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No to Whitlam's prices and wages fraud

Under a pretense of a programme to preserve the popular standard of living, Whitlam's government is preparing for exactly the opposite -- inflation "controlled" at the expense of the working class.

Whitlam: Fake "Price Controls" and a "Voluntary" Wage Freeze

The two referenda Whitlam is sponsoring -- supported by a section of the bourgeoisie -- are presented as an effort to gain federal government powers over prices and wages. In fact, however, they are a duplicitous "public relations" exercise: the price control power is being sought only to make more palatable to the working class a policy of "voluntary" wage controls. The incomes control proposal is merely an attempt to placate the less "enlightened" capitalists, who will accept the marginal impositions of the fake price controls on their sectional interests only if these are coupled to the threat of more direct forms of state wage control than that now exercised through the "arbitration" system. That the incomes control question is wholly a fraud is demonstrated by the fact that Whitlam has admitted that the power to control prices will probably include the power to control the price of labour -- wages -- in any case.

Labor Government Carries Out Capitalist Policy

A general and openly state-enforced wage freeze would pose dangers which Whitlam and the predominant elements in the ruling class see as unnecessary at the moment. They hope instead to buy for the trade-union bureaucrats (with the mirage of price controls) the political credit to force "voluntary" wage controls on most of the working class. At a time when the working class is weakened by higher unemployment levels (for example, in next year's expected recession) the ruling class will attempt to impose a tougher policy, with more stringent and direct wage controls. Doubtless they would like some clear legal powers in reserve for this situation, but they could almost certainly find a way without any constitutional change.

The referendum fraud is lent some credibility by Whitlam's quarrel with the openly anti-working-class Liberals. This quarrel merely reflects a difference in tactics within the ruling class between those like Snedden, who believe that it is already time for direct confrontation with the organisations of the working class, and those who want to postpone the social and political turmoil which would result from such a confrontation. The more "liberal" capitalists (such as those who control the Australian) have a policy of wherever possible fooling the working class instead of fighting it. They see the Labor Party, with its contradictory character, as the best steward of capitalism at this time, its leadership completely committed to capitalism on the one hand, and its working-class base subject to limited but real control through the trade-union bureaucracy, on the other. In the pro-capitalist betrayers of the Whitlam/Hawke ALP leadership, the bourgeoisie finds ready tools for defending their profits and their rule in society.

The falling-out between Whitlam and Hawke represents only a minor episodic clash between the zeal of the Whitlam government in promoting capitalist interests

and the self-interest of the central union bureaucracy. They are agreed on the desirability of token price controls as a tool to deceive the workers, but Hawke declares that Whitlam is going too far with his incomes control proposal. Hawke is scarcely interested in defending the independence of the trade unions from bourgeois state control over wages as a principle of class struggle. What he wants is to preserve the independence and freedom of manoeuvre of the entrenched bureaucrats who must appear to act in the interests of the rank and file in order to maintain their usefulness in the workers movement as agents of the bourgeoisie. Whitlam and Hawke can agree to differ because Whitlam and the Labor Party tops do not want to campaign so hard for wages powers as to alienate the trade unions; and Hawke and the union bureaucrats he represents have long accepted wage controls in another guise.

Fake Lefts Cover for Hawke

Whitlam is given all the flexibility he wants by his referendum: he promises nothing about the application of the powers. The workers are not even being asked to vote for a reform under the illusion that Whitlam will carry it out. And he has further covered himself by saying that even the exercise of federal powers over both prices and wages cannot end inflation. So much for the "revolutionary" pretensions of the Communist Party of Australia (CPA), Socialist Party of Australia (SPA), and Socialist Workers Action Group (SWAG), who call for a "Yes-No" vote to give Whitlam powers over prices -- so that he has, as a SWAG leaflet puts it, "no excuse not to fight inflation." The policies of the CPA and SPA are the reflection of their leaderships' role as the reformist "left wing" flank of the trade union bureaucracy. SWAG's position is simply one link in the chain of capitulation resulting from their orientation toward the fake lefts of the Victorian labour movement: setting out merely to tail Socialist Left types, they are now eager to fall in step behind the central bureaucracy led by Hawke.

The CPA's campaign for a "Yes" vote in the prices referendum exposes the reformist, social-democratic core behind their pseudo-radical rhetoric -- their programme limited to the struggle for reform within the framework of capitalism. Of course, for the CPA "...it is no simple legislative matter for a class battle is involved in which people must become active, and new, socialist values be brought to the fore." (Eric Aarons, "Importance of Price Control", Tribune, October 23-29, 1973) That is, for the CPA the class struggle is reduced to a constitutional referendum, and "socialist values" to a legalistic deceit. The CPA's amorphous "action" and petty-bourgeois "values" are just a camouflage to hide their parliamentary cretinism.

"Price Control" Under Capitalism -- Reform or Illusion?

The CPA tries to hide the fact that "The official struggle of the government with high prices is only a deception of the masses." (Trotsky, in the Transitional Programme) Even if their referendum were not a complete fraud, the imposition of overall price controls (excepting incomplete ones for very short periods) is not possible under a bourgeois state as the varying relationships between different prices are essential to the exchange of commodities within the framework of capitalist property relations and thus fundamental to capitalist accumulation. General "price controls" by the bourgeois state do not represent a reform in the interests of the working class, but merely an excuse to impose some sort of control over wages. Real control over prices can be achieved only when the anarchistic mechanisms of capitalism in which production is for private profit are replaced by rational economic planning for the welfare of society as a whole, planning which is possible only with social ownership of the means of production. The precondition for this is proletarian revolution.

Price control -- a reform that is desirable, achievable under a workers state, but only a reformist charlatan's gimmick under capitalism -- is essentially an "anti-capitalist structural reform" of the kind advocated by the revisionist Ernest Mandel of the "United Secretariat of the Fourth International". These fake "price controls" have been too discredited by the recent experiences of Britain and America to be espoused by centrists such as Mandel's Australian agents in the Communist League (CL), who call for a "No-No" vote. What the CL has ignored is the fact that the reformism of the CPA and SPA in calling for a "Yes-No" vote is but a consistent application of the Mandelian method.

For a Class Struggle Programme to Fight Inflation!

Although effective price control is possible only in a workers state, the struggle against price rises can be, the Healyite Socialist Labour League (SLL) notwithstanding, a very important element in mobilising the working class against the capitalist state. Furthermore this is an area in which the proletariat has interests in common with oppressed sections of the petty-bourgeoisie which can be mobilised behind the working class. It is not enough to stand before the class and simply cry that Whitlam's referendum is an attack on trade unionism. Says the SLL in their statement on the referenda: "What is the alternative to Whitlam?... The only tendency in the labour movement which has consistently fought for the interests of the working class is the Socialist Labour League." (Labour Press, October 8, 1973) The class can be won to revolutionary politics, and its potential allies mobilised, only on the basis of struggle around a programme which meets the felt needs of the oppressed today and leads to socialist revolution. Such a programme the SLL replaces with economism and simple calls of "Follow me!" This was not the way of Trotsky.

The Fourth International's Transitional Programme -- valid in all its fundamentals today -- called for "... committees on prices, made up of delegates from factories, trade unions, co-operatives, farmers' organisations, the 'little man' of the city, housewives, etc." These committees must not be based on illusions that the state can control prices, nor that their own demands to themselves control prices can be met under capitalism. They must be organised on a programme of: a sliding scale of wages (so they go up with prices); open the account books of business; and nationalisation of industry without compensation under workers control. As the Transitional Programme says, "By this means the workers will be able to prove to the farmers that the real reason for high prices is not high wages but the exorbitant profits of the capitalists and the overhead expenses of capitalist anarchy." (The small farmers Trotsky uses as an example of the oppressed sections of the petty-bourgeoisie are no longer a significant stratum in Australia.) The struggle of the working class and its potential allies against high prices must be led beyond the boundaries of capitalism to proletarian revolution.

SWL Perverts Trotskyism

The reformist Socialist Workers League, which gives lip service to Trotskyism, criminally transforms the call of the Transitional Programme for committees on prices into a classless, single-issue campaign subordinating the working class to petty-bourgeois protest politics. The SWL holds up as a model for an "anti-inflation" movement last May's meat boycott in the United States (Direct Action, November 9, 1973), a self-defeating and completely bankrupt tactic cynically used by the "progressive" wing of the American labour bureaucracy to lobby President Nixon for...a more "equitable" wage-price freeze! The SWL also provides a clear example of the tailist politics of Pabloism in the workers movement when the same issue of Direct Action engages in apologetics for the "Socialist Left" in the Victorian ALP: "Real opposition [to the wage freeze] is coming from the Labor movement including some of the leaders of the Victorian Socialist Left of the ALP and ourselves..." We find that this "real opposition" consisted of tacking an addendum to the Socialist Left's "Yes-No" position calling for a cost-of-living escalator -- which even Whitlam has occasionally endorsed! The SWL's Pabloist methodology leads it to adopt the role of a left pressure on the Socialist Left, which is -- apparently -- supposed to become the instrument of proletarian revolution. In reality the SWL simply serves as a left support to the union bureaucracy.

For Revolutionary Alternative Leadership in the Unions!

The working class needs not left-wing apologies for the treachery of the labour lieutenants of capital, but an alternative political leadership openly based on a programme adequate to the tasks of the proletariat, a transitional programme beginning with the day-to-day, immediate demands of the class and leading inexorably to the dictatorship of the proletariat, the overthrow of capitalist property relations as a whole. Revolutionaries must create an opposition within the workers organisations clearly based on such a full programme of struggle against capitalism, as the only real alternative to the policies of Whitlam/Hawke.

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