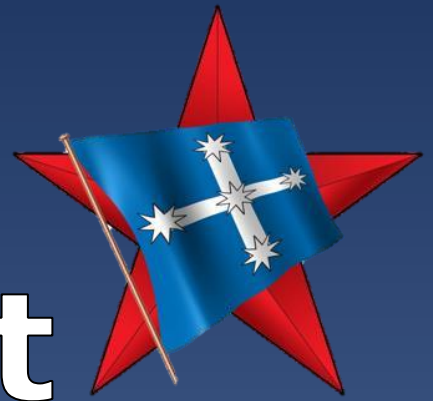


Australian Communist



JOURNAL OF THE COMMUNIST PARTY OF AUSTRALIA (MARXIST-LENINIST)
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**Charting the Way Forward:
Turning Weakness into Strength,
Defeat into Victory**

***To Be or Not To Be: The Australian
National Bourgeoisie***

A Discussion on Religion

***Is China Imperialist? On Sam
King's Four-Part Series for Red Ant***

and more...





**“We must have faith in the masses and we must have faith in the Party.
These are two cardinal principles.
If we doubt these principles, we shall accomplish nothing.”**

– Mao Zedong, *On the Question of Agricultural Co-operation* (1955)

The Communist Party of Australia (Marxist-Leninist) will celebrate the 60th anniversary of its founding in March 2024. Among self-avowed Marxist parties in Australia, it is the party with the single longest continuing history still operating today. Through the ups and downs, the ebbs and flows, the highlights and the lowlights of working class struggle in Australia, the CPA (M-L) and its members have been there. Sometimes openly, sometimes less so. Teaching and learning from the workers and the people in struggle, offering guidance and leadership where we can. Sixty years on and the Party remains strong.

The articles in this edition of *Australian Communist* are exemplary of that strength. In *Charting the Way Forward*, Party veteran Lindy Nolan shows the depth of her experience in struggle, succinctly connecting the struggles of the past to the struggles of the present, and clearly articulates the key strategic task and tactics for communists in Australia today.

From a veteran to A Young Comrade, *Towards a Materialist Understanding of Social Phenomenon* shows an incredible depth of understanding of the Marxist world outlook of dialectical materialism, and is testament to the depth of study and ideological understanding of the Party’s younger members.

Nick G’s *A Discussion on Religion* not only shows the conviction of the dialectical materialist outlook, but is a great example of how Party members should engage in discussion with those who may have divergent views.

The question of the existence of an Australian national bourgeoisie is tackled next in *To Be or Not to Be*, showcasing the Party’s strength of analysis in relation to Australian conditions.

Study groups are the basic unit of the Party, and one has contributed a study on the current state of *The Housing Crisis* in Australia. A collective effort that shows the strength of the Party at all levels of organisation.

Vice Chairperson of the Party, Louisa L. takes a swipe at revisionism in China in her short article *From Half the Sky to Coloured Cardigans*, and reminds us that it is the role of Communists in Australia to make revolution here. Staying with China, this edition concludes on a somewhat academic tone, as Alex M. dissects Sam King’s recent series on the important question of China and imperialism, demonstrating King’s less than adequate understanding of capitalist imperialism today.

From Party veterans and young members, to Party leaders and study groups, this edition of the Party’s theoretical journal is a genuine collective work of all levels of the Party and a testament of the strength of the Party, sixty years on.

As always, we hope readers enjoy this edition of *Australian Communist* and find its contents both interesting and helpful.

Editors, November 2023



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Contents

General Articles:

- Charting the Way Forward:
Turning Weakness into Strength, Defeat into Victory ----- Lindy Nolan. ___ pg.3
- Towards a Materialist Understanding of Social Phenomenon:
Reflections on Some Study Materials ----- A Young Comrade _____ pg.8
- A Discussion on Religion ----- Nick G. _____ pg.15
- To Be or Not To Be:
The Australian National Bourgeoisie ----- Nick G. & Duncan B. _____ pg.20
- The Housing Crisis: Lessons from History ----- A Study Group _____ pg.30
- From Half the Sky to Coloured Cardigans ----- Louisa L. _____ pg.40
- Is China Imperialist? On Sam King's*
Four-Part Series for Red Ant ----- Alex M. _____ pg.44

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**Comments, contributions,
and membership enquires
welcome!**



Charting the Way Forward: Turning Weakness into Strength, Defeat into Victory

This article is based on a speech by our comrade Lindy Nolan and discussion arising from it in Sydney earlier this year.

by **Lindy Nolan**

We are on Aboriginal lands, always fought for, never ceded.

In 1988, First Peoples from every corner of those lands united in Sydney, the first point of invasion. Imagine the roar of strength as their march began! Afraid, the Business Council of Australia began a strategy to divide them. We see the results in disagreements around the Voice.

We stand with First Peoples for unity, cultural strength, self-determination, treaties, reparations, and land rights.

First Peoples and the working class are indispensable allies. We have a common enemy.

Who controls the commanding heights of our economy? Who defines our foreign policy? Who says when, where and against whom we go to war? Who decides which Australians are hungry, homeless, cold, live in fear of another interest rate raise or another energy bill? Who makes our lands a giant quarry or real estate bonanza?

What do we do about it? We start with facts.

Disarming the Communist Party

After World War II, the Communist Party in Australia was 22,000 strong.

In *Looking Backward Looking Forward: Revolutionary Socialist Politics against Trade Union and Parliamentary Politics*, the CPA (M-L)'s first publication, chairperson Ted Hill outlined how the US "communist" ideology of Browderism disarmed the old Communist Party after WWII, allowing unrestricted entry for US imperialism to

Australia that the powerful communist movement could have held back.

Earl Browder said the alliance that defeated Germany and Japan meant capitalism had irrevocably changed. Parliament would legislate socialism. All communist organisation and activities in factories should cease. Communists should set up communist social clubs and welcome US corporations. The entire political committee supported Browderism. It paralysed working class resistance.

Hill called on Marxist-Leninist principles against what we call revisionism – "Marxists" doing "what the capitalist class failed to do" – burying the ideas of Marx, Lenin. He extensively quoted Lenin, including these few words, "Opportunism can be expressed in any kind of doctrine, including that of Marxism."

Revisionism is born in pessimism that the imperialist forces confronting you are just too powerful, its self-serving individualism too sweet for sacrificing for and with the people. Withstanding its allure takes ongoing struggle, individually and collectively.

Within and beyond Australia

The destructive power of revisionism and romanticism were laid bare by Khrushchev's 1956 speech denouncing Stalin. It was kept secret from the Russian people, but leaked to US media. After intense international struggle, in 1961 China and the Soviet Union irrevocably split.

While our founding Chairperson Ted Hill was recognised internationally as a "pro-China"



leader, at its core the split here was not about international relations, it concerned revisionism, and its opposite, in the CPA. Revisionism already had a strong hold.

I've heard that Mao, in one of many meetings with Hill, suggested Hill could have worked longer to convince Australian and other comrades of his views. But Hill and his comrades' work was here. Despite his immense standing alongside Marx and Lenin, they knew conditions here better than Mao did. For nearly seven years, till they were expelled, they struggled against revisionist ideas and practices within the old party. They formed the CPA (M-L) in 1964. September 2023 will mark the 60th anniversary of *Vanguard*, the longest-running left publication in the country.

By Browder's time, what Mao called "The worship of foreign things" had long distorted genuine internationalism.

From its birth in 1920 the old CPA operated on the general belief that communists taking control of trade unions, running social programs, and presenting the shining light of socialism in Russia and later China, would be enough to bring the Australian people to revolution.

Yet, critically important industrial, political, economic, social and cultural struggles were led by the old party. The majority of Australian people might not have agreed with the communists, but the working class in particular admired their bravery, incorruptibility, selflessness and dedication to challenging capitalism's terrible excesses.

What do we face?

People want fundamental change, but they don't see a way forward. We need to exploit our own strengths and the ruling class's weaknesses, and analyse when and how to act.

To act effectively, the overall strategy we have to grasp is Australian independence from US imperialism.

What we call Australia has never been independent. First brutal British colonies. Now US boots are on our neck. When we speak of imperialism, we primarily refer to monopoly capitalism. The biggest of the big corporations hold the commanding heights of our economy, politics, society and culture. They are overwhelmingly foreign owned, so we call for both independence and socialism.

Ted Hill showed how parliamentary and trade union politics serve capitalism, their underlying ideology of class compromise which at its best tries – as we do in a wide front of non-revolutionary struggles – to win the best possible conditions under

capitalism. For communists, however, our primary aim in all those struggles is to prepare the ground to get rid of capitalism entirely.

The old Communist Party said Labor was a two-class party – capitalist and working class. Hill and our Party founders said reconciling these two classes was impossible. As members of the old party, those who went on to found the CPA (M-L) exposed the ALP as a capitalist party. They were labelled "splitters". Yet they and we work

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alongside ALP people who dream Labor can fix capitalism. Then as now, people learn from their own experiences.

Labor governments expose their commitment to US imperialism, to war, to profits. They divide and suppress people. Within the ALP, anti-AUKUS sentiment is growing. Despite the importance of this sentiment and the organisation emerging from it, it is most unlikely to be strong enough to alter the party's overall trajectory of total subservience to US imperialism.

Defeats into victories and vice versa

Dialectics, the Marxist study of unity and contradiction within all things, shows things can become their opposite, positive become negative and vice versa, given the right conditions. Understanding this is a powerful weapon. It allows us to transform defeats into victories by learning lessons in struggle.

While trade unions accept capitalism, at their best they also unite and give dignity and optimism to workers, by training them and leading them in struggle.

Teachers and nurses took militant action because their lives were becoming impossible, their workload too heavy, their wages too low. Once militant construction workers, now earn big money. In a high worker-turnover industry, some workers with no understanding of how their pay and conditions became so good say, "Why go on strike? I'll just take a sickie." Negative becomes positive AND vice versa.

The AUKUS submarines are useless for Australia's defence. But the predicted trillion-dollar cost thieves directly from Australian people, right when this country's longest ever boom has ended and looming recession is already squeezing people. If persistently targeted, this negative contradiction is capable of mobilising masses to struggle.

Through the 1960s, Australian union leaders were jailed for unpaid union fines. It crushed struggle. Militant unions, workers and their leaders, including our Party's leaders and rank

and file members, began a ten-year strategy to inform and organise workers against these penal powers.

By 1969, workers were ready. In NSW and WA two outbreaks where workers defied the laws were defused by the ruling class.

Our Party had clear tactics, including a strong legal team with Hill and ALP stalwart Lionel Murphy, who became Attorney-General under Whitlam in 1973. Victorian Tramway Union Secretary Clarrie O'Shea, our Vice-Chair, publicly refused to pay a fine, took the union money and hid. After two weeks' media uproar alerted workers, he surrendered and was jailed. Over a million workers walked out against ACTU instructions, with strikes increasing. A negative becomes positive in the right conditions.

Struggle only calmed when O'Shea was released after a mate of the soon-to-be-dumped sellout ACTU President Albert Monk secretly paid the fine.

At heart, there's a simple tactic. Unite all who can be united, neutralise those who can't be won



Former CPA(M-L) Vice Chairman and union leader, Clarrie O'Shea



over, isolate the diehards. It underpins most victories, big or small.

Joining the dots

The capitalist class teaches us what we need to do by negative example.

It reminds us our job is to be with the working class and its allies, listening, learning, taking their ideas from practice, crystallising them into theory, testing and retesting them in practice, back and forth in a spiral of learning and connections in action. Mao called it the mass line.

Over the last two decades, huge and inspiring struggles have risen spontaneously in the face of capitalist destruction, brutality, and oppression. Walk Against the War (before the 2003 Iraq invasion), Work Choices (against Howard and Abbott era industrial attacks), Black Lives Matter, Me too, School Climate Strikes.

Then they subside, because spontaneous struggle flows in the line of least resistance – towards the dominant ideology of imperialism. In the case of Work Choices, the working class action was deliberately shut down by the ACTU and most union leaderships, in favour of futile reliance on the Kevin Rudd-led ALP government.

Since then, despite an increase in members, left circles have generally become narrower. Following the regular May Day upsurge this year, there were often three or four small protests a week. While the issues are important, this dispersal of focus inevitably leads to exhaustion and then pessimism.

We have to join the dots. Having deeply listened first, carefully, respectfully, not telling people what to do, we have to point out the strategy, Australian independence from US imperialism and the key link – cost of living, be it for health, education, housing, transport, energy, plus inadequate income from work or government allowances, all contrasted to the outrageous profits of corporations, including existential threats from environmental destruction and the drive to war.

People come together organically, for example, in parents' groups. They need support. In another bigger struggle against bus privatisation, some groups went to bus stops to ask people how they felt about cuts to services. People were happy someone cared to ask them what they thought. There's a turn away from individualism that we ought to nurture.

From an incident or situation, patiently tell the whole picture. Practise kindness around the difficulties immediately facing people. Based on facts, not wishful thinking, take the most militant position possible, plan and empower small victories, knowing when and how to retreat as well as when and how to attack, disperse our forces or concentrate them to win through at one point.

Working class leadership is essential.

Over a decade ago, our comrades saw the need of a national united front against imperialism. They helped found and build IPAN, Independent and Peaceful Australia Network, with over 80 peace organisations. IPAN was ready when AUKUS and the subs were announced.

Our members didn't try to stack it or control it. But they consistently explain the need for independence from US imperialism.

Separation from the people

People hate disunity. Honesty about weaknesses is the best policy.

Despite important disagreements, since the 1980s' Left Fightback conferences our Party refrains from slanging matches. We treat left groups and individuals respectfully, and expect the same. We build on areas of agreements.

Handing out *Vanguard* at May Day, a group expressed annoyance about 'squabbling left groups' like mine.

I agreed. Despite growth, all left groups are relatively tiny. Despite our work and aspirations, none of us is yet capable of leading the working class to revolution. But, I said, the CPA (M-L)



strives to build a party like that. They were shocked, and pleased. They all asked for a *Vanguard*.

Sectarianism is thought of as arguments between left groups who ought to know better, who should set aside disagreements. But sectarianism is fundamentally different. It's separation from the people.

Lenin exposed the danger of left blocism, where the left mixes only with like-minded people and forgets it's the masses who make revolution. That's who we have to be with, work with, share our lives with. We have to be one step ahead of them. Waving our flags from the sidelines has never worked. We need to be in it up to our necks.

An independent working class agenda would show people the solutions in their own hands.

Where to now?

Attacks on communism flood society.

We need to introduce socialist consciousness.

We need to inspire, to provide hope.

In response to revisionism, our cadres are like fish in a sea of people, listening, learning, taking their ideas from practice, crystallising them into

theory, testing them in practice, back and forth in a spiral of learning and connections in struggle.

But, despite democratic trimmings, we live in a ruling class dictatorship, with jails mostly full of Black, poor, mentally ill and illiterate people. Our Party organisation reflects this dictatorship. It's like an iceberg, with membership hopefully more invisible to the ruling class, than visible. Because conditions can change at any time. Witness the NT Intervention. Witness Covid lockdown in Fairfield.

We don't all agree. We practise democratic centralism, our duty to raise disagreements. Our duty to implement majority decisions. We unreservedly support each other as cadres and as people.

There's no blueprint for revolution. Here, the Australian working class and its party have to create it.

Right now, facts show Australian independence from US imperialism is the key strategic task facing our Party and the people, and cost of living the key link or tactic to draw in, educate and organise around.

We want to hear your ideas too. Knowledge is collective.

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Towards a Materialist Understanding of Social Phenomenon: Reflections on Some Study Materials

by A Young Comrade

Mao's writings on philosophy are directed to educating the Party cadres and masses in Marxism-Leninism to change their mode of thinking and practice.

— (*Marxism-Leninism-Maoism Basic Course: Revised Edition, Communist Party of India (Maoist), p. 200*)

From reading through quite a broad array of texts, I thought I would write down some general lessons learnt from the material. These texts include various CPA (M-L) pamphlets and works of E.F. Hill, along with key texts by Marx, Lenin, Stalin and Mao. In this reflective piece, I particularly focus upon some of the lessons drawn from Mao's *On Practice: On the Relation Between Knowledge and Practice, Between Knowing and Doing*.

Studying Marxism-Leninism, deepening knowledge and refining practice

When setting out to study Marxism-Leninism, the amount of background reading can be overwhelming, but just like anything else, you have to start somewhere. Each text of published revolutionary theory reflects different historical and political contexts, and I recognise that it would be beneficial to study each of these writings closely on their own and in reference to the particular political necessity that brought about each of these texts at the time of writing. An extremely helpful text that illustrates such a method of study is the *History of the Communist Party of the Soviet Union (Bolsheviks) - Short Course*. Mao specifically mentions this *Short Course* as "the principal source" for studying Marxism-Leninism as it is exemplary of how the "universal truth of Marxism" was first applied to the "concrete practice" of executing a socialist

revolution. Comrades who want to gain an understanding of the changing political conditions that led Lenin to produce many of the core texts that communists continue to study will gain a lot from this work, as well as gain further inspiration to develop revolutionary practice and apply revolutionary theory.

While close-reading of individual texts is important, for now I am following a loose method of reading a broad amount of works of Marxism-Leninism in order to get a preliminary sense of the common threads between various works of revolutionary theory. I have partially drawn this method of learning from *On Practice*, where Mao describes the development of "logical knowledge" as a step beyond "perceptual knowledge", or knowledge's development "from the shallower to the deeper". As Mao says,

The real task of knowing is, through perception, to arrive at thought, to arrive step by step at the comprehension of the internal contradictions of objective things, of their laws and of the internal relations between one process and another, that is, to arrive at logical knowledge. To repeat, logical knowledge differs from perceptual knowledge in that perceptual knowledge pertains to the separate aspects, the phenomena and the external relations of things, whereas logical knowledge takes a



big stride forward to reach the totality, the essence and the internal relations of things and discloses the inner contradictions in the surrounding world. Therefore, logical knowledge is capable of grasping the development of the surrounding world in its totality, in the internal relations of all its aspects. (*On Practice*)

As I am becoming familiar with Marxism-Leninism, I recognise that I am still within the perceptual stage of knowledge – I have a rough understanding and familiarity with Marxist theory from my previous study of Capital, the Manifesto, and other Marxist texts. I’m gradually deepening this knowledge into a more practical understanding of Marxism-Leninism as a tool to grasp the internal relations of the political and historical nature of social development, and to demystify the relationship between revolutionary theory and revolutionary practice. The point of developing such knowledge is not to embark on an intellectual pursuit to help engage in abstract debate or to become an armchair expert in a philosophical niche, rather it is solely for the purpose of developing as a communist. As Comrade E.F. Hill had noted, the views propagated within revolutionary texts aren’t intended as an “intellectual exercise”, rather “They are intended to be seen as part of the process of developing the theory of the Australian revolution”. Hill states that revolutionary literature is made up of “serious proposals made for the purpose of arming the people with revolutionary theory. Their correctness or otherwise will be tested in a mass way by the advanced people, above all by the workers, in fierce struggle with the monopolist bosses.” (*Revolution and the*

...it is not a fairytale nor a wish for a ‘better’ world nor a theoretical ‘horizon’, ‘hypothesis’ or ‘possible future’...communism is a necessity, insofar as class society and its foundations need to be abolished only through active class struggle against reactionary and counter-revolutionary forces that deny this necessity.

Australian State: A Socialist Analysis, pg. 89). After all, communists know that communism is not the product of ideas and debate – it is not a fairytale nor a wish for a ‘better’ world nor a theoretical ‘horizon’, ‘hypothesis’ or ‘possible future’. Communists are conscious of the fact that communism is a necessity, insofar as class society and its foundations need to be abolished only through active class struggle against reactionary and counter-revolutionary forces that deny this necessity. As proven by proletarian revolutions since 1917 Russia, the theory and practice of revolution depends upon the organised work of experienced and steeled communists as members of a vanguard party. Hill again: “Consciousness develops in struggle. The working class must have its party to develop consciousness.”

Productive activity and the myth of the individual

Mao’s On Practice provides an overview of the materialist foundation of Marxism as a revolutionary science, and makes clear the importance testing revolutionary theory through practice, with the principle purpose of building scientific socialism (see, Engels’ *Socialism: Utopian and Scientific*). Early in the text, Mao says “Marxists regard man’s activity in production as the most fundamental practical activity, the determinant of all his other activities.” Work, or “activity in production”, is primary to humanity. This is a useful and concise statement of a core Marxist principle. Accordingly, what is essentially “human” has nothing to do with fundamental ideas or language or instincts, as liberal philosophies would have it. If work is essential to humans, insofar as work denotes the human-being’s general capacity to engage in



productive activity towards the securing of material need, then human society involves the division of this general capacity for productive activity into particular forms of activity for securing a particular form of need. As the ability to engage in “activity in production” (work) requires access to the means of production, capitalism’s foundation involves the division of society into private owners of the means of production and private owners of the ability to work. In order for “activity in production” to reconnect with the means of production, the capacity to work becomes a commodity to be bought and-sold by individuals (the illusion of equal exchange between buyers and sellers of labour-power is dismantled within Marx’s *Capital* and *Wage Labour and Capital*). Where the capitalist state fundamentally protects and serves the interests of private owners of the means of production, the socialist state privileges and expands the political power of working people through the socialisation of the means of production.

I’ve been reading through the introductory passages of Marx’s *Grundrisse*, which resonate with Mao’s emphasis on the social character of production against the myth of the productive individual. As Marx states,

The human being is in the most literal sense a political animal, not merely a gregarious animal, but an animal which can individuate itself only in the midst of society. Production by an isolated individual outside society – a rare exception which may well occur when a civilized person in whom the social forces are already dynamically present is cast by accident into the wilderness – is as much of an absurdity as is the development of language without individuals living together and talking to each other.

The human is individuated only insofar as they are a member of society. The fantasy of an individual whose identity exists outside of society is what underpins the bourgeois Romantic desire for escape from modern civilisation towards the exotic ‘great outdoors’ of nature. In actual fact,

of course, no individual can ever truly find themselves to be absolutely alone, as they are essentially a historically produced, material being for whom “the social forces are already dynamically present” even before they are born.

Marx shows how an individual’s own understanding of themselves as an entity with an innate productive capacity that stands prior to or outside of society is an abstraction. Individuals do not give a general form to production – no single person has the potential to do everything and anything at any moment, that is, they are not able to give form to all production in general – rather, their various productive activities merely provide particular forms to production in the present moment for a present need. At all times, *society itself is the totality of productive activity*. The particular forms of productive activity expressed at any moment within society are determined by and determine all other actions undertaken by individuals within that society. The ideas and types of activity change and develop as a result of this ongoing historical and material social process. The prose within *Grundrisse* can be difficult, but Marx explains this here:

If there is no production in general, then there is also no general production. Production is always a *particular* branch of production - e.g. agriculture, cattle raising, manufactures etc. — or it is a *totality*. [...] Lastly, production also is not only a particular production. Rather, it is always a certain social body, a social subject, which is active in a greater or sparser totality of branches of production.

Truth and Social Practice

Change is a constant variable within this conception of truth; the forms of knowledge, practice and truth all change along with the same processes of the natural (material) world. Scientific knowledge involves understanding nature in terms of universal laws of material development, and is not concerned with developing an ideal understanding of nature in



general as being beyond the reach of such laws. Knowledge of nature in general would presuppose an all-knowing, God-like perspective. Materialist philosophy denies the existence of such a perspective.

While the specifics of materialist philosophy deserve focused study, here it is worth noting the relevance of materialism to the Marxist perspective. A crisp summary of the relevance of materialism to Marxism is provided by Lenin in his short text *The Three Sources and Three Component Parts of Marxism*. Early in this pamphlet, Lenin outlines that “all official and liberal science defends wage-slavery, whereas Marxism has declared relentless war on that slavery”, and if Marxism is therefore the science of proletarian revolution, then it follows that “the philosophy of Marxism is *materialism*.” Lenin states:

Marx deepened and developed philosophical materialism to the full, and extended the cognition of nature to include the cognition of *human* society. His *historical materialism* was a great achievement in scientific thinking. The chaos and arbitrariness that had previously reigned in views on history and politics were replaced by a strikingly integral and harmonious scientific theory, which shows how, in consequence of the growth of productive forces, out of one system of social life another and higher system develops—how capitalism, for instance, grows out of feudalism.

Just as man’s knowledge reflects nature (i.e., developing matter), which exists independently of him, so man’s *social knowledge* (i.e., his various views and doctrines—philosophical, religious, political and so forth) reflects the economic system of society. Political institutions are a superstructure on the economic foundation. We see, for example, that the various political forms of the modern European states serve to strengthen the

domination of the bourgeoisie over the proletariat.

Marx’s philosophy is a consummate philosophical materialism which has provided mankind, and especially the working class, with powerful instruments of knowledge.

If, as Lenin noted, Marxism provides the working class with knowledge as a “powerful instrument”, then the purpose of this knowledge is, like any other instrument, to be used in practice. Mao’s *On Practice* reflects a further development of Marxist materialist philosophy as an instrument of political practice. Truth is only revealed through the perspective of social practice. Truth cannot be known until a theory is tested and evaluated according to the present conditions of practical life. Engaging in practice is to engage in particular forms of social practice, where different activities are set in relation to one another according to the division of labour in class society and according to the particular mode of production that structures that society. These relations between the particular fields of activity that form social practice are able to be understood and put into perspective through the development of theoretical knowledge of the characteristics of the life and death of different modes of production throughout history. Accurate theoretical knowledge of modes of production thus requires knowledge of the relationship between activities, or social practice, which is ultimately knowledge about the material relations between the people who actively perform social practice. The division of productive activity and the forms these activities take bear the marks of class division of society. Knowledge and activity is always social knowledge and social activity. Social knowledge and social practice is always classed knowledge and classed practice (or activity). As Mao puts it,

Man's social practice is not confined to activity in production, but takes many other forms—class struggle, political life, scientific and artistic pursuits; in short, as a social



being, man participates in all spheres of the practical life of society. Thus man, in varying degrees, comes to know the different relations between man and man, not only through his material life but also through his political and cultural life (both of which are intimately bound up with material life). Of these other types of social practice, class struggle in particular, in all its various forms, exerts a profound influence on the development of man's knowledge. In class society everyone lives as a member of a particular class, and every kind of thinking, without exception, is stamped with the brand of a class.

Social practice is not limited to “activity in production” and solely economic activity, but extends to political and cultural life. In turn, political and cultural life is not excluded from social practice, rather, the activities of political and cultural life are just as determined by class relations as is economic activity. In class society, social practice is classed practice, and so class struggle is universal across all activities across both intellectual knowledge and physical activity. Mao’s conception of the citizen in class society and the individual subject here appears intertwined; all knowledge and all activity is “stamped with the brand of a class”, and thus all knowledge and all activity serves as the terrain of class struggle through all forms of social practice.

Objectivity and subjectivity

How this perspective forms into a “powerful instrument” for the proletariat — whom Marx and Engels identified as the emergent “grave diggers” of capitalism — is through this instrument’s provision of a lens that bridges objective and subjective realities. It’s hard to

escape from using lofty language and jargon when articulating the Marxist perspective, but essentially the powerful instrument of Marxism involves a scientific understanding of reality as being determined by a dialectical process of change. All phenomena express different stages within an ongoing process of change, which is caused by the gradual development and resolution of internal antagonistic forces and is generally observed and experienced as “the process of coming into being, developing and passing away.” This is an objective, material process which can be studied in nature as the development of energetic accumulation and expenditure, which, in social life, is subjectively experienced as a process of life and death of individuals. Extending beyond physics and subjective social existence, these processes correspond with the development of the prevailing ideas at a given moment in history and modes of production that human society. Communists grasp this knowledge to understand the material life and death of historical periods of society, and to identify the process of emergent revolutionary and decaying conservative ideas.

In class society everyone lives as a member of a particular class, and every kind of thinking, without exception, is stamped with the brand of a class.

- Mao Zedong

Lenin’s identification of imperialism as “moribund capitalism” is an example of this, where the global expansion of capitalism reflects the coming into existence of a “higher stage” of capitalism following the death of an era where domestic markets can no longer sustain the growth of the bourgeoisie within their own nation’s borders. In order for capitalism’s grave diggers to carry out their task, building socialism therefore required the development of a revolutionary practice of scientific (Marxist) anti-imperialism. As Stalin succinctly put it, “Leninism is Marxism in the age of Proletarian revolution.”

Marxists acknowledge the real changes and development of the objective world — for example, capitalism’s flourishing as the modern



Karl Marx and Friedrich Engels -discoverers of dialectical materialism, a weapon in the service of the proletariat

destroyer of feudalism on the one hand, and its own restricted material development on the other, as characterised by the inevitability of monopoly domination of markets, the capitalist state's necessity of imperialist expansion and the barbarism of individualistic competition. Revolution in regard to the objective world also requires changes in the subjective understanding of that world. *On Practice* outlines the need for communists to extend their revolutionary perspective towards the understanding and destruction of the existing objective *and* subjective worlds;

In the present epoch of the development of society, the responsibility of correctly knowing and changing the world has been placed by history upon the shoulders of the proletariat and its party. [...] The struggle of the proletariat and the revolutionary people to change the world comprises the fulfilment of the following tasks: to change the objective world and, at the same time, their own subjective world—to change their cognitive ability and change the relations between the subjective and the objective world.

The revolutionary task does not exclusively involve changing of objective material conditions through the establishment of a proletarian dictatorship, i.e. socialism — it requires revolutionary struggle to change in the subjective world at the same time. Mao articulates the “die-hard” rightist and “leftist” tendencies of revolutionary ideology that fail to correctly balance the revolutionary tasks demanded by the given objective and subjective conditions that shape social practice. Accordingly, in ideological struggle, “[w]e are opposed to die-hards in the revolutionary ranks whose thinking fails to advance with changing objective circumstances and has manifested itself historically as Right opportunism”. On the other hand, “[t]he thinking of ‘Leftists’ outstrips a given stage of development of the objective process; some regard their fantasies as truth, while others strain to realize in the present an ideal which can only be realized in the future.” New objective conditions can be undone through the rust of old subjective ideas, as was learnt by the experience of the restoration of bourgeois ideology within the USSR as marked by Nikita Khrushchev’s reformist ideological turn against so-called ‘Stalinism’. The ideological domination by rightist



“capitalist roaders” within the party in China led to the abandonment of the Marxist-Leninist principle of class-struggle. Meanwhile, ungrounded subjective demands are doomed to be unrealistic fantasies without genuine consideration of present objective conditions.

Dialectical materialism is in the service of the proletariat

By way of rehashing and drawing together what’s already been reflected upon in this piece, read and consider the following from *On Practice*:

The Marxist philosophy of dialectical materialism has two outstanding characteristics. One is its class nature: it openly avows that dialectical materialism is in the service of the proletariat. The other is its practicality: it emphasizes the dependence of theory on practice, emphasizes that theory is based on practice and in turn serves practice. The truth of any knowledge or theory is determined not by subjective feelings, but by objective results in social practice. Only social practice can be the criterion of truth. The standpoint of practice is the primary and basic standpoint in the dialectical materialist theory of knowledge.

If dialectical materialism is in the service of the proletariat, then it is in fact a tool or weapon against the dictatorship of the bourgeoisie. To wield this weapon is through its tactical and

experimental application within social practice. The historical role of the proletariat is the overthrow of the bourgeoisie, and dialectical materialism provides the scientific theory and practice for this revolutionary task. Unlike bourgeois ideologies of liberalism with its presupposition of a neutral middle-ground for “reasonable” thought, Marxism is transparent about its class allegiance. Socialism involves the overthrow and oppression of the bourgeoisie. Lenin is upfront about this in his writings on the State. In every objective and subjective sense, communists struggle against the external forces of bourgeois counter-revolution in the form of liberals, right-wingers and utopians. The history of counter-revolutionary ideological tendencies within communist parties throughout the world has also demonstrated the consistent need to uphold the guiding principle of class struggle against all remnants of the bourgeoisie in both the objective and subjective sense.

Marx’s often quoted statement “The philosophers have only interpreted the world, in various ways. The point, however, is to change it,” can be (and has been) dogmatically adopted by almost any protest movement, whether “Marxist” or not. Mao demonstrates the necessary, practical and immediate application of this view to objective and subjective circumstances, where true or correct knowledge arises through revolutionary scientific practice, or class struggle. This is a general principle to be applied and re-applied to particular contexts.



A Discussion on Religion

The Party receives enquiries and questions about a range of topics. Some of these, if of sufficient general interest, are placed on the Discussion Site of our website. We have had several enquiries about religion and attitude towards people with religious beliefs joining the organisation.

We have not formalised a position on this in our Program or Party Rules, so we have recorded below a series of email exchanges between a comrade, M., and Nick G., Chairperson of the Party. Nick's views are his own, and not those of formal Party policy.

Question: *What is the party stance on religion (both institutional and non-institutional religion)?*

Answer: Hi Comrade M.

The following is my understanding of the Party's stance on religion.

Our Party Program states:

Marxist philosophy shows that the material world is primary. Ideas and consciousness are the reflection of this objective reality. But everyone's thinking is shaped by their material conditions, their actions and the class to which they belong. In time this general outlook on life becomes a system of thinking, an ideology, which in turn influences their actions. A person's position in the class relations of production generally shapes their class consciousness and ideological outlook.

The program does not directly mention religion, but it is definitely the Marxist materialist outlook which we try to apply in our political tasks and to promote in the broader movements of the people. At the same time, we respect the sincerely held views of others, including those with religious beliefs or spiritual values. Our comrades have a history (since 1964) of good working relationships with many religious people and organisations involved in the social justice, peace and everyday struggles of the people.

The Party must remain theoretically committed to materialism, and this means that it cannot embrace idealism. Materialism and idealism are

philosophical opposites. In this context, idealism does not mean the generally progressive sense of a person who has "ideals". It refers to the belief that there is a world beyond that of matter, a world in which a non-material power or force exists which has given rise to the human condition and has power over it. Revolutionaries cannot have divided loyalties. They cannot feel that they are obliged to act in accordance with the wishes of a God, and be fearful of the consequences of disobeying religious leaders who profess to speak for such a God, Christian or otherwise. Mao Zedong said of the communist outlook that "Thorough-going materialists are fearless." They are fearless because they have no loyalty other than that to the people, are not confused or divided in that loyalty, and have only one faith – that no matter what personal difficulties or sacrifices they may face, the eventual overthrow of reactionary authority and the success of the forward movement of human society, are inevitable.

There has been a checkered history of religion under socialism. Stalin explained the attitude of the Communists ("Social-Democrats" as they were then known in Marxism and National Question:

The programme of the Social-Democrats contains a clause on freedom of religion. According to this clause any group of persons have the right to profess any religion they please: Catholicism, the religion of the Orthodox Church, etc. Social-Democrats will combat all forms of religious persecution, be it of members of the



Orthodox Church, Catholics or Protestants. Does this mean that Catholicism, Protestantism, etc., "do not contradict the precise meaning" of the programme? No, it does not. Social-Democrats will always protest against persecution of Catholicism or Protestantism; they will always defend the right of nations to profess any religion they please; but at the same time, on the basis of a correct understanding of the interests of the proletariat, they will carry on agitation against Catholicism, Protestantism and the religion of the Orthodox Church in order to achieve the triumph of the socialist world outlook.

And they will do so just because there is no doubt that Protestantism, Catholicism, the religion of the Orthodox Church, etc., "contradict the precise meaning" of the programme, i.e., the correctly understood interests of the proletariat.

That was written in 1913. This generally correct policy for a Communist Party on the question of religion was later subjected to ultra-left distortions. For more than a decade, "agitation" against religion was taken to an extreme by Soviet ideologists who promoted the League of Militant Atheism and called for an active fight against religion. The policy was wrong, because it targeted religious believers rather than religious belief, and turned the contradiction between Communists and religious believers into an antagonistic contradiction rather than a contradiction among the people. Partly this can be understood in the context of the reactionary role of the Russian Orthodox Church's leadership in supporting the Czar and Czarist authority before 1917, and using religion to control the thinking of the peasants and oppose socialism after 1917. (Under Putin, the leadership of the Russian Orthodox Church has resumed its former role and has fully backed the illegal invasion of Ukraine and used religion to support the authority of the Russian state authorities.) Stalin realised that the war on religion from the mid-Twenties to the mid-Thirties was alienating many potential supporters of socialism, and as the

danger of aggression by the Nazis became clearer, ended the war on religion, reopened closed churches and worked with church leaders who were willing to denounce Nazism.

The matter of religion within a socialist Australia would depend on the objective situation that emerged from revolutionary upheaval and the consolidation of political power by the working class and working people. There is no blueprint or guarantee, but the assumption/aspiration is the right of freedom of religious belief by the people, and the corresponding right to not believe in religion. That means, of course, a secular state with full separation of the church (or mosque, temple or synagogue etc) from the state, and in civil society, freedom of thought, of belief and of association.

The Party, by contrast, must uphold the dialectical materialist philosophical outlook. Membership should be open to people who support the Program of the Party and its organisational rules and principles. A person's religious belief may be strongly held, or not strongly held. So long as a prospective member agrees not to proselytise for religion within the Party or outside it as a Party member, agrees to study Marxist works on materialist philosophy so as to understand the difference between materialism and idealism, and engages actively in mass work among the people, then they can be welcomed into the Party.

Question: *Hi Nick,*

Thanks for encouraging my response and critique. Generally, I agree with the Party stance that you sent through. I see the Militant Atheist stance taken by some ML states as problematic (although I do not know the material conditions in detail) as it divides the working class and gives religious 'fuel' to reactionary and counter revolutionary movements. I also see the hard-line refusal of religious members in the Party as also problematic as it can prevent adequate representation for religious minorities. A materialist analysis of society can be (in my opinion) compatible with a belief in a transcendent God (although in many cases it is



indeed incompatible). This is not my personal view but I can respect it, and can also understand how the use of religious language (the teachings of Jesus for example) can actually lead people to socialist struggle.

I understand that the material conditions shape and influence our religions and spiritual institutions and practices, but I do not believe that religious instincts will fully wither away under communism. Humans are symbolic creatures and ritual has numerous social and psychological benefits. I see a dialectical process in the history of religion, with the contradictions of Christianity giving rise to its antithesis, atheism and a rejection of spiritual practice and reverence. However, I see a synthesis emerging in a naturalistic worldview and a renewed reverence for nature and community. In a sense it is a 'religious' impulse that drives me to class struggle, although a completely naturalistic one. I think there is some potential in inspiring people to action through religious language although I can also see problems arriving therein.

I am curious on your thoughts about what I have laid out.

Regards, M.

Answer: Comrade M.,

To begin with, I confess that we have possibly neglected to develop a formal stance on religion and on Party membership of people holding religious views. What I have said previously, and will say below, are my own views, although I would think that they would be shared, in general, by our comrades.

Let's go back to Marx and the abbreviated view that is often quoted by people keen to dismiss religions. They quote the "opium of the people" line which by itself is entirely negative and dismissive of religion,

seeing it only as an instrument of social coercion and ideological control. Marx's complete statement was: "Religion is the sigh of the oppressed creature, the heart of a heartless world, and the soul of soulless conditions. It is the *opium* of the people."

Marx makes three observations about religion, and on the basis of these, concludes that religion is the opium of the people. Those three observations are acutely sympathetic towards those who, in conditions where human compassion and empathy have been destroyed by oppression, take refuge in religion, just as many were at the time, (and not just in China), taking refuge and drawing solace from, opium.

There is indeed, something more than a mechanical materialism in his words: a "heartless world" must have its opposite – what is it? A "soulless condition" must have its opposite – what is it?

I think we will have to agree to disagree, though, on whether a materialist philosophy can be compatible with a transcendent God. Although I do agree that there are some Christian beliefs that are compatible with a socialist outlook. How "prosperity theology" can be reconciled with the view expressed in Luke 18:25 that "it is easier for a camel to go through the eye of a needle than

for a rich man to enter the kingdom of God", is beyond me. There could not be such a thing as Liberation Theology without those parts of Christian belief that express concern for the poor and the oppressed. On a lighter note, as a child of the Moratorium era, I always thought that Proverbs 1:20 provided some justification for our protests: "Wisdom crieth without; she uttereth her voice in the streets".

Both of us are discussing only, or mainly, one religion, Christianity. How would our discussion

Religion is the sigh of the oppressed creature, the heart of a heartless world, and the soul of soulless conditions. It is the opium of the people.

- Marx



be perceived by a believer in Islam, Buddhism, Judaism, Zoroastrianism, animism, Hinduism or Bahá'í Faith and others? Each has its particularity, as well as sharing common elements.

Will “religious instincts (not) fully wither away under communism”? Another “agree to disagree” moment. I suspect that religious instincts will persevere long into the Communist era, and that our need for symbolism and ritual will find expression in the shared celebration of advances towards collectivism and selflessness. The spirit of the era will eventually displace the era of the spirit. By the latter “spirit” I mean the one embedded in philosophical idealism. By the former, I see evidence in what comrades refer to as the spirit of rebellion against injustice, the spirit of defiance of reactionaries, the spirit of daring to struggle and daring to win, and in the exemplars we choose to eulogise: the spirit of Lei Feng, the spirit of Charu Mazumdar, the spirit of the martyrs of Rojava, and many others.

You refer to “a synthesis emerging in a naturalistic worldview and a renewed reverence for nature and community”. I agree. This is a

dialectic in which the original connection between people and nature (which necessarily at that time had a spiritual and animistic component) moved, under the impetus of the exploitation of nature, towards its opposite - destruction of the harmony between people and nature. Just as surely, this new relationship will move towards its opposite – a restoration of the balance between the human need to draw upon natural resources, and the environmental and biosecurity need to exercise responsible guardianship over, and protection of, those resources.

We have addressed that to some extent in our Introduction to our book [Fight Capitalism's Destructive Impact on Nature:](#)

Neither Marx nor Engels were environmentalists in the modern sense of the term. Like many, they recognised that human labour power and intelligence had moved the relationship between humanity and nature from a lower stage to a higher stage. Nature formerly had exercised mastery and control over humanity. Flood,



Learn from Comrade Lei Feng, and carry forward Lei Feng's spirit



drought, fire, volcanic activity, earthquakes, and climatic fluctuations caused not only fear and a certain fatalistic attitude toward death, but also gave rise to religions of animism and a multiplicity of gods in whom various natural powers were vested. In time, human labour and intelligence weakened nature's mastery: fire-stick farming, river and coastal fish traps, cultivation of seeds and tubers, improvements in building construction, and then farming and irrigation reversed the relationship. The accumulation of quantitative measures in human ability to develop independently of nature led to a qualitative leap. Humanity spoke of its own conquest of and control over nature. Religions tended to lose their animistic elements and were put to the service of social control and the legitimization of the social structures of emerging class societies...

In the great wave of enthusiasm to build socialism and display its superiority over capitalism, Communists too often boasted that the development of productive forces under socialism would enhance the capacity

of humans to utilise nature for their own purposes, to control it, conquer it and establish mastery over it...

Indeed, only an independent and socialist Australia will make possible the restoration of a genuine balance between the needs of humanity and nature.

The impulse that drives you to class struggle, the impulse towards defence of the earth from its destruction by capitalism, was not understood by earlier generations of Communists, but is one we fully embrace.

I am glad to have had the opportunity to think through the questions you raise. We can acknowledge, and put to one side, differences on religion and spirituality whilst cooperating and supporting each other in the struggle for genuinely anti-imperialist independence and socialism.

Best wishes,

Nick G.



To Be or Not To Be: The Australian National Bourgeoisie

by *Nick G and Duncan B.*

Is there an Australian national bourgeoisie, and if so, what is our attitude towards it?

Our Party's General Program does not mention a national bourgeoisie, yet in our Party's history there have been times when we have declared our recognition of this class, and our support for progressive elements within it, as defined by their stance on democratic rights and on their resistance to aspects of US economic and political domination of Australia.

From WWII to the Whitlam era

In the past, Australia has seen a number of Australian capitalists who tried to develop Australian manufacture in the face of opposition from the imperialists and the government hangers-on. Laurence Hartnett and Frank Lightburn are examples from the 1950s and 60s. Dick Smith is a more recent example. He set up his food business because of his opposition to the foreign take-over of Australian food companies.

In Australian politics we have seen the national bourgeoisie take political action. One example was Gordon Barton. He was the founder of Interstate Parcel Express Company (IPEC), as well as having many other business interests.

In 1966 he formed the Liberal Reform Group which was a splinter group of Liberal Party members opposed to the Party's policies on the Vietnam War. This became the Australian Reform Movement and then the Australia Party, which was a forerunner of the Australian Democrats. There was also John Siddons who founded the Sidchrome and Ramset brands. He was elected as a Senator for the Democrats in 1980. Later he left the Democrats and formed his own party.

The actions of people like Barton and Siddons show us the national bourgeoisie see struggle in terms of parliamentary politics. This came to be reflected in certain policies of the Whitlam Labor government. At that time, national bourgeois elements were visible in their opposition to foreign investment and control of local industry and agriculture. Their demands also surfaced within the Whitlam government, promoted by his Minister for Minerals and Energy Rex Connor. Indelibly associated with Connor was the phrase "Buy back the farm" and his plan to develop an Australian-controlled mining and energy sector. His attempts to raise funds from sources other than institutions controlled by US and British finance capital gave rise to the "loans affair" and his sacking by Whitlam¹.

Of this period of time, founding Chairperson E.F. Hill wrote:

The Australian national bourgeoisie, weak though it was compared with the British and U.S. imperialist bourgeoisie in Australia, was always alert to push its case for better terms from its imperialist masters and for its dream of an independent Australia (a dream impossible of achievement by the Australian bourgeoisie and only possible under working class leadership). One facet of this process was the 1972 elections in which the Labor Party took office. Certainly it was not the only one. But the new position and manoeuvre for its independence can be gathered from statements of Whitlam, Labor Prime Minister. Whitlam spoke of a new "nationalism" in Australia. He spoke of the "parlous state" of the U.S. presidency when speaking of Nixon. Oakes and

¹ See: [The loans affair 1974-75 \(naa.gov.au\)](http://naa.gov.au)



Solomon in their book “Grab for Power” (1974) said that in November 1973 Whitlam explained that “the new nationalism brought together a great number of diverse strands and attitudes and ambitions.” They then quote Whitlam directly as saying “It means the greatest possible measure of Australian control over our industries and resources ... It means an independent foreign policy – not one without allies, but one without obsessions, without distortions, without subjection to the ideologies or follies of other powers...”²

Hill was correct to describe the national bourgeoisie as “weak”. It has been unable to sustain a presence as a “class for itself” in Australian politics, has not developed organisational and political links between its members, let alone between them and other sections of the people, the most important of whom are the working class.

In his other works of the same period, such as *The Great Cause of Australian Independence* (1977), *Australia’s Revolution: On the Struggle for a Marxist-Leninist Party* (1973) and *Revolution and the Australian State* (1974), there is not even mention of the national bourgeoisie, so insignificant was its influence.

The present era

Nevertheless, it is timely to review the current status and circumstances of other Australian capitalists outside of the big bourgeoisie. Most are small enterprises and can be more correctly described as petty-bourgeois. Of those whose

capital is relatively substantial, many are being squeezed by the processes of:

- Globalisation, which is destroying small and medium manufacturing firms.
- Monopolisation, as big firms swamp small firms. This is particularly evident in the growth of retail and service chains which are swamping independent operators in areas such as pharmacy, optometry, medical services, large law firms, alcohol outlets, and the continuing growth of supermarkets.
- On-line retailing, which increasingly by-passes real shops for on-line, often international, providers.

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The size and location of these Australian capitalists, and whether they are significant enough to form a national bourgeoisie class, warrants investigation. They could be potential allies in campaigns against the decimation of Australian jobs by globalisation. Where they might fit in a revolutionary strategy of Australian independence, and building socialism in stages, and whether they are significant enough to support pursuing independence as a separate revolutionary stage before socialism, need to be reviewed.

Is there a national bourgeoisie in agriculture?

The Australian economy relies on two export industries – agriculture and mining.

In Australian agriculture foreign interests, particularly Canadian, US, UK and to a lesser

² See: [Imperialism in Australia, Chapter 5 \(marxists.org\)](http://marxists.org)



extent Chinese companies are spending billions of dollars each year buying a wide variety of farms Australia-wide. Properties with attached water rights are especially sought after.

Behind them come agriculture-based investment companies and funds such as those run by the Macquarie Bank.

At the bottom there is a still-large group of small and medium family farmers. They are at the mercy of the weather and of the banks, supermarkets, and suppliers of fuel, fertiliser and other inputs. Their natural allies should be the working class.

In the middle there is a large group of wealthy family-owned farm enterprises. They often control considerable areas of land spread over several states. Their names regularly appear in reports of purchases of rural properties. In some cases, they are outbidding the overseas and local investors.

Data from the Australian Bureau of Statistics³ – now ten years out of date – show that 99% of businesses in the Food and Agribusiness Growth Sector were wholly Australian owned. However, of the bigger employers, over a quarter (29%) with 200 or more persons employed, reported greater than 50% foreign ownership.

Businesses in this Growth Sector with more than 200 persons employed were over eleven times more likely to report that they received income from directly exporting goods and/or services (79%) compared to businesses with 0-4 persons employed (7%).

Producers dependent upon foreign multinationals

What we have seen within this sector from time

to time are contradictions between owner farmers and big foreign corporations that dominate the transport and marketing of agricultural commodities, particularly grain crops. For example, silo closures by Canadian monopoly Viterro have led to protest actions⁴, as did the decision to close an Eyre Peninsula rail line by British-Swiss multinational commodity trading and mining corporation Glencore, following its purchase of the line from US rail company Genesee & Wyoming. The decision meant that around 30,000 extra B-double truck movements per year were required along poorly maintained single lane “highways” that converge on the export silos at the deep-water harbor of Pt Lincoln⁵.

Grain producers have also lost out in the privatisation of the Australian Wheat Board to Canadian giant Agrium in 2010, and of the Australian Barley Board by Canadian giant Viterro in 2009. In both cases, Australian farmers lost government-owned “single desk” purchasing, storage and marketing support for dependency upon foreign-owned profiteers⁶.

Dairy farmers, another component of the small business end of the agricultural ownership spectrum, have faced the squeeze from dairy processors, two of the three main ones being Canadian-owned Saputo (Devondale, Cheer, Cracker Barrel and other brands), and New Zealand-owned Fonterra (Western Star and other brands). They keep Australian farmers in ongoing uncertainty about prices for milk⁷.

The ABS data shows that there is a potential for the emergence of a coherent national bourgeoisie within the agricultural sector, yet it is likely to be fragmented by the overwhelming representation of small businesses who are not major contributors to export income.

³ [Characteristics of Businesses in Selected Growth Sectors, Australia, 2013-14 financial year | Australian Bureau of Statistics \(abs.gov.au\)](http://www.abs.gov.au)

⁴ [Vanguard: Eyre Peninsula: Grain Transport Off the Rails \(vanguard-cpaml.blogspot.com\)](http://vanguard-cpaml.blogspot.com)

⁵ [Vanguard: Eyre Peninsula: Grain Transport Off the Rails \(vanguard-cpaml.blogspot.com\)](http://vanguard-cpaml.blogspot.com)

⁶ [Vanguard: Bring the Australian Wheat Board back under the control of the government! \(vanguard-cpaml.blogspot.com\)](http://vanguard-cpaml.blogspot.com)

⁷ [Vanguard - Communist Party of Australia Marxist Leninist \(cpaml.org\)](http://cpaml.org)



The experiences of regional communities in conflict with foreign capital show that the potential to build unity around a demand for independence from foreign monopoly dictate certainly exists. However, it is the working class, largely based in urban cities, that must create the framework around which unity with the incipient agricultural national bourgeoisie can be built.

Death of Australian manufacturing

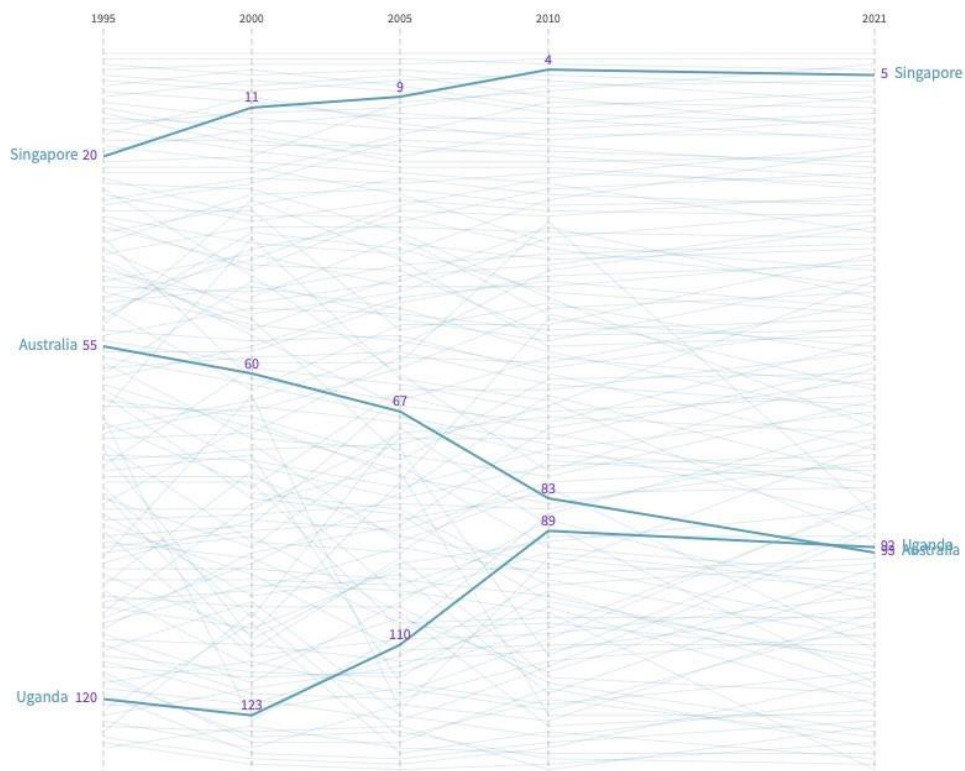
Imperialist finance capital has all but destroyed Australian manufacturing where the social basis for a national bourgeoisie, aware of itself as a class and forced to take a stand against multinational competitors, has been stronger than in agriculture.

Imperialism is not interested in helping Australian capitalists to maintain costly fixed capital assets (factories and the materials and equipment used to run them). The extractive industries are only required to be fed into value-adding processes located in the imperialist heartlands, or in countries where the imperialists can exploit much cheaper variable capital (wages).

That is why we have not seen since Whitlam’s time any Australian government taking measures to expand and protect Australian-owned manufacturing industries. And as for the few billionaire Australian capitalists involved in mining, their rewards from the sale of Australian natural resources to foreign markets have kept them from seeking to diversify into value-adding processes.

A measure of the carpet that has been pulled out from under the feet of Australian manufacturing capitalists is the decline in the Australian Economic Complexity Index (ECI)⁸. Countries improve their ECI by increasing the number and complexity of the products they successfully export and, conversely fall in the country ratings by losing the scope and variety of products created for export.

Since 1995, Australia has fallen from a relatively middle ranking, at 55th, to being just below Uganda in 2021 at 93rd (Uganda has risen over the same period from 120th to 92nd). A graph prepared by former Senator Rex Patrick illustrates the Australian decline:



⁸ For an interactive graph of each country’s ranking, see: [The Atlas of Economic Complexity \(harvard.edu\)](https://atlas.harvard.edu/)



The destruction of conventional manufacturing (eg the car industry) is well-known, but the government has tried to convince us that the future for Australian business lies in advanced manufacturing, that is, manufacturing using computerisation, robotics, machine learning and other examples of Artificial Intelligence (AI). Both Liberal and Labor governments profess to support advanced manufacturing in the “defence” (war) industries and to have the objective of building Australia as an arms exporter. We will look at this sector later.

The same ABS survey of businesses in selected growth areas cited earlier, shows that in advanced manufacturing, 92% of businesses were wholly Australian owned. Businesses with 0-4 persons employed were more than twice as likely to be wholly Australian owned (96%) than businesses with 200 or more persons employed, and the latter were the most likely to report greater than 50% foreign ownership (57%).

Like agriculture, if this sector is seen as a pyramid, it has an extremely broad base of very small locally owned enterprises, and a very small apex of predominantly large overseas-owned industries.

The same structure, with minor variations, is found in the other growth areas of this ABS study – mining equipment, technology and services; oil, gas and energy resources; and medical technologies and pharmaceuticals.

The ABS defines a small business (excluding agriculture) as having less than 20 employees. Those with 0-4 employees mentioned above, are very small businesses indeed. Medium-sized industries are those with 20-199 employees. Together these Small and Medium-Sized Enterprises (SMEs) account for 99.8% of all businesses in Australia⁹. Sole traders with no employees account for 62.8 per cent of all businesses. Micro businesses, which employ 1 to

4 employees, account for an additional 25.7 per cent of all businesses. The remainder in the small business category (with 5 to 19 people) account for 8.9 per cent of all businesses¹⁰.

Marx long ago observed that under the laws of capitalist production, up to and including “the entanglement of all peoples in the net of the world market, and with this, the international character of the capitalistic regime”, “one capitalist kills many” capitalists and that “this expropriation of many capitalists by few, develop, on an ever-extending scale”¹¹. Businesses in the Australian SME category are constantly faced with the problems of dependency on overseas supply chains, securing and increasing a customer base, and diversifying their source of funding, including changing to non-bank funding. However, these three problems of supply chains, customers and funding see SMEs in general at a real disadvantage in competition with larger overseas-owned businesses, and make them vulnerable to being “killed” by takeover and bankruptcy.

Thus, not only in agriculture, but also more widely throughout industry, there is a numerical predominance of petty-bourgeois and national bourgeois classes, but the obstacles to the emergence of the latter as a class-conscious social group with its own clearly defined agendas is yet to occur.

Australia – exporter to the masters of war

For some time now, the “defence”/war industry has seen Australian capitalists enthusiastically align themselves with the US-Australia Stranglehold. Lucrative government contracts have been awarded to Australian companies who have coupled their operations to the imperialist war machine. Examples include Gilmour Space Technologies, a Queensland company with 200 employees manufacturing an orbital launch

⁹ See: [SME Definition: What Is an SME in Australia? | Moula Good To Grow](#)

¹⁰ Ibid.

¹¹ See: [Economic Manuscripts: Capital Vol. I - Chapter Thirty Two \(marxists.org\)](#)



vehicle for its Eris rockets¹². It includes Queensland’s Black Sky Aerospace, the first Australian company to locally produce ammonium perchlorate, a chemical that makes up about 70 percent of most rocket and missile fuel. Together with US Raytheon it will benefit from the \$2.5 billion over the next two years that Defence Minister Richar Marles has earmarked for the production of missiles in Australia¹³. It includes NIOA, a munitions manufacturer owned by the family of politician Bob Katter’s son-in-law, Robert Nioa. It supplies arms and ammunition to the sporting, law enforcement and military markets, including artillery ammunition. It has a partnership with Black Sky Aerospace to participate in the development of guided missiles.

Everything was going swimmingly for this sector of the national bourgeoisie until the US decided that its own companies should be the recipients of Australian government funding. The tide changed with the release of the government’s Defence Strategic Review (DSR) pushed by the dominant pro-US faction within the Defence Department. It called a halt to a number of Australian business projects, threw many more into uncertainty, and clearly indicated that US manufacturers would be advantaged over Australian businesses.

Under the SDR, Defence will scrap more than 300 Australian-built Infantry Fighting Vehicles; 45 Australian-built Self Propelled Howitzers and resupply vehicles – a loss of about \$15 billion to local industry – but will go ahead and spend \$4 billion on 30-year old U.S. main battle tanks with zero Australian content.

The peak bodies for Australian businesses in the “defence”/war industry, clearly lost out in the SDR.

The head of the Defence Teaming Centre, Tim Dore, said “...there are numerous businesses who

have lost out on work and who have lost hundreds of thousands of dollars in investments they had made to upskill their workforce and equipment based on Defence’s previous requirements, only to see the Government’s direction once again change... speaking with our members, we know that the DSR announcement may result in many established and mature small to medium enterprises choosing to either reduce their involvement or exit the Defence sector entirely, because it is no longer financially viable and less attractive to other buoyant sectors.”

The Australian Industry and Defence Network was also critical of the switch by the government to prioritise US industry.

Without the proper guidance from Government, Defence will be able to use the argument of speed-to-capability to avoid the use of Australian Industry...

Allowing Internationally owned large Defence contractors the ability to provide advice to Defence on ‘speed to capability’ without due regard or requirement for work to be transferred to Australian Industry, means that these overseas companies will simply use the ‘speed to capability’ mantra to employ their existing overseas supply chain. And there will be no development, enhancement or creation of an Australian Indigenous sovereign industrial capability, a capability our nation requires in order to achieve national strategic resilience...

The creation of Australian capability allows us as a nation to be independent, sovereign and resilient. It also could and should provide a secondary manufacturing and supply capability for our strategic partners.

If Australia is to achieve a truly sovereign industrial base, then the Australian Defence Industry must be designed into every aspect

¹² [Prime Minister tours Eris rocket facility at Gilmour Space Technologies - APDR \(asiapacificdefencereporter.com\)](http://asiapacificdefencereporter.com)

¹³ [Black Sky Aerospace to produce ammonium perchlorate in Australia for missiles - APDR \(asiapacificdefencereporter.com\)](http://asiapacificdefencereporter.com)



of these programs. If the intent is simply to acquire capability from foreign owned overseas industries, then our nation will have fallen short of what we need to create with our Industry.

Australian Industry is simply too important to be left to the whims of foreign owned multinational companies, AIDN would argue that now is the time for our Government to mandate requirements into all of these programs so that foreign entities understand what they must do in order to secure these opportunities.¹⁴

The SDR also announced that retired US Navy Admiral William Hilarides had been appointed to a \$7000 a day role to review the Australian Navy's surface vessel fleet to ensure it "complements" the new AUKUS nuclear-powered submarines¹⁵.

So, the one area in which the incipient national bourgeoisie felt it had secured a future – as an adjunct to US war preparations – has turned out to be a lost opportunity thanks to the Albanese-Wong-Marles triumvirate of US cheerleaders in the federal government.

It is not surprising then, that advocates of Australian sovereignty within the "defence"/war community, are becoming more outspoken. Kym Bermann, editor of the Asia Pacific Defence Reporter, an online compendium of everything capable of being reported about military contracts, joint military exercises and analysis of weapons capabilities, has released a series of podcasts in which he criticises the dominant influence of the US over our politicians. In Podcast 5, he recalls a disturbing conversation with an unnamed retired US Navy Admiral:

So, let's look at the basic rationale. It would only make sense for the US to transfer Virginia class submarines to Australia if the US was convinced that the practical effect

were was pretty much the same as leaving them in USN service – there's no point in transferring assets to Australia that diminished their own capacity. History suggests that the US has a pretty valid reason for thinking that way for reasons because Australia has acted in lock-step, and here I'm going to tell or reveal the details of a conversation with a retired US Admiral in 2015. It was horrifying then and just as horrifying now.

Now, this occurred with a couple of other journalists, I'm not in need of making it up. This conversation didn't happen in Australia; I'm not going to identify this guy's final position because you will be able to work out quickly who it was, and I still have to be a little bit cautious about the topic, and certainly don't want to generate unintended offence.

Anyway, at a fairly late point in quite a convivial dinner when we were talking about Australia's future submarine needs, and the capacity of the United States and all the rest of it, he was feeling pretty relaxed, and by the way, there was no alcohol involved, well not for him but there was for us – he just stuck with his mineral water – and at a certain point, when he was relaxed enough, he said, turning to us, he said "Look, in Washington, what we really love about you Aussies, we don't even need to give you an excuse. With everyone else, with the Canadians, the British, we've got to give them a reason why they should come into a conflict alongside us. With you, it doesn't matter. We know that no matter what, you're just going to be there."

As I say, I was horrified then. This, he was a very well-meaning fellow. He obviously meant this as a great compliment. I took it

¹⁴ [Industry reacts to Defence Strategic Review - APDR \(asiapacificdefencereporter.com\)](#)

¹⁵ [Retired US admiral who has previously advised Australia on shipbuilding to lead fresh review of navy's warship fleet - ABC News](#)



the other way, and I would imagine that most listeners would see it in the way that I did as well.

Bergmann then goes on to present a scenario of how the US controls the policies of Australian governments:

What sort of reputation do we have in the corridors of power in Washington that senior people believe they don't even need to give us an excuse, that they can count on us no matter what. It was like they see us as mildly retarded children who have to be encouraged and jollied along and given a bit of assistance but no matter what they do, what conflict they are involved in, we are going to be there.

Let's consider for a moment that the US is involved in a conflict and that there is some push-back, unlikely as that is, from the government of the day, and the US President picks up the phone to the Australian Prime Minister and says, "Listen, we want your submarines, your nuclear-powered submarines, that we have supplied to you, to be under the command of the United States because you are either with us or against us on this, and your Navy has assured us that 'We will do what you say'". If the Australian Prime Minister pushed back and said "Well, hang on. The Navy doesn't speak for the government. The government decides and we're really not sure this is in the national interest."

Can you imagine what the next step would be? The President would say, "OK, let me tell you exactly what's going to happen if you continue to sit on the fence. First of all, AUKUS is going to be scrapped, straight away, so within one or two years, your submarines, your nuclear-powered submarines will be completely useless, because we are not going to provide any spare parts for them, and we're not going to provide any technical assistance. Any

American citizens who are crewing them are coming back home.

"Secondly, with your AEGIS systems on the surface ships. Same formula, there will be no support, there will be no software upgrades, no nothing. Your F-35s, forget about them as well. They might fly for a year or two and still be effective, but in the longer term, they'll be sitting on the tarmac. Missiles? No resupply because guess what, you are being too stupid and too lazy to develop your own sources of supply over the last 30 years and so now, you are going to pay the consequences of that. But let me go on. The free trade agreement that we have? Scrapped. The Australian banking system? Sanctioned. The ALP will be declared a terrorist organisation, and I am going to personally sanction you and members of your family. I'm personally going to sanction every Cabinet Minister and every member of their families. What I am going to do is I am going to take the Australian economy back to the 1920s and leave your military so weak and vulnerable that you could be conquered by Thailand. So, what do you have to say about that?"

Now, clearly, any Australian Prime Minister put in that position would just buckle immediately.¹⁶

Bergmann clearly understands how the US exercises its power to control its subordinate regional allies. It is almost a textbook presentation of the definition of imperial power offered by Clinton Fernandes:

Being an imperial power means exerting a controlling influence on other countries' sovereignty. Control can be achieved without conquering colonies or directly ruling foreign lands. It can be established through economic, social or cultural dependence, political collaboration between both countries' elites, the threat or use of military force, *coups d'etat*,

¹⁶ Transcribed from here: [Episode 5 - Asia Pacific Defence Reporter | Acast](#)



intelligence operations, trade agreements and investment treaties. Today the United States sits at the apex of a hierarchically structured imperial system.¹⁷

Of course, it is advocacy from the standpoint of Australian capitalism. It is not a proletarian advocacy, according to which Australian sovereignty requires a socialist state power for its creation and maintenance.

Nevertheless, the clarity of Bergmann's views, and the criticisms of the government's service to US imperialism's economy at the expense of Australian industry, require that Communists develop tactics that can take advantage of national bourgeois contradictions with US imperialism. The national bourgeoisie is a vacillating class, throwing in its lot with US imperialism when there is a dollar to be made, and then complaining and criticising when the promised pot of gold ends up in US hands. The experience of national bourgeois within the "defence"/war economy illustrates this vacillation.

In 2022, a survey on the US-Australia "alliance" was conducted by the United States Study Centre and others for the Department of Defence. Its findings are fairly predictable, but also a bit more nuanced than simple binary for/against, and provide food for thought on how Communists might refine their tactics so as to grow the genuine anti-imperialist movement.

Of 232 participants in the survey and discussion groups, 30% are described as "full supporters" with no concerns about what the "alliance" means; 33% are described as "reserved supporters" with concerns about Australian independence and sovereignty; 23% are described as "sceptics" who are not convinced that the Alliance, in its current form, is necessarily benefiting Australia's security and would like to

see significant change; and 8% are described as "opponents".

Our political work and activism should aim to isolate the full supporters by challenging their faith in the "alliance", and then try to shift those who can be shifted into the category of reserved supporters; within the latter group, we should make more of an issue of independence and sovereignty so that some change from being supporters to sceptics; and turn the doubts and misgivings of the sceptics into opposition. This also requires knowing who our audience is and how to conduct our mass work so that the audience is firstly, likely to be receptive to our arguments, and secondly, likely to be persuaded to move in a more leftward understanding of the contradictions we are encouraging them to recognise and resolve.

Other findings from the survey are that "the phrase 'rules-based order' does not resonate"; neither does reference to "shared values"; the prospect of US losing its "democratic" commitment under, for example a second Trump presidency, is a concern for many. These are also pointers to mass work.

We gave to the title of this essay the question faced by Shakespeare's Hamlet, "To be, or not to be", meaning to die or to live. We have described the national bourgeoisie as an element within the Australian class structure, but one which is mainly found in small and medium-sized enterprises, preoccupied with survival in the face of various threats to growth, and without any clear consciousness of its own independent interests as a class. Until it gains that consciousness, it cannot be said to be capable of "being", of existing, as a class acting with purpose and in its own interests.

There is no guarantee that the national bourgeoisie, even if it develops that

¹⁷ Clinton Fernandes *Sub-Imperial Power: Australia in the International Arena*, Melbourne University Press, 2022, p. 3



consciousness, will take on an anti-imperialist role: it will continually be driven by its own momentary interests, sometimes siding with the imperialists and sometimes struggling against them.

Our strategy must be flexible enough to promote unity with the national bourgeoisie if and when they adopt a progressive, anti-imperialist perspective. The question of “Who are our enemies, who are our friends” will guide us in this.

Fundamentally, our task is to build proletarian leadership over the issues of Australian sovereignty and national independence, and that requires building the sentiment for socialism among the working people. It means firmly adhering to the task of refining and developing the independent agenda of the working class, elevating it above the agendas of other classes, and winning both immediate and long-term struggles for the working class.

As for the Australian capitalists, they can either be carried forward by the working class, or swept aside by it. The choice will be theirs.

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The Housing Crisis: Lessons from History

by A Study Group

While a spotlight has recently been focussed on affordable housing and the scarcity of accommodation in Australia this has always been an issue for a significant number of people, particularly those in the working class and those on lower incomes. Capitalism views property and housing as an investment opportunity rather than a universal right and because of this, treats access to secure, decent accommodation for all, as a secondary consideration.

In 1872 Frederick Engels addressed this issue in “The Housing Question” with a specific focus on the late industrialisation of Germany. He wrote:

In reality the bourgeoisie has only one method of settling the housing question after its fashion -- that is to say, of settling it in such a way that the solution continually poses the question anew.

Understanding the fundamentals of capitalism, based on private ownership of the means of production and exploitation of those producing surplus value and wealth through the sale of their labour power, enables an understanding of the issue of housing and accommodation and the true nature of solutions within capitalism. Policies and approaches adopted within capitalism demonstrate the primary consideration of ensuring support for private ownership and profit. Within any particular country there will be common features throughout the history of capitalism as well as issues specific to the conditions that prevail at a particular time.

Frederick Engels’ work enables an identification of the common features referred to above as well as the need to be clear about the specific circumstances of the current situation in Australia.

Engels talks about the impact on housing in countries involved in later industrialisation in the 19th century. The movement from small scale and more labour intensive manufacturing to industrialisation resulted in massive infrastructure changes that saw traditional working class dwellings destroyed to make way for industry infrastructure support such as buildings, wide roads and railways. This exacerbated the housing problem as those previously involved in local domestic production and agriculture were driven by necessity into these cities for work.

Engels’ coverage of housing is in the context of international developments and trade and relating these developments to the specific conditions of the country being analysed; in his case Germany. He is dealing with a situation where Germany was a relatively late comer to industrialisation and in contrast to countries with more advanced industrialisation, the provision of accommodation served the interests of the ruling class. This was enabled by low wages supplemented by some level of personal needs being provided for workers through a form of cottage industry and a subsistence level of agriculture. This enabled Germany’s involvement and a degree of success in international trade.

Engels’ analysis is based on the solid foundation of economic theory and understanding of the fundamental social nature of economics. He uses this knowledge as a basis for analysing and explaining the particular circumstances he is dealing with. This includes refuting existing pseudo-socialist and pseudo-scientific explanations by those arguing for a return to the past (feudalism) where many working people had some form of secure accommodation. As Engels points out this was in a pre-capitalist era and where a mobile proletariat didn’t exist. This also



meant the possibility of the development of socialism was not possible at that time.

Post-war Australia

To understand the current situation regarding housing and accommodation in Australia, it is necessary to analyse the specific history of developments since WW2. This involves a focus on the changes that have occurred, particularly within the later part of this period from the 1980's to the current day with the consolidation of globalisation and the establishment of Australia as one of the "developed" countries.

In 1944, just prior to the end of WW2, 44 nations met from July 1st to 22nd in Bretton Woods, New Hampshire, to establish a set of rules relating to trade and the international monetary system. This meeting was focussed on enabling an "open" world trading and financial system centred on US requirements. The International Monetary Fund (IMF) was a result of this meeting.

A major focus of the US was the regeneration of the economies of countries within the context of the US having open access to and control of their developments and trade. It was towards the end of the era of colonialism as the primary form of relationship between the major powers and subjugated colonies. This regeneration involved the adoption and implementation of Keynesian economics and associated policies for a period of 3-4 decades within the developed economies. There were two very important positive features of Keynesian economics for the ruling class. It enabled the economic regeneration referred to while providing an ideological tool for combatting the growing prestige of the Soviet Union and the influence of socialism and communism.

During the early phases of this international transformation through to the 1970's, Australia still had a significant and growing centralised manufacturing base. Immigration from some European countries was seen as an important part of the solution to the lack of necessary labour compounded by the loss of life during WW2. Immigration policies were adopted that

saw the cities providing the necessary accommodation through, what at the time was relatively cheap and more dense housing and apartment buildings. The areas within which this occurred were essentially working class and in some cases became defined as "slums"; no doubt due to the low income of those involved and the lack of focus on amenities and other support for these parts of the city. Many of these areas were, at a later period, transformed through societal changes. For example, the gentrification of the inner city areas. (Covered later in this article).

Keynesian economics was a case of borrowing from the anticipated wealth of the future to fund the capacity to produce that future. (In a sense this is a general, fundamental aspect of taking financial capital and investing it in industrial capital in order to realise future surplus value and profit). This was implemented on a massive scale and involved a very substantial increase in both company and personal income tax that had been in the 20 to low 30 percent through the 19th and early 20th century. In this country, income tax was levied by the States until 1942, when the requirements of financing Australia's part in the War against Fascism saw a transfer of power to tax incomes to the Commonwealth government. Australia's individual income tax schedule is progressive, with a high tax-free threshold followed by increasing tax rates at subsequent thresholds. This means, in theory, that the largest amounts of income tax are paid by high income individuals; in practice, an entire industry is based around minimising the taxes paid by the wealthy. Tax rates in the western developed capitalist countries went into the 70, 80 and 90 percent range. For example, in Australia in 1960 the top marginal tax rate was 91% on a single income over \$200,000 or \$400,000 for a married couple (approximately \$1.5m and \$3m in today's terms). On top of this, government debt increased substantially.

[A significant feature of this post-war period was the increasing investment in the military within the US on a scale previously unseen in history. It was a means by which the US ensured its



international dominance through implied and real threat against the non-compliant].

As stated previously, the process of capitalist “regeneration”, driven by the controlling influence of the US over the three to four decades after WW2 saw economic transformation on a global scale. This transformation laid the foundation for the movement of wealth-creating activities such as manufacturing into the developing countries, supported by the development of a professional elite (the growing middle class) in the developed world. The result of this transformation is articulated in Clinton Fernandes’ book, “*Sub-Imperial Power*” when he states “These investors operate in a world of global value chains (GVC’s) in which the headquarters and design and engineering departments are established in one country, and the finance and sales departments in yet another country.”

Competition between the States for investments in manufacturing industries prior to World War 2 took the form, in part, of attempts to provide workers with low-rental accommodation. This was promoted as much by conservative state governments as it was by Labor social-democrats. For example, South Australia’s Liberal and Country League government created the SA Housing Trust (SAHT) in 1936 as a means of keeping labour costs below those in NSW and Victoria for those investors willing to move to SA. Whole suburbs (and even towns such as Elizabeth, built around the GMH plant) were created by this public authority. Neo-liberalism effectively curtailed this role of the SAHT in the 1980s, and there has been an aggressive sell-off of SAHT houses in favour of private developers who practice urban “in-fill” or replacement of SAHT houses on quarter acre blocks with two and three private residences jammed tightly together. In this way, devaluation of public housing stock by inadequate maintenance and improvements means making it an extremely profitable source of private development. Workers lose their sense of community and are forced into outer suburbs or regional centres.

Other policies supporting such things as free health, and free public education were promoted in developed capitalist countries (e.g., the Whitlam era in Australia in the early to mid-1970s). This all took place within capitalism and enabled the development of globalisation as a more developed form of capitalism and imperialism, and the introduction of economic rationalism and neo-liberalism from the 80s onwards. This led to deregulation and so called free trade agreements. In other words, the early decades post WW2 with free education, free health services, home ownership and available accommodation were associated with the growing middle class within the developed countries and enabled the necessary intellectual skills and resources to facilitate this global development.

The result was substantial rationalisation and efficiency gains (see Piketty “*Ideology and Capitalism*”). The increase in productivity during this period of global transformation has not been matched since which belies the propaganda around the introduction of economic rationalism and neo-liberalism over recent decades.

The era of globalisation has resulted in three important outcomes:

- 1.the lowering of company taxes and personal income tax of the wealthy
- 2.the removal of “progressive” social policies with an increasing emphasis on user pays
- 3.the privatisation of public assets

This accelerates the growing inequitable distribution of wealth, increased poverty and the specific nature of the current associated housing crisis.

To give some idea of the changing nature of the Australian workforce over the period being considered, in the 1960’s manufacturing contributed 25% of Australia’s GDP, while according to World Bank data it is currently 5-6%. In 2013, the *Australian* newspaper (26-Sep) reported that for every blue collar job added to the economy at that time, there were four white collar jobs. The changing nature of the workforce



in Australia has seen the development of a substantial middle class, a significant section of which is on higher incomes. This has been coupled with the promotion of property as an investment and reinforced through policies such as favourable capital gains concessions and negative gearing on rental properties.

There are two very significant outcomes from this development in relation to the issue of housing and the current economic situation of increasing inflation and interest rates.

Class, Location, Age factors

The first significant outcome concerns the class position of those investing. In 2013 the broad composition of the Australian workforce, according to the *Australian* newspaper, saw 31% as blue-collar and 69% white-collar. These categories were defined in the following manner: “Blue collar jobs are largely held by labourers, tradies, machine operators and technicians. White-collar jobs include but are not restricted to managers, professionals, sales, clerical and administrative workers”. There are obvious problems with this classification. For example, are shop assistants and café workers defined as white-collar? However, it does give some idea of the composition of the workforce.

[Note: The definitions used above are inadequate with regard to class definitions. A person’s class position is primarily defined by the role they play in the production of surplus value. However, the class that an individual subjectively identifies with may not coincide with their objective and actual class position.]

The professional classes are generally well paid and (apart from the capitalist class as evidenced through the billions invested in housing through Venture Capital) have been the primary beneficiaries of the favourable investment opportunities in housing. It should be noted that within the broad group of property investors, the impact of inflated prices, wage stagnation and increasing inflation is having a far more negative impact on some than others. An article in *The Age* on the 17-Sep-2022 pointed out that those



The fate of many under capitalism

downsizing or upsizing are less affected. These people already have an investment in property and hence don’t have to borrow the same proportion of money as first home buyers. Basically, this is common sense and reinforces the fact that within capitalism, property and accommodation are investments and potential private wealth generators, whereas under socialism they would be collectively owned and available to meet social needs.

In *The Age* (22-Sep-22) Margot Seville points out that “According to the Australian Bureau of Statistics, the richest 20 per cent of Australians now own 63 per cent of total household wealth, with the lowest quintile (ie 20 per cent) owning less than 1 per cent”. She also addresses the fact that lack of housing affordability is a significant problem for younger people and that the accompanying growing inequality in the distribution of wealth has the potential to lead to massive social unrest. The article also points out that the more sought after areas are forcing people away from the areas where they work.

This is particularly relevant to an earlier comment that pointed to the establishment of cheap accommodation for the working class in the 1950s and the subsequent “gentrification” of many of these areas by the growing middle class and their work opportunities during the 70s to the current time. As pointed out by Matt Wade (*Cities Collared by Common Crisis – The Age* 19th



October 2022) “In Sydney, professionals and managers now account for 45 per cent of workers (up from 37 per cent in 2006), while in Melbourne, that has reached 41 per cent (up from 35 per cent in 2006). The share of “community and personal service workers” has also climbed in both cities over the past 15 years”. And “These powerful labour markets trends have affected Melbourne and Sydney well beyond the workplace. The boom in knowledge-based industries has created high-paying jobs, which tend to cluster near employment hubs, especially the central business district. This has had a big effect on property prices.”

When looking at the composition of suburbs in the cities, the relative proportion of white and blue collar workers varies considerably from one location to another. Income is a significant factor in determining where one chooses to live, with those on lower incomes being relegated to the less preferred locations. The issue of choice of location also affects the rural areas. In Australia (as compared with the situation dealt with by Engels in 19th century Europe) we have a degree of decentralisation of work through the rapid expansion of information technology (with the apparent acceleration through Covid). This is made more possible in a country that has decreased its manufacturing significantly over the last 3-5 decades and has a substantial base in the finance and service industries. House prices and rents in the regional areas have rapidly increased, putting readily accessible, close to work accommodation beyond many workers.

A further group negatively affected is first home buyers. Elizabeth Redmon points out in *The Age* (17-Sep-2022) that “The value of new loans to first home buyers fell 15.8 per cent between April, the last month of the rock-bottom cash rate, and in July, the latest month for which official figures are available, CoreLogic analysis found. This compared with a 5.8 per cent fall in lending to subsequent buyers, which includes upgraders, downsizers and other movers. The value of loans to investors also fell, down 16.1 per cent in July.”

Even though property values are falling sharply, reflecting the inherent boom and bust cycles of capitalism, many houses and rentals are still beyond the means of working class families juggling the cost of living, squeezed between low wages and savage inflation. So much for “the market” solving the supply and demand issues of capitalist society!

Hovering above all this are the banks. Quick to jack up interest rates, fees and insurance premiums, they further protect their profits by tightening loan approval conditions and reducing the amounts available to borrowers.

To return to Engels, he makes the point that housing became a significant issue because it was not only impacting the working class but also the petty bourgeoisie. Engels points out that in places where there is centralised large scale industry, the idea of the individual worker owning their own residence was in some instances put into effect (the issue of mobility of the worker no longer being such a major issue). However it is the bourgeoisie themselves who often initiated this process. Apart from the fact that this enabled them to place extortionate rates on the purchases, it also served as a means of creating ambivalence in the class consciousness of the workers who became owners.

To quote Engels, these developments in the bourgeois revolutions “... created thereby a class of small landowners which has since become the most reactionary element in society and a permanent hindrance to the revolutionary movement of the urban proletariat.” Or, as he quotes from the Spanish newspaper, *La Emancipation*, of Madrid, of March 16, 1872, “The cleverest leaders of the ruling class have always directed their efforts towards increasing the number of small property owners in order to build an army for themselves against the proletariat”.

When referring to the middle class in Australia, many of those investing in property can be classified as petty bourgeois. A significant section of this group has multiple investments from



which they generate wealth either through a “swindling” process of commodity exchange (i.e. the buying and selling of housing on terms that suit the seller) or sub-letting and renting.

This is a major consideration in Australia, where home ownership has been promoted as a “right” and this has been reinforced with the supporting investment opportunities provided by both Liberal and Labor governments. The change in the relative composition of home ownership and renting reinforces the impact on people’s ability to adopt a critical, objective understanding of capitalism. It does create a separation between those who can’t afford a home and those who can and this assists in the divide and rule strategy of the ruling class.

The relative proportion of those who own their residence is declining and this is potentially a development that will have an influence on the ability to divide and rule. In *The Age* 21-Sep-2022 Ross Gittins provides the following information: “In a major speech last week, the Grattan Institute’s Brendan Coates said “home ownership rates are falling fast, especially among the young and poor. Over the 40 years to 2021, home ownership rates among 25- to 34-year-olds fell from more than 60 per cent to 40 per cent. Among the lowest-paid 40 per cent of that age group, it had more than halved, from 67 per cent to 28 per cent... Last year’s census shows we’ve started seeing accelerating declines among middle-income households too, with noticeable falls in home ownership at all age levels, including older middle-income households. The proportion of people who reach retirement never having been able to afford a home is increasing, as is the proportion of home owners with unpaid home loans”.

**Low wages, higher costs:
Affordable housing out of reach!**

The second outcome is the availability and up until recently the increasing cost of housing and accommodation.

As Engels points out, no surplus value is added in commodity transactions as is the case with

existing property and housing, as distinct from the construction and maintenance processes which do add value. He demonstrates that the increasing over-pricing of property (particularly in certain locations) is based on swindling as a fundamental aspect of the distribution of surplus value and associated wealth amongst sections of capitalists. “The distribution of this surplus value, produced by the working class and taken from it without payment, among the non-working classes proceeds amid extremely edifying squabbles and mutual swindling. In so far as this distribution takes place by means of buying and selling, one of its chief methods is the cheating of the buyer by the seller, and in retail trade, particularly in the big towns, this has become an absolute condition of existence for the sellers.”

He points out that this is not solely a working class issue. It is not a factor in the actual production of surplus value through the extraction of more value from the labour of workers than the value of the labour power purchased. However, the swindling that does occur with the distribution of the wealth generated by surplus value in the market place of commodities has a more substantial effect on the working class when it comes to housing and accommodation. This is evident in Australia by the impact that the growing inequitable distribution of wealth is having on the working class and all those impacted by stagnant and falling real incomes.

He also points out that to the extent that accommodation (of some form) is a necessity to ensure an adequate workforce is available, adjustments have to be made, whether this is through wages or some other form of “cheaper” accommodation.

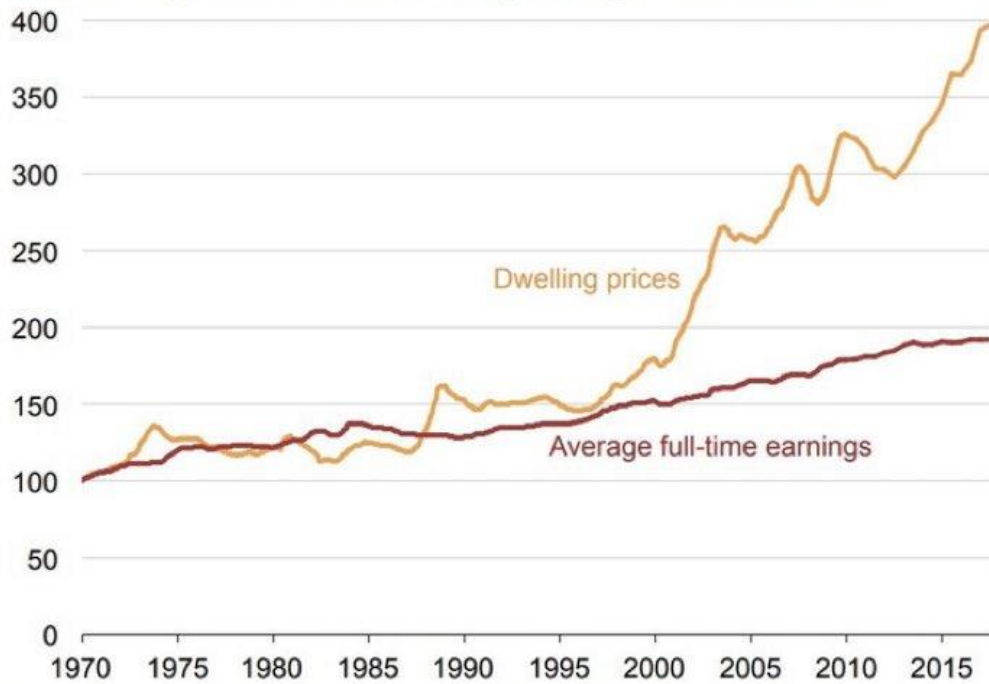
A rapid increase in property and housing prices and rent (as has occurred in Australia and among other countries) may arise in four ways:

The first is a greater proportion of the profit from surplus value (accumulated capital) being allocated to this investment relative to other areas.



House prices have grown much faster than incomes since the mid-1990s

Real dwelling prices and full-time weekly earnings, index: 1970 = 100



Notes: Data for 1970 to 2010 is from Yates (2011). Data from 2010 is six-monthly growth in the residential property price index from ABS (2017c), deflated by the CPI. Earnings data is full-time ordinary time earnings from ABS (2017d), deflated by the CPI.

Sources: Yates (2011), ABS (2017c) and ABS (2017d).

The second is an increase in overall debt within society which can occur without any significant increase in surplus value, but this is unsustainable.

The third is an overall increase in the surplus value available for investment either through an escalating proportion being acquired by the owners (e.g., stagnant or falling wages with or without increased productivity) or simply an increase in productivity.

The fourth is a combination of the first three.

In Australia (as in many developed countries) there has been an increase in surplus value and associated wealth acquired by the ruling class at the same time as wages have stagnated and declined and there appear to be relatively low increases in productivity in recent times. In an article by Ben Schneiders (*The Age* 14th

September 2022) he points out that the growing disparity in wealth and income since the 1980s has been significant: “Australia has not been this consistently unequal since the 1930s, and is now more unequal than most countries in the OECD, ranking 13th out of 38 nations.” In addition, policies have been introduced that favour property and housing investment (negative gearing and favourable capital gains tax).

Property as investment

Much of what is covered above deals with the changing nature of Australian society and its relevance to housing and accommodation. A major outcome of these changes has been the increasing focus on investment in property since the late 1980s with the return to economic rationalism (it is only new in name and is fundamental capitalist economic theory). For



capitalism, the primary focus is not the right of people to adequate accommodation. Accommodation is a secondary consideration and always within the context of treating property as an investment and source of private wealth accumulation – this is the essence of how capitalism works.

The mobility of the workforce in Australia is not as significant an issue as it was in the period dealt with by Engels. However, it is a fact that working people have to be ready to travel further or even relocate if they lose their jobs, as they have only their labour power to sell.

In Australia we now have a significant shortage of available housing, particularly in the regions that are also mainly centres of smaller scale production. At the same time we appear to be approaching full employment (with the proviso that this is intentionally defined in terms that significantly reduce the number of hours worked being included as full-time).

Solutions proposed by the ruling class and promoted through all channels of communication reflect the focus on protecting private ownership and maximising the opportunities for profit. It is essential that such proposals are understood in this light.

A question that arises here is how to deal with issues such as negative gearing and capital gains. Negative gearing was introduced by the Hawke/Keating government in 1985. It was abolished by Keating in 1986, but reintroduced two years later. One of the reasons for the reintroduction was the significant increase in rents in Sydney. This demonstrates the influence of the ruling class and the fact that if profits can't be realised in one way, they will in another.

Engels points out that in the situation he is dealing with, people such as Proudhon wanted workers to own their own accommodation and proposes that the payment of rent by the worker be converted to a redeeming payment resulting in the ownership of the residence or a component of that residence by the worker. In refuting Proudhon, Engels points out that such a

change is inconsistent with the fundamental nature of capitalism.

Again, Engels is dealing with the particular circumstances within which he existed but the fundamentals in terms of the role of workers within capitalism and the relevance of housing and accommodation within this system still apply. In a sense, negative gearing and capital gains, while not of the same magnitude as rent, raise a similar issue. Their removal or modification does not fundamentally change the nature of capitalism. In one sense it simply redirects investment into other areas. (This is ignoring the fact it is very unlikely to happen).

While the building industry is seeing companies experiencing difficulty and going to the wall, the opportunity for this industry into the future still appears significant given the need to find some form of accommodation for both local and immigrant labour. In order to address the apparent shortage of workers, immigration numbers are being increased by around 20% which will exacerbate the housing problem. The building industry will have the opportunity to capitalise on this through policies and programs of the existing governments.

An example of this is the proposal put to the Property Council eight months ago by the Andrews government in Victoria to pay for affordable housing through a levy on developers. This was initially rejected but a group is now lobbying for more low-cost homes with the Property Council suggesting they might agree to foot some of the bill. This is no doubt influenced by the changing nature of the economic situation and a declining opportunity for the more profitable housing activity. As quoted in *The Age* newspaper (05-Oct-2022, "Property Council calls for fresh look at affordable housing scheme" by Cara Waters), "Cath Evans, the council's interim Victorian executive director said "Our sector is very open to having another conversation about a contribution scheme"."

As reported by *The Age*, "The initial scheme would have forced developers to hand over 1.75



per cent of the expected value of all newly built major developments, making about \$800 million annually to pay for an extra 1700 social and affordable homes. In exchange, the industry was offered reduced red tape to speed up planning approvals and boost profits”. It is the issue of reduced red tape that is important for the developers with their focus on maximising profits. This opens the possibility of providing sub-standard housing and doing so in areas unsuitable for development such as flood plains and areas impacted by climate change. Again it is the lower percentile earners, including the working class, who will be expected to acquire such accommodation.

As Engels points out at the time of writing, there were those proposing that the state should introduce requirements to ensure high building standards are maintained. In many instances such legislation and requirements were introduced but had very little relevance in practice. To quote Engels: “It is perfectly clear that the state as it exists today is neither able nor willing to do anything to remedy the housing calamity. The state is nothing but the organized collective power of the possessing classes, the landowners and the capitalists, as against the exploited classes.”

In returning to the issue of an increase in immigration, there will be a requirement to address the accommodation issue in the more remote areas. In Australia a major generation of wealth is through the extraction and export of primary produce, mining and agriculture. These industries are becoming less labour intensive through automation and in the case of mining, are largely restricted to specific locations where the companies are obliged to provide the necessary accommodation for workers. As Engels points out, “It is obvious that every capitalist who is tied down to a particular rural locality by the conditions of his industry – water, power, the location of coal mines, iron-ore deposits and other mines, etc. -- must build dwellings for his workers if none are available.”

Capitalism has no answers

The above provides an overview of developments from WW2 leading to the current housing and accommodation crisis in Australia. Solutions to this crisis are being promoted on a regular basis and it is vital that they are analysed and understood in terms of the ruling classes’ need to address this issue in the context of ensuring ongoing profits and exploitation of working people.



Housing emergency rally – A 19 March 2023 housing emergency rally held in Adelaide by the Anti-Poverty Network



These might include government policies to support home ownership, and also the preference for PPPs and social bond investments (as form of private philanthropy) alongside private developers rather than direct government financing as per the SA Housing Trust model.

There is also the demand put forward by groups such as the Anti-Poverty Network SA at a Parliament House rally on Friday Dec 16 for, amongst other things, ending “no fault evictions”. State Labor Consumer Affairs Minister Andrea Michaels responded by saying “We want to see more landlords in the system without sacrificing the rights of tenants, with a stronger framework that ensures there are safeguards for both tenants and landlords, while making residential properties an attractive form of investment.” So much for Labor!

Maybe there should be some reference to the increasing financialisation of the housing market which pretty much exclusively works for finance

capital. New financial instruments appeared in the 70s and 80s, such as Collateralised Debt Obligations (CDOs) and in the US, sub-prime mortgages. We know where that ended up!

Engels was clear that private home ownership was not a socialist solution and should not be the aim of social-democratic “reforms” such as the current federal Labor government’s housing policies. It is a means of tying workers to lifetime mortgage burdens under which they fear that industrial action may hamper their ability to keep up payments.

A balance will have to be struck between demands that could be, and are, part of an immediate program such as our Fighting Program’s demand “Fund affordable, secure and decent housing for all”, and our maximum position, which is to abolish private ownership and transform the whole of the productive social classes, led by the proletariat, into collective owners.

Engels was clear that private home ownership was not a socialist solution and should not be the aim of social-democratic “reforms” such as the current federal Labor government’s housing policies. It is a means of tying workers to lifetime mortgage burdens under which they fear that industrial action may hamper their ability to keep up payments.



From Half the Sky to Coloured Cardigans

by Louisa L.

Back when we were preparing for and celebrating May Day, the Capitol Theatre showcased Chinese feudalism and slavery to around 25,000 Sydneysiders. *Shen Yun* posters plastered the suburbs. A young Chinese woman swept through the air, skirt swirling, ribboned sleeves flying.

Above her the words, CHINA BEFORE COMMUNISM. And billboards proclaiming ‘1000 years of culture reborn!’

I don’t know the ins and outs of China today. But I know this. Socialist China, even as it birthed its working class culture, also nurtured China’s positive traditions: martial arts Tai Chi and Qigong; traditional Chinese medicine; its ancient poetry and painting; dance and music; legends and novels of the rebellious Monkey King, or the Outlaws of the Marsh.

The Red Detachment of Women ballet showed rifles in the hands of working class and peasant women. They leapt across the stage. No Barbie thin legs and arms. No fake smiles. For the first

time united Chinese women were powerful. New women for new China.

They, like Mao, knew women hold up half the sky.

In his day, Chinese National Peoples Congresses and Party congresses were awash with women, some in brilliant national dress of China’s 56 minority peoples. But not now. You can count female congress delegates on one or two hands among some thousands of men in suits. Early this year, all congress women wore coloured cardigans so they didn’t disappear completely.

How is this socialist? How is this women’s liberation from patriarchy? Dutton must be envious!

No wonder women particularly reject socialism if it looks like China’s “communist” party.

Rejecting shiny commodities

While China today builds its imperialist spheres of influence – pretending it’s still socialist – it benefits from socialism’s legacy. Liberated from



The Red Detachment of Women – ballet for a New China



feudalism, Chinese working women remain in leadership positions in other sectors, the economy benefits from their skilled work in every profession. Women also take part in progressive struggles.

Shen Yun presents a different big lie. Images of palaces background women in ruling class dress. Those women, and prostitutes and concubines had their feet smashed as children, bound tightly to keep their feet tiny and “beautiful”, in lifelong torture, for upper class men’s sexual pleasure.

Only peasants and working women had big “ugly” feet. Unless they were slaves, those women found in the palaces would have been executed. Beijing’s Forbidden City has metres of stone slabs, some laid vertically to ensure no rebels could tunnel inside.

Countless generations of women were enslaved and brutalised. Like men and children, millions starved and died in waves of famines, floods, droughts and wars over several thousand years of exploitation. Some sold their precious children so they might live, a bit like the “migrant workers” who see their children only at Chinese New Year, in a countryside emptied of youth.

Little wonder younger Chinese are rejecting capitalism’s shiny commodities. Seeing the crushing hours worked by parents, they want precious time more than money, and demand a shorter working week. Many disengage from society and practice what is called “lying flat”. This is likely to force Chinese capitalists to increase their overseas investments in order to extract more surplus value, bringing more exploitation for those outside China.

Rattling chains

Shen Yun tours the world. It was created to mainstream the privately owned cult Falun Gong, alongside its

Epoch Times newspaper, and political organising of its followers on behalf of US imperialism.

Falun Gong flourished after Mao’s death, as capitalism and its ideology in the working class, revisionism, took hold, until the cult’s tax dodging leader fled to the USA. Never mind that in socialist China led by Mao the masses had lifted more people out of poverty than at any time in history, that basic health care and education had reached the farthest corners of the land, that culture of and for the people flourished.

When traveling independently in southwestern China, 20 years ago I bumped into a young Party official in Kunming. I mentioned socialism. “We don’t talk about ‘isms’ any more,” he said. In the same city, we witnessed Muslim market traders scatter in panic as a group of arrogant young police swaggered through. It’s the same group swagger I’ve seen many times by police in streets surrounding public housing in Redfern and Surry Hills.

Before the 2003 invasion of Iraq, I was gobsmacked to hear official Chinese peace delegates dismissing ideas of invasion. They almost laughed at us. The USA won’t do that, they said. Imperialist war ended, eh?

Where was the class analysis? Had they read **any** Lenin at all?

US imperialism hoped to benefit from Chinese capitalism. But it was always watching. It now recognises China as its key imperialist rival. The US aims for war on, above and below Chinese waters and lands. China has horrific experience of that in the 19th and 20th centuries. The Iraq war was for oil. But it was also strategic, to step by step encircle a potential Chinese threat.

Right now, the USA is the greatest source of war. It

Marx’s praise of the brief, failed and bloody experiment of the Paris Commune gifted us rich lessons: that the ruling class will always defend its position with violence if necessary, and that under socialism the vast majority need a dictatorship over the miniscule minority.



controls Australia’s military, fully integrated into the US war machine. It controls the commanding heights of our economy. And the ALP leadership know full well it won’t tolerate any deviation from its domination. So, Gough Whitlam’s overthrow by the CIA rattles its chains at Albanese like the ghost of Hamlet’s father. He does as he’s told.

Socialism is not a brutal failed experiment

Attacks on communism floods society in many forms. After World War II, the Communist Party was the biggest political party in Australia. Then came decline. Finally, worldwide all parties calling themselves socialist or communist are growing again. To chart a way forward, we need to learn from history.

Marx’s praise of the brief, failed and bloody experiment of the Paris Commune gifted us rich lessons: that the ruling class will always defend its position with violence if necessary, and that under socialism the vast majority need a dictatorship over the miniscule minority.

How much more can we learn from the decades of socialism in the Soviet Union and China?

Communism is not a brutal failed experiment. While learning from inevitable errors, we also have to reclaim socialist victories, the stories, beauty, power and strength, for the people.

It wasn’t just Britain or the US who crushed the Nazis. Overwhelmingly, it was the Soviet Union led by Stalin. Up to 20 million of the bravest and best Soviet people died. Just three years later US imperialism launched the Berlin Airlift, with



Mao remains a symbol of protest against the injustices of China’s economic and political system

British, Australian, New Zealand and some French support. 278,000 military transport flights covered 148 million kilometres over two years. They supplied West Berlin, which was then an “island” surrounded and blockaded by Soviet troops.

Those are the concrete conditions from which Soviet revisionism grew, until the late 1980s, with its chronic shortages, food queues, mass alcoholism and failed invasion of Afghanistan. The process began long before Gorbachev and Yeltsin and so-called communists were removed by gunfire in 1991.

The systematic sidelining of Australian and world history means many young and middle-aged people think the Nazis were communist. The truth has been written out of syllabuses and suppressed in unrelenting ruling class propaganda. Even many older people think Putin is a communist.

Don’t include Mao

Now, at Beijing University you can get a Bachelor of Marxism-Leninism. But it doesn’t include Mao. It’s too close to the bone. It might encourage deeper study of class struggle, of history, of economics, of theory. Mao’s dangerous to the new Chinese ruling class. Leave him in his crystal sarcophagus in Tiananmen, taking up space where undesirables might rally.

Because young Chinese Marxist-Leninists are quietly learning, planning, organising step by step to rebuild the revolutionary movement.

A mistaken third-worldist view is that the key job of the rich first world is not leading our own peoples to revolution – because that’s now the “responsibility of third world”, the “only group capable of revolution”. They say our job is to support them.

Current ‘Third Worldism’ is not Mao’s Theory of the Three Worlds. It plays to the same romanticism that says First Peoples, 3 percent, most brutalised and oppressed, systematically and deliberately divided by the ruling class, have to show the occupiers of their lands how to fix the



destruction of centuries colonialism and imperialism.

First Peoples have an immense amount to teach us. We are their allies, and they are ours. But they didn't create the imperialism that's destroying this country and the world. Capitalism created its own gravediggers. It's communists' job to lead them here.

During the US War in Vietnam, Vietnamese revolutionary leader Ho Chi Minh was asked what outsiders could do to support his people against US imperialism. He replied, people should make

revolution in their own countries.

Our Party translates for and gives a platform to those young leaders beyond Chinese internet censorship. In India, the Philippines and elsewhere, Marxist-Leninists – Maoists – lead armed struggles, control liberated areas. Cuba stands independent against US imperialism.

They inspire and strengthen us. But they cannot make revolution here. That's for the Australian working class and its allies. The task of Australian communists is to build leadership in struggle, leadership that's worthy of their trust, worthy of the immense task before them.

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Is China Imperialist? On Sam King's Four-Part Series for Red Ant

by Alex M.

Sam King has attempted to get to the bottom of how to categorise China in the current era. Is it an imperialist country? Has it left the socialist road and is it now capitalist? What position should those on the Marxist left in the rich capitalist countries take towards China? For King, and for many of us, these are important questions as we try to navigate our way through the complexities and crises associated with 21st century global capitalism and imperialism.

Part One: What is imperialism?

In part one of his four-part series titled 'What is imperialism?' King defines imperialism as monopoly capitalism. That is, what had been smaller sized competing capitalist enterprises were transformed via the process of competition into monopolies. These monopolies became the dominant feature of capitalism in the late nineteenth century and it was this fundamental change in the nature of capitalism which influenced Lenin when he wrote *Imperialism, the Highest Stage of Capitalism*. One of the key defining features of imperialism for Lenin was the dominance of monopolies and finance capital; bearing in mind that there were four other features that, taken together, were also crucial in Lenin's definition of capitalist imperialism. Lenin claimed that, in essence, imperialism was the monopoly stage of capitalism. So King takes his cue from Lenin when he comes to define imperialism. However, as we will see, King's use of monopoly capitalism (and non-monopoly capitalism) as a benchmark for imperialism is highly problematic.

King also cites Lenin's categorising of countries into oppressor and oppressed nations with approval, a categorisation that is also a feature of the work of writers such as Zak Cope, John Smith

and others, that for convenience sake we shall call Third Worldist Marxists. The bifurcation of nation states into oppressor and oppressed nations, is also designated by many Third Worldist Marxists as the global North and the global South. The global North being the advanced capitalist countries (oppressors) with the less developed countries known as the global South (the oppressed). The cleavage between nation-states outlined here is a cornerstone of imperialism as understood by King and other Third-Worldist thinkers. It will be argued below that the characterising of nation-states in such a binary fashion is too simplistic a reading of the hierarchical system of states.

Moreover, by identifying monopoly capitalism as *the* defining feature of capitalist imperialism as King does, it privileges the economic features of imperialism at the expense of the understanding of imperialism's political and geopolitical characteristics. Placing such emphasis on the economic side of imperialism means that the complexities associated with the relations between nation-states (treaties, trade agreements, military and security agreements etc., which can be placed under the umbrella term of 'statecraft') are not adequately analysed and linked up with the processes of global capitalist accumulation. King is not the only one to fall into the trap of an economic determinist understanding of imperialism; the Third Worldist Marxists do so too. For them and King, imperialism is first and foremost the economic exploitation of the global South by the global North via such mechanisms as unequal exchange (Cope, Smith, King and others) and non-monopoly capital exploited by monopoly capital located within the imperialist countries (King).

The last mentioned hypothesis of King's that non-monopoly capital is exploited by monopoly



capital, with monopoly capital situated in the imperialist countries of the global North is a crucial but flawed component of King's theorising of imperialism. By claiming that the imperialist countries are havens of monopoly capital and that the less developed countries of the global South can only be considered to be non-monopoly capitalist allows King to make the argument that China, while capitalist, is not imperialist. China is not imperialist because China's capitalist economy (non-monopoly capitalist) is exploited by monopoly capitalism, that is, by the multinational corporations headquartered in the countries of the global North, also known as the imperialist countries. The examples furnished by King in support of this contention include Foxconn and other Chinese based contractors for Nike, Apple etc. Much hinges on King's contentions about what constitutes monopoly and non-monopoly capital. A closer look at what King means by non-monopoly capital is therefore in order.

Non-monopoly capital according to King is essential for understanding imperialism: 'Without the analytical sub-category of non-monopoly capital it's impossible to understand imperialism as a world system of exploitation.' What then is non-monopoly capital? Here one has to delve into King's book *Imperialism and the development myth: How rich countries dominate in the twenty-first century* for a definition.

Some capitalists, primarily those based in the imperialist countries, produce commodities under conditions reflecting their dominance of the technologically highest, most complex and productive production processes. These are the monopoly capitalists.

Other capitalists, primarily based in the Third World countries, produce commodities under conditions reflecting their very limited access to technologically complex and productive processes and as a consequence, are restricted to mostly more simple production processes – even if these are sometimes carried out on a massive scale. These are the non-monopoly capitalists. Monopoly capital dominates in the small handful of imperialist countries; non-monopoly capital operates everywhere else.¹⁸

The technological superiority of monopoly capitalism and its 'domination of the highest levels of the labour process – that is, in the most complex, sophisticated and difficult types of labour'¹⁹ enables monopoly capital to effectively thwart the development of non-monopoly capital, that is, non-monopoly capital in Third World countries cannot break into the ranks of the elite monopoly capitalist corporations.²⁰

¹⁸ King, Sam. *Imperialism and the development myth: How rich countries dominate in the twenty-first century*, Manchester University Press, Manchester, 2021, pp. 4-5.

¹⁹ King, *Imperialism...* p.4.

²⁰ King has to indulge in some interesting contortions when discussing large non-monopolistic Third World corporations. For example, when discussing such Third World corporations King points out that there are winners and losers among them which leads to the concentration and centralisation of Third World capital. This process creates what King states is a 'highly contradictory and therefore unstable phenomenon' namely 'non-monopolistic monopolies.' How to account for such a highly contradictory phenomenon? King:

Large Third World corporations, some of which rival the scale of imperialist MNCs, grew from different social formations and competitive positions to imperialist capital. For that reason, they possess different essential characteristics, even while sharing certain features. There are two basic forms of large non-monopolistic corporations: companies that establish a globally dominant position in one or another aspect of the low-end of the labour process, and those that possess a monopolistic position nationally – typically a national electricity or oil monopoly.



So, monopoly capital which is exclusively domiciled in the handful of the imperialist countries of the First World acts as a permanent exploiter of the non-monopoly capitalist countries of the Third World. There is an imperialist glass ceiling which limits the further capitalist development of Third World corporations and closes off entry to the cohort of imperialist nations. Hence, for King, China, while having a capitalist economy, cannot be considered an imperialist country.

Part Two: Is China imperialist?

Moving on to the second part of King's series, titled 'Is China imperialist?' the parameters are set straight away:

According to the mainstream definition, China is perhaps imperialist. For example, Beijing claims territory in the South China Sea that is closer to the Philippines, Malaysia, and Vietnam than it is to China. It is also increasing military expenditure. On these facts alone, China might be "imperialist" in the dictionary sense.

However, to analyse the question in Marxist terms means examining China's economic relationships with the rich countries. The most important single fact in this analysis, which manifests the underlying social dynamics of its relationships with the rich countries, is that China remains a poor country. Chinese per capita income is just a fraction of incomes in the rich countries. (<https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/>)

In support of his claim about Chinese per capita income King supplies a graph of GDP per capita for China, the US, UK, Australia, Mexico, Germany, India, and Japan drawn from World Bank and OECD data for the years 1978 to 2019. The obvious point here is that GDP is not the same as income. Aside from this mistake, King establishes what he thinks is the Marxist viewpoint on imperialism and whether China fits the bill; economic relationships are the determining feature. By focussing intently on the economic side of things when discussing or defining imperialism, King (and this holds true for

National monopolies are both monopolistic and non-monopolistic at the same time. They are monopolistic domestically but not internationally. On the other hand, global low-end monopolies exhibit the same characteristic of being both monopolistic and non-monopolistic simultaneously. They monopolistically dominate certain *ordinary* [emphasis in original] labour processes, yet the position of that labour is non-monopolistic within the worldwide labour division. ... The national monopoly is the most stable [supposedly non-monopoly monopolies are unstable] and common of these two forms because neither imperialist monopoly (which holds it down) nor the Third World nation state and national economy (which holds it up) can be abolished.

Some Third World national monopolies, if their position is particularly preponderant in relation to domestic competitors, such as Chinese online retailers Alibaba and Tencent, or certain banks, resource, telecommunications and other companies, can secure profit rates comparable to large imperialist country-based MNCs (though usually well below the *most* [emphasis in original] profitable MNCs). These profits are generally lower than leading MNCs simply because the global ranking of the Third World countries they are part of is so low that the total income allocated to those nations is low. Therefore the size of the national 'pot' of income these companies can draw from is smaller. King, *Imperialism* ... pp. 169-70.

I have quoted at length here in order to highlight how confused and confusing King gets in his attempt to account for his contradictory proposition about non-monopoly monopolies. Adding to the confusion is the insertion of labour processes, (ordinary and non-monopolistic - what is this?) as well as the worldwide division of labour to bolster King's claims. In addition, there is the interesting notion of a global ranking of countries which limits allocations of total incomes which in turn limits the profits of Third World corporations. How then to account for Alibaba and Tencent which have global online presences and presumably are not constrained by the national 'pot' of income allocated to China? Assertion and muddled handling of complex Marxist political economic concepts are hallmarks of King's book.



other Third Worldist thinkers) sidesteps the complexities associated with geopolitics and China's political, diplomatic, and military/strategic relationships with nations in its region and the wider world.

Of note too is King's situating China firmly in the Third World with such other countries as Brazil, Turkey and Russia. China does not top the list of the richest of the Third World countries asserts King, '[r]ather it sits together with Mexico, Turkey, Brazil and Russia – one among a group of large relatively developed and large [sic] Third World societies.'

(<https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/>)

It is quite the claim to suggest that Russia is a Third World society and the same could be said about Brazil, especially in the light of the advent of the BRICS (Brazil, Russia, India, China and South Africa) bloc of countries, those sub-imperial states that occupy an intermediate position in the hierarchical system of states. The concept of the sub-imperial BRICS bloc of states is too much of a challenge to King's simplistic rendering of the world's nation-states into oppressor and oppressed and/or First World and Third World, and thus Russia, China and Brazil are slotted by King into the latter category. Given the Russian invasion of Ukraine, it would be interesting to see how King characterises the invasion; is it an imperialistic act or is it something else? King and other Third Worldist theorists with their predisposition to identify imperialism as primarily the normal rapacious processes of global capitalism have great difficulty in explaining and incorporating the politics (domestic and the geopolitical, the role of states, hierarchy of states etc.) of imperialism in their analyses. In fact, it is a major problem in their work.

Returning to the second part of King's series and the section on exploitation, there are further examples of less than deft handling of concepts that should be noted. For a start there's this:

'If we understand the word "exploitation" in the Marxist sense of capitalist appropriation

of surplus value (i.e. labour time necessary to make things)...

Surplus value is not the labour time necessary to make things, rather surplus value is the value created by a worker or workers which is over and above the wages they receive and the costs of the raw materials and other factors of production used up in the production process. Further on in the same section:

National exploitation occurs – and this is the essence of imperialism for Marxists – where surplus value is created by workers in one country and appropriated by capitalists in another. National exploitation can occur through foreign ownership of factories or other businesses, through payment of foreign debt or – the form that has become most important but remains the least understood – through unequal exchange of value in international trade.

(<https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/>)

There is a conflation of class with nation here. A nation is made up of more than one class and to imply that capitalists equal nation which is what is going on in the quote above does not aid in our understanding of capitalist imperialism. It is the capitalists and ruling classes of wherever they are domiciled, that are the principal beneficiaries of surplus value appropriation. In addition, King employs the lynchpin of many Third Worldist Marxists' theorising of imperialism, namely unequal-exchange. There is not the space to engage at length with the subject of unequal-exchange as it is a contested concept among Marxists. To suggest as King does that it remains the least understood aspect of national exploitation is disingenuous as there is quite a substantial critical literature associated with unequal-exchange dating back to the early 1970s, when Arghiri Emmanuel's book on the subject was first published in English. For the purposes of this essay, it is enough to say that unequal-exchange posits global capitalist trade as the key site of the transfer of value from the less



developed countries of the Third World to the advanced capitalist countries of the First World. Unequal-exchange is for many Third Worldists a foundation upon which imperialism is built. It appears that King too has found a place for it in his analysis as he states that 'it is a fundamental characteristic of world trade and the principal reason the imperialist countries made such enormous super-profits during the period of neo-liberal globalisation of production from around 1980 through 2008...'

[\(https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/\)](https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/)

Yet again we see the easy identification of country or nation with class, as it is the imperialist *countries* making the enormous super-profits, rather than say the MNCs, in the quote from King just above. That the advanced capitalist countries have benefitted from global capitalist trade cannot be denied. Through such mechanisms as taxation and tariffs, governments in the advanced capitalist countries have accumulated substantial revenues enabling them to spend on such things as infrastructure, social services, armed forces, and bureaucracies, with some of the functions of the latter concerned with diplomacy, trade treaties and the like. The ruling classes in the advanced capitalist countries have used their positions of power and influence to dictate terms and conditions regarding trade to less powerful states via such instrumentalities as the WTO. Trade agreements are conducted at the level of national governments and forms part of what is called 'statecraft'. The ruling classes do this primarily for the benefit of the large capitalist corporations whose business it is to do the actual trading.

So there is an element of truth in the Third Worldist proposition that global trade is skewed such that the rich and powerful corporations and governments in the advanced capitalist countries are the main beneficiaries, often at the expense of less powerful corporations and nation-states. However, global trade is just one part of global capitalism, production is another, as well as the intricacies associated with global finance, for example. Aside from these elements that are part

of the capitalist accumulation process there is the political and geopolitical side of capitalist imperialism. The political (domestic politics – internal to a particular nation state) and the geopolitical (relations between states in the hierarchical system of states) are also constitutive elements of capitalist imperialism and exist in a dialectical relationship with the capitalist accumulation process. To concentrate on one or two characteristics such as trade (the exchange relations between countries and corporations) and/or monopoly capitalism versus non-monopoly capitalism while not effectively coming to terms with the other factors that make up capitalist imperialism makes for inadequate theorising of the latter.

King is aware that critics of Marxist imperialism theory have zeroed in on particular parts of Lenin's theory of imperialism such as the export of capital and he cautions that: 'A common misunderstanding of the Marxist theory of imperialism comes from taking just one or two features characteristic of imperialist countries and elevating these to become the entire theory.' It is ironic that King should offer up this caution because his fixation on monopoly capitalism and non-monopoly capitalism, unequal exchange and what he calls national exploitation in order to prove that China is not imperialist makes the same mistake that he tasks the critics with. [\(https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/\)](https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/)

According to King there has been a hyper-development of the rich countries which means that the capitalists in those countries are more powerful than those capitalists in the poor countries; these last are 'vastly weaker (non-monopoly) capitalists.' The claim that the non-monopoly capitalists of the poor countries 'are vastly weaker' is a big one. A problem with this claim is how does one measure the relative strengths and weaknesses of capitalists (whether domiciled in rich or poor countries); is it the extent of their personal wealth, or is it their connections with and influence upon capitalist states? King's claim raises a number of questions which he does not or cannot address. We also see



the too easy identification of a country (nation-state) with capitalists and corporations, a recurring problem in King's work under review here. Also, there is the repetition of King's favourite concept, monopoly capital versus non-monopoly capital as the key that unlocks the world system of exploitation that is imperialism.

In the section on China's military, King responds to suggestions that Chinese military spending is rising and is indicative of an imperialist intent. King concedes that Chinese intervention in the South China Sea by building bases and bullying neighbours in the immediate vicinity could be construed as imperialism, if one adopted a 'mainstream' definition of imperialism. However, King argues that what China is doing in the South China Sea is purely defensive and is a response to the attempt by US imperialism and its rich nation allies (Australia, Japan, South Korea, Taiwan and Singapore) to contain China. China is being pressured militarily by US imperialism and its allies, that much is true and it is also true that western mainstream media has adopted a virulent anti-China stance, acting as a mere propaganda arm of US imperialism (this is especially evident here in Australia). We can agree with King on these points. Where there is a problem though is in the analysis of China's military offered up by King.

China's military suffers because China is still a relatively poor country:

Military power in the modern world reflects a country's general degree of economic (i.e. social) development and cannot stand far apart from that. China's lack of economic development compared to the rich countries as manifested in its income is also expressed in the character of its military. The anti-China propaganda would have us believe that China's military is in some way increasingly competitive with the USA. This common perception has no basis in reality. While large, the overwhelming majority of Chinese military equipment is completely obsolete in modern warfare against an advanced opponent. Even the newest

Chinese equipment is often dependent on foreign technology – such as the most advanced Chinese fighter jets that need Russian engines to work properly as Chinese built engines have proven too unreliable. (<https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/>)

There is no attempt by King in this section to examine the qualitative and quantitative aspects of China's military. Rather, there is an assertion about China's military equipment being obsolete for the purposes of modern warfare and the rest of the discussion is largely taken up with instances of 'what about' US imperialism and never mind China, look at what India is doing in the Indian Ocean. China's military build-up may be in response to the pressure applied by US imperialism and its allies but does this mean that there is no imperialist intent at all? King is emphatic that China's military build-up has no imperialist purpose but he provides little in the way of critical analysis to support his claim.

The concluding section of Part Two suggests that Chinese capitalism is different to the monopoly capitalism of the imperialist countries because Chinese capitalism matured much later and is therefore trapped at a lower level of production technologically speaking. Within the global division of labour China is a second-tier economy and is exploited by the imperialist countries. Interestingly, King wraps up this section with a different definition of imperialism than the one he started with in Part One:

Imperialism — defined as the exploitation of poor, capitalist societies by rich capitalist classes and states via the net transfer of value in the Marxist sense — is a system in which China is an exploited, not an exploiter nation. Exploitation, not this or that foreign policy, is the underlying essence of capitalist imperialism. (<https://red-ant.org/2021/05/04/is-china-an-imperialist-country-part-2-is-china-imperialist/>)



King started with a definition of imperialism that posited it as monopoly capitalism along the lines of Lenin's theorising of imperialism. This has now mutated into imperialism being exploitation of poor countries by capitalist classes and states. Such a definitional slippage makes it easier for King to make the claim that China is not imperialist.

Part Three: How can we accurately characterise Chinese capitalism?

This third of a four-part series need not detain us as it consists of King making the same points he has made in Parts One and Two about China's capitalist economy, an economy characterised by: non-monopoly monopolies; exploitation by imperialist corporations, countries and classes and; technological limitations, all of which have been critically engaged with above.

Part Four: Why are the rich countries escalating aggression against China?

In this concluding part of the series King attempts to account for the increasing bellicosity directed against China by the rich imperialist countries led by US imperialism. King points out that with the inception of neoliberalism in the early 1980s, China became increasingly integrated into the global capitalist economy as a low wage country, very attractive for MNC manufacturing investment. Chinese economic policy was largely complimentary to imperialist economic interests. (<https://red-ant.org/2021/05/18/is-china-an-imperialist-country-part-4-why-are-the-rich-countries-escalating-aggression-against-china/>)

From the 1980s and through the 1990s, a reasonably harmonious relationship existed between China and US imperialism and its allies King suggests. A more belligerent tone was adopted by the US and allied countries when it became apparent that the opening up to western investment did not bring in its train 'democratisation'. The Chinese Communist Party did not relinquish power, 'nor [did it grant] all of the wishes and demands that imperialist ideologues had wished and hoped for. In this context, imperialist propaganda ... turned to a

sustained campaign of China bashing.' (<https://red-ant.org/2021/05/18/is-china-an-imperialist-country-part-4-why-are-the-rich-countries-escalating-aggression-against-china/>)

Such is the extent of King's explanation of why rich countries have become more aggressive towards China. What we get next is a traverse over economic terrain already covered, with, among other things, some insights about China's socialist past. The heightened aggression towards China and the reasons why this might be happening in the last decade or so are only superficially explained.

A key part of the reason why King has trouble addressing the question he set himself in this concluding part of the series is the narrow definition of imperialism that he uses. Missing from King's understanding of imperialism is the connection between the global capitalist accumulation process and the political and geopolitical elements that are integral parts of capitalist imperialism. It is only by taking *all* the constitutive elements of imperialism into account that one is able to establish if China is imperialist. It follows that if that is one's conclusion, a more plausible explanation of the manufactured hostility towards China arises from US imperialism's fear of a declining military, political and economic status in the face of an assertive imperialist rival.

To highlight the inadequacy of King's grasp of the political and geopolitical elements of contemporary imperialism, it is sufficient to note that it is only in the last section of Part Four that he engages with politics. In the last three paragraphs there is a brief discussion about US domestic politics and how anti-China sentiment has been used as a tool by Trump and Biden in their respective election campaigns and during their presidencies:

Domestic US politics clearly also plays a major role in setting its China policy. By drumming up anti-China sentiment successive US governments and mass media have, for years, succeeded in generating widespread anti-Chinese hostility among



working people in the US and globally. Clearly political factors were central for Trump, who campaigned for president on an anti-China platform.

(<https://red-ant.org/2021/05/18/is-china-an-imperialist-country-part-4-why-are-the-rich-countries-escalating-aggression-against-china/>)

King's minimal engagement with the political and geopolitical factors that are constitutive parts of capitalist imperialism is due to his flawed and one-sided emphasis on the economic side of imperialism. In addition, King's fixation on the economic side of things and his endeavour to make the case that China, while now capitalist, cannot be imperialist because it is not a monopoly capitalist country, led him to make the confused and contradictory assertion about China's economy being dominated by non-monopoly monopoly capital. Also, King's reliance on the notion that the international system of states is merely a split between oppressor and oppressed countries (Global North versus Global South) oversimplifies the dynamics of the hierarchical system of states. For the CPA (M-L)'s position on imperialism theory and Australia's position in the imperialist pantheon of states see here:

<https://www.cpaml.org/web/uploads/Sub+Imp+modified+1.pdf>

In addition, the CPA (M-L) has a position on China which argues that having gone down the

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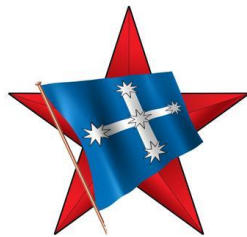
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Explaining China – *the CPA(M-L)'s pamphlet explains China's shift to social-imperialism*

capitalist road and abandoned socialism, China is now a social-imperialist country:

<https://www.cpaml.org/web/uploads/Explaining+China+Final+v2.pdf>

It is here that we part company with Sam King's flawed analysis of contemporary capitalist China and its place in 21st century imperialism.



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