

Socialist Equality Party and ISSE hold conference in Australia

Our reporter
28 January 2011

A conference held in Sydney by the Socialist Equality Party (Australia) and International Students for Social Equality (ISSE) from January 19–23 assessed the deepening crisis of world capitalism, marked by escalating geo-strategic tensions between the major powers and mounting class tensions in every country. Throughout the five-day event, particular emphasis was placed on the revolutionary implications of the economic rise of Asia, and the conflict between Washington and Beijing.

The conference was attended by members of the SEP and ISSE in Australia, along with delegations from sections of the International Committee of the Fourth International (ICFI) in Europe, North America, and Sri Lanka. Also present was a significant contingent of supporters of the ICFI from New Zealand, the Philippines, and South Korea. Many reports were delivered, each of them followed by questions and discussion.

Nick Beams, national secretary of the SEP, delivered the opening report. In the course of his wide-ranging address, Beams explained that the crisis triggered by the 2007–2008 financial crash marked a fundamental turning point in what Leon Trotsky termed the curve of capitalist development.

“Trotsky introduced this concept at the Third Congress of the Communist International in June 1921 as a means of distinguishing between the shorter ups and downs of the capitalist business cycle and those longer phases of capitalist development, stretching over a number of years and even decades. It helped to more sharply focus on the tasks and perspectives of the party ...

“It was not hard to show,” Beams explained, “that the transition from one epoch to another—say from boom to decline or vice versa ‘engenders the greatest historical disturbances’ and that ‘in many cases revolutions and wars straddle the borderline between two different epochs of economic development, i.e., the junction of two different segments of the capitalist curve.’ Today we stand at such a decisive historical turning point in which the greatest historical disturbances—class and social struggles, political conflicts, wars and revolutions—are either in the process of erupting or the conditions for them are being created, and we must prepare accordingly.”

Beams assessed the latest indices of capitalist breakdown, focussing on the economic crisis as expressed in the US, Europe, and China.

“Our analysis has established that the next great step in the development of the workers’ movement will necessarily take place in the form of a rebellion against the outlived organisations of the past,” he insisted. “One of the crucial tasks of our party is to prepare that rebellion and politically lead it ... Political developments lag behind objective technological, economic and social processes. But we can and must anticipate that when

political developments and struggles begin they will have a combined character. That is, they will not pass through a number of pre-determined stages, but will very rapidly be confronted with decisive tasks. That is the situation for which we must prepare. As the Tunisian president discovered, you can be in control one day and forced to hightail it out of the country the next. But for the working class and masses, such developments are only the starting point—the opening of a new period of struggle that must either end in the complete overthrow of the old order or a new form of oppression. The question of leadership here is decisive. The situation in Tunisia is an initial expression of the complex political issues that are going to confront the working class everywhere.”

David North, national chairman of the SEP in the US and chairman of the *World Socialist Web Site* international editorial board, delivered a comprehensive report in two parts: “Review of the first decade of the twenty-first century,” assessing the major strategic experiences of the international working class over the past ten years, and “The Polarisation of American Society,” in which he examined the political implications of the enormous social and political chasm separating the vast majority of the US population from a tiny ultra-wealthy elite.

North began by recalling the media bromides about a new period of peace and prosperity that were advanced at the beginning of the decade. He then detailed the extraordinary record of political criminality, war and militarism, social reaction, attacks on democratic rights and mounting social inequality in the ensuing 10 years. Summing up the decade, North cited Karl Marx’s assessment of the period following the 1848 revolutions across Europe: “In politics, adoration of the sword; in morals, general corruption and hypocritical return to exploded superstitions; in political economy, the mania of getting rich without the pains of producing—such have been the tendencies manifested by [bourgeois] Society during its counter-revolutionary orgies ...”

In the second part of his presentation, North focussed on the shift in class relations in the US from 1945 to the late 1970s, and from the late 1970s to 2011. During the post-war economic boom, he explained, the rise in national income was distributed relatively evenly. Between 1947 and 1979, for example, real family income had increased by 116 percent among the poorest 20 percent, while it rose by just 99 percent among the wealthiest 20 percent. The past three decades, however, had seen an unprecedented growth of social inequality. North presented an extensive series of graphs and statistics highlighting the various indices of this class polarisation. While workers’ pay had stagnated since the 1970s, the income share of the ultra-wealthy had reached levels not seen since the late 1920s. North emphasised the degree to which wealth had become concentrated at the very top, not only within the richest 1 percent of the population but within the richest 0.1 and 0.01 percent.

In the series of statistics and graphs, North demonstrated the declining social position of the American working class, including the rise in long term unemployment, declining minimum wage, rising poverty, and accelerating costs of education and healthcare. He pointed to the virtual disappearance of strike activity, and explained that the trade unions had played the central role in suppressing the class struggle. The absence of large scale social struggles over the past three decades was an aberration in America's long history of bitter class conflicts, North pointed out, and made clear that unprecedented social upheavals would soon emerge.

North concluded his powerful address by citing Trotsky: "The strategic tasks consist of helping the masses, of adapting their mentality politically and psychologically to the objective situation, of overcoming the prejudicial traditions of the American workers, and of adapting it [their mentality] to the objective situation of the social crisis of the whole system."

The following day, Peter Schwarz, leading member of the Partei für Soziale Gleichheit and the secretary of the ICFI, delivered a report titled "The Crisis of European Capitalism and the Perspective of the United Socialist States of Europe". Schwarz detailed the enormous economic imbalances within the European Union and the re-emergence of bitter national antagonisms between rival national ruling elites that were threatening the viability of the EU and the euro currency. These developments underscored the inability of the European bourgeoisie to politically unite the continent in a progressive manner.

Schwarz also reviewed the austerity measures being imposed across the continent and the mounting resistance from the working class. "The present crisis has, of course, deep economic roots," he explained. "It would be wrong, however, to view the evolution and the further development of the present crisis only as the automatic result of the operation of blind economic laws. Economic laws do not operate independently of social classes and social interests. They are fought out in the living struggle of social forces ... The present crisis—the cycle of raising interest rates, escalating debt crises and austerity packages—is the economic form of a process whose essence is social: the relentless assault of the international financial aristocracy against the living standards and the past social achievements of the working class."

Schwarz outlined the only viable alternative—a unified struggle of the working class for the United Socialist States of Europe as part of the fight for world socialism.

Following Schwarz, WSWS writer John Chan gave a comprehensive presentation on "The rise of China and its explosive contradictions". He examined many different aspects of the transformed international situation produced by Beijing's rising global economic and strategic influence and its increasingly fierce rivalry with the US and other competitors. China's military spending had increased by more than five-fold in the past decade, Chan explained, and in 2009 it became for the first time a net exporter of foreign direct investment (FDI). China was now one of the few countries in the world with an outbound FDI of more than \$100 billion. The speaker also detailed the vast expansion of the Chinese working class, citing the example of Foxconn, which planned to increase its workforce to 1.3 million, becoming the largest ever single private employer in the world.

Chan's report provided an important introduction to the second half of the conference, which focussed on the implications of the rise of China and the historic decline of US capitalism for different parts of East Asia.

Keith Jones, national secretary of the Socialist Equality Party in Canada,

spoke on the "South Asian Powderkeg". He stressed that while India had recorded economic growth of more than 9 percent in recent years, the country remained characterised by immense backwardness. India's rising prominence on the world stage only heightened its internal tensions. Jones also examined the crisis of the Stalinist parties. Along with the Congress party, he explained, the Stalinists had been the most loyal representatives of the "national interest", i.e. the interests of the Indian bourgeoisie. Now, however, they faced losing office in the states of Kerala and West Bengal after orchestrating a series of brutal attacks on the working class and peasantry.

Jones concluded his report by exploring the objective historical significance of the recent statement of support for the ICFI issued by the Pakistani Marxist Voice group (see: "Build the Pakistani section of the International Committee of the Fourth International!"). The statement, he explained, expressed a shift in class relations that was underway throughout the Indian sub-continent, and internationally, and the ICFI anticipated that the example would be followed by workers, youth, and intellectuals in many other countries in the next period.

After Jones's address, Wije Dias, national secretary of the Socialist Equality Party in Sri Lanka, spoke on the political situation in Sri Lanka in the aftermath of President Mahinda Rajapakse's war against the Liberation Tigers of Tamil Eelam (LTTE). Dias explained that competition between the US and China was at the very heart of the escalating tensions within the country's political establishment and was fracturing its previously established strategic alliance with the US and other western powers.

A report on the Philippines, prepared by WSWS correspondents Joseph Santolan and Dante Pastrana, provided a concise outline of political developments in the country since World War II. Delivered by Santolan, the report drew out that divisions within the Filipino ruling elite corresponded with definite economic and strategic interests aligned with either the US, still the country's dominant military ally, or China, its increasingly important trading and investment partner. Santolan provided an overview of the composition of the Filipino working class, noting that about 10 percent of the population worked overseas, with remittances remaining a critical coping mechanism for ordinary families. The report stressed the immense potential social power of the Filipino working class, which is largely young, well educated, English-speaking and overwhelmingly connected to the internet.

Peter Symonds, member of the WSWS international editorial board, delivered a comprehensive report on "Australia and the growing tensions between the US and China". He reviewed the strategic issues bound up with the political crisis in Australia following the coup against former Prime Minister Kevin Rudd last June, noting that WikiLeaks' release of US diplomatic cables had confirmed Washington's involvement in the installation of Gillard. Rudd had come to be regarded as an unreliable ally, with a tendency to launch unilateral foreign policy initiatives rather than accept Australia's place in the Obama administration's efforts to forge a diplomatic and military cordon against Beijing.

Symonds placed last year's political crisis within the context of the broader US-China strategic rivalry in East Asia. Presenting a series of maps of the Indian and Pacific oceans, he explained the geo-strategic and economic calculations behind Beijing's development of a blue-water navy. China was compelled to secure its key naval supply routes, including for oil and gas, to prevent the possibility of the US ever imposing an embargo that would immediately plunge the Chinese industrial sector into crisis. This was why the Indian Ocean had so quickly

emerged as a focal point of great power rivalry, and why key potential naval choke points in South-East Asia such as the Straits of Malacca and the Lombok Strait were so important.

Symonds' report was followed by an address delivered by WSWs writer Patrick O'Connor, who also presented a revealing series of maps, on the crisis confronting Australian imperialism in its "sphere of influence" in the South Pacific, amid rising Chinese influence throughout the region.

SEP national organiser James Cogan delivered the final report, "Perspectives and tasks of the SEP in 2011". He emphasised the importance of the historical document adopted at the party's founding congress, held in Sydney twelve months earlier, and its exposure of the various claims of Australian "exceptionalism" advanced by the bourgeoisie and its agents in the Labor Party and trade unions. The coup against Rudd, Cogan explained, was one of the forms through which the global capitalist crisis found expression in Australia. Cogan reviewed the stark indices of social polarisation and distress within the country, and the deep-going political alienation from and disgust felt by large sections of workers and young people with the old organisations of the working class—the Labor party and the trade unions. He concluded by outlining a series of initiatives and campaigns to be conducted by the party during the course of 2011 in order to expand its influence within the working class and among youth, particularly through the development of the work of the ISSE throughout the country.

During the concluding discussion, David North noted that the conference was a significant event for the ICFI as a whole. The objective significance of Asia's rising strategic importance in world affairs and the enormous social power of the working class in China, India, and other Asian countries was finding clear expression in the work of the international Trotskyist movement.

The reports, he continued, had detailed the strategy of world imperialism in the face of the capitalist crisis. The ICFI was developing the only genuine alternative to this—the strategy of the international proletarian revolution, based on the vast "social constituency" of a three billion strong workforce. These workers all had one thing in common—they were politically unrepresented. The unprecedented political vacuum today, North stressed, had created vast opportunities for the Fourth International, the world party of the oppressed and exploited. The most decisive issues were those of leadership and perspective.



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