidence of preventable disease, premature death, and other effects of poverty and extreme social inequality. There are ample resources to ensure that every man, woman, and child has a high standard of living—but under capitalism, the accumulation of obscene levels of private profit and private wealth by a tiny minority takes priority over all else.

10. In Australia, millions of ordinary working people confront growing social uncertainty and hardship. Behind the official rhetoric that Australia “defied the laws of economic gravity” stands the stark reality of widespread unemployment, job insecurity, and debt stress. Even according to the official figures, there are 610,000 unemployed—about 200,000 more than when the financial crisis erupted in 2008—while another 1.2 million are “under-employed”. Many of those with jobs are permanently stuck with casual or part-time positions, with little or no job security. Stagnant or declining real wages, combined with huge increases in the cost of housing and other necessities, have fuelled an explosion of personal debt and homelessness. The situation is especially dire for youth. Young workers confront between 25 and 40 percent unemployment in working class areas, while university and college students struggle to fund their education only to graduate with huge tuition debts. International students comprise a super-exploited layer, treated as cash-cows for the private education sector, which is now Australia’s third most lucrative export behind iron ore and coal. In the wake of the 2008 crash, bank and corporate profits have soared at the direct expense of the working class, sending social inequality to new levels. During 2009, the wealth of Australia's 173,600 millionaires (excluding their homes) rose 37 percent to almost $600 billion.

The record of the Labor government

11. The Gillard government’s priorities have been established from day one. The spectacle of senior Labor ministers huddled in a week of closed door negotiations to appease the chiefs of BHP, Rio Tinto and Xstrata underscores Labor’s role as a representative of big business and finance capital.

12. Many workers and young people who voted for Kevin Rudd, regarding Labor as an alternative to Howard, or at least a “lesser evil”, feel deeply disappointed and betrayed. In 2007, Rudd sought to appeal to mass anti-Howard sentiment, promising a more humane approach on foreign, economic and social policy and to improve social services. At the same time, he won the backing of key sections of the corporate elite for his pledge to be an economic conservative and to prosecute its “reform agenda”. Once in office, the Rudd Labor government effected a seamless transition from the Liberal-National Coalition. It continued the so-called “war on terror”, deploying even more Australian troops to the war in Afghanistan; maintained its imperialist occupations in East Timor and the Solomon Islands; deepened the Northern Territory intervention, extending its punitive system of “welfare quarantining” as a prelude to enforcing it throughout the country; continued the incarceration of refugees in violation of international law; and established the new Fair Work Australia regime with even harsher anti-strike provisions than those contained in Howard’s WorkChoices legislation. Rudd also moved to undermine the public education system even further, with the NAPLAN and MySchool standardised testing regime, and to drive down long-term health care costs through the federal takeover of the hospital and primary care system and the extension of the market-based “case-mix” system nationwide.

13. While opinion polls over the past weeks have certainly been highly manipulated, they have also given some idea of the extent of the shift in popular sentiment against Labor. And Gillard’s new Labor government will go far further than Rudd’s. At every opportunity she has sought to emphasise her strong “reform” credentials. As deputy prime minister she staged provocations against construction workers, school teachers, and other sections of the working class, winning support from the Murdoch media and the most right-wing commentators. As prime minister, her second priority, after axing the Resource Super Profits Tax, will be to launch an even sharper attack on asylum seekers, while seeking to incite, in the reactionary “White Australia” tradition of the Labor Party, the most backward and xenophobic sentiments as a means of diverting mounting social anger and political opposition to the government’s policies and program.

14. Whenever the federal election is held, it will constitute yet another conspiracy against the Australian people. None of the policies of either of the major parties will be openly discussed. As Rudd’s political assassination has demonstrated, the program, policies, and even personnel of the next government, whether Labor or Liberal, will be determined behind-the-scenes by the corporate elite, not by ordinary voters.

For the political independence of the working class

15. Mounting anger and hostility towards Rudd, and now disquiet and opposition towards the Gillard coup, can find no avenue for expression within the official political set-up. The working class needs a new perspective and a new political party.

16. The 120-year-old political experience with the Australian Labor Party has proven a disaster. While formed in the 1890s as a mass party of the working class, Labor’s program was bourgeois from the outset, furnishing the new Australian nation-state with its founding ideology of racial exclusivism, protectionism, and arbitration. Now under conditions of globalisation, Labor has abandoned its old program of limited national reform and become an instrument for defending the interests of Australian big business and finance capital on the global arena: prosecuting militarism and war, initiating the privatisation of social infrastructure, gutting public services, and attacking the wages and conditions of the working class in the name of ever higher productivity, profits, and international competitiveness.

17. Similarly, the objective logic of the organically nationalist program

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of the trade unions stands clearly revealed. In every country they offer their services in policing job losses and plant closures, wage cuts, and productivity drives, on behalf of the employers, suppressing all resistance from workers. In Australia, the Hawke Labor government and the union bureaucracy collaborated in drafting a series of Accords that enshrined the unions as enforcers of Labor's anti-working class "free market" policies. Under the current Labor government, bureaucrats sit alongside corporate executives on multi-billion dollar superannuation fund boards, their lucrative incomes tied to profitable investments and largely independent from their membership and dues.

18. The deepening crisis, in Australia and internationally, will propel the radicalisation of the working class. This radicalisation will see the development of mass struggles that strive to break free of the bureaucratic shackles of the reactionary trade unions and assume an increasingly political and anti-capitalist dimension. This process has already begun in the general strikes and mass protests that have erupted in Greece, Spain, France, Germany and Ireland—and in China, where highly exploited workers, many of them young, have staged mass strikes demanding higher wages and improved conditions in opposition to the regime's state-controlled unions.

19. The middle-class outfits that operate as satellites revolving around the trade union and Labor apparatus seek to prevent the working class from making a conscious political break from these outmoded, outlived organisations. The Greens, who have initially benefited from the discrediting of Labor, are a thoroughly bourgeois party, entirely integrated into the official parliamentary establishment. Experience internationally, especially in Germany and now in Tasmania, where they have joined bourgeois governments, points to the Greens' loyalty to the capitalist state. Greens' leader Bob Brown has insisted his priority is "parliamentary stability", and will do whatever necessary—including collaborating with Labor or Liberal in implementing austerity measures—to ensure it is maintained.

20. The demoralised pseudo-left protest organisations, which occasionally seek to utilise "socialist" rhetoric, have proven themselves to be the most determined opponents of an independent political movement of the working class. The record of the Labor government since 2007 stands as a devastating refutation of their support for Rudd as a "lesser evil" to the Liberals, and their claim that mass pressure could somehow force Labor to the left.

A political program for the working class

21. All over the world workers are seeking to fight, but they require a new political strategy. The starting point must be the recognition that their struggle is against the capitalist system, a system based on the exploitation of the working class in the interests of private profit. Only through the socialist reorganisation of economic life to meet social needs and not private profit can a solution be found to the urgent problems confronting billions of ordinary people.

For the international unity of the working class

22. This conference affirms that there is no national solution to the problems confronting working people in Australia or any other country. The working class is the only truly international class, and its interests transcend all national boundaries. Only to the extent that working people begin to forge the closest unity with their class brothers and sisters internationally can a successful struggle be waged against international finance capital. This class unification requires a rejection of all forms of national chauvinism, including the entire reactionary framework of so-called "border protection". Workers and refugees must have the right to live and work wherever they wish on the planet, with full citizenship rights.

For an end to militarism and war

23. This conference condemns the US-led wars in Afghanistan and Iraq, and demands the immediate and unconditional withdrawal of all Australian and foreign soldiers and security personnel from both countries, as well as from East Timor and the South Pacific. We denounce the repeated provocations and threats by the US and its allies against Iran. We condemn the entire so-called "war on terror", including the onslaught on democratic rights legislated by Liberal and Labor governments at the state and federal level.

For an emergency social and public works program

24. This conference advocates an emergency program to address the economic crisis in the interests of the working class. Urgent measures must be undertaken to alleviate the hardships produced by the world capitalist crisis, including an end to housing evictions and homelessness, the raising of pensions and benefits to a living wage, a guarantee of employment to all workers, a doubling of the minimum wage to $30 an hour, and a reduction in the workweek to 30 hours at 40 hours' pay. Quality, free public education must be provided for all young people, from kindergarten to university, as well as technical training. Student fees must be abolished, including for overseas students, and the loan debt cancelled. First-class health care, including access to the latest medical advances, must be guaranteed to all, without fees or caps on treatment.

For the nationalisation of the banks and major corporations. For social equality

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25. There is no shortage of resources to provide these programs, but economic life must be totally reorganised. The accumulated wealth created by the working class must be directed to the satisfaction of pressing social needs, with the banks and major corporations nationalised and transformed into public utilities, democratically controlled by the population. Social inequality in Australia, as in the US and other countries, has developed to such extreme levels that democratic forms of rule are becoming untenable. As a first step towards social equality, this conference calls for the introduction of a genuinely progressive taxation system which includes the abolition of the myriad loopholes and evasions utilised by the corporations and ultra-wealthy to evade paying tax, and an immediate reduction in the level of taxation imposed on the majority of the population.

For defence of the earth's environment

26. The subordination of society and the earth's eco-system to the requirements of capitalist profit must be abolished. The BP oil spill in the Gulf of Mexico has revealed the complicity of successive US governments with the profit-driven recklessness of the major oil corporations. America's worst ever environmental disaster stands as a stark demonstration of the incompatibility of the profit system with an habitable world environment. The climate change crisis is impossible to resolve outside of an independent political movement of the working class directed against both the major private polluters—who do everything in their power to resist any curtailment of their destructive activities—and the various national governments, whose concern for the fate of their own bourgeoisie takes priority over the long-term interests of humanity and the planet. Proposed "market-based" schemes, including a so-called carbon tax, backed by the Greens, among others, and Emissions Trading Schemes (ETS), are inherently incapable of delivering the scientifically required restructuring of the carbon-based economy. The central goal of the Labor government's proposed ETS was not to reduce greenhouse pollution but to establish a lucrative new transnational market in carbon credits for the major Australian financial institutions and banks.

Build the Socialist Equality Party

27. The Socialist Equality Party will stand candidates in the forthcoming federal election as a means of advancing an independent and revolutionary alternative for the working class. This conference expresses its support for the SEP's campaign, which will be aimed, not primarily at votes, but at raising the political consciousness of the working class. Above all, the campaign will stress the unpostponable necessity of building the SEP as the new mass party of the working class. Its aim is not the reform of capitalism, but the creation of a socialist, democratic and egalitarian society through the establishment of a workers' government and the revolutionary transformation of world economy.

28. The SEP, and its predecessor, the Socialist Labour League, has an unbroken record in fighting for the independent interests of the international working class, in opposition to Stalinism, Laborism, the trade union bureaucracy and all those tendencies that have sought to subordinate the working class to the capitalist system and its political representatives. We seek to unify workers in Australia and internationally in the common struggle for socialism.

29. This conference makes an urgent appeal to workers and youth throughout Australia and internationally: Build the International Committee of the Fourth International, the Socialist Equality Party, and its student organisation, the International Students for Social Equality! Take up the fight for socialism!

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