

Socialist Equality Party conferences in Australia:

# The Failure of Capitalism and the Fight for Socialism Today

Sydney: August 20-21 • Melbourne: August 27-28

8 June 2011

Nearly three years since the breakdown of the US and global financial markets in 2008, not a single problem has been resolved and the economic and political turmoil is deepening.

In Europe, debt-stricken governments are imposing savage austerity cutbacks to jobs, wages and public services to pay for the vast sums that were handed over to bail-out the major banks and corporations. Youth unemployment is well over 20 percent across much of the continent.

In the US, health benefits are being slashed, public education gutted and social services eliminated, while the Obama administration prepares further budget cuts in excess of \$4 trillion. With over 24 million American workers unemployed or underemployed, millions of families have been forced to declare bankruptcy and abandon their homes. In close collaboration with the government and the trade unions, US auto companies have cut the wages of new employees by 50 percent—to just \$14 an hour, setting a precedent for every industry. American conditions are being driven so low that the US is now becoming a preferred cheap labour destination.

The Obama administration's agenda, along with that of its counterparts in Europe and internationally, amounts to a social counter-revolution, aimed at wiping out the gains made by the working class in the decades following World War II. This domestic assault is being accompanied by a return to great power rivalries and imperialist gangsterism on a scale not seen since the 1930s. The war on Libya is nothing but a naked attempt by the US, Britain and France to seize control of the

country's energy resources and reverse the growing influence of China and other "emerging" economies. In Asia and the Pacific, intense military tensions have developed between the US and China, drawing countries throughout the region into their struggle for geo-political dominance.

From the onset of the economic crisis, the entire Australian political establishment has conducted an ongoing campaign aimed at pulling the wool over the eyes of ordinary people. The claim is that Australia remains the "lucky country", that its economy has defied the global slump and that it will never be seriously affected due to ongoing demand from China for its mining and energy resources. In the 12 months since the anti-democratic political coup against former Prime Minister Kevin Rudd, however, the reality has begun to surface.

Rudd was ousted, behind the backs of the population, to shift the policy of the Australian government toward budget austerity, and align Australia far more directly with the confrontational US stance toward China. The coup was directed, not only by powerful business interests, but undoubtedly involved the Obama administration and US agencies as well.

The economic driving forces of the coup have now become apparent. The mining boom has caused the Australian dollar to soar in value, pushing much of the economy into recession and transmitting the global demands for an offensive on working class living standards. Speaking on behalf of the entire financial elite, ANZ Bank chief Mike Smith bluntly declared in May that numerous companies would have to "review

their business models” if they were going to survive.

Employers, large and small, are demanding cuts to jobs, wages and conditions in order to remain “internationally competitive.” The agreements of the trade unions to US-style “two-tier” wage structures at companies such as paint manufacturer PPG—where new employees will be paid barely half the wages of the existing workforce—have already set the benchmarks for a historic assault on working conditions.

The Labor minority government of Prime Minister Julia Gillard, backed by the Greens, is attacking the very foundations of public education and public health in order to achieve its priority of reducing government spending and debt. Social welfare is being cut in order to create a pool of desperate workers, able to be exploited as cheap labour and thus drive down wages across the board.

Escalating class war is being matched by attacks on democratic rights, and growing militarism abroad. Labor’s Fair Work Australia laws make strikes virtually illegal; fraudulent “anti-terrorism” legislation enables wholesale spying on political opposition; and police numbers and powers are being boosted. Targeting the weakest and most vulnerable, the Labor government has instituted a series of measures against refugees even more vicious than those which contributed to the downfall of the Howard government.

In the Pacific, the Australian ruling elite is hostile to China’s growing influence in small island-states such as Fiji, Papua New Guinea, East Timor and Solomon Islands, which have historically been client-states of Australian imperialism. The Gillard government has responded by forging even closer ties with the US, committing troops indefinitely to the neo-colonial war in Afghanistan and backing Washington’s increasingly provocative efforts to stem the rise of Chinese power in the Asia-Pacific region.

This year, powerful movements of the working class have erupted against the future of poverty and exploitation being dictated by the global financial and political elites. 2011 began with a revolutionary struggle by workers in Tunisia and Egypt against long-standing US-backed dictators. They have been joined by workers and youth in the US and Europe, who have conducted mass demonstrations against austerity.

Everywhere, however, these struggles have

confronted the same problem of leadership and perspective. Pro-capitalist parties and trade unions, with the assistance of middle class pseudo-left organisations, have opposed any challenge to the wealth and property of the capitalist class and blocked the necessary struggle for political power. The union apparatuses and their hangers-on in Australia play precisely the same role, seeking to channel social discontent back behind the Labor Party.

All the issues confronting the working class—social inequality, the assault on democratic rights, the dangers of climate change and the growth of militarism and war, threatening a new global conflagration—are manifestations of the failure of capitalism. The only progressive alternative is the fight for socialism. Nothing less than the fundamental socialist transformation of society globally can guarantee a future. The task now on the agenda is the fight for a workers’ government, which will take the commanding heights of the economy into social ownership, placing the banks and major corporations under the democratic control of the working class itself.

The Socialist Equality Party is holding weekend conferences on “The Failure of Capitalism and the Fight for Socialism Today” to discuss the global economic and political crisis and its impact in Australia, and the building of a new, independent political movement of the working class based on an internationalist and socialist perspective. The two-day conferences will be held in Sydney on August 20-21 and in Melbourne on August 27-28.

All participants must register in advance. The conference cost is \$20 or \$15 concession (students and unemployed).

We urge supporters of the *World Socialist Web Site*, the Socialist Equality Party and the International Students for Social Equality (ISSE) in Australia and throughout the South Pacific region to register to attend the SEP conference in the city closest to you, and to advertise it widely.

Click here to register.

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Socialist Equality Party visit:

<http://www.wsws.org>