
Socialism In Australia

Communist View on Democratic Socialism

by

L. L. SHARKEY,

General Secretary Communist Party of Australia.

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J. L. SHARKEY



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CONTENTS

	Page
PART 1	7
PART 2 "Where Marx Went Wrong"	9
PART 3 Problems of the Middle Class	19
PART 4 What Is Keynesism?	26
PART 5 Post-War Facts Disprove Keynes	32
PART 6 People's Democracy Or Capitalist Democracy	38
PART 7 Summing Up Democratic Socialism	42
PART 8 Democratic Socialism and Our Programme	46

CONTENTS

PART I.

Two recent pamphlets have set forth the standpoint of Democratic Socialism; Professor G. D. H. Cole's "World Socialism Restated" and Dr. Burton's "Labour in Transition".

As the Australian Labor Party has now officially declared that its policies and objectives are those of Democratic Socialism, these pamphlets become of significant importance to the Australian people.

Professor Cole advocates that the Labor parties break away from the dominance of the United States.

They should pursue a policy of peaceful co-existence with the Soviet Union and the People's Democracies.

Dr. Burton writes that "far from isolating themselves from Communist countries, and groups within countries who seek freedom from foreign or feudal rule, the Labor Party should seek to co-operate with them . . ."

Professor Cole advocates a policy of building up trade and cultural relations, of scientific exchange with these countries.

This would pave the way to disarmament, abolition of nuclear weapons, and provide the means for economic and socialist advance by future labor governments.

Dr. Burton carries on the good work he has already done in the cause of Australia's relations with Asian countries.

The inclusion of People's China in the United Nations is strongly advocated by both Cole and Burton.

Professor Cole regards disarmament as the indispensable condition for the unification of Germany and to reverse the "prodigious error . . . of rearming Western Germany."

Professor Cole declares that in the Russian and Chinese Revolutions the use of force to change social conditions was the only possible course. In his pamphlet he says: "I regard these two Revolutions as the greatest achievements of the modern world."

He declares he would never be a party to "a crusade" against the Communist countries.

Dr. Burton advocates "unqualified support for national independence movements, opposition to colonialism, condemnation of exploitation by foreign capital interests . . ."

Professor Cole advocates Labor support for all colonial movements, "even the Mau Mau", he says.

Professor Cole is for concerted action with the great Communist parties of France, Italy, etc. where the socialists do not have the leadership of the majority of the working class.

On nationalisation, both Professor Cole and Dr. Burton agree on a method of expropriation of the monopolists.

They suggest the abolition of capitalism by means of heavy taxes, capital levies or limitation of the right of inheritance.

We Communists are in agreement with the immediate program of Dr. Burton and Professor Cole, just as we are with similar points adopted by the Australian Labor Party.

On the decisive questions of the nature of present-day capitalism and the path to be taken in order to assure the transition to socialism, and what is necessary to safeguard the new socialist society, Communists profoundly disagree with them.

I have in this pamphlet dealt mostly with Professor Cole, who for fifty years has been an historian and theoretician of the British Labor Party, and because his work "World Socialism Restated" is a larger and more comprehensive statement of Democratic Socialist theories than that of Dr. Burton, and they are in the main in agreement.

PART 2.

"WHERE MARX WENT WRONG"

I quote at length from Professor Cole because he has put very concisely his case against the Marxist-Leninist standpoint in relation to capitalist development, in a section headed "Where Marx went wrong".

The Professor writes:

"Karl Marx, who made many devastating and correct observations about the capitalist system, also believed that, as capitalism developed further, the workers would be condemned to 'increasing misery', the middle classes flung down into the ranks of the proletariat, and the class struggle more and more simplified by the elimination of those who were neither proletarians nor capitalist bourgeois exploiters.

"In these views he was mistaken.

"In the advanced capitalist countries there have been great advances in the standards of living and in the status and security of the main bodies of workers; there has been over the same period a great increase in the size of the middle class; the class structure has become much more complex; and as a consequence the class struggle has become less acute and Socialist and trade union movements for the most part much less revolutionary and much more interested in winning piecemeal reforms.

"Marxists sometimes argue that these things have occurred because the advanced countries, operating policies of economic and political imperialism, have thriven by exploiting the peoples of the less developed countries: so that the workers in the advanced countries have become in effect exploiters of colonial and quasi-colonial labour, and have in consequence taken on bourgeois characteristics.

"Today, it is argued, the real exploited proletariat consists of the workers and peasants of the less developed countries, out of whose products the workers, as well as the capitalists,

of the advanced countries live relatively well by extracting the surplus value.

"Although I fully agree that the peoples of the less developed countries are shamefully exploited, I have never been able to accept this argument.

"It is true enough that the economies of the advanced countries depend on the ever-increasing supply of raw materials and fuel from the colonial and quasi-colonial regions, and that the producers of these commodities are badly underpaid; but it is also true that the advanced countries, with the aid of scientific techniques, have immensely increased their productivity, and that the higher consumption of the workers in these countries has been mainly an outcome of this increase and of the pressure of their working-class movements to secure a share in it.

"Broadly speaking, working-class standards of living depend on the productivity of the various countries and on the strength and vitality of their working-class movements, much more than on the ability of the advanced countries to acquire the products of the less advanced on unduly favourable terms of exchange.

"It might even be to the advantage of the advanced countries to pay more for the products of the less advanced, because doing so would expand the world market for their own products and increase prosperity all round. But of course the capitalists of the advanced countries are not in the least likely to pay more than they have to; nor could those of any one country afford to pay more than their competitors in the others.

"Imperialist exploitation is a marked feature of world capitalism, and justifies the resentment which it provokes in the less developed countries. But it is not the main explanation of the failure of Marx's prophecies about the 'increasing misery' of the workers and the sharpening and simplification of class-antagonisms in the advanced capitalist countries to come true; and it is of great importance for Socialists to understand this, and to ask themselves how Marx came to go so badly wrong in forecasting the future.

"Marx went wrong, in the main, not because he misrepresented the facts of the developing capitalist system as he observed them in the "Hungry Forties" of the nineteenth century, but because he assumed that the tendencies manifested by capitalism at that stage would continue in intensified form.

"Early machine-age capitalism did bitterly exploit its workers while it was engaged in a fevered struggle to accumulate capital at their expense; and it did use mainly unskilled labour, destroying and undermining the old craft skills of the superior grades of workers.

"But as capital became more plentiful it became less necessary for the capitalists to hold wages down to bare subsistence level and more important for them to secure mass markets for their goods; and as the techniques of production advanced there was a growing demand for new kinds of skilled workers, who had to be paid more than the wages of common labour.

"Modern trade unionism developed mainly among these skilled workers, who presently grew strong enough to claim voting rights and a share in political influence.

"The class-structure became more complex as the numbers not only of skilled manual workers but also of blackcoats, technicians, managerial and professional workers sharply increased.

"After an interval the less skilled workers too began to assert their claims; and they too won better wages and voting rights, which they used to secure the first advances in the direction of the 'welfare state'.

"Socialist parties — including those which proclaimed themselves Marxist — devoted themselves to promoting these improvements and became less revolutionary therewith.

"Finally, in our own day, capitalism, compelled to make large concessions to working-class opinion, devised ways and means of protecting itself against the recurrent crises that had hitherto beset it, and adopted in varying degrees the Keynesian and New Deal techniques which retrieved it from the terrible slump of the early 1930's; and American capitalism in particular, after coming near to collapse during these years, reconciled itself to a regime of high wages and recognition of trade unions which gave it a new lease of prosperity."

("World Socialism Restated"—G. D. H. Cole, Chap. 3.)

CAPITALISM HAS NOT CHANGED

The issue put simply is: Does capitalism lead, in the end, to the Welfare State and the elimination of economic crises and a permanent upward trend in the living standards of

the masses, or is its tendency to depress living standards and towards economic crises?

It is true that the standards of living in the advanced capitalist countries, the "West", to borrow a cant phrase, have improved considerably since the days of Marx and Engels.

A progressive American economist, Victor Perlo, estimates the general rise in living standards in the United States in this period at a 50 per cent increase. In Britain, the conditions of the working-class have undoubtedly improved since Engels wrote his "Condition of the Working-class in England."

In a general sense, there are five higher living standard areas; U.S., Canada, Australia, New Zealand, Scandinavia. It is true that there are great differences, due to historical conditions, in living standards in major capitalist countries, between the above group and Britain, between Britain, France, Germany, Italy, Japan, etc.

Again, far greater differences exist between these and the Asian, Latin American and African capitalist countries. This latter group, the overwhelming majority in the imperialist world, is outside this discussion because it has not witnessed the rise in living standards of which Professor Cole writes. Perhaps he would agree with Marx on these countries. Thus Professor Cole's thesis relates only to a small group of countries, the advanced capitalist countries which, significantly, are also the main countries of the imperialist colonial system.

Professor Cole, in his pamphlet, does not mention the Marxian proposition of the "relative impoverishment of the working-class", that is the relative decline of working-class wages compared with the enormous growth of monopoly profits. But he does deny the Marxist-Leninist teaching that the higher living standards of the "West" are based on the exploitation of the colonial and under-developed countries.

Professor Cole says that "the advanced countries depend on the ever-increasing supply of raw material and fuel from the colonies". But the real answer, he says, is "the development of technology".

AN IMPERIALIST BASIS

One must ask the professor what would happen to this technology and his theory if these raw materials and fuels, produced by workers on inhumanly low wages, were suddenly cut off?

Obviously, the technology would be so much scrap and his theory would also collapse.

The "unduly favorable terms" of exchange (super-profit) with the colonies mentioned by Professor Cole speeded up accumulation of capital and provided the funds for the development of technology which raised productivity and profits.

Stopping of the oil supplies during the attack on Egypt provides sufficient proof of the importance of colonial raw materials as it at once detrimentally affected the economy of Britain and West Europe.

The capitalists themselves do not agree with Professor Cole; they have fought innumerable colonial wars, as well as major clashes between great powers and two world wars for domination over these self-same "raw materials and fuels."

The present struggle of the U.S. oil monopolies to oust British and French interests in the Middle East, the growing struggle for control of Africa, etc., underlines the importance of "underdeveloped" countries for the imperialist economies.

The intensity of the struggle is shaking the whole imperialist NATO alliance.

Through the export of capital, loans, "aid" and other means, the small group of advanced capitalist countries still exploits independent undeveloped countries in Asia, Africa and Latin America, as well as their colonies.

The true meaning of imperialist exploitation of the colonial countries is seen in the Middle East. In 1955, American and British oil monopolies made a net profit of 1,900 million dollars. **This one year's profit repaid all their capital investments.** In Kuwait, three months' profit equalled their entire capital invested. But the Arab people live in poverty while this vast wealth goes to foreign monopolists.

It is clear that the Marxist-Leninist explanation of the relatively higher living standards of the "mother" countries is correct.

We do not underestimate the role of technology, but also point out that it intensifies labour, and therefore exploitation.

Professor Cole cites the role of the working class movement in raising living standards. It is perfectly true that the organised labour movement has won concessions and is the real force that brought about higher standards, as the consequence of a persistent, century old class struggle. Of course, Communists take that into account and have led this struggle for decades, often in the teeth of the sabotage of the rightwing reformists.

Marx himself took a prominent part in working class struggles to improve conditions, notably in the fight for limitation of the working day in England.

So, too, did Marx and Engels take part in the Eight Hour Day struggle and the economic demands of the times.

The challenge of the world socialist system also impels the capitalists to improve conditions somewhat, a factor ignored by Professor Cole.

Marx, however, pointed out that such victories were of a temporary character and the economic laws of capitalism all the time tend towards depressing the standards of the masses. Hence, the never-ending class-struggle between capital and labour.

Marx and Engels realised the implications of imperialism enriching the colonial empires and pointed out that this had delayed the socialist revolution. This fact is ignored by Professor Cole.

Further, Marx and Engels pointed out that, as a consequence, the centre of the socialist revolution had passed from the advanced West to backward Czarist Russia. The world today knows how true that estimation was!

In his great work on imperialism, Lenin explained all this and brought Marxism up to date with modern capitalist developments, including how reformism had helped prolong the life of capitalism.

Professor Cole and his colleagues, and the reformists, significantly ignore Lenin's further development of Marxism and base their anti-Marxist theories on their incorrect interpretation of what Marx wrote in the Manifesto of 1848, ignoring also the later views expressed by Marx and Engels themselves.

Such a standpoint adds up to nothing more than a complete misconception of Marxist teaching.

MARX AND "INCREASING MISERY"

Karl Marx never said that the workers under capitalism would all end up as "paupers".

In *Capital*, Vol. 1, Marx wrote "The lowest sediment of relative surplus population (unemployed. L.S.) finally dwells in the sphere of pauperism. Exclusive of vagabonds, criminals, prostitutes, in a word, the 'dangerous' classes, this layer of society consists of three categories.

"First, those able to work. One need only to glance superficially at the statistics of English pauperism to find that the quantity of paupers increases with every crisis, and diminishes with every revival of trade."

Was this not true of the period of 1930-40 when there were large numbers of "paupers" on a dole of 8/- per week?

Marx continued, "the demoralised and ragged, and those unable to work, chiefly people who succumb to their incapacity for adaptation, due to the division of labour; people who have passed the normal age of the labourer, the victims of industry . . . the mutilated, the sickly and the widows, and so on."

Is it not estimated that now, in Australia, there are 1,000,000 of these people, pensioners of all kinds, and people on small fixed incomes who are living in penury, many in a state of more or less malnutrition and whose deaths from starvation or suicide are even occasionally mentioned in the daily newspapers?

That is true.

So Marx was correct when he said "misery" would increase in the course of capitalist growth.

In addition there is the "pauper class" whose ranks, he

says, fluctuates along with the ups and downs, with "booms" and depressions.

Yet Professor Cole lives in England where, in the 20 years between the two world wars, there was a great army permanently on the "dole". In fact, tens of thousands were born and reared there "on the dole". That was "pauperism" if you like.

What of the working-class proper, or those who have permanent, or more or less permanent, work?

Marx pointed out, firstly, unlike the peasant or artisan, they are devoid of any means of production, they must work for one or another capitalist, or starve.

With the growth of capitalism and mechanisation their livelihood becomes ever more precarious. In the "depressions" tens of millions of them are forced into the ranks of the unemployed. All methods for raising the social productiveness of labour are brought about at the cost of the labourer.

Think of our miners whose jobs are menaced by the mechanisation of the mines, railworkers by diesel engines and electric trains, to give a couple of present day examples, not to mention the constant threat of new "recessions" and "depressions".

Marx continues: "All means for the development of production transform themselves into means of domination over, and exploitation of, the producer . . . degrade him into the appendage of a machine, destroy every remnant of charm in his work and turn it into a hated toil . . . they distort the conditions under which he works, subject him during the labour process to a despotism the more hateful for its meanness.

". . . It follows therefore that in proportion as capital accumulates, the lot of the labourer, be his payment high or low, must grow worse.

"Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil, ignorance, brutality, mental degradation, at the opposite pole."

One might think that Marx was describing the biggest of all capitalist countries — the U.S., as it stands before us to-day.

The "dangerous classes", — "criminals, vagabonds and prostitutes," in the main are products of present day social conditions.

It will be seen that Marx's theory of "increasing misery" is a combination of spiritual, physical, mental, moral, as well as economic and poverty factors.

Those are the main features of "increasing misery" as described by Karl Marx in *Capital*, Vol. 1, in the chapter headed "General Law of Capitalist Accumulation".

The position of the workers as an "appendage of a machine" in modern industry, with its mass-production, its conveyor belts, speed-up and rationalisation techniques certainly has not improved since Marx wrote; quite the contrary.

Certainly, there is little "charm" in the work in a monopoly factory where skilled work also is giving way to semi-skilled and unskilled labour.

The organ of the A.F.L.-C.I.O. Trade Unions, *Labor's Economic Review*, reports that in American industry "an industrial accident occurs every 16 seconds.

Every four minutes a worker loses his life.

Annually about two million workers receive injuries or fall seriously ill."

And the *Review* says there is hardly a state in which a disabled worker receives more than a third of his wages.

Just as Marx saw!

Today, the real wage of the Australian worker is not improving, to say the least, because of inflation. It has been estimated that the real value of the Australian pound has fallen to seven or eight shillings.

Rents are extremely high. A Housing Commission house is often at a rental of £4 per week. Direct and indirect taxation is very heavy.

To obtain modern necessities such as radios, washing machines and refrigerators, the worker mortgages his wages for years in advance through Hire-Purchase which also involves big interest charges, up to 8 per cent or more.

Very often this leads to excessive working of overtime to the danger of the workers' health. In order to meet their needs there is an increasing trend towards workers'

wives taking employment in a society where there is little provision for care of the children while the mother is working.

This and other similar trends are undoubtedly leading to further impoverishment of the working class.

It will be noted too, that Marx said of the worker "be his payment high or low", his labour is still drudgery and lacks charm, he is speeded-up and his exploitation intensified.

Professor Cole (as does Strachey in his book, 'Contemporary Capitalism') seems to think that Marx meant that "increasing misery" simply spelled reduced wages, with the workers reduced to the status of "paupers", as do many other "critics" of Marx. As you see, nothing is further from the truth. It is but an aspect of it.

Even the phrase "increasing misery" in the way it is used by the Professor is misleading. Marx named half a dozen factors which affect the different sections to a greater or lesser extent.

Like everything Marx wrote, it is an all-sided, dialectical analysis of every aspect of the problem in a moving, changing world.

However, there are even non-Marxist professors who do not agree with Professor Cole but endorse Karl Marx on the point of impoverishment. Dr. T. Balogh, Fellow of Balliol College, Oxford, in an article on International Economics says that the lack of development in the poorer areas outside the "Soviet orbit" is calamitous. "It is problematical," he says, "whether total real production per head outside the Soviet orbit in 1950 was higher than in 1913 or even 1900. Furthermore, far from abating, this tendency seems to have been accelerated by the Second World War. Food production has lagged in most undeveloped areas far behind the increase in population.

"The gloomy predictions of Marx that the rich would become richer while the poor would suffer ever greater hardship has unfortunately been vindicated on an international scale."

PART 3.

PROBLEMS OF THE MIDDLE CLASS

The existence of the middle-class has long been a stock-in-trade of all those who reject Marx and wish to 'refute' him.

Professor Cole is no exception to this, but it comes as a surprise that he has apparently gleaned his views on Marx at second hand, which is extraordinary for a man of his great scholarly attainments.

Thus, he gives an incorrect account of Marxist views.

In the "Manifesto of the Communist Party" (popularly known as the "Communist Manifesto") of 1848, Marx and Engels, in the section entitled "Petty-bourgeois Socialism", gave us the clearest of pictures of the position of this class, a truly remarkable forecast of its subsequent history.

WHAT MARX SAID

They wrote in the Manifesto:—

"In countries where modern civilisation has become fully developed, a new class of petty-bourgeoisie has been formed, fluctuating between proletariat and bourgeoisie (workers and capitalists. L.S.) and ever renewing itself as a **supplementary part of bourgeois society.** (Bold type mine. L.S.).

"The individual members of this class, however, are being constantly hurled down into the proletariat by the action of competition, and, as modern industry develops, they even see the moment approaching when they will completely disappear as an independent section of modern society, to be replaced, in manufactures, agriculture and commerce, by overlookers, bailiffs and shopmen."

History bears out that Marxist analysis. In each "depression" tens of thousands of small enterprises are ruined. In each "boom" period, large numbers of small enterprises have sprung up again, the middle-class "renewing itself."

In the present monopoly stage of capitalism, the renewal process becomes ever more difficult. Whole sections of independent proprietors have already disappeared.

Take, for example, the great city of Sydney.

Where today is the independent hotel-keeper? Everyone knows that the hotels are owned largely by monopoly breweries, Tooths and Tooheys, and the independent owners are indeed a vanishing race. The same is true of motion picture theatres and so on. Anyone can give examples from all our large cities and in the countryside as well.

The managers, "overseers, shopmen and bailiffs" have taken over, as Marx said; the so-called "managerial revolution."

Dr. Burton repeats this argument of the anti-Marxists, referring to the "growing middle class" which he claims is "outside the capital versus labour conflict."

Before making such generalisations, it would be best to examine the facts. In 1921, 22.5 per cent of breadwinners were employers of labour or were self-employed; in 1933, the percentage was 20.7; in 1954, it was only 18 per cent. Wage and salary earners increased from 77.5 per cent of total breadwinners to 81.8 per cent. Thus, we can see that the class of small producers has shrunk, while the number of those who work for wage or salary has grown.

That is the process of expropriation of small producers as it is taking place in the Australian economy.

SMALL BUSINESS BANKRUPTCIES

Today, in the United States, small businesses are going into bankruptcy, as a consequence of the growth of monopoly, at a rate equal to that of the pre-war depression years.

In the U.S. this year, 72,000 bankruptcies are expected and for several years now the number has been 50-60,000 annually!

There is also a rapid centralisation of capital and expansion of monopoly. Similar trends exist also here in Australia with mergers, amalgamations, take-overs and various other methods of swallowing up the small men. Likewise, U.S. and British monopolies have established their branches in this and other countries.

This creates a menace to the continued existence of smaller enterprises. In agriculture, both in the U.S. and Australia, the number of small, privately owned farms is continually decreasing, giving way to bigger farms and holdings.

So it is clear that the process of eliminating smaller enterprises is proceeding, not in a straight line, but in accordance with the fluctuations of the capitalist economy. Marx and Engels did not expect it to happen overnight nor do Marxists believe there will be a "pure" monopoly capitalism in which all middle elements will be eliminated and only wageworkers and millionaires remain.

Lenin wrote in "Left-wing Communism": "Capitalism would not be capitalism, if the 'pure' proletariat were not surrounded by a large number of extremely varied transitional types", among which he described as those who lived partly by wages, partly by cultivating a piece of land, or some such means, the small farmers, the craftsman with a small business, and the "small proprietors in general".

What we point to are general trends in capitalist society which are characteristic of it.

WHITE-COLLAR WORKERS MENACED

Among the middle strata there are also those whom Professor Cole calls the "blackcoats", or we in Australia call the "white-collar workers". This section has grown rapidly in the advanced capitalist countries.

Under this general heading are included executives, managers, salesmen, intelligentsia, that is, those who are not small commodity producers. But the greatest in number, no doubt, are clerical and office workers of numerous types as well as those classified as "intelligentsia" — the scientists, technologists, teachers and professional people.

In the first place, most of these are wage workers, on wages around the level of industrial workers (many earn less than skilled manual workers). Their interests are with the workers, against the capitalists — as they show by adopting such methods of struggle as the ships' officers did last year and air pilots this year.

Is the position of these workers a stable one?

Like the worker, the farmer and the small producer and shopkeeper, they are heavily hit by each periodical depression. Already the capitalist class is seeking to rid itself of the financial burden represented by the salaries and wages of the "white collar" workers.

Mechanisation and rationalisation are being applied to office and mental work. Electronic "brains", computing machines, tape recording and numerous other new gadgets are taking over and as time goes on must greatly reduce the numbers of these workers necessary to capitalist production and exchange, as well as governmental employees.

The common mistake of those who deny the class struggle is that they fail to look for class interests, and so are often misled by superficial appearances. Therefore, because some "salary-earners" such as high executives and "tall poppies" in the Public Service live like capitalists, and, in the main think like them, Dr. Burton and others are led to believe that all salary-earners are members of the middle class.

Of course, there is every need for the labour movement to explain to white-collar workers where their real interests lie, just as there is no doubt that many of them give genuine support to defence of peace, civil liberties, academic freedom and other issues which are not as easily understood as being the "labour versus capital conflict", as are strikes for higher wages.

But of course, these issues are part of the class struggle, just as much as the wages struggle is. In fact, the labour movement has ever been in the van of such fights and always will be.

Insofar as such strata of the population have special interests, it is their participation in the labour movement which will defend their interests and achieve needed improvement for them.

We might take only one pressing social problem of our time, education. Capitalism does not provide adequate facilities for education in Australia as elsewhere. It is a fact acknowledged by all that there are not enough scientists and technicians in Britain, U.S. and Australia; it is a fact that much more is spent on war preparations than on edu-

cation in all capitalist countries. However, the Soviet Union is training far more scientists and technicians than Britain, U.S. and Australia together.

Socialism does not restrict talent and special ability, but truly encourages their development. Thus, not only does the labor movement fight for better education under capitalism — an immediate problem — but in its long-range program it provides the only final solution in all-round education and the full development of the individual.

THE MANAGERIAL "REVOLUTION"

Yet another argument advanced in relation to the middle class is the famous "managerial revolution."

This "managerial revolution" finds roots in the fact that monopolies are today mainly administered by highly-salaried employees, managers, scientists, technicians and skilled workers, just as Marx said in the Communist Manifesto. How this has altered the laws of capitalism is not stated by its exponents for the simple reason that it has not and cannot.

This so-called "revolution", far from disproving Marx, as you have seen, is exactly what he deduced from the laws of capitalist development more than 100 years ago.

Marxism-Leninism makes the point that this simply proves the parasitism of the top capitalist class who do no useful labour, mental or physical, but are mere "coupon clippers", rentiers living in idleness and extravagant luxury on the backs of the workers. Especially, Lenin wrote, has parasitism of this kind become the order of the day in the period of monopoly and imperialism.

Recall the stories of the shocking escapades of the London aristocratic elite, reported in the press in recent times, as well as the orgies of American "society".

These gilded idlers have no useful function.

Lenin also showed that the imperialist countries themselves are parasitical, living on the degradation of the countries exploited by them. Parasitism is one of the main features of present-day capitalism.

The so-called 'managerial revolution' has resulted in a more ruthless efficiency in the exploitation of the masses, in maximum profits. To-day, in Australia, monopolies count their profits in millions, and in the USA, in billions.

LABOR AND THE MIDDLE STRATA

In his pamphlet, Dr. Burton lays considerable stress on Labor Governments as "crisis governments". As he believes there are to be no more crises, he wants a policy that will appeal to the middle class in "normal" times.

This leads him to "refute" the class-struggle and substitute abstract slogans of social equality and "pure" democracy.

The crisis theory of Labor governments may have some substance in respect to the Federal Labor Party, but is certainly not true in regard to the States, where Labor governments in Queensland and New South Wales have held office for decades, including the present relative "prosperity" period.

The real cause of Labor Party defeats is to be found in the reformist and pro-capitalist policies pursued by it, its failure to really combat capitalism or take socialist action against it.

History indicates this. The Hughes Labor government fell because it tried to conscript Australians for the First World War. The Scullin Labor government fell because it fathered the Premiers' Plan which was a wholesale attack on mass living standards in the interests of the capitalists and bankers.

The Chifley government fell because of its attitude to such struggles as the miners' strike, because it undertook a wholesale gaoling of trade unionists and repression against the workers, and because it was undermined by Grouper policies which weakened its very foundation and strengthened reaction.

It is clear that the bankruptcy of reformism, its inability to take decisive action against the monopolies, is the real cause of the failure of Labor governments, here and elsewhere, and not because they act simply as "crisis governments", as claimed by Dr. Burton. It is because of weak

and inconsistent policies that the Labor movement loses not only middle class votes but also those of the less politically conscious workers.

No one would deny the importance of the middle-class nor the need to win its support for the labour movement.

Middle class support can be won, not by throwing overboard socialist principles and neglecting the needs of the working class, but by concrete policies in defence of the interests of the various middle strata of the Australian people.

PART 4.

WHAT IS KEYNESISM?

The economic theory of Professor G. D. H. Cole, Dr. Burton and John Strachey, leading ideologists of Democratic Socialism, is that of the late Lord Keynes.

For example, Professor Cole states: "Finally, in our own day, capitalism, compelled to make large concessions to working-class opinion, devised ways and means of protecting itself against the recurrent crises that had beset it and adopted in varying degrees the Keynesian and New Deal techniques which retrieved it from the terrible slump of the 1930's."

Dr. Burton says: "By banking policy, by import controls, by public works and defence expenditure, by dumping under guise of economic aid, and by other such devices, it is now possible to exercise restraints on the domestic and overseas forces which cause depression.

"The fact that all countries have available the institutions and knowledge required to cure recession greatly lessens the problem for each country. It is no longer necessary — apart from being politically difficult — even to have a permanent pool of unemployment as a means of keeping wages down and of disciplining workers.

Full employment, accompanied by steady yet controlled inflation, has been found to be an effective means of guiding the economy in the interests of capital. Real wages can be allowed to fall, and expenditure on public investment in homes, schools and hospitals can be decreased as anti-inflationary measures, and this inflationary situation can be continued almost indefinitely. Small concessions to wage-earners, pensioners and persons on fixed incomes can be made from time to time to prevent political reaction."

That Dr. Burton does not agree with reduction of wages by insidious or other means is well known. His own policy

is meant to overcome this and raise living standards, but the above is a pretty good description of the essence of Keynes's economics.

The Soviet textbook on Political Economy, based on Marxian economic theory, gives the following concise description of the main features of Keynesian economics, including the celebrated "psychological" approach, i.e., do not fear depression, continue to invest your capital, both private and governmental, spend as much as you can, and all will be well.

Permit me to quote from the textbook:

"Keynes glossed over the real causes of chronic mass unemployment and crises under capitalism, and endeavoured to show that it is not the nature of capitalism but the psychology of men that leads to such 'defects' of the bourgeois society.

"According to Keynes, unemployment is a consequence of the inadequate demand for personal articles of consumption and productive articles of consumption.

"The inadequate demand for articles of consumption is supposedly a result of men always tending to accumulate a part of their own incomes, whereas the inadequate demand for productive consumption articles is an outcome of the general fall of the 'profitableness of capital', of the decrease of the incentives of capitalists to invest their capital in the various economic branches.

"Keynes asserted that in order to increase the mass of employment of the population, it is necessary to enlarge investments, and, with this end in view, the state must, on the one hand, adopt such measures as lowering the real wages of workers, introducing inflation, and decreasing the rate of interest, so as to ensure the increase of the profitableness of capital, and, on the other, swell the budget in order to invest on a mass scale.

"In order to increase the consumptive demand, Keynes suggested to further increase the parasitic consumption and extravagance of the ruling class, and to swell the war expenditure and other non-productive expenses of the state.

"Keynes' theory is entirely groundless and is extremely reactionary in essence. The inadequacy of consumptive demand

is caused not by the mythical 'men's accumulative tendency' but by the impoverishment of the labourers.

"The measures (inflation, the increase of non-productive expenditures for the preparation and the launching of wars) put forward by Keynes, for ensuring the full employment of the population, actually further lower the living standards of the labouring people, (as Dr. Burton pointed out—L.S.) and lead to the contraction of markets and the numerical increase of the unemployed.

"Keynes' vulgar theory is now being widely utilised by the bourgeois economists and the rightwing socialists of such capitalist countries as the United States and England."

A SIMILAR U.S. THEORY

It is also necessary to note propositions which are similar to Keynes' as far as state expenditure is concerned in the United States. I quote from the same Soviet source:

"The typical theory of modern American vulgar political economy is the propaganda on increasing the state budget and public bonds as a means of overcoming the defects of capitalism.

"The American economist A. Khancen considered that the possibility has been greatly minimised of the further development of capitalism depending on the function of the spontaneous economic strength alone. He showed that the state must 'regulate' the capitalist economy by means of increasing the state order to enlarge investments. He advocated the organisation of social constructions by increasing the state budget (i.e., taxes and state bonds), as if such constructions would certainly ensure 'universal employment', making modern capitalism become sound.

"Actually, under the conditions of the preparation of the imperialist powers for a new world war, such 'social constructions' are but the construction of strategic motor roads, railways, airfields, and naval bases, etc., that is, the further militarisation of the economy and, consequently, the sharpening of the contradictions of imperialism."

It is clear enough that the economic policies pursued by the U.S., British, Australian and other governments in the highly developed capitalist countries more or less follow

the general lines of these theories, whether consciously or by an accidental resemblance.

CRISIS A CAPITALIST PRODUCT

Today we witness a big investment of capital in Australia. Huge new plants and factories have been put into commission, or are in course of construction or being planned in all parts of the Commonwealth, particularly in the oil, steel, motor, power etc. industries.

Many new light industries have come into being since the end of the Second World War. Australian capitalism in this period has made, by far, its greatest leap forward. Similar periods are to be noted in the economic and industrial history of other capitalist countries. Some think that these very developments insulate against cyclical crisis.

For example, former Prime Ministers Curtin and Chifley both promoted industrialisation, giving this as a major reason. However, it has always been, for obvious economic reasons, the major industrial countries that have been most severely affected, i.e., U.S., Britain, Germany, etc. In this connection, Professor Cole tells us that American capitalism "almost collapsed" in the economic crisis of the '30's and writes of "Britain's continuing crisis," while Dr. Burton says it was the most severe in Germany of all countries.

Thus, practical experience, as well as theory, proves beyond question that industrialisation in itself, i.e., "investment" as advocated by the Keynesians, is not the "cure" but increases the severity of crises, disproving the contentions that industrial development is an insurance against such crises as that of the 30's.

Likewise the magic 'credit policy' of the Keynesians.

Credit policy and interest rates, far from controlling the capitalist cycle, are controlled by it.

The banks, centres of finance capital, lend money in order to make profit and not to benefit the people. This is proved by the credit squeeze on housing at present.

The onset of depression, far from softening their hearts, only makes more ruthless their drive to maintain their position and profits.

Capitalist relations, the exploitation of the working class

by virtue of the production of surplus values as demonstrated by Marx; over-production, or in simple terms, the workers' wage being insufficient to buy back what he has produced, are still and always will be the basis of capitalist economic crises, irrespective of how much is wasted on armaments, extravagance and so on recommended by Keynesians.

In fact, such economic crises of over-production were unknown in the slave and feudal systems. They are specifically a phenomenon of capitalist industry.

CAN THE "WELFARE STATE" SURVIVE?

In an economic crisis can the "welfare state", such as it is, continue — can the State continue to expend vast sums? The obvious answer is — No, the State itself reaches the verge of bankruptcy, as it did in the 'collapse' of capitalism in 1930 referred to by Professor Cole.

Remember our own bitter experience of the Premiers' Plan when wages and pensions, were cut. Today, in Britain, social benefits are being attacked because of the "continuing crisis." In Australia, schools, hospitals, housing, public transport, sewerage and so on are in a state of growing crisis while pensioners and people on small incomes are reduced to poverty in the 'welfare state'.

In Great Britain, even now where we are supposed to have a "Welfare State" and high living standards, a recent Gallup poll showed that 41 per cent of the British people would emigrate to Canada, N.Z., Australia, had they the opportunity. This reflects the uncertainty and insecurity of the people in this period of decaying capitalism.

Illusions have been fostered by the non-Marxists as to the economic role of the State in present-day capitalism, a revival of the false idea that the State "stands above classes".

Lenin, in his work *Imperialism, the Highest Stage of Capitalism*, showed that banking and industrial capital had united to form finance capital and that this had led to an ever-growing fusion with the State, particularly so, at the time he wrote, in Germany, leading to State monopoly capitalism.

The "interference" of the State in the economy is directed in the interests of monopoly. The economic policies of the Menzies Government clearly indicate this. The vast arms program of the capitalist countries, their refusal to end the arms race, are directly a subsidy to the monopolies, along the lines indicated by Keynes.

So, too, was the Anglo-French attack on Egypt at the direct instance of the oil monopolies. The so-called "Eisenhower Doctrine" for the Middle East aims at strengthening the positions of the U.S. oil monopolies in that area.

The wage-freezing policy of the Federal Government helped to increase the profits of the monopolies to fabulous heights while reducing the living standards of the masses. One could continue giving almost countless instances of this close co-ordination of monopoly and the governmental apparatus.

That the State has now largely taken over direction of the economy and is handing out benefits to the masses is another reformist myth. Every gain made by the workers is a result of industrial and political struggles.

This illusion, that the State is now leading the economy and, as a consequence, economic crisis is practically ruled out, the idea upon which Professor Cole and Dr. Burton mainly base their economic theories of Democratic Socialism, is not especially new.

The Social Democratic theoreticians (Hilferding, Kautsky, etc), long since put forward the theory of "organised capitalism", i.e., that monopoly would iron out capitalist contradictions. Professor Cole and Dr. Burton now appear to believe that this has been accomplished, that "organised capitalism" has been achieved by means of Keynesism, and that economic crises are now a thing of the past.

The theorists of "organised capitalism" spent the twenties of this century proclaiming that "Ford has refuted Marx." They continued this story only until the economic crash of 1929, when life itself proved Marx right and showed that monopoly capitalism could not prevent crises. There is no better fate awaiting those who prefer Keynesism pseudo-science to the Marxist science of political economy.

PART 5.

POST-WAR FACTS DISPROVE KEYNES

The illusions of the Keynesian school followers are based on the relative capitalistic prosperity of the post-war period. Basing themselves on this, they dismiss the great depression of the 30's, and all those preceding it, as the result of muddling, of lack of knowledge of Keynes' theory.

The Keynesians pay no attention to such facts as that West Germany and Japan have returned to the markets, intensifying the struggle, or that both Britain and U.S. in 1956 stagnated and made no real advance in productive capacity .

Likewise, they fail to see the general crisis of capitalism, which has resulted in one-third of the world's people freeing themselves from all forms of capitalist exploitation, including imperialism.

The disintegration of the colonial system and the ultimate economic effect of all this upon the major capitalist countries is not appraised by them.

They want a transition to Socialism without class-struggle.

Dr. Burton says this outright: "The traditional social conflict in Western capitalist countries has been capital versus labour . . . But advanced Western countries have long outgrown this traditional capitalist versus labour grouping."

This "no class struggle" theory arises from their economic view of a capitalism free from crisis, a "welfare state" applying Keynesian economics. In fact, such a wrong view of the capitalist system is the necessary theoretical basis for it.

It is profoundly false.

THE REAL FACTORS

What has been the basis of the period of "prosperity" in the capitalistic countries during the period since the second world war, on which Professor Cole and Dr. Burton mainly base their theories?

(1) The repair of the devastation of the war which provided a market for U.S., Britain, etc., countries which escaped the worst damage. For example, U.S. foodstuffs and coal were exported for the first time to Europe.

(2) The re-equipment of industry, which had become obsolete as a result of the prolonged pre-war depression and then the years of the war, with modern machines and technology.

When these incentives began to flag, when "recessions" appeared in 1949 and 1952, the enormous expenditure on the armaments race and war preparations gave a new temporary basis to "prosperity", factors to which neither Professor Cole nor Dr. Burton pay the slightest attention.

These world factors also are the main factors of Australia's post-war capitalist "prosperity".

For example, the record price of wool over this period in the world market, as well as for agricultural products, foodstuffs, raw materials and minerals like uranium.

This enabled 1,000,000 migrants to be brought to this country. The new comers had to be fed and housed, which led to industrial expansion and growth of the building trade.

It is clear then that the present Australian economic activity is built on the shifting sands of temporary world factors.

DANGEROUS INFLATION

Is inflation really, as Keynes wrote, a weapon in the hands of capitalism enabling it to maintain its equilibrium?

Inflationary trends have ever been a sign, not of economic health, but the opposite.

In capitalist "boom" periods the rush to invest and get high profits quickly causes prices to rise. Production expands rapidly until the point of over-production is reached and the "boom" bursts.

The crash on the New York Stock Exchange in 1929 caused billions of dollars in inflated share values to disappear into nothingness over-night, ruining a whole army of speculators.

Inflation in Germany ruined the middle-classes and created a major base for Hitlerism.

Inflation is not a sign of capitalist economic stability but always the gravest of danger signals.

Dr. Burton indicates that inflation expressed in rising living costs is a weapon for reducing the living standards of the masses.

Together with "frozen" wages, it has already cost the Australian workers a fabulous sum which has been pocketed by the monopolists. With that we all agree.

POST-WAR ECONOMIC CRISES

Is there today a stable world capitalist economy?

According to Professor Cole, the answer is "no". He says "It is true that, despite these developments (Welfare State, Keynesism, capitalist "prosperity", L.S.), world capitalism remains in a precarious position. American capitalism can sustain high production and employment only by giving an appreciable part of its product to countries that cannot afford to pay for it . . . and in many countries . . . capitalism is kept going only by American aid."

Precarious, indeed!

Because a major economic crisis has not yet occurred since the close of the Second World War there is this growth of Keynesian illusions about capitalism having overcome economic crisis, in spite of its "precarious" state.

In any case, the Marxist conception is of a periodical crisis recurring every 10 years or so on the average.

The capitalist class itself is becoming ever more anxious as to the economic future and ever more fearful of a new crisis.

That capitalism has now the "means" to overcome "depressions" is disproved by the post-war economic history of the richest country — the U.S.

Marx in his lifetime had observed several varieties of

crisis phenomena which preceded the periodic or cyclical crisis.

These have shown their presence in the post-war period, apparently unnoticed by our Keynesians. In the U.S., there was a partial crisis in 1948-49; partial in the sense that it did not embrace all industries, but did affect a number of the most important ones. There was a similar partial crisis in the consumer goods industries in 1951-52.

In 1953-54 however, the intermediary crisis was one of the most serious of its kind. It differed from the previous post-war "recessions" because it affected all industries of the U.S. It was an "intermediary" crisis, or one which precedes the full periodic crisis.

Such is the true character of the "recessions" in the U.S. economy in the post-war years.

Similar instability has been shown by the Australian economy, with its "horror" budgets, import restrictions, temporary growth of unemployment and other phenomena.

All this shows that capitalist economic laws are still working in complete disregard of the theories of the Keynesian school, and that the latter's remedies are at the most but temporary palliatives.

Today, there is no possibility of the stabilisation of the capitalist system, such as took place after the First World War in the period from 1924-1929. This results from the dropping out of the capitalist system of the Soviet Union, People's China, the People's Democracies, and the disintegration of the imperialist colonial system, causing the intensification of the general crisis of capitalism.

This is very important from the standpoint of our approach to the future development of capitalism, it means that crisis will continue to grow as the contradictions become sharper.

The U.S., West Germany, Italy, Japan and other advanced capitalist countries have never been free of large unemployed armies since the war.

They, and not Australia, are typical of capitalism.

In recent months unemployment has tended once more to threaten Australia as a result of mechanisation, rationalisation, fall in exports, import and credit restrictions.

WHY PREFER KEYNES TO MARX?

The growth of Keynesian and similar illusions is reminiscent of the "boom" period preceding the great economic crisis of 1929-32, which was succeeded by long years of "depression". Then a new economic crisis appeared in Germany and U.S., in particular, on the eve of the Second World War which it certainly helped to precipitate.

Professor Cole points to the present bankruptcy of the Labor and Social-Democratic parties which are tied to the war policies of U.S. imperialism.

This has two disastrous effects, Professor Cole relates. Firstly, the arms race makes improvements in living standards impossible. Secondly, the Socialists, because of dependence on U.S. "aid", cannot advocate radical programmes for fear of offending Wall Street. A very frank criticism indeed!

Professor Cole therefore proposes, in effect, the end of the Cold War; disarmament and trade with the socialist world. That is the most vital and progressive expression of his views.

It follows from his analysis of the bankruptcy of Labor and Social-Democratic policies which, he indicates, will assist the Communists to win the support of the masses.

Dr. Burton describes the present situation in Australia thus—falling real wages and crisis conditions in housing, schools and hospitals.

Apart from the fact that this contradicts his thesis that capitalism raises living standards, we may ask how it is that socialists can base themselves on an apostle of capitalism like Lord Keynes?

Keynes revealed his true outlook and aims when he wrote: "How can I adopt a creed (socialism) which, preferring the mud to the fish, exalts the boorish workers above the capitalists and intelligentsia, who, with all their faults, are the quality of life and surely carry the seeds of all human achievement."

Certainly, Keynes' outlook made it impossible for him to contemplate the emancipation of the working-class, let alone provide it with a theory that would assist its struggle.

The essence, then, of the "new thinking" of Cole, Strachey and Burton is to find a policy to replace the old reformism which, at the same time, will eschew Marxism-Leninism and retain non-Communist leadership over the masses.

In order to try and demonstrate the correctness of Keynesism, Strachey went further than Professor Cole. He attacked the Marxian theory of value as the regulator of capitalist economy.

Why do Cole, Strachey and Burton require such an economic theory? The answer is that they try to postulate a transition to socialism not based on class struggle or on Marxism-Leninism, but on repudiation of the leading role of the working-class and of the vanguard role of the Communist Party.

PART 6

PEOPLE'S DEMOCRACY OR CAPITALIST DEMOCRACY

The theoreticians of Democratic Socialism, putting forward a theory of a transition without class struggles, reject the use of repressive measures against reaction by the new socialist state.

On this ground, they attack the Soviet Union and the People's Democracies because they suppress counter-revolutionary activities. This action by the socialist states is necessary in order to safeguard the new society until such time as it is firmly established. That is, until the internal and external threat from the exploiting classes is at an end.

The Polish Premier, Gomulka, while carrying through a program of liberalising the structure of the Polish People's Democracy, stated firmly and correctly that there could be no freedom for the enemies of the people to pursue subversive activity aiming at the resurrection of capitalism.

This is necessary because the class struggle does not end with socialising industry. Practical experience and theory alike prove this; the most recent experience being the fascist onslaught, organised by the imperialists, on Hungarian socialism.

Dr. Burton writes that a socialist government needs a long period of office in order to make secure the gains of the working class. We agree that this is so, and point out that one reason for the failure of past Labor governments to remain in office has been the unprincipled campaign waged by reaction against them. It must be borne in mind that not one of these governments has ever tried to abolish capitalism and establish socialism; nevertheless, they have been attacked, vilified, sabotaged and even corrupted by the

capitalist class (e.g., Holman, Hughes, Lyons and company).

Where such methods fail, they reserve the use of the courts and such powers as used by Sir Philip Game to dismiss Lang in 1932. We might also recall the New Guard, a semi-military fascist organisation, which was to use force if other means failed.

If such mild steps as previous Labor governments took have met with such opposition, how would a government determined to nationalise all the big monopolies fare?

Unless it disarmed them, the monopolies would bring about its downfall as the banks defeated the Chifley government.

Reaction stands ready to use the inevitable difficulties of the socialist changeover to restore the old order. Therefore, class struggle does not end but becomes even fiercer for a time.

ONE PARTY NOT THE ISSUE

The question of the number of parties is not the issue today. In Poland, three parties stood in the recent elections, and individual Catholics and other independents were elected.

There are sixteen parties and organisations represented in the People's Government of China. In the German Democratic Republic, there are also a number of parties represented in the government, as in a number of the other People's Democracies.

In the Soviet Union, Lenin declared that there was no objection to other parties co-operating, but that the trouble was they had all deserted to the side of the Whiteguard counter-revolution. In fact, the first Soviet government was a bloc of the Bolsheviks and Left Social Revolutionaries, but the latter later turned anti-Soviet and wanted to restore capitalism.

No, the issue is the attitude to reactionary attempts to restore monopoly.

Wrongly denying class struggle now, and in the future,

the Democratic Socialists see no threat from the capitalists, landlords and fascists at any stage.

The conversion of the means of production into public property, as in the existing Socialist Commonwealth, is the greatest democratic achievement the human race has known. The Constitutions of the present socialist countries are the most democratic in history. These Constitutions guarantee full employment, right of assembly, to criticise, to organise, to elect and recall, to full education, access to culture, and so on. They abolish class divisions and the exploitation of man by man, the very root of all tyranny and oppression, of international wars, of class struggle, of poverty and unemployment.

In fact, these Constitutions establish the working class, the people's freedoms, and abolish all class privileges.

The capitalist democracies, on the other hand, are based on class divisions and the exploitation of man by his fellow man through the private ownership of the means of production, upon the colonial enslavement of nations by stronger nations. Capitalist democracy accepts war as a "natural" thing like seasonal changes and as a means of greater profit; it represses the struggles of the masses for better conditions and wages ceaseless war on progressive ideas.

The present capitalist democracy in fact serves to conceal the real domination of society by the industrial and financial monopoly, ("Bourgeois Dictatorship"). It is true that the Menzies Government could be voted out at the next elections, but capitalist ownership of industry would remain.

The control of industry and finance gives the owners the power to dominate governments wherever such ownership exists. This is proved by the experience of all capitalist countries.

However, the rights we have under capitalism are precious. They were won from the wealthy classes by the blood and sacrifice of generations of democratic fighters and are under constant attack by reactionaries.

Such is today's contrast between capitalist and socialist democracy as they exist side by side.

WHAT COMMUNISM IS

Further great democratic advances are being made in the socialist countries as a result of economic advance and also through the destruction of the anti-Marxist "cult of the individual".

When the stage of Communism has been reached, the State itself will "wither away", the government of persons gives way to the administration of things.

Marx wrote: "In the place of the old bourgeois society, with its classes and class antagonisms, we shall have an association in which the free development of each is the condition for the free development of all." The watchword of this new society will be, "From each according to his ability, to each according to his need."

Communism thus goes far beyond formal democracy, giving real freedom for all in place of often illusory "equal rights" which are and can only be formal when society is divided into rich and poor, capitalists and workers.

Therefore, we reject the charge of being non-democratic, made by those who regard freedom as free buying and selling, that is, the "freedom" to make profits, the "freedom of the individual" as the freedom to own the factories, mines and ships in order to exploit the workers.

The abolition of such "freedom" is the condition for the emancipation of the majority of mankind, the end of class division of society and the exploitation of man by his fellow man.

PART 7

SUMMING UP DEMOCRATIC SOCIALISM

The socialism of Professor Cole and Dr. Burton is a typically middle class interpretation of socialism, a modernised version of that middle class socialism long ago criticised by Marx.

It is based on an idealist middle class abstract concept of social justice.

Therefore class struggle is not merely rejected by the Democratic Socialists but its very existence denied, despite all the strikes and bitter political struggles going on in the world of today.

Dr. Burton, in spite of this, writes that "advanced Western countries have long outgrown this traditional capital versus labour grouping." The economic demands of the workers are "sectional" and therefore must be dropped in favour of an idealist and nebulous concept of universal justice.

Essential to such a theory is the view that capitalism has the means to overcome economic crisis.

The Democratic Socialists recognise the bankruptcy of the old reformist policies in the face of monopoly capital. They sense the growing disquiet of the masses who are feeling the effects of monopoly exploitation.

Therefore, the Democratic Socialism of the A.L.P. now demands the nationalisation, or governmental control, of the worst or "bad" monopolies which "exploit the people", a typical middle class concept.

While the Communists wholeheartedly support the immediate programme of Democratic Socialism, at the same time its middle class ideology must be subjected to searching criticism from the standpoint of true working class socialist principles, Marxism.

This means we will at all times work together to achieve

the immediate programme, or any part of it. In working together, we will better be able to exchange views on the meaning of socialism and the ways to achieve it. In exchanging such views, which are very different on some major issues, we need not clash violently. As sincere socialists, we can test out our different ideas in practice; life itself will show which is correct. Thus, exchange and clash of views need not divide us, but in the long run lead to our unity, providing we work together for what we agree upon, and above all, that we place the achievement of socialism as the main and overriding aim of our movement.

There are some issues raised by Professor Cole which need comment in this spirit.

Professor Cole asserts that Communists split the working class movement, but omits to provide any proof for the assertion.

It is true that many of the Communist parties were formed out of the left wing of the Social-Democratic parties.

Why was this so? Because the right wing leaders deserted revolutionary socialism for reformism, for collaboration with the capitalists; they supported imperialist and colonial wars, they rejected socialism whether "democratic" or otherwise, peaceful or violent. They became the bitter enemies of the Soviet Union, the first working class socialist state in the world.

Today, the right wing support the preparations for an atomic war by the imperialists against the socialist commonwealth. Consequently, genuine socialists could not remain with them in the one party.

So, under the leadership of Lenin, the Communist Parties, which based themselves on Marxism, were formed. Today, they are leading one third of the world in the construction of socialism and communism.

What socialist achievements have the Social Democrats? None at all.

Nowhere has there been a Social Democratic government which abolished capitalism, although they have been in power in many countries, in Britain, Australia, New Zealand, France, Germany, Scandinavia and elsewhere.

Thus, the honours are all with the Communist Parties. Again, Professor Cole asserts that Communists are "liars" but gives not a single fact as evidence nor does he mention the ocean of slanders in which capitalist propaganda and right wingers daily attempt to drown the voice of Communism.

The fact is that our propaganda against capitalism and its right wing lieutenants in the labour movement is based on Marxist science and observed facts, however unpalatable some may find them, and we are willing to defend our position at all times, against all comers.

The crisis of capitalism is also the crisis of reformism. As capitalism decays, the old basis of reformism is gradually crumbling away.

Professor Cole points out that the Social Democrats have made no real progress in the last several decades.

Will the present leadership of the right wing, such as Gaitskell, Mollet, Spaak, and the A.L.P. rightwingers, accept a socialisation programme?

Certainly, they will try to broadcast the illusions about "controlled" capitalism leading to socialism and accept some of the other propositions advanced by Professor Cole, Dr. Burton and other Leftwingers.

But will they break with the policy of class collaboration, of co-operation with the arms race and "cold war" policies of Anglo-American imperialism? No, they will not. That would be too revolutionary in present day circumstances.

The right wing imperialists in the labour movement must be defeated by the rank and file and their reformist policies and ideology repudiated before these parties can take a truly revolutionary socialist path.

The sharp raising of the issue of socialism and the immediate programme indicated by the Democratic Socialists are progressive, a basis for united action between Communist and Labor Party members and supporters. This indicates growing socialist consciousness among the masses and the changes taking place within the ranks of the reformist parties.

This was stressed also at the 20th Congress of the Communist Party of the Soviet Union, which went on record for collaboration between the Socialist and Communist Parties of the world. The turn towards socialism as the way out is a trend in all countries, and the Democratic Socialists are a part of this trend.

That is the positive side of Democratic Socialism which all those who want to end capitalist rule heartily welcome.

PART 8

DEMOCRATIC SOCIALISM AND OUR PROGRAMME

Our Party Programme commits us to the possibility of a peaceful transition to Socialism. That is, without armed insurrection.

Where we differ from Professor Cole and Dr. Burton is that we consider that the class struggle, that is, the struggle against the capitalist class on the industrial field, for supremacy in the political field, for victory in the intellectual arena, will continue, it will intensify, it will be marked by great mass struggles, political and industrial. It will be accompanied by national, political and economic crises.

In these struggles, the unity of the masses will be cemented and their political consciousness will be raised to the necessary level for them to understand the need for the transition to Socialism.

That is a fundamentally different conception of peaceful transition to socialism than that of Democratic Socialists, who propose to end the class struggle or claim it has already been ended, by means of quack Keynesian medicines.

The class struggle was not invented by Marx or Lenin. It is a fact, which exists whether we wish it or not.

While capitalism lasts, so too will the inevitable class struggle proceed. The concept of peaceful transition does not mean that the capitalist class will not fight desperately, savagely, with every resource at its command.

While there are more ways of killing a cat than choking it with cream, nevertheless the end result would be the same from the point of view of the cat.

So, too, with the capitalist system.

The change from capitalism to socialism, from capitalist dictatorship to rule of the working class, is a revolution,

the most far-reaching revolution in human history. Whatever tactical methods are used, whether by majority vote or a violent struggle, cannot alter that fact. The abolition of private ownership of the means of production is what the capitalists oppose with all their might.

We do not consider that socialisation is a piecemeal process as visualised by the Democratic Socialists.

A genuine socialist, people's government would proceed at once to socialise the monopolies, the basic industries, coal, steel, power, transport, etc. It would simultaneously socialise banking, insurance and finance. The means of distribution, the big shops and chain stores would likewise be taken over by the State and the co-operatives. The big landed estates would be socialised and land apportioned to all those who desire it.

In the socialist society, Parliament would remain as the organ of government. It will be seen at a glance that our programme maps a path that differs fundamentally from the Democratic Socialists on decisive questions.

In discussing at length fundamental differences and criticising weaknesses in the programme of the Democratic Socialists, we do so not because we regard Democratic Socialism as a menace to be fought, but in order to clarify the issues before the workers.

We welcome Democratic Socialism as a progressive move on the part of the Labor Party which cannot but further unite and raise the socialist consciousness of the masses, particularly so if the Communist Party can find the path to a correct relationship with those propagating socialist ideas.

Emphasis must therefore be laid on that which unites, especially the goal of socialism and we give full support for all progressive measures initiated by the democratic socialists.

Our aim is the unity of the working class movement, and, ultimately political unification in one party based on Socialist principles, and sectarian attitudes endanger this aim, preventing the broad unity in action that is both possible and necessary for the winning of immediate demands and the ultimate goal of socialism.

