feminism & socialism
china after mao
the state

* Recommended and maximum price only.
Registered in Australia for transmission through the post as a periodical (Category B)
IN THIS ISSUE ....

American Barbara Ehrenreich writes about the relationships between modern feminism and socialism.

Peter Nolan, economic historian and student of Chinese affairs, analyses the course of events in post-Mao China.

Some currently debated issues of the state and socialist strategy in advanced capitalist countries are discussed by Eric Aarons, joint national secretary of the CPA.

An Australian leftist living in France discusses the current political situation there and the prospects for a victory of the left in the March elections.

Our regular features Comment and Economic Notes examine some of the political and economic features of the post-election situation.

Kathe Boehringer’s review of the Allen-Keon film Annie Hall and Mavis Robertson's review of Alexandra Kollontai’s Love of Worker Bees complete the issue.

OUR NEW FORMAT ....

With this issue, ALR becomes larger and adopts a new cover style. In addition, we are reverting to a two-monthly publication schedule - staffing, copy and technical realities forcing us to abandon, regretfully, our aim of appearing ten times a year. Our aims of service to readers remain the same except that with more space we expect to provide more analytical articles on current theoretical issues as well as items of topical political interest.

With the larger size, card cover and inevitable inflation, our price becomes one dollar, still, we believe, cheap by comparison with other small journals. Subscribers will receive six copies for six dollars, postage free. Existing subscriptions will be continued pro rata, i.e. one copy per two already paid for at the old rate. As always, we welcome contributions, discussion pieces, comments and suggestions from our readers.

Comment .......................................................... 1
Contemporary Feminism and Socialist Movements ................................. 8
   Barbara Ehrenreich
The State and Australian Socialism ....................................................... 17
   Eric Aarons
Economic Notes ............................................................... 25
China After Mao ............................................ 29
   Peter Nolan
France Goes to the Polls ............................................................ 41
Reviews ............................................................ 47

Editorial Collective: Brian Aarons, Kathe Boehringer, Gloria Garton, Patricia Healy, Terry O'Shaughnessy, Mavis Robertson, Eric Aarons.

SUBSCRIPTIONS: $6.00 per year (six issues). Surface or airmail postage to be added to overseas subs.

Students, apprentices, pensioners: $4.00 per year.

Printed and published by Red Pen Publications Pty.Ltd.,
4 Dixon St., Sydney.
The December 10 election result poses several problems which must be squarely faced by the left. Some of them are:

* To analyse the reasons for Fraser's victory
* To develop a much deeper understanding of Australian society, in particular the ideology and aspirations of the workers, so as to both understand the vote for Fraser and assist the left to develop the concrete long-term strategy for an 'Australian road to socialism'.
* To devise policies, strategy and tactics to meet the inevitable increase in anti-worker, authoritarian and repressive initiatives

The election merely confirmed in its own way a long-observed fact about the working class, in Australia and all capitalist societies: not all the working class, or even a majority of it, will always act in its own best short-term or long-term interests. The working class condition under capitalism can lead it to believe and follow the political representatives of the class which exploits it; to be taken in by the system and its myths and to reject the real solutions to its problems. This often has been, and is, true of some of the most oppressed and exploited workers. All the more, then, can it be true of a working class which, on average, enjoys living standards and conditions better than virtually any other subordinate class in history, with the possible exception of the contemporary north American working class.

The meaning of the result itself should be neither ignored nor exaggerated. On the one hand, it is clear that large numbers of Australian Democrats rather than for Labor. On the other hand, Labor still has a very solid base of support - not very much less, in fact, than other big social-democratic parties in advanced capitalist societies and still bigger than many such parties.

It is important to look at votes rather than seats. The L/NCP vote dropped from 52.6 per cent in 1975 to 48 per cent, yet even without the distribution of Democrat preferences, the coalition has a majority similar to that of '75. (Labor with a 52 per cent vote in ’72 had a majority of 11 seats.) Labor with 40 per cent of the vote got 30 per cent of the seats; the NCP with 9.6 per cent has 15 per cent of the seats; the Democrats with 9.3 per cent got no seats in the Reps. As almost always, the single member constituency electoral method, almost unique to English-speaking countries (most other democracies have some version of proportional representation) tells against Labor.

But, accepting the fact that a substantial section of workers voted Liberal, there are both immediate and underlying causes. The immediate ones include:

* Fear of change and the unknown;
* fear of a return to what is seen as upheaval and mismanagement under the Whitlam government;
* a belief that Labor was/is a poor economic manager;
* doubt that Labor could do anything to overcome the crisis and improve things;
* a belief that the L-NCP coalition are the "natural rulers" and can get the best out
The underlying causes involve long-term processes and factors at work in Australian society. These have to do with both the objective circumstances of life here for many working people and with the traditions and culture of the working class, derived from Britain and developing in Australian conditions. The main tradition of the British working class has always been reformist and so it has been in Australia. In Britain this tradition was sustained by the crumbs which the ruling class could afford from its well-stocked imperialist table. In Australia, during many militant struggles, workers have been able to win very good conditions relative to those of workers in other countries. (We are speaking here of an average - many unskilled, migrant and women workers work and live in poverty-line conditions.) None of this has been due to the benevolence or cleverness of Australian capitalists - rather to what the system could concede to working class militancy.

In some senses, reformism has succeeded for many workers over the long boom period. This is especially so in terms of the aims many workers set themselves during this period: to substantially improve their living conditions and achieve personal security after the insecurity of the Depression and war years. It is not to ignore the poverty and hardship of many to note the fact that the real living standards of most workers rose substantially during the boom period. Many workers associate these improvements with Liberal-Country Party government. In 1977, as in 1975, one component of the vote for Fraser was a mistaken yearning for the boom period of the 'fifties, associated with Menzies and the Liberals.

In Australia as in few other capitalist countries, it was possible for some workers to find individual solutions and personal advancement. This section provides the base of 'working class conservatism' although Liberal-voting workers can also be found among unskilled and poorer workers.

It was reasonable to expect that the onset of a long period of economic decline and stagnation would lead to a new radicalisation of the working class and a renewed interest in socialist solutions. To a certain extent this has happened, especially in countries with a strong Communist Party and/or left-leaning Socialist Party, where socialist consciousness is already high. But it is observable that in most advanced capitalist countries, working class support for reformist and even conservative parties has not swung dramatically away and towards the left. Indeed, in some places, it has swung right, although usually this is where the 'left' alternative has been a reformist party incapable of providing credible solutions to the crisis. A small section of workers has even been attracted to racist and reactionary groups like the National Front in Britain.

All this merely reinforces the historical lesson that a period of capitalist crisis does not necessarily throw up the social forces which have the vision, organisation and active spirit necessary for a basic social transformation in the direction of socialism. To take just the most obvious example: the Great Depression, one of the most traumatic events in the history of capitalism, did not lead to one socialist revolution. In Germany, it not only led to fascism but to the wiping out of the German Communist Party as a mass force (speaking, of course, of West Germany). This cannot be blamed only on the mistakes of leaders and parties, although these abounded.

These experiences, and today's realities, raise very sharply the question of ruling class hegemony - the hold of the system's ideas, values and culture over the mass of the people. This hold is a feature of all class societies and is what, together with the use of force and coercion, has made oppressed classes and groups throughout history accept, for long periods, their oppression as inevitable or even right.

Modern capitalist society is characterised by great sophistication of capitalist ideas, by vastly improved methods of inculcating and reinforcing them (via the mass media and the education system) and by objective circumstances (the long boom) which give added weight to them. Australian capitalism has had both favorable objective circumstances and the absence of a revolutionary and socialist tradition in the working class to assist this process of ideological hegemony.

A concrete example illustrates the point and drives home the fact that glaring examples of ills of the system do not in
themselves necessarily move workers to outrage or protest. When the scandal about Utah's repatriation of huge profits to America was headline news, it was related to me by a friend how workers on his job said: 'Good luck to them. If they can get away with it they deserve the rewards'. The only explanation for such attitudes, when even the media felt constrained to criticise Utah, is that capitalist views and ethics are very deeply ingrained in some sections of workers. They accept the myths of private enterprise and 'get what you can when you can'. Also, some workers express such views because they are reasonably satisfied with their own lot or have inflated ideas of their prospects.

A more exact indication of working class views was given in a survey of AMWU members in 1976. Conducted by students in Sydney University's Government Department, the survey sought workers' attitudes to a number of issues concerned with their workplace and the union. The AMWU membership is one of the most advanced sections of workers. Yet the survey showed that, depending on the issue, anything from one-quarter to one-half of the membership was conservative in their views. For instance, 29 per cent thought unions put too many restrictions on employers; 63 per cent disagreed that unions should have more power; 41 per cent thought unions strike too often; 23.5 per cent thought the government should have more control over unions, 21 per cent disagreed that everyone in the factory should be in the union; 63 per cent agreed they were satisfied with working conditions on their job; 53 per cent agreed they were paid what their work was worth; 41 per cent thought that 'if we start letting the workers make more decisions then the company will go broke'; 53 per cent thought that most workers are not capable of making important factory decisions; 69 per cent agreed that 'workers would fight too much between themselves if allowed to make their own decisions about who to hire and fire'; asked whether it should be the company or the union which sets up a system which lets workers help make factory decisions, 13 per cent said the union, 38 per cent the company, and 42 per cent both.

As with any survey of opinion these results may be open to challenge and to different interpretations but, in general, they are probably a fair reflection of workers' attitudes. They do need to be balanced by the answers of the section who showed more class consciousness and advanced views. Equally, the contradictory nature of the attitudes should be recognised. For instance, while 53 per cent thought most workers were not capable of making important factory decisions, 73 per cent agreed that 'I would work better if decisions on things like how my work is organised were made by both the workers and the bosses'. 80 per cent thought most workers will accept more responsibility if they are more involved in factory decisions, and 61 per cent would like a chance to make more decisions about how things are run in the factory.

The many indications of conservatism among large sections of workers should not blind us to the positive features of the Australian working class. On some counts, Australian workers have shown a radicalism not seen elsewhere. It was militant struggles which gained Australian workers their high living standards; sections like the wharfies and seamen have an impressive record of internationalism; the Green Bans were a unique phenomenon, way in advance of similar workers' actions elsewhere; it is not often that other working classes have taken actions similar to the 1969 Penal Clauses strike during the jailing of Clarrie O'Shea; the mass movement against uranium mining is amazingly strong when it is realised that Australia does not have nuclear power itself so that to be opposed to mining requires more than a direct personal threat. In general, there is a better 'integration' of the workers' movement with the new social movements than in other countries.

Then, too, it must be considered that conservative and reformist ideas may be changed very suddenly by circumstances: such a process has occurred in most revolutions. Which is not to say that policies and political methods can be based solely on the possibility such a thing will happen some time in the future, since this might be next year or next century. But it is to say that the hold of ideas is not fixed and permanent but relies very much on social circumstances and is open to contestation by the proponents of different ideas. The fact that working class conservatism and reformism are often inconsistent and contradictory shows too the possibilities of change in the right circumstances.
None of the problems of conservatism mean that the left should become pessimistic and abandon the struggle for socialism in Australia as hopeless. But a socialist strategy must, in the first place, be based on an objective analysis of society and social development. Analysis of social structures, and the underlying dynamics and contradictions of a given society are essential. But, so too, is the accurate appraisal of the balance of political forces, of mass opinion, degree of class consciousness and organisation and the aims and aspirations of workers and others who must provide the mass base for socialism.

The Political Level

It is often easy for marxists to forget about this last aspect and concentrate on laying bare the objective ‘skeleton’ of capitalist society: its structures, contradictions and tendencies of development. But the political level of society has its own relative autonomy from, as well as connection with, the levels of structures and inner dynamics. Experience and history show conclusively that even when the objective realities of capitalism manifest themselves most obviously, as in inflation, unemployment, poverty and oppression, those who suffer most do not necessarily see the real causes, nor support socialist solutions, nor even organise themselves to fight for their own conditions and rights.

It is this gap between reality and consciousness which Marx was referring to when he distinguished between a ‘class in itself’ and a ‘class for itself’. Speaking of the French peasantry he pointed that insofar as they shared a common social situation and objective relation to other classes they formed a class. But insofar as they did or did not perceive a common situation and common interests and develop organisation to collectively fight for their interests, they did or did not form a class. So, for Marx, class consciousness is not only important, it enters the very definition of class, which has a contradictory tension, both in fact and in concept, between objective and subjective factors.

Since it is at the political level of society that a party and movement operate, it follows that socialists in Australia must, among other things, think long and hard about how, and in what conditions, the prevailing working class commitment to reformist and conservative ideas might be changed. Such thinking cannot be done in ivory towers or armchairs but only in the course of practical struggles from which conclusions and lessons are drawn which enrich theory and provide a factual basis for strategies and policies. Too much the marxist practitioners in the armchairs and ivory towers want to make the facts fit the theory, preferring to ignore those facts and realities which might upset the picture.

Labor Debate

As after any major defeat for the ALP, there is now a major debate on the party’s future course, policies and strategy. The election for the party parliamentary leadership showed a turn to the right and to ‘moderation’. And so far it has been the right of the party which has been most vocal in advocating solutions to the party’s problems.

Broadly speaking, the line is that Labor must show itself to be a better ‘economic manager’ than the L-NCP coalition and introduce only such reforms as are made possible by ‘economic realities’. As Mr. Hayden put it at the press conference after his election as leader: the Labor Party wants change to the extent this is ‘responsible’. At the same conference he said he believes there is “a very strong case for reward for initiative and risk in a mixed economy”. He qualified this by saying there is also a need to make sure that people are not disadvantaged and perpetuated in that disadvantage. Writing in the Financial Review under the heading ‘Hayden does a Fraser’, Brian Toohey commented on the similarity of this to Fraser’s stated ‘concern for the disadvantaged within an economy based upon reward for initiative’.

But what risks and initiatives are taken by the really big profit-making corporations in Australia which could not have been taken by public sector enterprises? The story of the Holden is well known - how the Chifley government underwrote all the risks of the US car giant GM which then showed its gratitude by taking over all Australian interests when the company was well
established and making huge profits. Even more glaring is the way that vast natural resources are now being handed over to multinational corporations who are or will be raking in fabulous profits by ripping out the resources in a way which maximises their profits but minimises the benefits to ordinary Australians, not to mention the environmental destruction and hazards from woodchipping, uranium mining, and so on.

It is said in favor of such policies that only big multinationals have the money and know-how to develop our resources. Yet a public enterprise backed by the full resources of government and tapping the know-how of Australian workers and technicians could match these. In any case, know-how can be bought and hired and capital borrowed if needed. It was revealed recently that Utah's huge profits from the Bowen Basin coal deposits derive from an initial investment of $25 million. This is a piddling sum for a government and would by now have been returned many times over, providing capital for development of other natural resources. As advocated by the CPA's A New Course for Australia, the income from a planned and publicly-owned natural resources development could in turn fund an expansion of public sector manufacturing industry under democratic worker and community control to avoid the bureaucratic inefficiencies of traditional nationalised industries.

Mr. Hayden's view of the relation between the Labor Party and its mass base is that any organisation which seeks to serve the Australian public must 'evolve along with that community'. There is no doubt that a mass party must listen to the masses. But equally it can only fulfill its responsibilities to them if it presents the facts and an analysis of what is happening. To its credit, the Labor Party did this on the issue of Viet Nam, despite the wavering of many of its leaders including Whitlam, and was in the end vindicated in its stand. As admitted by defeated prime minister McMahon, revulsion against the Viet Nam war played a part in Labor's 1972 victory.

The key fact ignored by the Hayden argument is that the economic problems are the products of the very system he proposes to manage better and more 'responsibly' than the Liberals. In particular, the crisis of Australian manufacturing industry has as one major cause the diversion of investment capital into the much more profitable resources area. Because the mining sector is more capital intensive than manufacturing (by a factor of at least 10) this diversion of capital creates more unemployment, with little prospect of improvement so long as such investment priorities remain.

If this analysis is even only partly correct, there is no way that a private profit system based on 'reward for initiative' will ever build a healthy manufacturing industry and restore full employment. Naturally, if reward for initiative is the guiding philosophy, then capital and human efforts will be directed to gaining the greatest reward for the least initiative, i.e. by ripping out natural resources as fast as possible, in the process running down all but the most profitable manufacturing industry.

The only way private enterprise will rebuild manufacturing is with the aid of government hand-outs and incentives, such as the existing scheme whereby businesses are paid $63 per week to give young unemployed a job. Naturally, business does not reject such 'creeping socialism' which serves its interests. But the labor movement ought to ask itself whether such government hand-outs should be given with no strings attached. Should they not be used as a lever to gain democratic public say in the enterprises so assisted? Or could the money be better spent establishing new manufacturing industries, such as a solar heater industry, publicly owned and democratically controlled?

What might be called the conscious and ideological right of the Labor Party has got in quick for its chop. In articles in The Australian and The Sydney Morning Herald, two leading members from the NSW Labor Party, Bob Carr and Joe Thompson, have pushed the so-called 'moderate' line. This is that the Labor Party nationally must adopt the policies of the Wran, Dunstan and Lowe state governments and learn from the example of the German Social-Democrats. According to Joe Thompson, NSW secretary and Federal president of the Vehicle Builders' Union:

"The State Labor administrators have bent over backwards to co-operate with
business and they've appealed to the country voter. But they've also been successful with their programs of reform.... But there has not been a rush to do everything in three years or to go further than the middle ground of politics would allow.” (The Australian, 7.2.78.)

But a good example of just how far 'bending over backwards' will get you (no, it's not up your own .... ) was the deal announced by Wran for Ford to build a new car plant near Campbelltown. He billed it as a good example of co-operation between his government and business and of how the government was attracting business. A few weeks later Ford announced it was not going ahead with the plans. So the essential powerlessness of government in the face of self-interested private enterprise was again demonstrated. Mr. Thompson's own members suffered from the failure to expand Ford's operations.

It is ironic that the Labor right should now be suggesting that Mr. Whitlam went too far, too fast. When he succeeded Mr. Calwell in 1967 as leader, the same wing of the party saw him as the person who could modernise the party, take away its rough and radical image and win the middle ground. To a large degree, Whitlam did many of these things but in retrospect, it can be seen that he was more committed to reforms in areas like education, social welfare, urban renewal, and health care than many of his colleagues. In any case, these reforms were hardly radical. Now it is Mr. Hayden who will play Whitlam to Whitlam's Calwell!

What is ignored by these commentators is that it was not the reforms themselves which people voted against in 1975 and 1977 but the inability of Labor to solve the economic crisis. This inability was a liability on its own but it also assisted the media campaign which portrayed social reforms and economic recovery as incompatible. Within the logic of the system there was a certain truth in this. But had Labor been prepared to begin to tackle the basic causes of the crisis instead of succumbing to the logic of the system, it could have retained support for itself and its reform program. This would have required tackling the power over economic decision making of large local and multinational firms. Of course, it was precisely this that Labor was neither willing nor prepared to do so it bogged down in a contradictory mire of indecision and division.

Labor did not have to 'introduce socialism' but rather begin to put enough key economic levers in its own hands both to be in a position to tackle the problems and to prevent the sort of economic undermining engaged in by private enterprise. Further, if Labor is going to give up significant reform programs and compete with the Liberals in economic management in capitalist terms, why should its own base vote for it at all?

Another assumption of the Labor right's argument is that the middle ground can only be won by watering down Labor's policies and proceeding more cautiously. Yet there are many issues where the middle ground supports policies more radical than those of Labor's right. Uranium is a good example. Carr warns that the Australian Democrats will pick up the middle ground permanently unless Labor is careful. Yet one of the bases of Democrat support among the previously Liberal middle ground was its anti-uranium mining stance - precisely the policy which the Labor right opposed for the ALP!

Of course, it is not expected that any of this will convince Labor's right which long ago gave up any socialist perspective, if it ever had one, and who believe that talk of socialism, even of steps like nationalisation, is 'fundamentalist' and old hat. Time will tell whether their solutions achieve anything, even the much longed-for stable electoral majority. It is to be hoped, though, that the Labor left will develop a much more coherent ideology and policy than hitherto so as to more effectively combat the attempts to take the party even further to the right. Many Labor members and supporters do not want a rightward shift but they need a coherent policy and line to support.

The left outside the Labor Party, including the Communist Party, cannot rely on the development of a more coherent Labor left which, in any case, is more likely the stronger the extra-ALP left and its mass influence become. Nor can the left ignore developments inside the Labor Party since the latter still has the overwhelming support of the working class which even through many disappointments looks to Labor for solutions to its problems.
PERSPECTIVES FOR THE LEFT

What, then, should be the perspectives and strategy of the extra-ALP left in the post-election situation? In the first place, while seeking to grapple with the political realities behind the election result, we should not lose sight of the fact that the contradictions of capitalism, both old and new, remain. Among others, they manifest themselves in these ways:

* Inability to permanently solve economic problems and develop a stable economy based on social needs and free from unemployment and inflation.

* Inability, despite a huge absolute growth of production, to achieve any significant redistribution of wealth to level up the continuing glaring social inequalities.

* Inability to take full and rational advantage of the ‘great leap forward’ of the productive forces in the postwar boom - in particular, failure to utilise anything like the full liberatory potential of science and technology which are made the servants of profit.

* Disregard for and inability to solve the worsening environmental crisis which, if anything, is more ignored these days with the economic troubles used as an excuse not to take the necessary actions.

* Inability to basically tackle the oppression of women and the whole crisis of human relationships, problems which are also swept under the mat of the economic crisis.

These and other contradictions and problems are not abolished by Fraser's victory; rather they are likely to be sharpened by it. They can, and will, lead to renewed upsurges of mass activity and struggle, though naturally no timetable can be put on this. These objective facts provide the basis for the left's work. But, in turn, this work will only bring out the maximum political manifestation of the objective contradictions to the extent that it develops a strategy and method of work based on a deep understanding of existing political realities and the possibilities contained within them. In the first place, that means finding out where working people are at, what they feel and want, what they will support and what they won't. In particular, can we identify what are the barriers, in workers' minds, social situation and experiences, to their shifting from reformism to socialism, or a program which would be a transition in the direction of socialism?

In the second place, the strategy and policies can only be developed in a long process of dialogue and discussion with the working people. This means putting things in their language, being concrete and putting forward, in addition to long-term goals, transitional programs which are seen to be realistic and capable of being fought for. To do this means being prepared to learn from practical experiences which should not only be guided by theory but also change and modify theory. A theory with such a relation to practice is truly a theory of politics (or a politicised theory) as opposed to an academicised, rarefied and doctrinised theory.

The main task of the left, therefore, is to get out into the community and the workforce so as to maintain and extend the difficult daily work of convincing people, assisting them in their struggles and in setting up or improving organisations which can counter the powers they are up against.

If this is done two dangers in the present period will be avoided:

* Succumbing to pessimism and hopelessness, leading to a loss of will and activity

* ‘Standing on our digs’ in the belief that we are still right and don't need to change anything as a result of the election but continue as before until the workers are forced to see the truth by the objective circumstances. This could only lead to objective sterility and isolation.

The aim of the left should be, in practice, policy and publicity, to lower the obstacles to Australian workers opting for real solutions. Immediate and transitional programs can do this by assisting people to take the first steps, both in thought and action, down the path to socialism. The Communist Party's proposal A New Course for Australia is a public discussion document of this type. ALR readers who have not yet seen it are invited to write to their nearest CPA office for a copy and to submit their comments, criticisms and suggestions to the CPA.

B.A., 15.2.78.
This paper is concerned with the potential insights which contemporary feminist movements have to offer socialist movements in two areas: (1) socialist theory about women's liberation which I take to be a key concern of socialists world-wide; and (2) socialist theory and practice more generally, apart from the question of women as a social group. Finally, I would like to speculate on the practical possibilities of a synthesis of socialist and feminist politics. Though the issues I will raise have broad applicability to the industrialised countries, my thinking is naturally based most heavily on experience limited to the United States.

Feminism and the socialist approach to women's liberation

The traditional socialist program for women's liberation, passed down basically unchanged from the nineteenth century, is two-fold: First, women were to be granted full democratic rights, including the right to divorce and possession of property; and, second, women were to be integrated into social production. Through the combination of democratic rights and integration into production, it was thought that no obstacles to women's full participation in political life would remain, and sexual equality would be achieved. Now, there is no question about the central importance of these measures to women's liberation: Feminist movements themselves have focused heavily on the legal rights of women and on access to jobs and education. The feminist movement in the United States is currently investing major energy in a campaign for a constitutional amendment which would eliminate legal discrimination between women and men as workers and citizens.

But a major insight of contemporary feminism, if I may state it first in purely negative fashion, is that a program of democratic rights plus integration into social production is not sufficient to establish full equality between the sexes. It is this insight which most strikingly distinguishes contemporary feminism from historically
prior waves of feminist activity and which distinguishes the feminist political perspective from the traditional socialist program for women's liberation.

There are several reasons for the late twentieth century feminist perception of the inadequacy of the traditional socialist program. The first reason is that, in 1970, as opposed to 1870 or even 1920, the program of democratic rights plus integration into social production had, in fact, largely been achieved for long enough to make some kind of evaluation possible. The magnitude of this achievement cannot be underestimated: Socialism has universally brought civil equality for women, mass entry of women into social production (hence the possibility of individual economic independence from the family), supportive social services such as child care - not to mention the obvious improvements in material security which have accrued to both sexes. It is thus with considerable envy that feminists within capitalist societies have regarded their socialist sisters: Socialist women are not "second class citizens" in the eyes of the law; they are encouraged in their education or vocational training; they are free to contribute to social production knowing that their children are well cared for.

At the same time, however, the situation of women in socialist societies can hardly be described as one of full sexual equality. There are shortcomings in the progress of socialist women which, persisting as they do after many years (and in some cases, more than one generation), cannot easily be explained as mere vestiges of capitalist or pre-capitalist society. To generalise, without reference to particular countries, there are three major kinds of evidence of the persistence of sex inequality into socialist society:

1. Occupational segregation by sex. Of course, this exists in varying degrees in various countries - nowhere approaching the extreme occupational segregation characteristic of capitalist society. But the basic pattern of the sexual division of labor has tended to persist, with women occupying relatively low-paid positions and/or performing stereotyped functions such as nursing, child care and personal services of various sorts, while men occupy, on the average, better-paid positions which are more likely to involve decision-making and to confer prestige. There is some evidence that when women have entered a characteristically male occupation, such as medicine, the social prestige of that occupation tends to decline.

2. Sexual objectification. This again is highly variable, with no socialist society approaching the decadent extremes characteristic of capitalism. One example of sexual objectification which has tended to persist is the differential adornment of the sexes: The cultural requirement that women use clothes and cosmetics to create an appearance of youthfulness, fragility and/or sexual availability is something so universal that it almost seems "natural". Yet in a feminist analysis, the emphasis on an objectified type of "beauty" for women is a clear cultural hallmark of male domination, and a disturbing thing to note in socialist society.

3. Low representation of women in positions of political leadership. This is undoubtedly the most striking and serious shortcoming, at least as seen from a distance. The levels of socialist leadership which achieve international visibility are almost without exception occupied by men. Where is there a female head of a socialist state, or a woman serving as first secretary of the party? How many women can be counted on the politburos and legislative bodies of the existing socialist countries? What does the near-absence of female leadership at the national level suggest about women's participation in political life at provincial and local levels?

These areas of shortcomings in the achievement of sexual equality by no means outweigh the tremendous advances women have made in socialist society. Nor is there any real basis for believing that sexual inequality is a fixed, structural feature of socialist society, as it has become in capitalist society. It may well be that a static critique omits significant progress which would be evident in a historical survey of women's status within socialist societies. (Or, to take a pessimistic point of view, it may be that sexual inequality will tend to increase in the European socialist countries with the spread of consumerism and consequent influence of Western capitalist culture.) But the point is that the traditional socialist answer to the "woman question" —
democratic rights and integration into production — has not proved to be a sufficient condition for sexual equality: A necessary condition, no doubt, but not a sufficient one. For a feminist movement emerging in the 1970s, this observation was inescapable.

Another reason for feminist dissatisfaction with the traditional socialist program rests not on the shortcomings of socialism, but rather on the “successes” of capitalism. It is striking, almost incredible, that the birthplace of contemporary feminism was not a society such as Spain, still dominated by rigid patriarchal forms of family life and religion, but the United States, a society in which women were widely considered to have already been “liberated”. Well before the advent of the current feminist movement, women in the United States enjoyed a level of democratic rights and workforce participation well beyond that of women in the most “advanced” European capitalist countries, not to mention the poorer capitalist countries, former colonies, etc. Divorce was legal and easily attainable; female suffrage had been achieved fifty years earlier. Moreover, women were entering the workforce in unprecedented numbers, particularly in response to the rising corporate demand for female clerical labor. In 1950, 33.9 per cent of American women were employed; in 1960, 37.8 per cent; in 1970, 43.4 per cent; and the proportion today is 48 per cent. In 1970, the United States surpassed Sweden, France, Canada, the United Kingdom, Italy, Switzerland and the Netherlands in terms of the proportion of the labor force which is female. (Though of course the labor force participation of US women still lags behind that of women in most industrialised socialist countries.)

So, at the time of the emergence of a feminist movement in the United States, the socialist program of “integration into social production” had been achieved to a significant extent within capitalism, although hardly on feminist terms. The great majority of women who entered the workforce in the 'sixties and 'seventies entered relatively low-paid clerical and service jobs, and this is reflected in the fact that the median income for full-time working women in the United States is only 57 per cent of the median income for men. Thousands of women have been drawn into struggles around workplace issues — discrimination in pay and promotions, lack of child care, health and safety issues, etc. But in a situation where nearly half the adult women are already employed, most in relatively unsatisfactory jobs, a political program offering “integration into social production” would be irrelevant, if not ironic.

It is these two factors — disillusionment with the political economic “advances” of women within capitalism, combined with a certain disappointment about the progress of women within socialism — which led contemporary feminism to reject the traditional program of democratic rights plus integration into production as an adequate basis for women’s liberation. Thus contemporary feminism, the feminism of the 1970s, began with the realisation that the solutions to sexual inequality lay not only in the realm of political economy, but in an area which had so far received little attention from political movements — the realm of “private life”.

The politics of private life

The existence of a sphere of “private life”, as distinct from the realm of political economy, is a characteristic feature of industrial capitalist society, and perhaps industrial society in general. In a pre-industrial “natural” economy, the family was not only a biological unit but a productive unit. Work, play, birth, child care, food consumption, etc., were all activities occurring in the same physical space and involving the same group of household members. With the advent of large-scale socialised production, the household was stripped of most of its productive activities and left with the personal biological functions of eating, sexuality, child care, rest, etc. Patriarchal restrictions, combined with women’s traditional centrality in child raising, dictated that the home, rather than the socialised workplace, was woman’s “proper” sphere of activity. Private life became the major focus of women’s work (usually even for women in the paid workforce); it was, furthermore, the major locus of “sex role reproduction”: the place where small children learn the forms of behavior deemed appropriate for their sex. Inevitably, then, feminist analysis would have to investigate the realm of private life,
and a feminist program would have to address the issues arising from it.

With some significant exceptions, the terrain of private life has been largely omitted from the mainstream of marxist theory. Lenin, for example, saw the home as a sort of backwater, left behind by industrial progress but still capable of breeding conservatism even within modern socialist society (hence, in part, his insistence on women's full integration into social production). The most serious attempts in the West to analyse the relations of private life have come from Freudian-oriented marxists and marxists associated with the "critical theory" school. If I may summarise their concerns rather sketchily, they have tended to focus on: (1) The "ancient" aspects of family relations — the system of patriarchal authority which survives from a pre-industrial mode of production. Reich and others saw the patriarchal authoritarianism of the family as the psychological basis for authoritarian relations within the entire society, as between classes. (2) The most "modern" aspect of private life — its penetration by advertising, consumer goods, external "expert" authorities, etc., to the point where the distinction between "private" and "political economic" realms of social existence begins to be a dubious one. Marcuse, for example, relates the corporate penetration of private life to the diminished political autonomy of the working class in advanced industrial countries. Thus the neo-marxist analyses of the real of private life created by industrial capitalism emphasise the importance of the private realm from a political economic point of view: It is the locus of the reproduction of the personality types (and, of course, actual human beings) required by class society, and it is one of the latest frontiers for the expansion of the capitalist market.

However, as the American historian Eli Zaretsky has argued, it was not until the rebirth of a feminist movement in the last ten years that issues related to private life were projected out of the realm of theory and into the arena of political struggle. Feminist analysis tended to differ from that of the (male) neo-marxists in that it focused on private life not merely as an influence on, or appendage of, the political economy, but as a realm of human experience having intrinsic importance if we are to comprehend the situation of women and how to change it. Thus the feminist movement highlighted a series of issues which had been largely neglected by marxists, either because they seemed to be too trivial, divisive, or perhaps simply embarrassing to discuss. These include:

— the biological subjugation of women within the family and within personal relationships generally: subjection to unwanted pregnancies, to physical abuse and coercive styles of male sexuality (of which rape is only the extreme).

— relations of domination and submission between women and men. These relations are nurtured within the patriarchal family, but extend into public interactions between women and men, for example, in the workplace and even within political organisations. The expressions of male domination may be overt, as in the common assumption that in a mixed gathering women will do the more "menial" work of serving food and drinks. Or they may be subtle, taking the form of disparaging remarks and patronising attitudes, or the use of modes of discourse which tend to exclude women's participation.

— the social devaluation of domestic labor. With the development of socialised production, women's work in the home was by no means abolished. In fact there is evidence that over the last hundred years rising standards of cleanliness and rising expectations about the mother's role in early childhood socialisation have actually increased the housewife's hours of labor. Yet the only recognition of women's domestic labor afforded in most capitalist countries is of a purely sentimental nature. There is no economic security for mothers who are deserted by their husbands; there are no pensions for women who have spent their lives as housekeepers and mothers.

— the corporate penetration of private life, which has depended primarily on the manipulation of women as consumers (often through advertising which presents insulting and stereotyped images of women) and leads to dubious improvements in the quality
of women’s lives. (To give a few examples: Certain feminine hygiene products introduced in the United States with considerable advertising have turned out to be hazardous to the user’s health; recent studies show that the introduction of “labor-saving” devices over the last 50 years has not led to a decrease in women’s domestic work; prepared baby foods contain unhealthful quantities of salt and sugar, etc.)

To say that these issues related to private life have been opened up by the feminist movement is by no means to say that they have been resolved, or can easily be resolved, even within the realm of theory and analysis. In fact, these issues raise serious questions of relevance for both socialist and feminist movements.

Take the issue of women’s domestic labor: There can be no question about the social value of domestic labor, despite the fact that it is unwaged and performed in the privatised setting of the home. In certain capitalist countries (Italy, the United States, England) some feminists have argued that the women’s movement should focus on a demand for economic recognition of domestic work, or “wages for housework”. Such a demand would recognise the strategic position of women as workers and their productive role in society. On the other hand, it has been argued that state subsidisation of women’s domestic labor would (1) reinforce the prevailing notion that this is a uniquely female form of labor, and (2) add nothing to the material well-being of the working class, since the wages for housework would undoubtedly be drawn from the general wage of the class (e.g. by higher taxation). Within socialist society, there remain questions about the social valuation of domestic labor and the best strategies for dealing with it. Too often, women’s “integration into social production” has only meant that most women have two jobs — one in social production and one in the home. Should this situation be recognised with reduced hours for working women and perhaps formal payment for their domestic work? Or should the situation itself be changed, for example, by pressure to increase male participation in domestic work or by further socialisation of this work? What solutions are most consistent with the needs of children, and, if possible, with long-standing cultural traditions?

Underlying these questions about domestic labor is an even more fundamental issue: the question of the family and its role as a basic social unit. Within the United States there has been considerable debate over whether left and feminist groups should concentrate on criticising the traditional family or defending it. The analysis which reveals the family as the key site in the reproduction of hierarchical relationships (between women and men, and between people in general) has led some to conclude that the abolition of the family as we know it is essential to women’s liberation. In this view, an important task for radical movements is the creation of alternative living arrangements which will meet people’s needs for companionship, sexuality, etc. in the absence of traditional authoritarian relationships. Others argue that the family, for all its faults, is the only refuge for the human values of affection, nurturance, etc., within capitalist society, and represents the only security most women know. Rather than building alternatives, which are unlikely to survive within capitalist society anyway, the movement should focus on improving women’s position within the existing family structure. (From either point of view, the persistence of the conventional family structure within socialist societies, and the failure of these societies to encourage the development of alternative living arrangements, has been puzzling to American feminists.)

However, if there is debate over the specific resolution of these issues — both as issues which must be confronted within capitalism, as issues facing socialist societies, and, ultimately, as questions facing future communist societies — there does exist a feminist consensus on certain principles which can be summarised as follows:

That in addition to reforms in the political economic realm giving women full democratic rights and the opportunity for participation in social production, women’s liberation depends upon:

1. The establishment of women’s reproductive freedom and physical integrity
as inalienable rights. This means the right to contraceptive measures and abortion regardless of national population policy, and the right to protection from sexual coercion (within or without marriage).

2. A social commitment to the eradication of male domination in all its manifestations — authoritarian relations within the family, the sexual objectification of women, stereotyped images of women in media and culture, and so on.

3. A reappraisal of women’s domestic labor, aimed at (a) increased social valuation of women’s necessary and productive work within the home, which should be recognised, for example, with economic security for housewives, (b) increased sharing of domestic labor between the sexes, and (c) the socialisation of functions which can be more effectively and satisfactorily performed outside the home.

4. Democratic control over the commodity ensemble produced for domestic and private consumption, with regard to quality, intrinsic use value and ideological content.

Implications for socialist movements

Insofar as women’s liberation, as an issue which transcends class, is one of the fundamental projects of socialism, then it goes without saying that the conclusions of contemporary feminism should be of intrinsic interest to all socialists. But I would like to turn now to some implications of contemporary feminist thought quite apart from the “woman question”. First, by analogy, feminism offers important insights into relations of domination and submission which exist between other social groups, such as classes and ethnic groups. Second, by its insistence on a politics which embraces both the “private” and the political-economic sphere, feminism points the way to a more comprehensive socialist politics for the industrial capitalist countries.

To take first the insights which feminism may offer by analogy. As I have stressed, contemporary feminism insists that sex inequality exists not only at the level of political-economic structures, but at the level of personal interactions, within the family, within social life, and within political and working relationships. Thus the problem of inequality, or male domination, must be attacked not only in the sphere of public life, but in the sphere of deeply rooted attitudes, expectations and patterns of behavior. The same can be said for relations between classes or strata: The significant interactions here do not only occur between actual members of classes, on a daily basis, and in such a way as to reinforce the prevailing patterns of class domination. When such interactions carry over into progressive political organisations, the results can be crippling.

The first example of this sort of phenomenon in the US left occurred over the issue of male-female relations within the radical movement of the ‘sixties. Despite verbal commitment to egalitarianism and “participatory democracy” there existed enormous barriers to women’s full participation in the movement. Meeting independently of men, women were able to identify some of the barriers to their participation, ranging from such obvious things as a lack of women in visible leadership positions to more subtle issues of male “style”, a tendency to long-winded polemics, a competitive manner of discourse, etc. The resulting efforts to eliminate male dominant tendencies within the movement were far from uniformly successful (in fact many women simply left the “mixed” movement to work independently as women). But these efforts did lead to a widespread consciousness of the problem of “sexism” (as it came to be called, in analogy to racism), and to a great unleashing of women’s political energies and leadership capabilities.

Today the US left faces a somewhat analogous problem in relation to class. Coming as it does out of a largely student base, the left is disproportionately middle class in composition, by which I mean it contains a disproportionate representation of people in professional and managerial-type occupations, as opposed to those in blue-collar and lower-level white collar occupations. Since the early ’seventies, the left has been preoccupied with the problem of expanding beyond its present class base into a broader working class constituency. There are many obstacles to this effort, which belong more properly to a discussion of US working class history. But from our limited experience so far, it is becoming clear that some of the obstacles lie at the level of day-to-day individual interactions, such as those
uncovered by feminists in the case of male-female relationships in the movement. These include: stereotyped expectations of roles (e.g. that people from middle class backgrounds will do the theoretical and analytical work), subtle attitudes of elitism and condescension on the part of middle class people, the persistent use of terms and modes of discourse which are familiar to educated people but uncomfortable to less educated people, etc. The results of failing to address these problems can be passivity among working class members, resentment, and sometimes even disillusionment with left politics.

To generalise a little: The task of building a socialist movement within a heterogeneous society such as the United States requires building co-operative efforts and common organisational forms spanning women and men, middle and working class people, and people of diverse ethnic backgrounds. In this project, the feminist insight that inter-group antagonisms and systems of domination are expressed not only in political-economic structures, but at the level of individual interactions, is a lesson which political movements can ignore only at their own risk. The emerging feminist movement of the late sixties demanded that political ideals be matched with high standards of interpersonal conduct and mutual respect. Without a continuing commitment to the feminist principle that “the personal (the ways we behave and treat others on an individual basis) is political” there is little hope of building a socialist movement which will span the divergent and often antagonistic social groupings which comprise the broad class of working people within a country such as the United States.

The other major contribution that contemporary feminism has to offer to socialist movements lies simply in its affirmation of the realm of private life as a significant arena for political attention, analysis and struggle. Socialist politics has conventionally focused on class relations as they are expressed in the “public” realm of socialised production and state functions, with secondary attention to culture and other elements of the “superstructure”. The political consciousness of the working class was assumed to be shaped overwhelmingly in the experience of production and through interactions with a repressive state apparatus. The nature of private life was assumed to be determined by the workers’
needs for biological self-reproduction and less importantly by customs and attitudes remaining from pre-capitalist social formations. With these assumptions, the nature of private life could be safely ignored in favor of concentration on the visible and dramatic class struggles over political and economic issues.

But two developments in advanced capitalist society suggest that these assumptions are no longer completely adequate, and that a politics based on them will fail to address monopoly capitalism as a total system. First is the capitalist penetration (in response to the continuing problem of economic stagnation) of private life as a market. This process, beginning in the United States in the 1920s and going into full swing in the post-war period, affects, directly or indirectly, all strata of society. It has required an enormous ideological campaign (carried out by individual corporations in the form of advertising) to "sell" a way of life based on individual consumption, and it requires ever more refined efforts (marketing techniques, etc.) to predict and regulate consumption. To the extent that this corporate penetration of private life has been successful, the very distinction between "private" and "public" (or political economic) realms of existence ceases to be a meaningful one. The internal expansion of the capitalist market within the industrialised countries, leaves fewer and fewer "backwaters" of social existence, and capitalism presents itself at last as a unitary system, embracing what were formerly the most intimate personal aspects of life.

A second and related development which challenges the traditional socialist assumptions about the proper sphere for political endeavor is the process which the American scholar Harry Braverman has called the "degradation of labor": the removal of productive skills from the working class and their concentration in a stratum of technical and managerial workers. This process, necessitated within capitalism by the class struggle in the early 20th century and often emulated within socialism as an "efficiency" measure, has the effect of reducing work to a mindless, repetitive series of routines. Rather than being a source of collective strength, social production becomes an experience of dehumanisation. Thus working class aspirations tend to shift to private life as a possible arena for the expression of the creativity and autonomy which is so thoroughly repressed at the workplace. This shift, this psychological privatisation originating at the point of production, only reinforces the dominant drift of late capitalist culture towards the social atomisation characteristic of a consumption-centred economy.

The left in the United States, where these trends are most advanced, has yet to formulate a political approach which fully comprehends these trends and the resulting social and cultural conditions. But it is clear that a truly relevant politics can no longer confine itself to the sphere of the political economy as it has been understood, but must extend its analysis and activities into the sphere of "private life". Is it in fact so thoroughly colonised by corporate priorities and commoditised relationships, or is it a potential breeding ground for resistance? What autonomous forms of popular culture are emerging and what is their relationship to commoditised mass culture? What forms of political activity can break through the social atomisation of working class life? To dismiss such questions - to abandon the terrain of "private life" as irrelevant or apolitical is, in fact, to cede it to the capitalists. If feminism in the industrialised capitalist countries has done nothing else, it should at least have alerted left movements to the necessity of a socialist politics capable of addressing the totality of human experience within the culture of late capitalism.

The prospects for a socialist-feminist synthesis

In the coming years we may expect the emergence and continued growth of feminist movements within the industrialised capitalist countries, for several reasons: (1) Over the long run, industrialisation and the spread of market relations inevitably undermine traditional patriarchal relationships, which (in the West, at any rate) had their material basis in an agrarian economy. The gradual erosion of patriarchal authority within the family increases women's possibilities of organising independently; (2) Recent advances in the technology of contraception are offering women a degree of biological self-
determination undreamed of by previous generations. Even where this technology is not easily available because of restrictive state policies or high prices, women are becoming aware of the material possibility of controlling their own reproductivity. This awareness was an important factor in the growth of the US women's movement; (3) The increasing cultural integration of the world, with the growth of the mass electronic media, etc., makes it impossible to contain feminist ideas within the boundaries of a few countries. Interest in feminism — or, at the very least, a new consciousness of women as women — is spreading on a world scale.

The feminist movements which emerge will continue to challenge the traditional socialist formula for women's liberation and to insist on a new kind of politics embracing both the "public" and the "private", the economic and the cultural. The question is: will the contemporary and emerging feminist movements find common ground with existing socialist movements — or will they become a dissident stream detached from the struggle for socialism? I have argued that a socialist-feminist synthesis would greatly enrich socialist politics (and, of course, feminist politics). What are the prospects for such a synthesis? I will end with some brief speculative comments on this question.

The United States presents, at least at this time, an exceptional situation and one that is historically unprecedented. Namely, a situation in which the feminist movement, despite its organisational disarray and internal disunity, is far larger and more broadly based than anything that could be called a socialist "movement". Left organisations may denounce feminism as "petty bourgeois" or they may court it as an essential extension of the "new left", but their impact is relatively minor. The direction which American feminism chooses — whether socialist or accommodating to capitalism — depends largely on developments within the feminist movement itself and its reaction to the political opposition it faces. On the discouraging side, the growth of an anti-feminist "movement", opposed to abortion and equal rights for women and unabashedly linked to the far right, has pushed major feminist organisations like the National Organisation for Women (NOW) towards a more 'moderate' political position. In the face of the rightwing attack, NOW has been eager to dissociate itself from socialist organisations and from more sweeping demands for social justice. On the encouraging side, however, feminism continues to expand — as a state of mind if not an organised movement — among working class women, creating a militancy which spills over and interacts with militancy on class issues. Particularly striking at this time is the growth of a black feminist movement, highly conscious of the "double jeopardy" of black women within racist society. Any rebirth of mass radicalism in the United States will be heavily shaped by, and perhaps in part generated by, the contemporary feminist movement.

Within the other industrialised capitalist countries, a more historically "normal" situation prevails at the present time. Socialist movements are strongly and deeply rooted in the working class. It is feminism which is relatively weak — a newcomer on the political scene. Here the possibility of a synthesis of socialist and feminist politics depends most heavily on the reaction of the existing left to the demands and issues raised by the emerging feminist movements. The crucial question is not whether existing left organisations will welcome feminist movements as they would any other progressive force, but how they will respond to those concerns of feminism which go beyond traditional socialist views on women's liberation. The response may be to dismiss these concerns as trivial, divisive, or even "ultra-leftist". Or the response may be to seek to incorporate feminist insights into the historical body of socialist thought and practice. As I have tried to argue here, what is at stake in these alternatives is much more than the left's relation to a particular constituency (women), but its ability to formulate a meaningful program for women's liberation within socialism, and its ability to comprehend the emerging contours of late capitalist culture.

Many discussions on theoretical questions are as tedious as the TV repeats over the holiday season. Let us hope we can make the discussions on the state now proceeding something more than a re-run of classical situations and past controversies.

The issue has arisen again in connection with “eurocommunism”, the dropping of “the dictatorship of the proletariat” by the French Communist Party, the possibility of a left government resulting from the impending French elections and the political crisis in Italy.

Many articles and pamphlets have appeared, and at least two books: Eurocommunism and the State by the Communist Party of Spain’s secretary, Santiago Carrillo, and On the Dictatorship of the Proletariat by Etienne Balibar, a member of the Communist Party of France. Unfortunately, only the latter is available in Australia at the time of writing.

In Australia the controversy is linked with the search for a way forward in the current uncongenial political climate, publication of the Communist Party of Australia’s proposal A New Course for Australia and discussion on the CPA’s general program to be adopted at its 26th Congress next year.

To avoid a sterile debate on the state we have to locate it in our context. Socialism being so far from an immediate prospect here, the debate could appear a little ridiculous. And it would be if it diverted attention from the actual task which is the building of the social and political forces needed to bring revolutionary change and make the destination of the state a real, practical question.

But, properly posed, there is a relation, because the future and the present are connected. One of the fundamental problems of political strategy in fact is to grasp the connections, so that the immediate struggles lead in the desired direction, not some other.

We have not widely used the term, but “the democratic road to socialism” describes fairly well the line the CPA has been following over the last decade or so. My aim in this article is to discuss the meaning of this in relation to the current controversies. The following points seem to me especially important.

1. A view of the nature of the problem of revolution in a modern capitalist society, compared with that in (say) tsarist Russia.

Of course, the nature of the problem cannot be completely divorced from the concrete setting. The Russian revolution took place during a devastating world war, and no doubt if Western Europe (or Australia) were - perish the thought - similarly involved today, policies and strategies would have to be very different.

Leaving this aside, however, the despotic tsarist state was appropriate to feudalism, as was the prevailing ideology. Yet Russia was well along the capitalist path even in agriculture which, while very backward, was increasingly concerned with the production of commodities - goods for exchange as distinct from those produced for direct consumption.
The feudal ideology had decomposed. It was no longer hegemonic and was ineffective in holding the masses of people within the system. The repressive power of the state was therefore the prime obstacle to revolution and could be toppled by quick assault. (A new ideology appropriate to a socialist system was held by only a comparatively few - advanced workers and some intellectuals - and this fact greatly influenced the course of later developments. But that is beyond our scope here.)

The Italian marxist Antonio Gramsci tackled the different problem in more industrially developed countries:

“In Russia the State was everything, civil society was primordial and gelatinous; in the West, there was a proper relation between State and civil society, and when the State trembled a sturdy structure of civil society was at once revealed. The State was only an outer ditch, behind which there stood a powerful system of fortresses and earthworks .... ” (Prison Notebooks).

It followed that revolutionaries needed to direct their energies in the first place to the “fortresses and earthworks”. Not as a substitute or an excuse for not tackling the state but as essential preparation for it - preparation without which talk of overturning or “smashing” the state became mere rhetoric covering practical impotence.

It should also be remembered that Gramsci wrote in the aftermath of the first world war, and at a time when industrial development, state involvement in civil society and the power and sophistication of the mass media were far less than they are today. In this light we would have to say that the tasks posed by Gramsci have increased.

But there are offsetting factors, now highlighted by the continuing economic crisis of the capitalist world and the great range of contradictions manifested in the many social movements and the intensity and breadth of class struggles.

There have also been changes in the state. The greater involvement of the state in civil society is not a change in class nature. Even we in Australia who have not experienced directly wars and revolutions in our country know this from November 11, 1975, for example.

The changes are that the state is much more involved than previously in education, social welfare, housing, transport, communications and various forms of intervention in the economy.

And despite ideologically and economically motivated efforts to cut back and hand some of it over to private enterprise where a profit can be made from it, state intervention remains massive. The very functioning of modern capitalist society, which it is the state’s business to maintain, requires it. The pre-occupation of various arms of government with the “restructuring” of Australian capitalism to fit in with the requirements of a world economy dominated by a few multinational empires only emphasises this.

Consequences flowing from these developments include:

• The state has large numbers of employees. Most of these, while having such privileges as a certain security in employment, have roughly the same standard of living as people “outside”, and feel similar economic pressures. They are parts of bureaucratic structures run from the top down, with themselves on the bottom. To varying degrees they have to be closely in touch with ordinary people and their concerns.

Thus, many functionaries of the state can take up similar economic struggles to the people they “rule”. They can become “infected” by similar concerns such as ideas of women’s liberation, opposition to uranium development, anti-authoritarianism, etc.

• The claimed “impartiality” of the state, which is a vital ideological prop for the institution and the society it helps maintain, has to be given at least some lip-service. This creates some avenues for ideas and actions which don’t prop up the existing order. The Fraser government is going to great lengths to close up these avenues, but in doing so meets resistance and builds up pressures which will find vent later.

Looking more concretely at it, we could take the education system. This is an arm of the state which has the function of providing the “mix” of tractable industrial cannon-fodder, intellectuals, etc. required by the system. The study courses, the ideology conveyed and the form of organisation in
schools is vital if this state function is to be discharged to the satisfaction of the capitalist system.

Having done a little teaching, I have experienced the anguish of having to fit in with and minister to these requirements. Nevertheless, the school system affords some avenues for progressive activity by teachers and pupils motivated by anti-authoritarian feelings, opposition to sexism and racism, ideas of the development of the person, etc.

Some employees of the Australian Broadcasting Commission have taken its professed impartiality at face value and presented ideas which have thrown the establishment into a rage. Axes have fallen since Fraser got in, but the possibilities of resistance have also been displayed.

Australia Post employees, workers in the telecommunications, transport and general administration fields have acted against the policies of the departments and commissions which head them.

Even some prison warders declared that they would not “process” people arrested in anti-uranium demonstrations. This does not stop warders from beating up prisoners, or opposing most demands for prison reform, but it is still notable. All state employees experience to one degree or another their contradictory position which people involved have to concretely study. But the point is that is contradictory. The state is not a monolith.

There are even examples in history of armies - the ultimate core of the state - being influenced by the prevailing social sentiment and political situation to refuse to fire on strikers. Magri, a critic from the left of the Italian Communist Party, affirms that a section of police and judiciary in that country is aligned with the workers’ movement.

These examples bring out the fact that while the function of the state considered in the abstract remains always the same, the actual state is prey to all sorts of contradictions. This creates the possibility for the state to be “neutralised” or rendered incapable of actually discharging this or that function under certain conditions. And this becomes the more possible the more preparation has gone on previously.

Sometimes (for example, 1968 in France) an eruption in one sector is likely to spark others, creating an upheaval that seems to come from nowhere, but spreads like wildfire because the smouldering contradictions are set alight.

Of course, this depends also and especially on the struggle in the non-state sector, in particular industry.

The struggle for workers’ intervention and control goes on at all sorts of levels. It is part of a constant struggle, of which the fight over wages (over division of the value added in production between wages and profits) is one part. Or rather can be part if not narrowly conducted.

Success is not likely to come out of the blue in finished form (such as “nationalisation under workers’ control”). It has to be prepared for by more partial actions in which a working class political force is forged in actual struggle.

The particular forms such struggles take at a given time depend on circumstances and the degree of consciousness already attained, though the general nature of the demands advanced derive from analysis of economic and social tendencies and the particular sector or industry involved.

That is why A New Course for Australia puts stress on —

- Concrete programs which go beyond the immediate and seek to deal with economic and social trends seen from a class perspective.
- Grassroots involvement of the people concerned in working out and acting to achieve such concrete things, and their organisation in the process.
- A general framework of proposals on the economy and social life which establishes links between the separate activities.

One small example is the way workers at Ajax Nettlefolds (which makes nuts, bolts, screws, etc.) intervened through a committee of shop stewards in an Industries Commission inquiry into the industry.

They saved a number of jobs, and while supporting the employers’ claim for a temporary increase in tariffs, took a quite independent class position which they stated in the following way:
"We, as workers in the Ajax Needlefolds company, wish to state clearly that we are not seeking continued protection to make the company more profitable, as we believe their current profit level is more than adequate. We would be opposed to the Australian people carrying the burden of an unnecessary, inefficient and wasteful industry, simply to provide higher profits.

"We believe that the propositions we are putting forward are designed to create a more efficient and worthwhile industry, the benefits of which must flow to the workers in the form of shorter hours, better work environment and greater control over work organisation.

"In particular, we believe that a greater say in the overall workings and investment of the company by the workers will assist in making it a more worthwhile and efficient company, producing for the social good. This will be greatly assisted by access to far more information, all of which is perfectly reasonable when one considers the public support required to keep the company going.

"We fully understand that given the system we live in, it is difficult for any real rationalisation to develop, because of the sole concern of manufacturers to achieve the highest profit regardless of inefficiency and the good of workers.

"This is made even more difficult by the almost total absence of a national plan for the manufacturing industry. Therefore, we strongly support the concept of national planning that is based on the criteria of socially useful and necessary production, benefits for workers that include adequate wages, working conditions and shorter hours, and that the industry is either economically viable or shown to be an essential part of Australian manufacturing. We believe that the propositions we put forward for the fastener industry, if accepted, would head in the direction that is indicated."

Different and bigger examples of workers’ intervention can be found from the Australian green bans to the 1977 Fiat struggle in Italy, but the point is intervention from a class point of view, at a level suited to the circumstances.

In The State and Revolution which he published in the second half of 1917, Lenin talked about other things besides violence, despite the fact that violence was very much to the fore in the conditions of the time.

The state consists, he pointed out, of a separate, a special body of people whose function it is to rule. The aim of marxists in respect to the state is not to make it all powerful, but to “do away” with it. That means to not have a special body of people whose job it is to manage and rule.

How can this be done? By having everyone partake of the function. We call this self-management, and see it as a great extension of democracy.

A “democratic road to socialism” might therefore be briefly characterised as the process in which more and more people in more and more spheres of social life act over things that affect them.

There are, of course, obstacles, including the conditions and habits of an exploiting society.

"Owing to the conditions of capitalist exploitation the modern wage-slaves are also so crushed by want and poverty that ‘they cannot be bothered with democracy’, ‘they cannot be bothered with politics’; in the ordinary peaceful course of events the majority of the population is debarred from participating in social and political life.” (S & R, Ch. 5, Part 2.)

Poverty, illiteracy and social discrimination are still a big obstacle to Aborigines, migrants, the unemployed and those on very low incomes participating in democracy, but they are not insuperable. However, they are not now the obstacles to most people doing so, and it would be useful to discuss what the obstacles actually are. But the point is that none of them are insuperable, that there are today more possibilities of pushing out the boundaries of democracy.

"To develop democracy to its logical conclusion, to find the forms for this development, to test them by practice, and so forth - all this is one of the constituent tasks of the struggle for the social revolution. Taken separately, no sort of democracy will bring socialism. But in actual life democracy will never be ‘taken separately’; it will be ‘taken together’ with other things, it will exert its influence on economics, will
THE STATE & AUSTRALIAN SOCIALISM

stimulate its reformation; and in its turn it will be influenced by economic development and so on. Such are the dialectics of living history.” (S & R, Ch. 4, Part 4.)

As a dialectical process this is unlikely to proceed smoothly. Basic transformations do not occur without crises and upheavals, and we will return to this shortly.

But the “quantitative” process of extending democracy and mass involvement is the crux of any “democratic road to socialism”, the condition for any qualitative transformation taking place.

But, even here, sweeping generalisations should be avoided. Various aspects of social change may be spread over lengthy periods of time. For example, “political power” changed suddenly in Cuba, but the other arms of the state were only “smashed” at a later date. (I think in fact that in many cases it would be more accurate to say that they were “reformed”, and that the process still continues. The word “smashed” can easily give rise to flights of political fancy, far removed from the real tasks.)

As to the type of “upheaval” envisaged, “the democratic road to socialism” involves a commitment to try to avoid civil war.

The CPA’s Program Principles, which will guide the development of its general program, state on this point:

“The fundamental sources of social violence are capitalist exploitation, the ideas based on it, and authoritarianism enshrined in the state. Nevertheless, the CPA aims for socialist transformation of society without civil war, striving to utilise all the contradictions within society, the state and the ruling classes nationally and internationally to this end, and seeking the support of other socialist and liberation forces throughout the world.

“This requires consistent defence of people’s interests and rights, opposition to authoritarianism, including in our own practice, opposition to ‘legal violence’, and promotion of the positive ideals of socialism and communism which envisage and require a great expansion of democratic rights.”

This direction is the CPA’s choice, as the only viable way to proceed in our society. But for others who make a different choice we point out that an alternative is not created just by “choosing”. To imagine that the kind of struggle the “democratic road” involves is impossible in Australia, while the kind of struggle involved in an insurrection is possible, is to indulge in fantasy.

In Spain and Italy, which are far more “political” societies than our own, with long revolutionary histories, even critics from the left of the communist parties (Magri, Giacomo) acknowledge that anyone advocating to the workers that they take up arms and launch a civil war would be laughed out of court, if not subjected to more material criticism.

This leads to questions about likelihods and possibilities. These questions should be discussed free of rhetoric and dogma, but they are legitimate and important to discuss.

Drawing lessons from the coup in Chile, Enrico Berlinguer, secretary of the Italian Communist Party, pointed to the need for broad alliances, of avoiding a split “down the middle” of society, and advanced the aim of winning “the vast majority” for a policy of “democratic renewal”.

The “historic compromise” which envisaged the winning of at least a section of Christian Democrats was related to this perspective. (The C-D’s are the conservative ruling party, but the party played a positive role in the struggle against fascism and has the allegiance of about one-third of industrial workers.)

The limited support the PCI gave the C-D government, and the struggle for first, a communist voice, then a communist presence in the government derived from this aim.

Even though he disagrees with the PCI over the “historic compromise” and other issues, Lucio Magri, one of the founders of the Il Manifesto group, affirms the necessity of using to the full the “democratic terrain” which —

“... means using all the opportunities that bourgeois democracy offers, for example, the opportunities for union struggles, the openings created by the articulation of state power, local government agencies, the cooperatives. One must use all these opportunities rather than think of building only a vanguard which then uses a moment of crisis to conquer power in a violent way.
The problem of violence remains, but only as defensive violence in reaction to attempts by the bourgeoisie during the course of the crisis to overturn democratic forms: this is already happening and will increase.” (Socialist Revolution, No. 36.)

There is no sure-fire way of being sufficiently prepared for every turn of events or for such an eventuality, but it is important not to ignore these aspects, even though no other approach than the one outlined here seems viable for countries like our own. I am sure that the PCI (for instance) is quite well aware of the theory of the state, the problems and the dangers.

But I would like to make two points.

Firstly, it appears at the time of writing that the CP and other parties of the left could form a left government, something the PCI had wished to avoid. This would pose the problem of a society divided roughly down the middle politically, and of the communists as the major partner taking the responsibility for administering Italian society which remains capitalist.

Because of the development of the world capitalist economy and the power of the multinational corporations, actions by the latter can be consciously undertaken to “destabilise” any society. Such actions would no doubt be countered by further political mobilisation, further controls over or confiscations of property and capital, cooperation with movements in France, Spain, Portugal and other measures. But the living standards of the people could fall, creating severe hardships and political difficulties. The issue at each step is decided by the strength and skill of the forces in struggle, it is not decided one way or the other in advance.

This leads to my second point: that while it may be entirely correct to reject the road of insurrection in which a vanguard seeks to seize power in a crisis, and consider only counter-violence, the latter has to be taken seriously. And sometimes it is not, because all gaze is directed one way.

I visited Chile in 1965 to represent the CPA at the 13th Congress of the Communist Party of Chile. This was one year after the 1964 elections in which Allende stood for President as the Left candidate. He received 39 per cent of the votes, but lost because there was a single opposing candidate, Frei.

When I arrived in Chile there was still a lively debate going on as to whether the same policy should be continued. It was, and at the election in 1970 Allende, with 36.3 per cent of the vote became President because the opposition was split and he got the highest vote of any candidate.

But during the 1965 discussion, partly acting as “devil’s advocate” I posed questions about the dangers, using among other examples the bloody overthrow in April 1964 of the much milder President Goulart of Brazil.

I was assured that this possibility was always in mind, that preparations were being made for such an eventuality, and that while they had no illusions about it in the final analysis, the tradition of non-interference in civil affairs by the Chilean army (very different from the armed forces of other Latin American countries) was of significance.

But CPC secretary Luis Corvalan had this to say at a Central Committee meeting in August 1977, not long after his release in a prisoner exchange between Chile and the Soviet Union!

“.... toleration of the excesses of the counter-revolutionaries constitutes a capital error.

“The line of Popular Unity and President Allende of relying upon the democratic sectors of the Armed Forces sought a growing identification of the military with the people, but it was not pursued to the core.

(there were considerable difficulties in changing top personnel in the armed forces but) “in spite of this, we could and should have promoted at least some changes and eliminated some of the most reactionary elements, seeking the support of the sectors most inclined towards the new regime. This was especially possible in the first months, as well as just after the municipal elections in 1971, and following the tanzaco” (the abortive coup of June 29, 1973).

The behavior of the Government and Popular Unity in this field was undoubtedly influenced by erroneous conceptions deeply rooted in the Chilean mentality which, in one way or another, to a greater or lesser extent, affected all parties. Obviously, we are
referring to the belief that the armed forces of Chile were distinguished by their subordination to the Civil Power and by their abstention from politics and sense of professionalism.

"... despite all the errors or insufficiencies of our work with the armed forces, there were among the latter ... important contingents on whom we could have counted whatever the circumstances .... We ascertained this in our contacts with military personnel at all levels. However, the deterioration in the correlation of forces also had repercussions on the armed institutions and the aforesaid contingents were reduced and felt confused, frustrated and helpless. This was the basic thing. Added to it was the fact that neither the Government nor Popular Unity had elaborated an operational plan - worthy of the name - with loyal military personnel to crush a coup d'etat were it unleashed. Thus came the 11th of September. The coup caught us unprepared with regard to military defence."

Corvalán then goes on to outline some actual preparations of the CPC. They had organised about 3,000 members with one degree or another of training and a quantity of armaments, but the amount was inadequate and the military conceptions involved were far too primitive.

The enemy, he further says, knew that there were some preparations, so instead of the "traditional" rather unorganised coup which might have been repelled and defeated like the one in June, they launched, with CIA assistance, a full-scale military blitzkrieg which allowed no time for political and military mobilisation of other forces.

The fact that such frank self-criticism is made gives credibility (of course, not proof) to another conclusion advanced by Corvalán. He affirms that the slogan of the Popular Unity "No to Civil War" was correct. It had the objective of uniting as many forces as possible and also expressed the conviction - which the CPC leadership still holds - that the correlation of political forces would have been changed for the worse by any other slogan, because the masses were not prepared to follow another road. The consciousness of a party can influence that of the masses, but it cannot necessarily determine it.

This has little to do with our own situation at present, but maybe an analogy can be drawn.

In correctly (as I believe) focussing at present on the arduous nature of the tasks we face, and recognising the conservatism of large sections of Australian society, including considerable numbers of workers, we should not lose sight of the possibility - indeed, in the long run, inevitability - of crises, upsurges and upheavals of various kinds.

It is wrong to count on upheavals coming at a time we cannot know, possibly quite far away, as a substitute for the hard, patient work we must put in today. But it is also wrong to lose perspective and get into the habit of thinking that things will always go on in the same way and at the same pace.

The contradictions in modern capitalism in general are many and chronic. Australia is no exception and has also its own particular weaknesses as well as strengths. One or another of these contradictions can easily become acute and erupt, transforming the situation in which we work. If our gaze is too fixedly one way, this would find us wanting.

It has been put to me that the reason the Latrobe valley strike did not result in the public backlash many of us expected was that, with the mass movement at a low ebb and reaction riding pretty high, a deep chord of sympathy was struck for a body of solid people, running their own thing. If this is so, then in altered circumstances, a rapid resurgence of the ideas and movements now being pushed down by the Fraser government could occur.

The "Dictatorship of the Proletariat"

Discussion of "the democratic road to socialism" leads naturally to consideration of "the dictatorship of the proletariat".

This phrase is so overlaid with past controversies, emotions, obscurities, different interpretations and popular antipathy, that little will come from denouncing it as outmoded or passionately asserting that one must stick to it or forever be condemned as an opportunist. Balibar,
in his book, does not avoid the latter approach, but he does the positive service of pointing out that the issue is concerned with the whole transition period from capitalism to communism.

Rather than be taken up with phrases and slogans, therefore, it is better to pose this question: what are the essential characteristics of such a transition period? I would say there are three:

1. There must be a fundamental change in the economy away from domination by the corporations; and in the state, in which capitalist rule is embodied politically.

2. There must be a new state to help effect and preserve the economic and political changes which this entails.

3. This state must be in principle different from any previous one. Different in that it will not be, or aim to preserve, a separate, distinct group of people whose special function is to manage and rule.

It will be of this new type because, and to the extent that, everyone performs some part of the work of "ruling", which means to the extent that self-management develops. The new state will thus progressively do away with itself, or "wither away".

The connection between this and the democratic road to socialism will be evident. It is an essential preparation for the future society and in that sense represents a necessary preparation of the new within the shell of the old. Not in the sense that the new will be born without some sort of upheaval, but that an upheaval of the kind required will not take place without that preparation.

So far, so good, some might say. But that is the dictatorship of the proletariat. But this is much too pat, I believe, and leaves too many unanswered questions. It ignores lessons from historical experience which marxists must pay heed to, rather than proceeding from categories and concepts as though they were eternal truths.

After the initial wave which brings a new society and state into being, one of the chief problems is that differences arise within the working class (however defined) and between the working class and other sections of the people. These differences arise from many causes, and may become the subject of intense struggles, affecting the stability or even the very existence of the new society.

As differences arise, the question is "who will dictate to whom?"

Socialist history shows that some will claim that theirs is the "proletarian line" and that the others are "capitalist roaders", even if they are socially proletarians. Such accusations usually include the claim that non-proletarians or former exploiters support those denounced. But it is not unknown for the positions to be reversed a bit later. So who should "dictate" to whom?

Will those who, at the time, actually constitute or control the state power decide who possesses the truth, decide which line is right (presumably their own) and use their hold on state power to "dictate" to the others?

Of course, the more self-management exists, the more the state will have "withered away", leaving it to democratic processes to decide. Therefore, the further the processes described as essential to the democratic road to socialism have proceeded, the more the problem will be mitigated. But it is idealistic to imagine that it will be finally "solved". And in any case, even with developed self-management, there will be differences, and probably quite strong ones at that, between different enterprises and sectors on various social questions.

Therefore, socialists' commitment to democratic processes is, and will continue to be, a real issue.

The CPA's commitment is to a plurality of parties (that is, of their right to exist), that the state should not have an official ideology or a monopoly over the media, and recognition of the right of people to vote out a government as well as to vote one in (whatever the system of electing representatives). To state this does not, of course, provide for all contingencies, but it expresses our firm commitment. We have to mean it, and people - including and especially "the proletariat" - have to be convinced that we do.

That is why I think "socialist democracy" which links up with the democratic road to socialism is a more accurate, not to say intelligible, way of stating our position.
It’s three years since the current recession hit Australia. No post-war economic downturn has been so severe or lasted so long.

Perhaps for this reason, but also because no-one likes to be too pessimistic, economic debate in Australia at the moment mainly consists of pious wishes rather than hardheaded analysis. Politicians, businessmen and economists are hard at work trying to talk the economy into a recovery but so far with little success. One reason, of course, is that Australia is plugged into the still depressed world economy.

Economic debate in Australia has traditionally ignored this simple fact. It has been thought that keeping the economy humming is the main job of the government of the day; conversely, if anything goes drastically wrong, it must be the government’s fault.

The Labor Opposition ran just such a line every time the economy faltered between 1949 and 1972. In fact, they were so successful in convincing people of this that when they eventually won office and had to handle Australia’s most serious economic downturn since the 1930s the voters knew exactly who to blame.

While it was in office, Labor pleaded that both aspects of the recession - first soaring prices and then growing unemployment - had international causes. But the excuse sounded lame, even to the Party’s own supporters.

If anything, last December’s election result shows that many voters still blame Labor for the recession. The Fraser government, for its part, is banking on the same psychology working in reverse when the recovery comes. So long as the government hangs on and sounds confident they’ll get the credit for the eventual recovery and govern till the end of the century with the continuing support of a thankful electorate.

At least that’s the strategy. It could come unstuck, of course, if there is no recovery internationally. This is why any survey of Australia’s economic prospects and the political future we can expect must start with the international economy.

An Inside Story

The latest and most authoritative survey of the world capitalist economy from within, as it were, can be found in the Organisation for Economic Co-operation and Development’s Economic Outlook 22, published in December last year.

“The pick-up in activity in late 1976 and early 1977 was short-lived”, the OECD points out in a survey of developments since the recession. “Total OECD growth weakened markedly in the second quarter of 1977 and has since remained sluggish.
Industrial production has broadly stagnated since April. In the United States there has been some slowing down, and in Japan industrial output is flat."

The immediate consequence: worsening unemployment. "Total unemployment in the area", the Organisation reports, "is now about 16.3 million, some half a million higher than the trough of the 1975 recession."

"In Europe, unlike the United States, unemployment has in fact been rising constantly, from 4.7 million at the beginning of 1975 to over 7 million today. In many countries the weakness of the labour market has led to an actual fall in employment and a rise in the under-utilisation of employees."

This year will make things worse, the OECD predicts, with unemployment at the end of 1978 reaching 17 million.

The good news is that the inflationary surge that hit the capitalist world in the early 1970s is now receding, though inflation is still running at twice to three times its pre-recession rate.

Consumer prices in the OECD area rose at an annual rate of 6 per cent in the four months to October - markedly better, as the Organisation points out, than the 11 per cent registered earlier in 1977.

Unfortunately, food prices - partly for seasonal reasons - have been the most important factor contributing to the better performance of most countries which means further cuts in inflation are not assured.

The problem, the OECD believes, goes back to weakening output. Inflation through 1978 should average 7 per cent, compared with 8 per cent over the whole of 1977 and 8 per cent also in 1976. An improvement, perhaps, but hardly a dramatic one.

These present forecasts, the OECD warns, "assume no marked deterioration in business or consumer confidence, and this might be optimistic for most countries in view of the current weakness in both domestic demand and foreign trade."

'A particular source of risk'

"Demand trends are weak almost everywhere, In the absence of new policy action, therefore, there could be an important downside risk in the forecast. A particular source of risk is the possibility that the pattern of international payments which seems implicit in the demand and output prospects would not, in fact, prove supportable."

This is a very careful way of saying that the world monetary system faces a new crisis that is at least as serious as the one that set off the last bout of inflation.

Again, the culprit is the American dollar.

Since much of the world's trade is done in US dollars and since many countries hold their foreign reserves in American currency, everyone has a stake in the health of the dollar. And right now, it is looking pretty sick.

The irony is that the United States was the only capitalist country to significantly expand production last year, but it was just such an expansion that set off the dollar crisis.

When the US economy picked up and unemployment fell slightly from 7.8 per cent to 7.0 per cent, Americans began buying again. Imports soared, swollen by a $45 billion oil bill. However, other countries, with thousands of their own workers still unemployed, refused to buy American exports.

The US last year spent $30 billion more on imports than it earned by exporting. The $30 billion, of course, ended up overseas, swelling the already massive pool of US dollars held by foreigners to an awesome $300 billion. Naturally, the dollar's value began to slide, falling, for example, 12 per cent against the Deutschmark over the year.

'A fully-fledged depression'

Non-Americans holding dollars began to get nervous. "The fall of the dollar", warned editor Theo Sommer of the leading West German daily Die Zeit, "if unchecked, would plunge Europe into a fully-fledged depression. The political dislocations in countries like France would be grave.

"Such a failure would quickly turn a monetary crisis into a crisis of confidence that will shake the foundations of the Western system."

While this may sound exaggerated it certainly highlights a real problem other
countries haven’t learnt to deal with. After all, the last time the world was flooded with US dollars was during the Viet Nam war. America wanted to finance its unpopular military adventures without raising taxes. Instead, it printed dollars and pumped them into the world monetary system, setting off an unprecedented inflation. All currencies were affected, including Australia’s. Everyone paid for America’s war.

Now a similar thing is happening. As US dollars flood the world and drop in value, it becomes easier for the US to sell its exports overseas - and harder for other countries to sell in the US. Thus, the US is actually better off, which is why President Carter has held off so long before intervening to support the dollar.

It was only very strong international pressure that forced Washington to start buying up dollars with its own foreign currency reserves and so stem the slide in the dollar’s value.

At the same time, the US Federal Reserve Board raised the interest rate it charges member banks by half a per cent to encourage all US rates upwards and so attract more capital from abroad.

These moves were lauded in Western Europe but clearly will check American domestic economic growth. For example, the “prime” bank rate on business loans is now 8 per cent compared with 6¼ per cent at the beginning of last year, and Wall Street predicts it will go to 9¼ or even 9 per cent by the end of 1978, according to Time, January 30.

“The rise makes it more expensive for consumers and businesses to buy or build with borrowed cash”, Time explains. “It could put an end to the housing boom by causing savers to pull their money out of savings banks — the prime source of mortgage loans — and instead buy Treasury bills or bonds to get the higher interest rates that they offer.”

US domestic inflation is now picking up again, averaging 7.25 per cent over the last four months of last year. While this may sound good by Australian standards, it, in fact, represents a serious reverse: inflation in the US is now higher than it was two years ago and is predicted to go higher still. It seems that even the most powerful economy in the world cannot begin to recover without setting off new inflationary pressures that must, by the nature of things, flow through to other, dependent economies.

Another source of instability

While US domestic developments are one source of instability for the international monetary system, another, perhaps more intractable, problem involves the under-developed countries.

According to the OECD those developing countries which import oil saw their overseas debt rise from $90 billion at the end of 1973 to $170 billion at the end of 1976. At the same time, the interest they had to pay on these loans went from $13 billion each year to over $25 billion. US Senator Javits predicts these debts will reach $380 billion in five years and $540 billion in ten years.

“This will break the back of any system, including this system”, Senator Javits said, referring to the institutions that regulate international finance.

While the under-developed countries are more and more heavily in debt to other countries and to international agencies, the really dramatic growth has been in their debts to international banks.

As the OECD puts it: “The international banking community has so far shown a remarkable willingness and ability to act as financial intermediary between the surpluses of the petroleum exporting countries and the borrowing needs of the developing (and some developed) countries.”

These oil surpluses — currently running at about $40 billion a year — are the amounts the oil producing countries receive for their oil over and above what they are able to spend on imports. Due to their small populations and backward social systems, these countries only import a limited quantity of goods. The rest of the money they make out of oil is merely deposited in US and European private banks.

This money is then re-lent. Because of the world recession, the banks’ main customers, the big corporations, have not needed funds for expansion. The banks, therefore, have been falling over themselves to lend their surpluses to other borrowers and in
particular to non-oil producing under-developed countries who desperately need funds to pay for imports — especially oil, for which they, too, have to pay higher prices.

Thus, while commercial and industrial loans of the eight largest New York banks increased only 1.8 per cent to $33.8 billion during the year to June 1977, foreign lending jumped 26.1 per cent to $71.2 billion in the same period.

In 1960, private "hard" loans - in other words, loans at market rates of interest to private banks - made up only 16.7 per cent of the debt of developing countries. Now the proportion is 36.2 per cent. Interest payable to private banks has gone up even faster, now constituting 42.8 per cent of these countries' massive debt service charges.

For many of them, interest payments take over a quarter of all export earnings and for some much more: Brazil, for example, will have to spend 44 per cent of all its export earnings this year, just to pay interest on its debts.

The private multinational banks, of course, are in it for the money. While the proportion of their total funds that they lend to under-developed countries varies between Chase Manhattan's 12 per cent and Citicorp's 22 per cent, the proportion of their profits which they derive from this source is much greater. Foreign earnings of the thirteen US commercial banks have increased from 34 per cent of total earnings in 1973 to nearly 50 per cent in 1975. Later figures are no doubt higher.

But how long can it go on?

A study by American Express says that one out of every two dollars borrowed by the under-developed countries in 1980 will have to be spent just paying interest on old loans. A US Senate study on "International Debt, the Banks and US Foreign Policy" predicts that these countries "will find it more in their interest to simply default or repudiate their external debts rather than to have to continue borrowing just to repay old loans".

"And if this happens", the study goes on, "a domino effect could take place in which other debtor countries follow suit, the banks panic and start calling in their international loans, the stock market falls precipitously and the international capital market collapses.

"This doomsday scenario may be extreme in its pessimism, but it is being taken seriously enough by responsible officials that a concerted international effort is now under way to prevent that first domino from falling."

Part of this "international effort" consists of forcing under-developed countries borrowing from private banks to fulfill the sorts of stringent conditions the International Monetary Fund lays down before it will give official loans.

The IMF has been able to force recipient countries to cut back social services, hold down living standards and impose other austerity measures as conditions for official loans. As the OECD points out, one reason under-developed countries prefer private loans even before they have exhausted their credit facilities with the IMF is that the banks up till now haven't imposed such conditions.

But this has to change, the OECD argues: "Debt relief should be accompanied by an effective stabilisation program on the part of the debtor country, preferably in the context of an IMF standby undertaking." In other words, the IMF will bail out the private banks if the banks in turn impose the same austerity measures as conditions for future loans.

The banks, however, are caught in a trap. If they reverse their liberal, profit-hungry criteria for future loans they might trigger off a series of defaults. Once this has happened where will it end? Better, perhaps, to keep lending.

This instability in the international monetary system has persisted through the recession and could well upset any recovery in world production or trade. The US experience suggests any upturn will be at the cost of future inflation. If this inflation is immediately transmitted through the system, future prospects for places like Australia are not nearly as bright as our own recent inflation history suggests.

We may, in fact, be taken for another inflation ride before we recover from the present one.

T. O'S., 8.2.78.
The months preceding and following the death of Mao Tse-tung in September of last year witnessed a series of political events that, even by China’s standards, were quite exceptional. Is it possible at this relatively early stage to come to some preliminary understanding of their significance in respect to the course of China’s political economy in the foreseeable future? It is to that task that this article is addressed.

Let me begin by refreshing readers’ memories of some of the major events of the past year and a half. 1976, that ‘most extraordinary year in the history of our Party’ (Hua Kuo-feng) began disastrously with the death in January of Premier Chou En-lai; it was on his experienced shoulders that many people both inside and outside China thought rested the chances of a peaceful transition to the ‘post-Mao epoch’. Hua Kuo-feng, a relative newcomer to the senior ranks of the Chinese Communist Party (CCP), who had only gained his place in the Politburo in 1973, was appointed Acting Premier, apparently on Mao’s recommendation. In April came the violent riots in Tien An Men Square in Peking, closely followed by the dismissal of Teng Hsiao-ping from all his official positions including Vice-Chairman of the Central Committee of the CCP, Vice-Premier, and Chief of the General Staff of the People’s Liberation Army. Teng, the man who had said that it didn’t matter whether a cat was black or white as long as it could catch mice, was again attacked as he had been during the Cultural Revolution for allegedly trying to ‘restore capitalism’ in China. The immediate beneficiary of Teng’s dismissal was Hua Kuo-feng, who was appointed Premier and first Vice-Chairman of the CCP (a newly-created position). A short period of relative calm was ended in early July by the death of veteran leader Chu Teh, and shattered at the end of the month by the terrible earthquake in Tangshan. On September 9 Mao died.

Few outside observers had not predicted that a power struggle of some kind would occur after his death. It was clear that the dismissal of Teng was but the tip of the iceberg, and that a widespread struggle had been taking place throughout the country during the period leading up to Mao’s death. However, virtually no one was prepared for the swiftness or the drama with which the issue was ‘resolved’ by the arrest on October of the ‘radical’ group in the Politburo: Chiang Ching, Chang Chun-chiao, Yao Wen-yuan and Wang Hung-wen, collectively dubbed the ‘Gang of Four’.

The purge of the ‘radical’ elements at the top of the Party made it immediately obvious that China’s political economy had sharply
changed course, and a succession of speeches and articles published since then have simply confirmed that impression: instead of policy being the outcome of a 'struggle between two lines' held together in a dynamic tension by Chairman Mao, his death has permitted one 'line' to overwhelm the other. The formal conclusion of this process has occurred in recent months. The 3rd plenary session of the 10th Central Committee met in July of this year and officially confirmed the appointment of Hua Kuo-feng as Chairman of the Central Committee of the CCP and Chairman of the Military Commission of the Central Committee of the CCP. It also announced the full restoration of Teng Hsiao-ping to all his posts. Further, it decided to take the drastic step of expelling the Gang of Four from the CCP 'once and for all'. A national Party Congress was rapidly organised and met on August 12-18: it was the 11th Congress in the Party's history but only the 4th since liberation. The congress 'fully approved' the measures taken to smash the Gang, and 'unanimously adopted' a resolution to support the new Party line as summarised in Hua's political report to the congress. It elected a new Central Committee and Politburo, and it concluded with the optimistic hope that it would usher in a period of 'stability and unity and great order across the land'.

POLITICS

Is it likely that such a period of stability and unity will occur? A central question here concerns the strength of support for the Gang inside the CCP and the strategy they are likely to adopt. A factor of major importance in assessing the strength of inner-Party support for the Gang is the rapid increase in the size of the CCP since the Cultural Revolution. It has roughly doubled its total membership since the early 1960s to its present size of 35 million. Nearly one-half of these members have joined since the Cultural Revolution, and over 7 million since the 10th Party Congress in 1973. (1)

There is little doubt that a significant proportion of these new members have been selected because of their sympathy with the aims of the Gang. Yeh Chien-ying, Party Vice-Chairman and Defence Minister, in his speech introducing the new Party Constitution, admitted that there is a 'serious problem of impurity in ideology, organisation and style of work among Party members as a result of the rather extensive confusion created by the "Gang of Four" who in recent years vitiated the Party's organisational principle and set their own standards for Party membership .... There are definitely quite a few such Party members'. (2)

How does the top leadership propose to deal with this situation? In the short run the immediate task has been to reconstitute leading bodies of the Party at all levels and remove the Gang's supporters. Under these new leading bodies the Party will naturally have altered its policy over the kind of people it recruits. In addition, there has been instituted a much stricter system of control over new recruits, all of them now being obliged to go through a one-year minimum probationary period. (3) An extensive 'rectification' is under way inside the party 'to expose and criticise the Gang'. Those who can be educated and won over will be treated leniently with the objective of 'isolating to the maximum the "Gang of Four" and the handful of their sworn supporters': on these the Party will 'concentrate its blows'. A powerful attempt is being made to tighten up inner-Party control in the wake of the struggles of the recent past, the most obvious manifestation of which is the new 'commissions for inspecting discipline'. The evidence so far available indicates that the leadership has been successful in preventing an open split within the Party despite the hard struggles that have gone on over the past year. This seems to suggest that the 'hard core' supporters of the Gang do constitute a minority, albeit a most significant one, who can be isolated from the majority. Furthermore, those who still support the Gang's position may be unwilling to push their disagreement to the point where they severely disrupt economic and social life for a considerable period. In addition, the Gang's supporters no longer have control of the mass media, and under such circumstances it is far harder for them to orchestrate any campaign of action, if they did desire to mount one.

What of the long-run? Hua has acknowledged the importance of the task of combating the ideological impact of the Gang: 'not only must we settle accounts with the gang in the sphere of political and
organisational line, we must also conduct criticism on the theoretical plane of philosophy, political economy, and scientific socialism, so as to eradicate their pernicious influence from every sphere'. (4)

The long-run impact of the Gang is difficult to assess. Their great strength lay in the commanding positions they occupied in the mass media which enabled their ideas to have a wide circulation. What is important to know is the degree to which their ideas have influenced, and in the future may influence, serious radical forces within China. The predominant view held by observers in the West at the moment seems to be that the Gang do indeed deserve the epithets being heaped upon them by Chinese leaders. Are they indeed to be dismissed as opportunistic ‘anarchists’ whose ‘metaphysical idealism’ is currently being exposed in its true light to the Chinese people, or do their views represent a deeper and more thorough-going critique of the transitional period in post-revolutionary poor countries?

A great deal of literature, mostly in Chinese, has been produced by the Gang and it is most important that a serious analysis of their work is undertaken. Before that is done any judgments must necessarily be tentative. However, some points can be made. Firstly, we should not take the undoubted personal unpleasantness, ambition and hypocrisy of Chiang Ching, Mao’s wife, as characteristic of the whole movement. The briefest comparison of the writings of Chiang Ching with those of Chang Chua-chiao, for example, indicates the much greater sophistication of the latter. Moreover, we should remember that the Gang’s supporters really were very numerous, and again, the briefest acquaintance with their main theoretical journal Study and Criticism indicates that among their number were many sophisticated and intelligent writers who were making a serious analysis of the emerging problems of China’s political economy: beneath the frothy surface of political debate lies some hard thinking, and perhaps the long-run impact of the Gang may be greater than some imagine.

PARTY, STATE AND SOCIETY

A central question of concern in critical thinking about post-revolutionary transformation in poor countries has been the role to be played by the communist party. There does not appear to be a great deal of difference between the Gang and the current Chinese leaders regarding the necessity for the Party to maintain a strong leadership role at all levels of organised social life. The main areas of dispute between the Gang and their opponents have centred around the kind of people who should be admitted to the Party and the policies that the party should pursue rather than the necessity to have a strong ‘vanguard’ party.

Is there any evidence that the Gang and their opponents were in substantial disagreement about the relationship of the masses to the state apparatus? It is worth recalling here that for a short period of time during the Cultural Revolution, radical forms of popular participation in state administration, which did involve a real diminution of Party control, and which used the Paris Commune as their model, were widely discussed, and were briefly implemented in some parts of China in 1967. (5) However, instead of rule by direct representatives of the mass of workers, compromise institutions - ‘revolutionary committees’ - were quickly introduced. On these, popular representatives shared power with Party and Army members, and were soon condemned as ‘bourgeois reformism’ by the ultra-Left in China. (6) Since then the ‘revolutionary committees’ at levels above the production unit have been removed even further from the Paris Commune ideal of directly elected representatives subject to mass supervision and recall. (7) The issue of popular participation in state administration has certainly not been absent from the writings of the Gang and their supporters, but in translated sources it has not appeared as a prominent theme. If substantial divergences of view between the Gang and their opponents on these issues have existed they have not been easily observable from outside China.

What of the policies likely to be pursued in other areas? Their general character is clearly indicated in Hua’s report to the 11th Party Congress in which he announced that the smashing of the Gang marked ‘the triumphant conclusion of our first great Proletarian Cultural Revolution’. Instead of disruptive activities of the Cultural
Revolution type, Hua emphasised that the period ahead will be one of stability and order in which the main stress will be placed on transforming China into ‘a great, powerful and modern socialist country in the last quarter of the 20th century’. In 1966 at the beginning of the Cultural Revolution, Mao said: ‘Great disorder across the land leads to great order. And so once again every seven or eight years’. Today’s Chinese leaders approvingly quote the first sentence and conveniently omit the second.

What does all this mean in more concrete terms? Probably the central issue in poor post-revolutionary states is the relationship between economic growth and class inequality. The over-riding concern of Mao’s thought, particularly since the First Five Year Plan period, (8) has been with the method by which these objectives could be pursued simultaneously without one being unduly sacrificed in the long term to the other - neither pure ‘economism’ nor pure class struggle. To people familiar with Russian debates in the 1920s, Mao’s ideas are not so original as some have claimed, but Mao, of course, has attempted to pursue his objectives from a position of real power and with a mass of supporters. To either side of Mao in the Party there were groups whose estimates of the relative importance of these goals differed from his. It is quite clear that it is the conservative group that has triumphed, that is to say, the group which attaches more weight to modernisation than to class struggle, more weight to developing the productive forces than to attacking inequality in production relations and in the superstructure. This can be seen from Hua Kuo-feng’s report to the 11th Party Congress which attacks the Gang for ‘dishing up an absurd theory about “the new changes in class relations in the socialist period”’. He says that ‘it is necessary to carry on the revolution in the realm of the relations of production and to consolidate and develop socialist public ownership and other aspects of the socialist relations of production, so that they will correspond better with the expanding productive forces’. (My italics). Hua claims that ‘the productive forces are the most revolutionary factor’.

The contrast with the Gang and their supporters is clear. For them ‘The historical task of the dictatorship of the proletariat is the “abolition of all classes” ...’; ‘it must not only transform the forms of ownership but also transform all unequal relations as regards people’s position and mutual relations in the course of production as well as all unequal relations with respect to distribution .... in addition there are the relations in the political, ideological and cultural fields’. (9) They have been ridiculed by the conservatives for holding this view: they (the Gang) ‘even alleged that socialist revolution and class struggle were the ultimate goal of communists .... ’ but ‘to communists, socialist revolution and class struggle are means and not objectives’. (10) Current articles from China in fact come close to suggesting that the objective of socialism is economic growth: ‘the triumph of socialism over capitalism .... means in the last analysis, abolishing the capitalist system of exploitation and all other exploiting systems so as to create labor productivity much higher than that under capitalism and turn out far more social products than those under capitalism to satisfy the needs of society’. (11)

CLASS INEQUALITY

We can conjecture then that China in the coming years will be characterised by the emergence of greater social inequality than has been permitted since the Cultural Revolution. This is not, of course, at all incompatible with the reduction of controls over ‘freedom’ in culture, education, and scientific research. Rather than investigate the changes that have occurred and are likely to occur in every sphere of class relations, I shall simply select two of the most important areas and analyse some of the alterations that have occurred there: firstly, urban enterprises, and secondly, the countryside.

One can encapsulate the difference between the thinking of the two groups - the Gang and the present Chinese leaders - regarding these issues in respect to their approach to the important question of ‘bourgeois rights’. Following Marx’s famous discussion in his Critique of the Gotha Programme, all parties in the Chinese leadership have accepted that, given the general state of social consciousness and the conditions of material scarcity, it is necessary in the transitional period between capitalism and full communism to permit the
operation of 'bourgeois right' - notably 'equal pay for equal work', but also such rights as equality of educational opportunity. Following Marx, the Gang and their supporters have stressed that society, even in the transitional phase, is structured in such a way as to permit different strata to benefit unequally from this 'equal' right: in Marx's famous example the right to equal pay for equal work turns into a right of inequality, because people have an unequal capacity to work - some are stronger and more skilled than others - and because people have unequal needs for income - especially due to differences in family sizes. The difference between the Gang and their opponents lies in the strong attempts that the Gang wanted to make to restrict the effects on inequality of the operation of bourgeois right, (12) as opposed to their opponents, the current leaders, who regarded the operation of such rights as essential to economic progress, and attempts to restrict their impact as 'idealistic' and 'metaphysical'.

I shall now look in more detail at the changes in policy since Mao in respect to urban enterprises.

As far as control within enterprises is concerned, the emphasis in Chinese publications since last October has been on the need to maintain 'strict labor discipline' and to enforce tightly 'rational rules and regulations'. Instead of emphasising collective responsibility, it is likely that there will be a return to a system of personal responsibility for production tasks, and that ultimate responsibility within each enterprise will rest with a single individual. This seems to be the thrust of Vice-Premier Yu Chiu-li's recent statement: 'Enterprises should strengthen centralised Party leadership and institute the system of division of labor and responsibility under the leadership of the Party committee. Responsibility for the daily work in production, construction, and management in an enterprise rests with the chairman of the revolutionary committee. We should oppose the phenomenon of no one accepting the responsibility and struggle against anarchism'. (13) This appears to signal the return to a system of stricter work norms decided from above and less participation by workers in decisions affecting the organisation of the work process. That class struggle within enterprises will be downplayed is clear: 'We must thoroughly criticise the "gang of four's" attempt to cover up and replace the principal contradiction - between the proletariat and the bourgeoisie and between socialism and capitalism - with the so-called contradiction between higher and lower ranks, between the new and veteran cadres and between one section of the people and another'. (14) Concrete struggles over stratification are being replaced by metaphysical ones. The status and authority of managerial and technical staff are being restored in a firm manner after eleven years during which, in varying degrees, that status and authority has been questioned.

Are there likely to be any major changes in modes of remuneration and in degrees of income inequality within urban enterprises? The Gang and their supporters have never denied the need for pay incentives at the present stage of China's development, but they have consistently pushed for a reduction of the degree of inequality below that which was permitted during the First Five Year Plan (1953-57) and which re-emerged in the early 1960s, as well as arguing for the removal of the most incentive-oriented forms of remuneration such as individual bonuses and piece rates. Their views have had a substantial impact. Carl Riskin in his report to the US Congress Joint Economic Committee summarised the situation in the 1970s in the following way: 'In sum it would seem that the scope of the operation of material incentive devices as differential bonuses, piece rate mechanisms, and material awards to emulation campaigners, have been ruled out since the Cultural Revolution. Significant wage and salary differences continue to exist. But they are gradually being narrowed, and their incentive effect on worker performance seems quite constrained even at present'. (15)

The signs all indicate that the trends from now on will be back towards greater inequalities, though specific details have not yet been spelled out. Hua Kuo-feng in his report to the 11th Party Congress accused the Gang of 'absurdly taking higher rank and higher wages as the economic criteria .... for defining a "capitalist-roader" ', and of 'deliberately confounding the differences in distribution between the leading cadres of the party, the government and the army on the one hand, and the broad masses on the
other, with class exploitation'. If 'differences in distribution' are considered to have nothing to do with class, by the present leaders of China, then it is unlikely that the widening of those differences would cause them difficulties on ideological grounds.

I shall now turn to the question of likely trends in the countryside.

A major concern of the Gang and their supporters was with the problem posed by the peasantry in the transitional period. One cannot sufficiently emphasise how important an issue this is in China - a country that is certain to be numerically dominated by the peasantry for a long time to come. It is worth noting in passing just how inadequate has been the perspective of the ultra-leftist groups in the West on this issue, content to pillory Mao for his concern with the peasant question and quite confusingly dismissing him as either a 'peasant populist' concerned to turn China into a land of utopian rural communes, or as a 'degenerate Stalinist' concerned only to extract as much surplus value as possible from the peasantry.

In a realistic assessment of the nature of peasant consciousness and of the importance of agricultural production in the Chinese economy, the CCP has had to permit the peasants to retain private plots of land, and private ownership of most of China's pigs and much of its poultry; in the relations between town and countryside, commodity exchange still exists, albeit under state control, and in the countryside rural free markets are still quite widespread, though their share of total retail sales is small. In the countryside, as in the towns, it is accepted that the major criterion of income distribution is 'work' (depending on strength, skill and time worked), not 'need'. Moreover, instead of state ownership combined with a wage system, most agricultural means of production are owned,
and most agricultural income generated and distributed, at the level of the production team, which is the smallest subdivision within the people's commune, comprising an average of only 30-40 households. Left unhindered, and especially with increasing supplies of modern agricultural inputs becoming available, the potentialities for material differentiation to develop within this system are great, while the effects on peasant consciousness would also be regressive, in the sense of focusing attention on production within the household and the small collective unit, and how to gain the maximum economic advantages for those units.

The problems these posed for the transition from capitalism to communism were ones that greatly exercised the Gang and their supporters, as they did Mao himself. As in the urban sector, the Gang were concerned with ways of trying to restrict the emergence of inequalities resulting from the operation of 'bourgeois right', though they had to acknowledge that such 'rights' were essential to economic growth at the present stage. Combatting these tendencies requires action on two fronts: firstly, education in 'socialist values' such as trying to gradually reduce the area sown to private plots, to divert private production from sale on the free market to sale to the state, to persuade collectives to raise the proportion of income distributed according to 'need' relative to 'work', and so on; secondly, action on the material front, by, for example, trying to divert a portion of supplies of modern inputs to poor areas and by arranging for the transfer of skilled state technicians to those areas. All of this, of course, really does require leadership from a strong communist party. The present group in power in China has tried to cloud the issue by accusing the Gang in many cases of supporting policies the exact opposite of those they in fact did advocate. However, through that fog of verbiage it is possible to perceive that the present group in power are indeed less concerned than the Gang about restricting the emergence of inequality in the countryside and more concerned with material advances.

A good example of the contrasting approaches of the Gang and the current leaders is the argument that raged at the top level of the Party throughout 1976 over Hua Kuo-feng's important speech on agriculture in October 1975. (16) The main emphasis in his speech was on ways in which to speed up the mechanisation of Chinese agriculture 'so as to ensure that the great task of mechanising agriculture will be accomplished in the main by 1980'. The Gang apparently 'slandered the report as a "revision of Marxism-Leninism" and as "advocating the theory of productive forces" (i.e. placing the pursuit of economic growth above class struggle). The objections of the Gang do appear valid. Not only is its main emphasis on modernisation rather than on problems of inequality, but his discussion of production relations assumes that agriculture will move along in a socialist direction as a natural consequence of modernisation. Mechanisation of agriculture, says Hua, will lead to an expansion of income generation at levels above the production team, thereby permitting a step-by-step transition to the system of ownership that takes the production brigade or even the commune as the basic accounting unit. The Gang argued that Hua was over-optimistic about the likely speed of expansion of mechanisation in agriculture, and that if the Party simply sits around and waits for production relations to be revolutionised by mechanisation, it will leave the way open for the emergence of greater differentiation and permit the congealing of 'petty production consciousness'. Thus, Chang Chun-chiao had earlier in 1975 pointed out that even in the most advanced communes on the outskirts of Shanghai, the production teams still owned over one-half of the total fixed assets in the communes. 'Therefore, even if we take economic conditions in the communes alone, it will require a fairly long time to effect the transition from the team as the basic accounting unit to the brigade and then to the commune, Moreover, even when the commune becomes the basic accounting unit, the ownership will still be collective'. (17)

The argument is in outward appearance an exceedingly complex one, though beneath the surface some clear differences of principle can be observed. As for the future, it seems most unlikely that the present leaders will permit agriculture to regress to the degree that was tolerated in the early 1960s, when the collective economy disintegrated in many places and differentiation proceeded
pace. Rather, it seems likely that they will persist in modernising through the present structure, but show less concern than the Gang about reducing the resulting inequalities and attempting to educate the peasant consciousness out of the patterns produced by these structures. The argument that modernisation will inevitably produce socialist consciousness is patently false, and the Gang’s arguments about the need to combat emerging differentiation are currently being given little concrete attention.

ECONOMIC GROWTH

'We must race against time, quicken our pace, greatly speed up the tempo of our industrial development, boost the national economy and build our socialist state of the proletarian dictatorship into a more powerful country ....; we will surely realise the grand goal put forward by Chairman Mao of surpassing the United States economically in several decades'. (18)

The Chinese media has been full of clarion calls of this kind in recent months, leaving the masses in no doubts as to the main priorities of the leadership. Is it likely that China will advance as they hope, and will there be any fundamental alterations of economic policy in order to facilitate this?

Many observers in the West feel that the purge of the Gang, due to the resulting changes in international economic policy, and because of the reduced emphasis domestically on class struggle, will result in a significant increase in China’s growth rate. In the short-run this will certainly be true. 1976 was the worst year that the Chinese economy has experienced since the Cultural Revolution, and this was in no small measure due to widespread factional fighting and to resulting uncertainties. The victory of the conservative group at the top will much reduce such disturbances and accordingly improve the economic performance. More important, however, are the medium and long-term prospects. It is important to note here that the Gang was far from being in overall control of policy formulation: they have been balanced by more conservative figures, most notably Chou En-lai and recently Teng Hsiao-ping, since they rose to power during the Cultural Revolution. Moreover, their policies are by no means as lacking in a pragmatic concern for economic growth as is currently being suggested. Further, ‘growth’ and ‘equality’ are by no means as irreconcilable as is sometimes argues.

Since the height of the Cultural Revolution in 1966-68, when the extremes of radicalism did produce an adverse short-run impact on China’s economic growth, China’s growth record has in fact been most successful. In agriculture, faced with enormous difficulties, such as a static arable area and yields that were already high, output has been growing at just under 2 per cent per annum. (19) Industrial production since 1970 has been growing at just over 8 per cent per annum. (20) Most importantly, these figures have to be set against a rate of population growth that is probably already below 2 per cent and that has begun to fall significantly in the 1970s, (21) due to China’s successful production and popularisation of contraceptives, and to a successful campaign to persuade young people to delay the age at which they marry. China may well succeed in pushing up the per capita growth rate of national product, and over the long-run the absence of ‘Cultural Revolutions’ should enable a steadier rate to be maintained, but it seems unlikely that China’s good performance since the Cultural Revolution in terms of aggregate growth rates will be dramatically improved upon.

I shall now turn to look at some of the major areas of interest as far as growth is concerned.

At the centre of the growth process stands investment - the necessary (though not sufficient) condition par excellence. There seems to be little likelihood that the new leadership will be able to raise the rate of investment, since it already stands at a high level. (22) In fact, it seems more likely that the opposite will occur, since there are strong hints that there will be a significant rise in real living standards. This would be especially important as far as the urban workers are concerned, since their real wages have increased very little since the late 1950s. Moreover, it is easier to increase living standards in the towns than the countryside due to the much smaller number of workers involved. To do this, however, would reverse the trend of the past decade or so, of narrowing urban-rural real income
differentials. Certain important contradictions for the new regime are thus emerging. Already there are clear signs that its appeal is principally an 'economistic' one of being able to provide higher living standards, which is most important in a country as poor as China still is. If the increase in real income is a significant one applying to all sectors, then a big dent will be made in funds available for investment, and it would require a large compensating increase in output resulting from the positive effect on motivation if the leeway was to be made up. On the other hand, increasing urban incomes more than those in the countryside could threaten the regime's stability through incurring peasant opposition.

In respect to investment allocations, three major features have been outstanding since the Cultural Revolution and it is important to inquire if these will change. Firstly, there is the continued emphasis of heavy industry over light industry: producer goods output is estimated to have grown at 15 per cent per annum between 1967 and 1974, relative to 8 per cent for industrial consumer goods. (23) Given the above surmises about increases in consumption levels, it is likely that some re-orientation of the respective growth rates of the two sectors will follow. A second issue here is that of scale. One of the distinctive features of Maoist economics has been that of 'walking on two legs' - enlarging the small and the large-scale industrial sectors simultaneously. However, while the small-scale sector is extremely important in the production of certain items (notably agricultural inputs) it is still dwarfed by the large-scale sector in its contribution to total industrial output. (24) There is no indication that the new leaders intend to alter the balance evolved in the 1970s. A third important area concerning allocation of investment is that of the stress given within the heavy industrial sector to different branches. Since the early 1960s the Chinese have strongly emphasised the growth of those branches producing for agriculture: chemical fertiliser production, for example, rose at 17 per cent per annum between 1967 and 1974. (25) Again, there is no indication that this balance will be altered.

A most important issue is that of technical progress, which greatly influences the effectiveness of new investment and consequently plays a central role in economic growth. Two of the vital areas here are those of indigenous scientific and technical advance, and the role of foreign trade.

Some areas of Chinese research, such as nuclear weaponry, have gone through the period since the Cultural Revolution untouched. However, the attempts of the Gang to restrict the impact of the operation of 'bourgeois right' in the education and research fields seem to have had a detrimental effect on the rate of scientific advance in a wide range of areas. The Gang has attempted to integrate scientific and technical personnel into ordinary production work so as to prevent the emergence of an isolated laboratory - and university-bound group. Such integration has had positive pay-offs for production in transferring theoretical knowledge into practical use and in guiding research into useful channels, but it seems to have been difficult to steer a middle course without antagonising scientific workers: 'They (the Gang) also equated intellectuals with the bourgeoisie, saying that "intellectuals with technical knowledge are the most dangerous". This seriously dampened the enthusiasm of scientists and technicians'. (26) Moreover, the Gang are said to have reduced the resources devoted to scientific research they 'arbitrarily dissolved a number of scientific research institutes, slashed important scientific research items and barred many scientists from doing research work'. (27) The Chinese admit that their work in science and technology falls far short of the needs of industrial and agricultural production and national defence', (28) and the net effect of the policies adopted in this field since the Cultural Revolution has probably been to reduce the rate of technical progress substantially below the maximum obtainable. There is little doubt that more resources will be devoted to these areas, that the prestige and probably also the relative income of scientific workers will increase, that less of their time will be spent at physical labor, and that technological progress will be assisted by a generally more efficiency-oriented educational system.

Much of the attention of the media in the West over the year preceding Mao's death focused on the struggle over international economic relations, and in particular over
the degree to which China should permit herself to become internationally 'dependent'. 'Dependence' can be viewed from a variety of angles. There seems no doubt that the Gang were strongly opposed to financial 'dependence' in the shape of substantial debt obligations, such as began to accumulate in the mid-1970s to finance China's extensive program of complete plant imports. It is likely that the new regime will be more prepared to extend China's indebtedness to obtain the imports they want. (29) Another aspect of 'dependence' is the technological one. It is quite clear that the current leaders are keener to import foreign technology than the Gang were, and not simply because they are prepared to pursue a less conservative policy on international payments. It does seem as though the Gang made an incorrect judgment about this issue, by tending to view technological independence as the ability to make most technological innovations domestically as opposed to viewing it as the ability to independently select, adapt, and disseminate new technology in use elsewhere. In this context, it is worth bearing in mind that 'in the 1950s, a period when American technological leadership was at its peak, more than half the new knowledge that affected economic growth in the United States was of foreign origin. If this was the case in the leading country, then the likelihood for genuine technological self-reliance and independence .... in follower countries such as China must seem remote indeed'. (30) The Gang did not deny entirely the need for foreign technology, but they may have underestimated its importance, and overestimated the degree to which technological independence is possible. A paradox of their position is that to the degree that their policies adversely affected the pace of China's scientific advance, they hindered her ability to develop a basis for independently selecting, adapting and disseminating foreign technology, and producing domestically useful economic products based on that technology.

CONCLUSION

At the most general level then, it seems likely that the 'new' regime in China will be characterised by the following features: continued tight Party control of organised social life, probably with some strengthening of inner-Party control; a continuance of a relatively small degree of influence by the mass of the population over the State apparatus above the level of the immediate production unit; a move towards greater inequality in income and control within productive enterprises; greater freedom in the production of, and greater inequality in access to, cultural products; some immediate increase in real living standards, probably more in the town than in the countryside; some increase in, and greater long-run stability of, the rate of per capita economic growth; a more extensive purchase of foreign technology, and an increase in international indebtedness.

The character of China's social relations seems likely to return to something closer to the First Five Year Plan period, though it is unlikely that there will be a 'retreat' of the kind that characterised the early 1960s, when China was in such dire economic straits. Where does that leave us in our estimate of China? I think it is most important to keep a sense of perspective about what is happening.

Despite the fact that China's political economy will be of a more 'economistic' kind, it will still be radically different in its fundamentals from the developing capitalist regimes of Asia: there is no sign that economic planning will be any less comprehensive - the signs are that, if anything, the degree of central control will be tighter. That planning mechanism should permit China to attain a reasonably rapid rate of growth and to insulate herself more than the capitalist regimes from fluctuations on world markets. There is no evidence that the Chinese will abandon their commitment to full employment - a commitment that in China has been made a reality by the operation of a predominantly state and collective ownership system in relation to the means of production, in stark contrast to the abysmal failure of capitalism in this direction elsewhere in Asia. There is no sign that China will cease to guarantee a basic minimum living standard to all its people, as opposed to the appalling poverty that still exists for the lowest strata in the capitalist Asian countries. Despite the likely widening of income inequalities, it is probable that the differentials in China will still be smaller than throughout capitalist Asia. In short, the Chinese path to industrialisation will
continue to be superior to the capitalist path in its fundamental respects.

There are, then, strict parameters within which most of the leading party members in China since Liberation have operated: a commitment to tight Party control and strong inner-Party discipline, conservatism about the need for a 'professional' state apparatus, commitment to a planned economy guaranteeing full employment and basic minimum living standards to all its people, and so on. However, I think that the struggles of the past two years show quite clearly that behind the froth of political debate and personality struggle, there have been important areas of disagreement - indeed, two opposing 'lines' on the political economy of development. (31) There is a strong school of thought among Western leftists that is not only reluctant to acknowledge the positive advantages for reasonably humane industrialisation of the Chinese approach, but which also is inclined to interpret the great swings in policy that have occurred since Liberation simply as the response of a cynical leadership to problems of allegedly lagging economic growth rates. (32) To view post-Liberation history in this light is, I think, to force it through the mangle of vulgar materialism. It leads to a serious distortion of the significance of Mao's thinking, and is misleading in respect, for example, to the nature of the Sino-Soviet split, and to the nature of the struggle within China between the Gang and their opponents. The importance of the Gang, in fact, lies precisely in the clarity with which they highlighted the dangers of the 'economic' perspective by which all Chinese leaders are alleged by many Western ultra-leftists to be unavoidably dominated. Even if one were to draw the most pessimistic conclusions about the possibilities for building socialism in a poor country, from events of the past year, it would be a quite myopic view that failed to perceive the disputes in terms of many fundamental areas of policy around which this struggle has centred.

NOTES

2. Ibid.
5. 'For a short time, the cities were in a state of "armed mass dictatorship". The power in most of the industries, commerce, communications, and urban administration, was taken away from Chang Po-shen, into the hands of the revolutionary people. Never before had the revolutionary people appeared on the stage of history in the role of masters of world history as they did in August (of 1967)'. Whither China? Sheng Wu-lien in The Revolution is Dead, Long Live the Revolution. Compiled and edited by The 70's. Hong Kong, 1976, p. 188.

Other useful sources on these experiences are the following:
(i) Victor Nee, Revolution and Bureaucracy: Shanghai in the Cultural Revolution in Victor Nee and James Peck (eds), China's Uninterrupted Revolution, New York, 1973; and
6. As early as January 1968 the Sheng-Wu-Lien declared:
the revolution of dismissing officials is only bourgeois reformism which, in a zig-zag manner, changes the new bureaucratic bourgeois rule prior to the Cultural Revolution into another type of bourgeois rule by bourgeois bureaucrats and a few representatives from several attendant mass organisations. The Revolutionary Committee is a product of bourgeois reformism.' Ibid. pp. 192-3.
7. See The Constitution of the People's Republic of China, Peking, 1975. Here it is made quite clear that the revolutionary committees had simply become administrative bodies elected by the local people's congress and subject to recall by that congress. Moreover, both the power of recall and the election results were subject to approval by the organ of state at the next higher level. (see article 22).
8. It is particularly interesting to note in this context the way in which the heritage of Mao's writings is being dealt with by the current Chinese leaders. The only volume of Mao's post-revolutionary writings that has so far been published for mass distribution within China is that from the period 1949 to 1957, a period when China's main concern was understandably with rapid economic
development. How long the Chinese people will have to wait for further volumes is anyone's guess. Furthermore, the task of 'inoculating' the Chinese against Mao's thought has already begun. A joint editorial (10.0.77) of People's Daily, Red Flag, and the People's Liberation Army Magazine, has urged caution in using Mao's works: 'We must not mechanically apply quotations from Chairman Mao's works in disregard of the concrete time, place and circumstances, but we must grasp the essence of his works as a whole.' (PR, 13.9.77, Nos. 37-38.)

9. Marx, Engels and Lenin on the Dictatorship of the Proletariat (1) and (2) PR, Nos. 40-41, 3.10.76 and 10.10.76.


11. ibid.

12. For an extensive treatment of this issue see Marx, Engels and Lenin on the Dictatorship of the Proletariat: Questions and Answers (1) - (12), PR Nos. 40-51, 1975.

13. Yu Chiu-li, Mobilise the Whole Party and the Nation's Working Class and Strive to Build Taching-Type enterprises throughout the country, PR No. 22, 27.5.77.

14. People's Daily (Editorial) 19.4.77: Grasp the Key Line in Running the Country Well and Promote a New Leap Forward in the National Economy, translated in PR No. 18, 29.4.77.


16. Hua Kuo-feng Let the Whole Party Mobilise for a Vast Effort to Develop Agriculture and Build Taching-type counties throughout the Country, (15.10.75) Peking, 1975.


18. Li Hsien-nien Opening Speech on the Conference on Learning from Taching in Industry, PR No. 18, 29.4.77.


22. One estimate puts China's rate of Gross Domestic Capital Formation (i.e. as a percentage of Gross Domestic Product) in 1970 at between 23 and 32 per cent, depending on the prices used, which is well above the average for less-developed countries. (Source: Dwight H Perkins, Growth and Changing Structure of China's Twentieth Century Economy in Dwight H Perkins (ed.) China's Modern Economy in Historical Perspective, Stanford 1975, p. 134.)

23. Field, op.cit., p. 150.

24. One estimate puts the share of small-scale industry in total industrial output of factories in China as less than 6 per cent in 1972. (Source: Thomas G Rawski, Chinese Economic Planning (Current Scene, Vol. 14, No. 4, April 1876, p. 5.)

25. Field, op.cit., p. 165.


27. ibid.

28. Chien Hsue-sen We must catch up with and surpass world's advanced levels within this century, PR No. 30, 22.7.77, p. 9.

29. Such indebtedness can of course be viewed as an addition to domestic savings, thereby helping the regime to sustain high investment rates simultaneously with an increase in real consumption levels.


32. See most notably the various articles of Nigel Harris in the theoretical journal of the British International Socialist Group - International Socialism. Thus, Harris writes: "Did the Great Leap illustrate a separate Maoist line, in contrast to the First Five Year Plan, a model ... that had periodically surfaced since the 1920s? It is a myth, without serious evidence to support it.... Both (Mao and Liu Shao-chi) were dedicated to the same end: the most rapid possible industrialisation of China". (from Why don't they eat cake? forthcoming article in Problems of Communism, London). See also New Left Review, whose approach is more complex, (for example: Fred Halliday Marxist Analysis and Post-Revolutionary China, Review article No. 100, Nov. 1976-Jan. 1977) but which is so contemptuous of the significance of the Cultural Revolution that it does not even deign to mention it in the introduction to their 100th issue, when listing the events since the magazine's founding that have been of importance in "transforming the environment of Marxist intellectual work - apparently the Cuban revolution and Watergate have done so while the extraordinary struggles in China since liberation have not!"
FRANCE GOES TO THE POLLS.

This article was written by an Australian leftist who has been living in Paris for several years.

The present political situation in France could hardly be described as simple. A few months ago, however, it looked fairly cut and dried - at least up to a certain point. The Union of the Left looked certain to win the elections in March 1978. The left had just won the local elections throughout France with two-thirds of the municipalities electing communist or socialist mayors. Paris itself, despite the fact that its working class base had been eroded by the pressure of high rents and "development" projects, just failed to have a communist by 2,700 votes. Then there was May 24, the day of the national strike. The demonstration in Paris was over 16 kilometres long - the atmosphere was festive; the smell of victory was in the air for the first time since May '68.

Victory in the elections seemed certain and so the discussion centred on the possible scenarios after the elections. One scenario was that the implementation of the Common
Program would "get the country out of the crisis" and then provide the bridge towards the construction of "socialism in the colors of France". This was the official position of the Communist Party and included the acceptance of the possibility that the right could possibly return to power in future elections.

A second, more utopian, scenario was that the victory of the left in the elections would mark a "point of no return" where the Common Program would be just a starting point and that a socialist-communist government would have to rely increasingly upon a popular mass movement to combat the attacks and economic sabotage of national and international capitalist interests. The Common Program would be inadequate to satisfy the demands and rising hopes of the masses of people who voted for it and France would quickly fall into a revolutionary situation.

Then there was the "eurocommunist" perspective. A rupture with capitalism in France would coincide with similar movements in Italy and, hopefully, Spain, Portugal and even possibly Belgium, leading to the establishment of a southern European bloc, differing radically in its democratic form from all previous communist societies.

Such a bloc would be economically, socially and politically viable, would alter all existing alliances in the third world and would set a model for workers in other capitalist countries where the political struggle was less developed.

One way or the other, the future, although uncertain, was full of hope. One certainly had the feeling of at least being on the winning side.

Shortly after the May national strike the situation started to look a little more complicated. The Common Program of the three left parties (the Communist Party, the Socialist Party and the Left Radicals) which had been signed in 1972, a period of relative prosperity, had to be renegotiated to bring it up to date. In addition, the Communist Party was demanding that many of the vague proposals should be made more concrete "for a good actualisation of the program, concretely defined, so that workers know exactly what they are fighting for and won't be deceived after the elections".

The heart of the debate quickly centred on the following major issues:

* The nationalisations —

The socialists and particularly the left radicals opted for a conservative reading of the Common Program. Nationalisations would be kept to a minimum with only the mother holding company nationalised and not the affiliates. The companies would be run by delegates appointed by the left government.

The communists counterposed additional nationalisations of companies such as Citroen, and steel, due to the crisis now present in these industries. The nationalisations should be total and not "just the brass plate on the door", but all affiliated companies. The control of the companies would be a form of workers' control.

* The minimum wage

The basic wage in the 1972 common program was to be set at 1,000 francs ($200) a month - a ridiculous figure in 1977 with over 100 per cent inflation since then. The CPF proposed 2,400 francs while the socialists proposed 2,200 francs "negotiable with the unions after the elections".

* The wage scale

The Communist Party proposed a maximum ratio of salaries allowable in the country to be 5 to 1. The socialists and left radicals were against such a scheme, but would probably accept a ratio of 10 to 1.

* National defence

Major differences on defence policy, particularly as regards NATO. The situation was a little complicated also by a major about-face of the CP in going for a nuclear arms policy (a shock which is still reverberating in the ranks of the party).

The Communist Party attacked the socialists, the previous "champions of workers' control" for their watered-down "participation" scheme. The socialists retorted that the "workers' control" of the communists was only "union control" under the bureaucracy of the CGT union.
The negotiations dragged on with certain concessions being made on both sides. The question of the nationalisations, however, became more and more hotly debated with the two sides taking up intransigent positions.

Then Fabre, the leader of the Left Radicals in a typical radical party ploy, slammed the door of the negotiations, saying that the nationalisations of the communists were completely unacceptable.

Negotiations recommenced shortly after with the three parties very close to a compromise. The socialists proposed nationalising 270 of the affiliates against the 700-odd of the communists. The other questions were considered to be either resolved or "negotiable". The negotiations broke up at that point with neither side willing to concede another inch.

In the months that have followed the situation has gone from bad to worse. To the Communist Party, the Socialist Party has made a "turn to the right" and wants to "manage the capitalist crisis" and institute a plan of austerity after the style of the social democratic parties in Britain and Germany.

To the socialists, the Communist Party has returned to its old stalinist politics, doesn't want to take power and can't tolerate the notion of a strong socialist party.

A feeling of despair, gloom and hopelessness swept in to replace the heady heights of the municipal elections and the great May national strike.

II

After the municipal elections of March '77, with 70 per cent of the large cities in France electing socialist or communist mayors, one of the left dailies ran a headline France is Pink!" Capitalist France had voted massively for the Union of the Left with many cities that before had never even had a socialist mayor electing communists. In many towns and cities, people were dancing in the streets. It was even reported in one town that the village priest joined in with the crowd to sing the Internationale!

A study of the voting figures showed two very important and interesting phenomena. The first was that the Union of the Left had worked as it had never done before. In the French two-round voting system, a candidate wins if he/she gets over 50 per cent in the first round. If no one gets an absolute majority the vote is decided by a "first past the post" system in a second round which follows one week later. The electoral alliance of the Union of the Left is an agreement by which the left candidate who gets the most votes in the first round stands alone against the right in the second round.

The problem in the past has been that although the well disciplined communist voters would vote for a socialist in the second round it was much more difficult to get socialists to vote communist. The important point of the municipal elections is that the socialists did vote communist in the second round. As l'Humanite, the CPF daily put it: "The elections marked the end of anti-communism in France".

The second point was the incredibly high vote for the environmentalists and the extreme left in the first round. In many of the large cities they each received about 10 per cent of the vote. Practically all these votes then went to the Union of the Left in the second round. The environmental movement was previously very weak in France. It's startling electoral success marked its birth as a new and important political force in French politics - a point which didn't escape the French bourgeoisie. A few months later the ecologists organised the huge anti-nuclear demonstration at Malville where they had their first death as a result of a police offensive grenade - a deliberate attempt by the government to brand the environment movement as "terrorist", hoping to tarnish its wide electoral appeal.

The extreme left vote was a much more complex phenomenon, indicating a certain dissatisfaction of traditional working class voters with the ambiguities of the Union of the Left (17 per cent of one working class quarter in Orleans voted for the extreme left candidate) rather than a rapport with the philosophy of the extreme left coalition made up of three of the largest extreme left parties.

Paradoxically, after receiving its greatest electoral support ever, the extreme left then went into a state of crisis with the daily Rouge almost going bankrupt for want of support and having to launch itself into a long process of self-criticism. Many people
were leaving the extreme left parties and, in general, questioning the elitist attitudes of the movement and its leadership, its continual interventions "from outside", the idea of the "professional Leninist-type revolutionary" and the blind militancy demanded of its members. In addition, the extreme left was finding it increasingly difficult to distinguish themselves from the Communist Party.

Semi-crisis in the extreme left was followed by a real crisis in the Union of the Left. The starting point can be traced to the TV debate between Mitterand, the Socialist Party leader and Prime Minister Barre. Just before the debate, the Communist Party had released its version of the Common Program complete with costs and figures, which went rather further than the socialist version. In front of one of the largest TV audiences in French history, Mitterand flatly stated that the program and figures were unacceptable to the Socialist Party. People watched dumbfounded as he then engaged in a friendly dialogue with his apparent colleague and supposed arch enemy, Raymond Barre.

From that day onwards the debate over the concrete development of the Common Program continued, the Socialist Party and Mitterand strategically being forced into, or willingly taking, a conservative position. The debate was carried out at the top level of the party hierarchies with absolutely no participation of rank and file members. It was a mass media event with the passive audience, the French people, watching hopelessly as the "stars", Mitterand, Marchais and Fabre, tore up the last remaining shreds of the Union of the Left.

It was now the turn of the traditional left to engage in a process of criticism and recrimination.

To the Communist Party, the socialists had taken a "turn to the right" but it was having considerable difficulty convincing its members of this. The debate over the "actualisation of the common program" in 1977 was not that much different from the heated debates that preceded the signing of the program five earlier. Every communist knows that the socialists can't be trusted but that is nothing new - they knew that when they signed the Common Program in 1972.

To many people, both inside and outside the party, the major disagreement seemed to be the nationalisation of 270 company affiliates as proposed by the Socialist Party against the 700 of the Communist Party. It seemed that the difference was hardly going to affect things one way or the other and was hardly worth threatening the prospects of the left in general and the aspirations of the millions of people who supported it.

Another point brought up in the debate that was now raging in full force in the press, the cafes and party cellules, was the political turn of the Communist Party. At the 22nd Congress two years ago, the party abandoned the notion - or at least the wording - of "the dictatorship of the proletariat" and in so doing also effectively accepted that the Communist Party was not the only legitimate party of the left. The present position of the CP is an apparent about-face with the party now claiming to be the only party of the left with the Socialist Party being hopelessly reformist and social democrat. Such a rapid and fundamental change has caused considerable apprehension among traditional supporters of the party.

Another point of concern to Communist Party supporters is the leadership's attack on the Socialist Party as a homogeneous unit when, in fact, it is a coalition of many conflicting tendencies including, for example, the CERES. The CERES is a sort of "socialist left" in the SP and represents 25 per cent of the membership. On many issues it is to the left of the CP and, due to its considerable intellectual prowess, has played an important role in the theoretical evolution of the Communist Party on such matters as workers' control, etc. By ignoring the diversity of the Socialist Party, the CP leadership may be unwittingly strengthening the hand of Mitterand at the expense of the more left forces in the party.

The debate and the political evolution continues and is not as destructive as it might first appear.

III

Paris has always been regarded as one of the most beautiful cities in the world with its wide avenues, its famous cafes and that
bewildering array of whites and greys reflected from its majestic buildings. Its image in places like Australia is of “gay Paree”, accompanied by Paris fashions, visions of the Eiffel tower, Notre Dame, and the Follies Bergere.

But behind this facade is another Paris - a Paris which is dying. It is being choked to death by a tight 40 kilometre circular “freeway” which spreads out in a wide band of misery for the people who live anywhere near it. Cutting through parks and previously tranquil residential areas, it is already saturated with a continuously snarling, rumbling, multi-lane traffic jam. The automobile has invaded Paris to such a degree that the benefits of owning a car are at best dubious. The environmental impact has been disastrous. The noise and pollution are often unbearable.

The automobile is only part of the destruction of Paris; a destruction that is proceeding at such a rate that one can see it taking place every day. I live near the Place des Fetes, an old, previously working class area, where rents were cheap and life, although hard, was relatively gay with over 50 inexpensive bistros in a small radius. Now it is all gone. The developers have moved in, razing it to the ground. The elderly who have spent all their lives in the quarter, have been forced out into the suburbs together with those workers who couldn’t afford the new rents. The Place des Fetes is now dominated by massive high rise apartment and office buildings.

Life for a French worker is becoming increasingly difficult in Paris, as elsewhere in France, with cramped living conditions, increasingly longer distances to travel to work, spiralling prices and the ever-present threat of unemployment. For the hundreds of thousands of foreign workers, the situation is even more intolerable.

It would be simplistic to say that the present wide discontent is just due to economic causes. It goes deeper than that. Many contributing factors have led to the development of a deep-rooted social movement towards the left.

The uprising of May '68 marked its beginning, even though it terminated in an electoral return for the right - albeit with many social and economic gains to the French working class. In the wake of the traumatic events of '68 the concept of the Union of the Left was conceived by the CP, gained acceptance by the newly-formed Socialist Party, with the Common Program being signed in 1972. The third party in the union, the Left Radicals, joined a few months later. The two big unions, the CGT and the CFDT, tacitly approved the program.

At that time the economic outlook was entirely different from that of today. The prospect was still one of continuing expansion despite some of the looming economic problems. The task of the Union of the Left was to break the stranglehold of the multinationals and monopolies on the economy, bring about a major improvement in social and economic conditions for the less favored and start the construction of socialism based on a new form of democracy - the worker-controlled socialism of the Socialist Party and the CFDT or the more paternalist idea of the Communist Party and the CGT at that time - that of democratic management.

The theoretical doctrine of the Communist Party which justified their political position was based upon an economic analysis of “State Monopoly Capitalism”. According to this “SMC” theory, the chronic problem of periodic crises of overproduction in a capitalist regime had been solved by monopoly capitalist interests using the state apparatus to overcome the inherent contradictions of the system. The crisis of overproduction of the capitalist system, according to Marx, leads to an economic depression where capital is destroyed or devalorised. After this process has reached a certain level, the conditions become favorable for the beginning of a new wave of expansion, going on to a boom and of course another crisis. According to the SMC theory of the Communist Party, the capitalist state, dictated to by monopoly interests, had developed means of continually devalorising capital by, for example, the state becoming a consumer (building up the public sector, armaments, etc.), offering cheap credit facilities to the monopolies, and so on. In each case the surplus capital arising from overproduction for the available market, can be continuously “destroyed” or
“devalorised”. In so doing, the state continuously guarantees profits to the monopolies and hence overcomes the periodic crises and depressions of capitalism.

The political conclusion of this analysis is that the objective enemy is the monopolies and that one must organise the great mass of the French people against two or three per cent of the population (the big bourgeoisie and the monopolies). The object was that the left was to take over the state apparatus and turn it from being a reflection of monopoly capitalist interests to being a reflection of the interests of the working class and its allies.

From 1972 to 1977, the economic situation had changed drastically. It is here that some left writers place the fundamental cause for the break-up of the Union of the Left, the changed economic scenario posing severe problems for the Communist Party at three levels.

At the practical level, the Communist Party feared the unknown consequences of being involved in a minority position in a Socialist-Communist government during a period of economic crisis.

This fear becomes clearer at the theoretical level due to the Communist Party’s lack of any deep understanding of the overall world capitalist crisis. Its state monopoly capitalist theory served more as a justification of the previous political strategy than a theory which fitted with reality.

The third level is that of the conception of socialism. The Communist Party lacks a clear viable model of what it means by socialism. The old model of the Soviet Union, after the 1968 events in France and, more importantly, in Czechoslovakia, is no longer credible for the industrialised societies and practically nobody really doubts the existence of the Gulag reality. These events and their influence, particularly on the new wave of young communist militants, have necessitated an evolution in the conceptions of the party. This evolution, although positive and necessary, has not been one towards greater clarity but has unleashed certain contradictions and confusions in the ranks of the party. The model of socialism varies from the old Soviet model with the rider that it must be more democratic, to rather vague notions of what will happen after the implementation of the defunct Common Program. The necessity to change and adopt a more democratic image has come into conflict with the centralised structure of the party. The evolution has taken place, however, at the cellular level where discussion is the most open it has ever been. The party is hence more democratic than it has ever been, but the contradiction is that it is at the same time more centralised and dictatorial than ever to counteract the first tendency. The new party line is now obtained by watching Marchais on television. What then follows is a free and open discussion on the wisdom of the party adopting the new line!

The theoretical and conceptual crisis in the French Communist Party becomes more clear when one notes that it refused to participate in the December Colloquium on Eurocommunism in Lugano, while Italian and Spanish parties sent top members from their central committees. To participate in such a debate, the French CP would have run the risk of contradicting many of their present official explanations in France.

If the economic crisis has plunged the left into disarray, it has also had its effect on framing the basic social reality against which all of the political and electoral aspects must be seen in proper perspective.

Despite all the contradictions and confusion, it is the French Communist Party that has the monopoly on the slogan of the hour .... “the French people want change .... they want a real change”.
FILM REVIEW

Annie Hall, with Woody Allen and Diane Keaton ( Hoyts Entertainment Centre, Sydney; Village Cinema, Toorak, Melbourne).

Woody Allen builds into Annie Hall two counter-analytical devices designed to render his "sensitive", "honest", "moving" film critic proof.

First, he presents a film critic/academic as a posturing, petty, jargon-laden, insensitive bore - that's one in the eye for all those second-raters who try to wring Meaning, Message, Massage, or Deep Kulchural Significance from this little opus. Your Friendly Neighborhood Critic, reeling from the onslaught, then must confront the second barrier to understanding this film: the explicit introductory statement by Allen (who portrays Alvie) that the film is in the nature of a search for the causes of the break-up of a relationship. The story is thus made particular, concerning Alvie (a twice-married, twice-divorced New York Jewish comedian, sufficiently well-known to perform at Democratic Party political rallies) and Annie (an insecure WASP from an uptight, mid-West family, trying to break into the New York nightclub scene as a singer), and the implication is that the trajectory of their relationship - how two people "made it" together and then, somehow, sadly, lost it - bears no social significance.

It is clear that this is poppycock - even the self-indulgent Allen cannot believe that people around the world will pay money for the sheer pleasure of watching Woody and Diane Keaton disport themselves, absent some larger context than that of biography.

But still, given the public exposure of the characters' intimate fears, vulnerabilities, irrationalities and foibles - examination, you may argue, only undertaken by Bergman and long overdue in American cinema - how illegitimate it seems to apply the critic's cold tools to all that revealed emotional flesh. Of course, one might carp; at the film's male egocentrism; at the context, remorselessly crazy urban America (New York and Los Angeles), where neuroses, psychoses and a generalised autism seem to flower in desperate profusion; at the ending, despite the humor, so sad . . . . . yep, Boy Eventually Loses Girl.

Against these quibbles is an array of what are widely regarded as Good Things: the honesty with which Alvie's and Annie's sexual and emotional hang-ups are displayed; the bitter-sweet humor of Alvie's capacity to encounter/handle/transcend emotional pain; the celebration of that sense of absurdity we all need to help us survive; and finally, the presentation of reality as relative.

Far and away the Best Thing, of course, is how true to life the picture of their relationship is - for haven't we all "found" someone at some time, felt wonderful, revived, alive - and then felt the fabric fray, tear, and finally, bewilderingly, fall apart in our hands. How could we fail to respond, then, to the film's loving treatment of our own joys and resentment? How well we recognise ourselves in Annie Hall's use of child-like fantasies, ratifying our own attempts to make the world behave as you would like it to, if only for a moment: Alvie, standing in a movie queue, annoyed beyond endurance by the aforementioned academic's pseudo-isms about Marshall McLuhan, fetches the great man from behind a convenient billboard and blissfully hears McLuhan tell the prattler that he hasn't a clue what he, McLuhan is on about.

Given all this, Annie Hall seems a paragon of sensitivity and insight, giving us both an accurate picture of our own crazy, contradictory, and self-defeating emotions and a means of coming to terms with them, through a cautious, resilient zaniness. For Allen, this zaniness is grounded in the knowledge that the world is both doomed and absurd: We see the young Alvie refusing to do his homework; his science textbook has revealed that the universe is constantly expanding, thus constantly in danger of exploding, thus "what's the point of doing homework?" It is also grounded in the recognition of an existential necessity that keeps human beings active in this absurd and antipathetic world.

Allen, through Alvie, is pretty murky about the nature of the need which keeps us dreamily plugging along despite a plethora of setbacks (in the film, the protagonist is an emotional two-time loser). But two jokes provide an insight:

2nd Man: How awful! Why don't you take him to a doctor?
1st Man (anguished): How can I? We need the eggs!

1st Woman (in a restaurant): My God, the food in this place is terrible!
2nd Woman: Absolutely revolting! And not only that, but the portions are so small!

There you have it, folks; driven by necessity (the ubiquitous "eggs"!), we must survive, somehow, the impossible struggle. Yet even while we writhe, pointlessly, in the toils, we feel how little time we have, how imminent is death . . . . . and we resolve not to go gently into that good night, no matter what a relief it would be logically to have an end to our painful and hopeless contortions.

Now all of this is so much hooey, the product both of Allen's carefully unpretentious pretentiousness and of a broad-spectrum positivism which sees social reality as static,
struggles as individual, ontological givens, and the present as all-engulfing. More importantly, it reflects the concerns of what Christopher Lasch has called the Narcissist Society!

Firstly, the film celebrates emotionalism, and in this sense is generally part of contemporary cinema's interest in mass producing the extraordinary - no emotion/psychic state is too bizarre to be explored on the silver screen. The particular emotionalism portrayed here is that deriving from an awareness of self - self seen not in any historical or relational sense, but as the locus of "feelings", the most important being the sense of personal well-being derived from a recognition and articulation of one's individual needs and demands. Annie Hall lauds the characters' "knowledge" of themselves, a knowledge inherently flawed because it deals with how they are what they are rather than why they are what they are. Thus, for them, it is important to gain access to their personal idiosyncrasies in demands and needs; once these are fully and frankly out in the open, with and without the assistance of therapists - one can then see how the sets of demands in any relationship (for sexual-ego-intellectual-political satisfaction) mesh. If they do, fine; if they don't, well, too bad, on to the next relationship in the (probably vain) hope that we'll be luckier next time.

In Annie Hall there is virtually no notion of people mediating their demands. The "honest" thing for Annie and Alvie to do once they've discovered their incompatibilities, is regretfully draw a line under their relationship. In our recognition of their pain, their bewilderment, their reluctance to part, we run a serious risk of overlooking the significance of their "defeat" of the abandonment of a relationship that doesn't quite "make it". Such disposability illustrates a major capitulation to instrumental rationality of late capitalism, where people - like commodities - are viewed as collections of characteristics, and personal relationships as merely the mutual reinforcement of emotional demand curves.

Secondly, human needs - the "eggs" in the joke - are reified. Today's needs - potent sexual responsiveness, instant emotional gratification, etc. - are seen as trans-historical and it becomes impossible to ask whether today's needs were yesterday's needs, why private, emotional security might achieve paramountcy under, say, corporate capitalism as opposed to entrepreneurial capitalism, etc.

There is a sleight of hand at work in Annie Hall. Despite its scenes of love and pain, it really reinforces our everyday notions of the transitoriness and atomisation of human relationships. The best we can do, it seems to say, is to grin and bear it - other people are pretty impossible, but because we need them (in a hazy, ill-defined way) for our existence, we must pursue the limited, fleeting and fortuitous "happiness" they offer us, and move on when the happiness is dissipated. The film's emotionality, then, is defined within concepts of self and the present.

Within Annie Hall's terms, the future/posterity doesn't exist; it is remarkable that none of Alvie's self-analyses ever involve the question of children. It is clear that he sees us trapped in a continuous present, on a treadmill, and it is only the here and now that matters.

Yet such abandonment of "impossible" relationships is incapable of bringing relief or respite. Locked in a continuous present which lacks any political, public dimension, one responds by seeking emotional intimacy. But intimacy makes one vulnerable, dependent. To counteract this, Annie and Alvie - like many of us - contract their "intimacy" in specified terms, indicating a degree of manipulation, insensitivity and closure which almost negates any possibility for the intimacy which we initially sought.

The stratagems adopted in the narcissistic society maintain and advance the very processes and institutions which give rise to the anxiety in the first place.

Annie Hall is very much a '70s film, framed in the context of widespread political despair and disillusionment. It throws us back into ourselves, it "explains" away our indulgences, cruelties and obsessions, excusing them on grounds of The Human Condition - a kind of permanent cultural insanity. Yet it is easy to believe this film, in its honestly portrayed emotions, in the accuracy of the behaviors and attitudes displayed. But it is wrong, wrong, wrong.

Our experiences are historically specified. Of course we need other people, but the way we need other people will vary. We are not locked into a treadmill, where impossible demands are constantly made upon inadequate people. The logic of capital argues for static concepts, for a loyalty to personal survival based on satisfaction of individual needs, individually constructed, rather than loyalty to a process which affirms the social construction of needs and the possibilities both of a rational posterity and an end to domination.

Don't be fooled by Annie Hall's stiff-upper-lip, take it with a smile, realism. It is a counsel of despair, of capitulation. The social reality it presents - of inexorable fragmentation and atomisation - is only accurate to the extent that we do not struggle against those institutions and understandings which fragment and atomise. In the case of Annie Hall, for instance, we must strive for definitions of emotion, commitment, understanding, love, and tolerance which transcend the film's commonsense notions of these terms as operationalised under capitalism.

- Kathe Boehringer.
BOOK REVIEW


Those who already admire Alexandra Kollontai will have their admiration reinforced if they read Love of Worker Bees, a collection of three stories one is really a novel - translated by Cathy Porter. Others, too, will profit from this fascinating work.

In Vasilisa Malygina a close personal relationship grows, falters, dies. Its fate is played out against a background of revolution in Russia, later giving way to the adjustment of the NEP period. Vasilisa keeps her revolutionary idealism while her husband, Vladimir, more and more assumes the values of a NEP manager. The background is indicative of the author's judgments of the period - she was closely identified with what was then known as the Workers' Opposition - but her purpose is to show that the undoubted joys which derive from sexual passion are not sufficient to maintain personal happiness if love and work are in conflict, or if the social priorities of one's partner differ markedly from one's own.

The story does not avoid the hurts and the jealousy that result from a break-down in a close relationship. Indeed, a vital aspect in this and in the other two stories is the changing attitudes of women to each other.

At first, Vasilisa hates her husband's new love, Nina, but, in time, this is replaced by a compassionate understanding so that finally she can say "We're not enemies, you and I. We never intended to cause each other so much pain". Similarly, in Three Generations mothers and daughters with vastly differing moral codes misunderstand each other and hurt each other yet support each other absolutely when needed. And in Sisters a common bond is established between a rejected wife and her husband's mistress.

If the ending to Vasilisa Malygina is ideologically optimistic, it nevertheless leaves Vasilisa with tough days ahead.

In the other two stories the problems remain largely unresolved. All thus reflect views expressed elsewhere by Kollontai. She recognised that women can only partially solve their problems in work, politics, personal relationships while striving to end the sexual division of labor. She sees this as a very long project, not easily resolved and, meantime, women will continue to face unsatisfactory choices based on the moralities, values, prejudices and false expectations which derive from both class and sexual divisions.

Perhaps the most important point about these stories is that their author, a totally involved revolutionary leader, saw the need to help create a literature which promoted new values for women.

She wrote consciously in a form to suit the audience she wanted to reach - the working women of revolutionary Russia. If some find her style unsophisticated - with a "Women's Weekly" flavor - although the content is entirely different - her aim deserves praise and emulation.

It is possible, too, to read these stories as historical documents which give one interpretation of the NEP period, of the inspirations and the corruptions of that time. And this reviewer hopes that those men (and women) who still predict that much of what concerns women will be solved inevitably by revolution/socialism will read them, and especially ponder the meaning of the development (or, more properly, the regression) of Vladimir, the husband in Vasilisa Malygina.

Alexandra Kollontai's works have received considerable attention in recent years. Socialist-feminists have helped revive interest in the writings of this communist-feminist who was the only woman in the leadership of the Bolshevik Party in October 1917.

It is known that she experienced a political and personal life which was seldom smooth and untroubled. She ended a not unhappy marriage for a political life, including imprisonment and exile. She worked with and wrote about working women. In time, she became the first Bolshevik Minister of Social Welfare and later the world's first woman ambassador. She polemised on morality and the working class and on the role of the family. She was a key figure in the development of the Soviet Union's first marriage law. Her involvement in the Workers' Opposition laid the basis for later clashes with Stalin.

These very stories, so popular in 1923, were ridiculed a few years later. And she was vulnerable in other directions, having had several well publicised love affairs and some not so well known.

Kollontai has been criticised for her self-censorship in what passes for her autobiography (An Autobiography of a Sexually Emancipated Woman). It is suggested that this was her compromise with Stalin. The evidence is not conclusive. What may not be known is that she prepared her definitive autobiography in the late 1940s in which she believed all her previous writings and actions would be seen in perspective. Unfortunately for her, and us, the manuscript has never been published.

Even so, and even with self-censorship, Kollontai wrote in her published autobiography of the "eternal defensive war against the encroachment of men on our individuality, a struggle revolving around the problem: work or marriage and love".

These stories amplify that theme against a background of great change in society, family and work. If there are no tidy solutions to the problems they raise there are valuable insights.
classics, and Australian journals and, of course, all the Marxist
the labor movement. We stock hundreds of overseas
education, social sciences, sexual politics, fiction, and
pamphlets giving a radical view on politics, philosophy,
We have Australia's largest selection of books and

Museum hands down....

They beat the British

bookshops

Australia's best left