

Part V. The Socialist Transformation of Society

The aim of the socialist movement is the replacement of capitalist society with a classless society in which social solidarity and production for social need replaces the competitive quest for private enrichment, and in which social wealth can assure the rounded development of all individuals.

Private ownership of the means of production is the basis for the division of society into classes. Thus, the essential socio-economic precondition for a classless society is the socialisation of the ownership of the means of production.

Change in the ownership of the decisive means of production from private to social property can be achieved relatively rapidly, particularly where, as in highly industrialised countries like Australia, the most important sectors of productive activity have already been objectively socialised by monopoly capital. But a much longer period of time is needed to raise the level of material production so as to replace the capitalist mechanism of distribution of consumer goods according to *work* with the socialist system of distribution according to *need*, and to eliminate the habits of thinking instilled by capitalism (personal ambition, selfishness, competitive individualism, etc.). Thus, the tasks involved in creating the material and psychological conditions for socialism will necessitate a lengthy transition period.

Section 1. Democracy and the transition to socialism

Basing themselves on the experience of revolutions in the 19th century, the Paris Commune of 1871 in particular, Marx and Engels concluded that:

1. In order for the working class to abolish capitalism and begin building a classless, socialist society — what they called "communism" — it must conquer political power and, by degrees, expropriate capitalist property, centralising the means of production in the hands of the state, i.e., of the proletariat organised as the ruling class.
2. The state institutions of even the most democratic capitalist state serve to uphold the rule, and defend the interests, of the capitalist class, i.e., represent the social dictatorship of the capitalist class, and therefore cannot serve as instruments with which to overthrow that rule and transfer political power to the working class.
3. The dismantling of the capitalist state, in the first place its repressive apparatus (military forces, police, judicial and penal system) is a necessary prerequisite for the conquest of political power by the working class.
4. Between capitalist society and socialist society lies the period of revolutionary transformation of the one into the other. Corresponding to this there will be a period of political transition in which the state can be nothing other than the instrument of the revolutionary rule of the working class (what they called "the dictatorship of the proletariat").

5. Unlike all previous forms of class rule, in which the state was an instrument for the forcible suppression of the majority by the minority ruling class, the workers' state represents the interests of the great majority and forcibly suppresses the power of the former minority ruling class, the capitalist class. The state institutions of the dictatorship of the proletariat must therefore be radically different from those of a capitalist state, or any previous state.

6. The political form that the workers' state would take would be that of a workers' democracy based on elected councils of working people's delegates exercising both legislative and administrative functions, and in which:

- The standing army with its professional officer corps would be replaced by a workers' militia involving the entire adult population.
- All state officials, judges, and leaders of the workers' militia would be elected and subject to immediate recall by their electors, and their income restricted to that of skilled workers.
- There would be a regular rotation of elected officials and a gradual and continuous reduction in the number of professional functionaries as more and more administrative functions were transferred to bodies elected by or directly involving the working people themselves.

7. Even in the most democratic capitalist regimes, the existence of private property, class exploitation and the consequent social and economic inequality result in a violent restriction of democratic freedoms for the big majority. Law defends private property in the means of production; and the repressive apparatus of the state is aimed at controlling, and when necessary suppressing, the overwhelming majority. Workers' democracy must be superior to capitalist democracy, both in the economic and social sphere — such as the right to work, security of existence, free education, free health care, etc. — as well as in the scope and extent of democratic rights enjoyed by working people.

8. The workers' state is the instrument of a propertyless class whose liberation from exploitation and oppression can only be realised through the construction of a classless, socialist society. The workers' state is therefore transitional; it will wither away as the socialist society comes into being on a world scale.

These fundamental conclusions about the necessity and character of the workers' state have been confirmed by the experience of socialist revolutions in the 20th century, beginning with the 1917 Russian Revolution.

Despite these experiences, there are still those who proclaim that the workers' movement can attain its socialist goals within the framework of the institutions of capitalist democracy, through reliance on parliamentary elections and the gradual conquest of "positions of power" within these institutions. This reformist concept must be energetically opposed and denounced for what it is — a cover-up for the abandonment of the struggle for working-class power and a substitute of ever more systematic

collaboration with the capitalist class for a policy of consistently fighting for the interests of the working class.

Far from reducing the costs of "social transformation" or ensuring a "slower but peaceful" transition to socialism, this reformist policy, if it should determine the political attitude of the working class in a period of unavoidable class confrontation, can only lead to bloody defeats and mass slaughters as the 1965 coup in Indonesia and the 1973 coup in Chile demonstrated. Adherence to such a policy by the German Social Democracy was a major factor in the triumph of fascism in Germany in 1933. Pursuit of a similar policy by the Spanish Communist Party, following Stalin's Popular Front line, also contributed to the victory of fascism in the Spanish Civil War.

Democracy and the struggle for workers' power

The experiences of revolutionary struggles in the 20th century have also provided new insights into the process of establishing the democratic power of the working class:

1. The working class is profoundly democratic in its aspirations. As the class struggle sharpens, the workers spontaneously strive to create democratic forms of organisation in order to most effectively employ their chief weapon in their fight against capitalism — collective action.
2. As their mass mobilisations grow in intensity, the workers seek to create progressively broader forms of democratic self-organisation, including elected strike committees, factory committees, and finally, in a revolutionary upsurge, elected councils that extend beyond individual workplaces, tend to encompass larger and larger sections of the allies of the working class, and challenge the power and prerogatives of the capitalist state machine.
3. The generalisation, coordination and centralisation of such councils (soviets), together with the growing paralysis and initial disintegration of the organs of capitalist power, creates a revolutionary crisis in society, a situation characterised by the existence of two parallel, competing centres of power.
4. To fulfil their role as organs of revolutionary struggle, the soviets must seek to include all political tendencies within the insurgent population and guarantee the right to freely debate policies and actions. In this sense, they are the highest form of the united front.
5. A multi-faceted struggle erupts between the class-collaborationist and the class-struggle forces within the soviets and other mass organisations for leadership of the insurgent population. A process of selection unfolds, that makes possible the rapid growth of a revolutionary socialist party — provided it has grown sufficiently before these events to appear as a credible alternative leadership to the masses and has a sufficiently large and tested nucleus of cadre firmly based in the working class.

6. The transformation of this revolutionary cadre organisation into a mass workers' party is the decisive element in winning a majority to the revolutionary perspective of the conquest of state power by the workers and their allies.

7. The first qualitative step in establishing the democratic power of the working class is the revolutionary replacement of the capitalist government by a working people's government based on the soviets and other organs of mass revolutionary struggle.

8. Such a government stands at the head of a turbulent, transitional process, during which the capitalist class retains significant advantages. Unless it acts decisively to consolidate the organs of revolutionary mass struggle as the new institutions of state power, that is, to replace the weakened capitalist state with a workers' state, and to organise the workers to assert control over the capitalists, the revolutionary foundations of the working people's government will gradually be undermined. The capitalists will use their economic power to unleash economic chaos, leading increasing sections of the working people to become demoralised, inactive, and confused. The erosion of the masses' confidence in the revolutionary leadership will enable the capitalists to reassert their political power — to oust the working people's government, re-establish a capitalist government, rebuild the capitalist state machine, and dismantle the democratic gains of the revolutionary upsurge.

9. The consolidation of the workers' state and mechanisms for workers' control over the capitalists enables the working class to prepare itself to begin "wresting by degrees" productive property from the capitalist class, to establish a state monopoly of foreign trade and to introduce a planned economy.

10. The pace of this qualitative transformation is dependent upon the ability of the workers' state to break the resistance of the capitalists to the consolidation of workers' power; the acquisition by the working class of the administrative experience and technical skills to begin managing state-owned industries and participating in national economic planning; and the cementing of the alliance between the working class and the exploited sections of the petty-bourgeoisie, above all the working farmers.

11. In effecting the transition from a capitalist economy to the nationalised, planned economy of a socialist state, it is to the benefit of the working class to seek to take advantage of those capitalists, and the even larger layer of managers and middle-class technicians, who can be persuaded to place their managerial and technical skills at the service of the working class.

12. Success in carrying through these tasks depends not only upon the evolution of the international and domestic relationship of class forces, but above all upon the political calibre and consciousness of the revolutionary leadership, of its ability to act decisively to educate, organise and mobilise the workers to defend and advance their common interests.

Workers' democracy and the defence of workers' power

All historical experience demonstrates that no exploiting class ever gives up its power and privileges peacefully. The capitalist class has repeatedly shown that it will cast aside its "democratic" institutions and unleash civil war against the workers to defend or re-establish its rule. As long as imperialism survives in major countries — and certainly in the United States — it will attempt to intervene through economic pressure and military force whenever and wherever it can to prevent or destroy any attempts by working people to establish their democratic rule. This has been the experience of every anti-capitalist revolution this century — from Russia, to China, to Cuba, to Vietnam, to Nicaragua. Any workers' state or group of workers' states will find itself in a permanent condition of armed truce with imperialism, that could, under certain conditions, lead to open war. The workers' state must prepare against that danger, as it has to be ready to help the insurgent masses of other countries facing armed intervention by imperialism.

In the course of its struggle for power, the working class will have to create a workers' militia to defend itself against the violence organised by the capitalist class. As long as the power of imperialism has not been broken, following a victorious seizure of power by the working class, any workers' state will need to build a professional and highly trained revolutionary army in addition to the militia. The militia, the "people in arms," serves an important function as a direct expression of the new workers' power, in addition to providing a backup and reserve for the revolutionary army.

The balanced interrelationship of the two systems, of the professional revolutionary army and the workers' militia, will depend on the concrete international situation any workers' state faces, as well as the general level of development of the country. This is because the ability to utilise a militia in any conflict depends upon factors such as how quickly it can be mobilised and transported, and how many workers can be spared from production as well as on the nature of the external threat. Only with the overthrow of the imperialist rulers in the major countries, above all in the United States, will it be possible to make the militia system the sole form of defence of workers' power.

In order to most effectively function as an instrument of defence of the democratic power of the workers, the army of a workers' state must have an overtly working-class character. In creating the Red Army, for example, the Bolsheviks abolished the old officer caste system with its hierarchy of ranks and privileges. The officer caste in capitalist armies is necessary to maintain capitalist authority over soldiers recruited from among the working people. Similarly, as part of the process of consolidating its control over the Soviet workers' state the Stalinist bureaucracy reintroduced the old officer caste system in 1935.

The urgent necessities of military preparedness against wars of aggression by imperialism by no means imply or justify bureaucratic restrictions on the exercise of democratic rights by the working people.

The capacity for self-defence and the armed strength of a workers' state are increased by a high level of political understanding and conviction on the part of the masses; a high level of political activity, mobilisation and alertness; and internationalist education and activity.

Two key factors in the capacity of any workers' state to defend itself are:

- The degree of social cohesion and political identification by the working people with the workers' state and its government.
- The average productivity of labour compared with that of the imperialist powers.

The broader and less restricted is workers' democracy, the greater will be the social cohesion and identification with the workers' state and its leadership by the working people, and the quicker will be the growth of labour productivity.

Far from being a "luxury" in a world situation characterised by potential wars of imperialist aggression, workers' democracy is a major asset in the hands of a workers' state, even from a purely military point of view. Because it is politically difficult for imperialism to embark on military adventures without provoking massive working-class opposition at home, it tries to weaken such opposition by increasing repression and restricting the democratic rights of working people. Workers' democracy in the workers' states would exercise an increasing power of attraction on the exploited masses of the capitalist countries, undermining the military strength of imperialism.

All of the norms of a workers' democracy may not be realisable under every circumstance. Under conditions of civil war or foreign military intervention resulting from attempts by the former ruling class and its international allies to overthrow the workers' power, the rules of war must apply. Restrictions on the rights to political organisation and in some extreme cases, even on the expression of opinions may well be necessary. No social class, no state, has ever granted full rights to those who actively engage in acts of war to overthrow it, and the workers' state cannot do otherwise.

In all cases, however, the workers' state should strive to maximise the real democracy enjoyed by the working people, including under conditions of civil war. This is the best means to mobilise the power of the workers and their allies; heighten their social responsibility, self-discipline and fighting spirit; raise their self-confidence, consciousness, creativity, and their conviction in their capacity to advance toward socialism; and increase their active support of and participation in the administration of their own state.

If extreme conditions such as civil war or massive economic dislocation make certain restrictions of democratic rights unavoidable, the basic nature and limitation of such restrictions should be clearly understood by the workers. It is necessary to clearly and frankly explain before the whole working class that such restrictions are inescapable and temporary measures, not part of the social and political norms of the rule of the working class. Historically, they are vestiges of the struggle to eradicate class society; not the harbinger of the new social order. Insofar as restrictions are necessitated by the class struggle, they should be limited, both in scope and time, and revoked as soon as possible.

The direct and material responsibility for any restrictions of workers' democracy lies with the capitalist counter-revolution and international imperialism. The members of the

former ruling class must be put on notice by the working class that the way they will be treated depends upon their behaviour toward the workers' power.

The Stalinist regimes systematically used the pretext of imperialist military threat to repress any form of political criticism, opposition, or nonconformism. This has created a profound and healthy mistrust among the working people of the world toward the abuse of the penal, judicial and police institutions of a workers' state to outlaw the free expression of ideas. It is therefore necessary to stress that, outside of the extreme conditions of war, the use of repressive measures by a workers' state against attempts to overthrow workers' power should be circumscribed to criminal acts strictly separated from the realm of ideological activities.

In the sphere of criminal law and justice, a workers' democracy should uphold and extend the progressive conquests of the bourgeois-democratic revolutions, incorporating them into its constitution and penal code. These include such rights as:

- The necessity of written law, the avoidance of retroactive delinquency, freedom from arbitrary arrest, the right to immediate legal counsel, the assumption that the burden of proof rests with the accuser, and the assumption of innocence until proof of guilt.
- The full right of all individuals to freely determine the character of their defence; full immunity of legal defenders from prosecution for any statements or lines of defence used in such trials.
- Rejection of collective responsibility by social groups, families, etc., for the criminal acts of individuals.
- Strict prohibition of any form of torture or forced extortion of confessions.
- Abolition of the death penalty.
- Extension and generalisation of public trials by jury.

The last word on all these matters, as well as on the constitution and penal code of the workers' state, should rest with the working people themselves. The fundamental guarantee against all abuses of state power lies in the fullest participation in political activity by the working people, the broadest possible workers' democracy, and the arming of the working class.

Obviously, every workers' state must defend itself against attempts to overthrow it and violation of its laws. The constitution and penal code of a workers' state will forbid and punish acts of armed rebellion, attempts at overthrowing workers' power through violence, terrorist attacks on individual representatives of the working people, sabotage and espionage in the service of foreign capitalist states, etc. But there must be a strict distinction between violent acts against workers' power and the expression of reactionary, pro-capitalist ideas. Against armed violence, the workers' state will necessarily defend itself by repression of those carrying out such acts. Against reactionary ideas, the workers' state should defend itself by ideological struggle.

The measures that the workers will have to take to defend their rule against capitalist counter-revolution will vary according to the conditions they face, as will the specific forms of workers' democracy. An industrially underdeveloped country where the working class is a minority and which is surrounded by powerful imperialist states will obviously face more immediate threats of capitalist counter-revolution than the victorious workers of the United States. And while it is undeniable that the social relationship of forces in such a country puts objective obstacles on the road of the full flowering of workers' democracy, the best way to face and solve the problems confronting any workers' state is through the maximum possible amount of workers' democracy.

Workers' democracy and the building of socialism

The abolition of capitalist state power and the expropriation of capitalist ownership of the means of production does not immediately lead to the disappearance of privileges in the field of personal wealth or cultural heritage, not to speak of the disappearance of all elements of commodity production. Long after the capitalist state has been overthrown and capitalist property abolished, remnants of commodity production and survival of elements of a money economy will continue to create a framework in which primitive accumulation of capital can still reappear. This is especially true if the level of development of the productive forces is still insufficient to guarantee the appearance and consolidation of genuine *socialist* relations of production (collective ownership and control of the means of production and the social surplus product by the associated producers, distribution of products according to need).

State power of the working class is indispensable in order to prevent these "islands of capitalist influence" from becoming bases for the restoration of capitalism. The constitution and penal code of a socialist state (i.e., of a workers' state that has expropriated capitalist property in industry, banking and wholesale trade, introduced a state monopoly of foreign trade and a planned economy) will severely limit, if not totally outlaw, private appropriation of means of production and the private hiring of labour.

Well after the capitalist class has lost its positions as a ruling class politically and economically, the influence of bourgeois and petty-bourgeois ideas, customs, habits, and cultural values will linger on in relatively large spheres of social life and among a considerable section of the population. But it is completely wrong to draw the conclusion that administrative repression of bourgeois concepts or values is a necessary condition for building a socialist society. On the contrary, historical experience confirms the counterproductive character of administrative attempts to suppress reactionary bourgeois ideas. Suppression merely drives those who hold such ideas underground and prevents the leadership of the socialist state from gaining an accurate picture of the real level of consciousness and understanding of the masses. In the long run, such methods even strengthen the hold of reactionary ideas and place the great majority of workers in the position of being ideologically disarmed before them, because of lack of experience with genuine political struggle and ideological debates.

The only effective way to eliminate the influence of bourgeois ideology upon the working class lies in:

1. The creation of objective conditions under which these ideas lose the material roots of their attraction and the basis upon which they reproduce themselves, i.e., the eradication of money-commodity relations and capitalist norms of distribution of consumer goods and services.
2. The waging of a relentless struggle against these reactionary conceptions in the field of ideology and politics itself, which can only be successful under conditions of open debate.
3. The utilisation by the socialist state of an education policy based on teaching the new generation a scientific, materialist approach to life. At the same time, freedom of religious observance creates the best circumstances to gradually overcome obscurantist ideas in the course of free and open confrontation with scientific ideas.

Only those who have no confidence in the correctness of the materialist world outlook or in the capacity of the working class to understand its own social interests can shrink from open ideological conflict with those who hold procapitalist ideas. In fact, it is only through an open confrontation of ideas that the working class can educate and free itself from the influence of alien class ideas.

Building a socialist society involves a gigantic remoulding of all aspects of social life. It involves a revolutionary transformation in the relations of production, in the mode of distribution of products, in the work process, in the forms of administration of the economy and society, and in the customs, habits and ways of thinking of the great majority of people. It involves the fundamental reconstruction of all living conditions: reconstruction of cities, development of social services that will end the domestic servitude of women, complete revolutionising of the education system, restoration and protection of a habitable natural environment, technological innovations to conserve natural resources and eliminate pollution. All these endeavours, for which humanity has no blueprints, will give rise to momentous debates and conflicting proposals. Any restriction of these debates can only hinder the emergence of majority agreement around the most effective steps toward the construction of socialism.

Such debates will continue throughout the period of transition to socialism. They also concern the eradication of social evils that are deeply rooted in class society and that will not disappear immediately with the elimination of capitalist exploitation — the results of alienation and of the oppression of women, of national and racial minorities, and of other specially oppressed social groups. The eradication of these crippling legacies of class society necessitates freedom of organisation and action for independent movements of these oppressed social layers.

Under capitalism and even pre-capitalist forms of commodity production, it is the law of value — an objective economic law, operating beyond conscious social control — that

regulates economic life, that determines the social allocation of labour, raw materials, and producer goods. The socialist revolution represents a giant leap toward the conscious regulation of humanity's economic and social destiny. While this process comes to a completion only with the emergence of a worldwide socialist society, it begins with the expropriation of capitalist property by the workers' state and the conscious planning of the nationalised economy. While the law of value cannot be completely eliminated during the transition period between capitalism and socialism, its domination must be overcome or the economy cannot be planned.

Planning means allocation of economic resources according to socially established priorities rather than according to blind market forces and the rule of private profit. But who will establish these priorities, which involve the well-being of tens and hundreds of millions of human beings?

Experience in the USSR and the other socialist states has conclusively shown that bureaucratic planning, that is, planning without the democratic participation of the working people, is extremely wasteful and inefficient. This is true not only because of the waste of material resources and productive capacities and great dislocations in the plan, but — most damaging of all — because of the systematic stifling of the creative and productive potential of the workers. Workers' democracy greatly reduces these shortcomings by placing the system of planning under the control of the producers/consumers.

While democratic planning does not guarantee that the majority will not make mistakes in the allocation of social resources, it provides the working people — the ones who will suffer the consequences of these mistakes — with the power to correct their errors.

Nationalised property in a socialist state, established by expropriating the capitalist class, has no *automatic* bias toward socialism. The expropriation of capitalist property is a necessary but by no means sufficient condition for advancing to socialism. It opens the road to the working class taking the productive apparatus of society into its own hands and beginning the conscious advance toward socialism, but the creation of a nationalised, planned economy does not guarantee this advance. The construction of socialism is not an administrative task of managing state property and planning, regardless of how committed and socialist-minded the administrators may be. The construction of socialism depends fundamentally on the increasing involvement of the workers themselves in the administration of all aspects of social life, on the deepening of their socialist consciousness, and on the international extension of the socialist revolution.

Revolutionary leadership and the transition to socialism

Just as the working class cannot solve the strategic and tactical problems involved in overthrowing capitalist rule and conquering state power without the conscious leadership of its most advanced sections, organised into a revolutionary party of the Bolshevik type, neither can it solve the strategic and tactical problems involved in abolishing capitalist social relations and in building socialism without such a revolutionary leadership.

The irreplaceable role of the conscious leadership of a revolutionary party becomes even more important with the conquest of state power by the working class. A mass revolutionary workers' party must lead the workers and their allies in *running* a state and charting a course toward socialism. Until capitalism has been uprooted on a world scale this is a much more difficult task than *overturning* a capitalist state.

The problems of defence of the workers' state, internally and internationally against capitalist powers; of consolidating democratic organs of workers' power; of organising the economy on new foundations; of aiding the development in other countries of mass revolutionary workers' parties with self-confident and experienced leaderships; of combating reactionary ideas and prejudices, and inequalities inherited from the past — all these problems of the period of transition to socialism, cannot be solved without the leadership of a revolutionary party of worker cadres educated in the Marxist program and tested in struggle.

The leadership of the revolutionary party cannot be imposed on the workers by force and against their will; it must be won by demonstrating in action the correctness of its policies.

The social emancipation of the working class can be achieved only by the activity of the working class itself, not by a self-proclaimed benevolent and enlightened elite. It follows that the role of the revolutionary workers' party both during and after the conquest of power is to lead the working class politically; to develop the mobilisation and activity of the working class in defence of its interests; to help the workers engage in decision-making at wider and wider levels; and to struggle within the working class for majority support for the party's proposals through persuasion, not through administrative or repressive measures.

To ensure that it is able to preserve its character as an organisation made up of the most class-conscious and militant workers, voluntarily united on the basis of agreement with its aims and perspectives, and leading the working class through the methods of political persuasion, the revolutionary party must ensure that its apparatus (central leadership bodies and full-time staff) remains separate and distinct from the apparatus of the workers' state.

In the early Soviet republic under Lenin's leadership, all parties except the Bolsheviks ultimately arrayed themselves with the armed capitalist counter-revolution against the workers' state. As a result, within the early Soviet state there was only one political party represented in the democratic organs of workers' power, in the soviets. However, no theoretical document of Marx, Engels, Lenin, or the Marxist movement in Lenin's time, advances the view that a monopoly of political activity by one party is necessary to maintain working-class power. The Stalinist rationalisation, developed after Lenin's death, that each social class is represented by a single party, is historically false and served simply as an apology for the monopolisation of political life by the Stalinist bureaucracy, a monopoly based on its usurpation of the political power of the Soviet working-class.

A political party is a part of a class and since each class is heterogeneous — made up of backward and advanced layers — one and the same class may give rise to, or support, different parties. A social class can only resolve its common problems through an inner struggle of tendencies, groups, and parties. This was true for the capitalist class under feudalism and capitalism, and for the workers under capitalism. It will remain true for the working class during the transition period between capitalism and socialism.

The workers must be free to organise political groups and parties without a priori ideological restrictions. The give-and-take of free discussion and political debate within the working class is the most effective way to decide the innumerable problems of theory, strategy and tactics involved in the titanic task of building a classless society under the direction of the traditionally oppressed, exploited and downtrodden masses. Freedom for these masses to organise political groups and parties, subject only to any restrictions the working people themselves find necessary to protect their power against the old ruling class, is the only road to authentic workers' democracy.

Any attempt by a privileged stratum to dictate to the workers which political parties they may recognise and vote for is a blow not to the class enemy, but to the working class; it undermines the exercise of political power by the workers. The working people themselves, through their free vote, should determine which political parties are represented in the democratic organs of workers' power.

Similarly, to grant a single party a monopoly of access to printing presses, radio, television, other mass media, and assembly halls, etc., restricts rather than increases the democratic rights of the working people. This applies equally to mass organisations or professional associations (such as writers' unions) controlled exclusively by a single party. The right of working people, including those with dissenting views, to have access to the material means of exercising democratic rights (freedom of the press, of assembly, of public protest, the right to strike, etc.) is essential to the development and maintenance of workers' democracy, as is the independence of the trade unions from the state.

Political parties are a reflection of the class struggle in the sphere of politics, that is, in questions relating to government policy and the use of state power. As long as class conflict exists and state power is needed by the workers to defend their class interests, political parties will continue to exist. They can disappear only with progress toward a socialist society and the withering away of classes and class conflict and, therefore, of the state. As political parties, including the revolutionary workers' party, wither away with the disappearance of classes, other forms of organisation reflecting differences of opinion and debating differing views and proposals in various spheres of social life will come into being and flourish. As society advances toward socialism and classes wither away, the revolutionary workers' party will encompass within its ranks larger and larger sections of the population and, at the same time, increasingly dissolve into these new forms of organisation of discussion and debate.

Section 2. The danger of bureaucratism in the transition period

In the transition period between capitalism and socialism, the basic contradiction within society is between the socialised and planned relations of production, on the one hand, and the survival of capitalist norms of distribution of consumer goods, on the other. The latter are made unavoidable by the inheritance from capitalism of a level of development of the productive forces (reflected in the level of social productivity of labour) that is insufficient to assure the satisfaction of material wants through distribution according to need. In the transition period consumer goods therefore retain their commodity character, with each producer exchanging their labour-power for a wage which constitutes a certificate for the appropriation of a strictly limited but undifferentiated fraction of the whole mass of consumer goods produced by society. This, however, will not necessarily be true for services: Depending on the resources the transitional society is able and prepared to devote to these services, distribution can be effected on the basis of need in health care, education, urban transport, housing, and the supply of electricity, gas, water, etc.

In the final analysis, the basic contradiction of the transitional society can only be transcended through a substantial rise in the social productivity of labour. Historical experience, in both capitalist and transitional societies, has shown that techniques which increase productivity by improving the technical level and organisation of labour ultimately give far better results than those aimed at increasing individual productivity. Moreover, such techniques call for little use of individual material incentives. They are furthered at most by collective benefits to society as a whole or the workforce of a given enterprise. Such types of incentives, moreover, have the advantage from the viewpoint of building socialism, that they favour the cohesion and internal solidarity of the working class — insofar, that is, as enterprise parochialism is resolutely combated.

However, the social productivity of labour cannot be increased without the promotion of an increase in the administrative and technical knowledge and skills of the producers. Theoretically, this education ought not to be the source of material advantages once society has taken over its expense, that is, once this expense is no longer financed by the individual producer or their family. In practice, the total absence of individual benefits for the acquisition of such skills would become counterproductive, if only because of the additional effort involved in attempting to gain them. Thus, the socialist state is compelled to maintain the capitalist system of monetary payment according to work, with skilled labour being given a higher remuneration than unskilled, and therefore to uphold inequality in access to consumer goods. However, this unavoidable difference in remuneration between unskilled and very skilled labour, between manual and intellectual labour, brings with it certain dangers, including the danger of bureaucratisation of the functionaries of the socialist state.

In conditions where the supply of consumer goods is inadequate to meet everyone's needs but sufficient to give significant privileges to a minority, there is a tendency for the functionaries of the socialist state, who are in charge of administering and enforcing the inequality of access to consumer goods that flows from capitalist norms of distribution, to become bureaucrats, i.e., privileged officials who monopolise decision-making power.

This tendency is particularly accentuated in an isolated and economically backward socialist state (or group of socialist states). Here, the lack of administrative knowledge and skills within the working class inevitably forces the socialist state to utilise the skills of former capitalists, their managers and state officials, most of whom can only be persuaded to serve the socialist state by being granted high salaries and privileged access to consumer goods. This creates the danger of corruption and bureaucratic degeneration among those revolutionary workers who become functionaries of the socialist state.

Combating bureaucratic tendencies

The danger of bureaucratism can be combated by a series of measures, some of which were outlined by Lenin, others of which have been successfully applied by the Cuban Revolution:

- Implementation of an economic plan that promotes the optimal development of large-scale industry, that expands the availability of consumer goods and free public services as rapidly as possible, and that reduces reliance on market mechanisms and individual material incentives to raise productivity.
- Reduction of the number of administrative personnel to the absolute minimum necessary to effectively carry out the work.
- Placing the most technically competent and knowledgeable personnel in each area of administration in charge of the actual work. Where such administrators are recruited from the former bourgeois specialists or bureaucrats, placing them under the supervision of a politically experienced and militant worker or team of workers.
- A strictly limited proportion of higher-paid elements in the representative bodies of the socialist state, and strict respect for the right of working people to criticise and keep a check on these elements, to publicly expose corrupt representatives and officials and to remove them from office.
- Strict enforcement of the rule limiting the incomes of the functionaries of the revolutionary party and of party members serving as functionaries within the state administration to those of skilled workers.
- Involvement of broad layers of the working class, through workplace meetings, in the nomination of potential candidates for membership of the revolutionary party, and the application of the strictest selection criteria for potential members of the party, plus periodic reviews of the party's membership, involving consultation with their co-workers, to weed out corrupt individuals from the party's ranks.
- Access by the working people to all sources of official information (barring military secrets).
- Involvement of the broadest masses of workers in committees for surveillance and checking on the upholding of the constitution and laws of the socialist state, and of the implementation of decisions by state bodies.
- Expansion of education and training of the greatest possible number of workers in administrative skills in order to reduce as rapidly as possible reliance on administrative functionaries drawn from capitalist backgrounds.

- Encouragement of the largest numbers of working people to participate in discussion and implementation of administrative work, and, wherever possible, in the selection of administrative personnel.
- Assignment of as many as possible of the most capable revolutionary administrators in as close contact as possible with those directly engaged in production or the provision of public services.
- Encouragement, through political motivation and moral persuasion, of the involvement of the widest layers of the population, including paid functionaries, in regular voluntary labour.
- An ongoing campaign of public education about the causes, manifestations, and dangers of bureaucratism.

The causes of Stalinist totalitarianism

Liberal opponents of revolutionary Marxism argue that the rise of Stalinist totalitarianism in Soviet Russia was the result of the use of revolutionary methods to solve Russia's social problems. Others, including ``left" Social Democrats and anarchists, attribute the rise of Stalinism to Lenin's concept of a revolutionary centralist organisation of the working-class vanguard. They claim that the Bolsheviks' efforts to build such a party to lead the workers' revolution inevitably resulted in a paternalistic, manipulative and bureaucratic relationship between the party and the masses. This in turn led to the monopolisation of power by one party and that, they argue, was the cause of Stalinist totalitarianism. Such arguments are unhistorical and idealist — they ignore the real causes of Stalinism, which were due to the isolation of the first workers' revolution in a backward, predominantly peasant country.

The 1917 Russian Revolution was one of the most profound and sustained mass mobilisations in history, marked particularly by the mobilisations and democratic self-organisation of the working class. The Russian Revolution was the product of a deep-going social crisis resulting from the contradiction between the objective demands of capitalist development in Russia (which in the industrial sphere had already reached the stage of imperialist, monopoly capitalism) and the survivals of Russia's feudal past, particularly in agriculture (where millions of land-hungry peasants were exploited by a hereditary landowning nobility) and in the political superstructure (which was dominated by the landed nobility headed by an absolutist monarchy). The revolutionary explosion in 1917 was triggered by the deprivations imposed on the Russian working class by the inter-imperialist war of 1914-18, itself the inevitable explosion of the objectively socialised productive forces against the fetters of capitalist private property and national frontiers.

The Russian industrial and commercial capitalists, and their political representatives, as well as the petty-bourgeois reformist parties (the Mensheviks and Socialist Revolutionaries), proved incapable of resolving Russia's social problems. Only the Bolshevik party consistently defended and championed the interests of the Russian working people.

On November 7, 1917 (October 25 in the old Russian calendar) the Russian workers, led by the Bolshevik party, overthrew the unelected landlord-capitalist Provisional Government and transferred all power to the soviets (councils) of workers', soldiers', and peasants' deputies. These elected councils represented the highest form of institutionalised democracy the world has seen. Through the soviets, and the workers' and peasants' government elected by them, the Russian workers and peasants swept away the tsarist state machine, granted the oppressed nationalities the right to self-determination, distributed land to the peasantry, established legal equality for women, and introduced workers' control over capitalist industry.

Given the general poverty and backwardness of the country, the Bolshevik leaders understood that it was impossible for the Russian working class to directly hold power for a prolonged period, let alone build a viable socialist economy, if the revolution remained isolated in a hostile capitalist world. They recognised that the long-term survival and further development of the Russian Revolution depended upon aid from victorious workers' revolutions in the more economically advanced countries of Western Europe and North America. They saw the socialist revolution as an international process — a process they sought to assist through their initiative in organising the Communist (Third) International.

Inspired by the example of the Russian Revolution, there were big workers' upsurges in the major capitalist countries of western and central Europe at the end of World War I, which brought the workers to the threshold of victory in Germany, Italy and Hungary. However, these revolutionary upsurges were defeated due to the still remaining strength of imperialism (which was able to grant concessions to the masses — eight-hour working day, universal suffrage, etc.), the class-collaborationist policies of the Social Democratic parties, and the inexperience of the newly formed Communist parties. Through these defeats, the socialist revolution was isolated within a backward country. Imperialism, and its Social Democratic allies, were thus mainly responsible for laying the social basis for the subsequent rise of the Stalinist bureaucracy.

The catastrophic decline of the productive forces in Russia due to the three-year-long civil war unleashed by the landlords and capitalists after the revolution, combined with direct imperialist military intervention and economic blockade, led to conditions of extreme material scarcity, famine, industrial and financial breakdown. The same factors led to a qualitative weakening of the already small working class in the cities, which had become dispersed as a result of the collapse of industry. In addition, large numbers of the most politically conscious elements of the working class either died in the civil war or left the factories to be incorporated into the Red Army and the state administrative apparatus.

In the life-and-death struggle against foreign invaders, domestic counter-revolutionary armies, and economic sabotage by capitalist managers and technicians, the Bolsheviks were forced to move much more quickly than they had originally intended to nationalise industry, in order to bring it under the control of the workers' state. While the extensive nationalisations deprived the capitalists of bases for counter-revolutionary activity and

enabled the Russian workers to equip and supply the Red Army, many factories ceased to function due to the workers' lack of managerial expertise and technical skills. The decline in industrial output brought about a corresponding decline in agricultural production by the peasants, who were unable to find industrial goods to exchange for their crops.

In order to revive the economy at the end of the civil war, the Bolshevik party (now renamed the Communist party) was forced to allow a restoration of capitalist relations in agriculture and retail trade, and a partial restoration of capitalism in wholesale trade and industry (leasing of smaller enterprises to private investors, competition for profit between state-owned enterprises). Under this retreat, known as the New Economic Policy, while waiting for aid from victorious workers' revolutions in the West, the Soviet socialist state was to regulate the partially restored capitalist economy and direct it toward the gradual building up of a socialised, planned economy. However, in order to do this, the Bolsheviks were forced to rely on the administrative expertise of former capitalist managers and tsarist officials. Hostile to the revolution, these administrators from the old regime could only be induced to work for the socialist state by granting them high salaries and privileged access to consumer goods and services. The administrative apparatus of the socialist state thus rapidly became dominated by a bureaucratic stratum.

At the start of the NEP, a certain economic revival began. However, its immediate beneficiaries were the small peasant proprietors, private traders and small factory owners. The demobilisation of the Red Army and the slow revival of the large state-owned enterprises (which lacked the necessary injections of large investment funds for repair and renovation of expensive machinery) led to massive unemployment in the cities. The continuing shortages of goods, including essentials such as food, clothing and fuel, undermined the morale and the ability of the workers to devote attention and energy to complex political questions. This decline in the social weight and political activity of the working class deprived the democratic instruments through which the workers could have exercised control over the state bureaucracy (the soviets, the factory committees, the trade unions, and, above all, the Communist party itself) of an active and militant base of support.

Within the Communist party, a section of its leaders and cadres increasingly adapted to the petty-bourgeois outlook and authoritarian methods of the state bureaucracy. This section of the party found its leader in Joseph Stalin, the head of the party's administrative apparatus. Stalin used his administrative post as general secretary (which gave him authority over personnel assignments within the party and state apparatuses) to appoint those who would obediently serve the secretarial apparatus to leading posts throughout the party. With the exception of Lenin, the other Bolshevik leaders initially failed to recognise the danger Stalin's apparatus faction posed to the revolution, and in one way or another became complicit in its rise to power. The Stalinist faction sabotaged the measures that Lenin advocated to protect the Communist party from bureaucratic degeneration, and then, after Lenin's death, implemented policies that accelerated this process.

The Communist Left Opposition, formed at the end of 1923, took up Lenin's struggle against the rising Stalinist bureaucracy. But in the given conditions of the Soviet Union, the working class and its revolutionary vanguard were unable to block the consolidation of the Stalinist bureaucracy's hold over the Communist party.

The rising Stalinist bureaucracy, lacking any confidence in the revolutionary capacity of the workers in the capitalist countries, sought to make a virtue out of the Soviet Union's isolation. This was the meaning of its theory of "socialism in one country." As the Stalinist bureaucracy gained control over the Communist Party of the Soviet Union, it used the CPSU's weight and prestige within the Comintern to convert its member parties into tools of the Kremlin's diplomacy, seeking class-collaborationist deals with imperialism. This in turn led to further defeats of the international revolution, prolonged the isolation of the USSR, and reinforced the conditions favouring bureaucratisation.

In order to maintain and expand its material privileges, the Stalinist bureaucracy increasingly restricted the democratic rights of workers. Since its ability to expand its privileged access to consumer goods depended on its monopoly of political power, the bureaucracy suppressed both soviet democracy and the internal democratic life of the Communist party. The soviets were transformed into ceremonial assemblies that rubber-stamped the bureaucracy's policies. Most of the leaders and cadres of the Communist party who had served under Lenin's leadership were expelled, jailed and eventually executed. The Communist party was destroyed as a revolutionary organisation of the working-class vanguard. It was converted into an administrative machine, a "jobs trust" of the privileged middle-class layers in the bureaucratic apparatuses of the state, economic enterprises, trade unions, and the party itself, which remained "Communist" and a "party" in name only.

These were the causes of the Stalinist bureaucracy's usurpation of the exercise of political power by the Russian workers, of the gradual merger of the party apparatus, the governmental apparatus, and the apparatus of economic management into a crystallised bureaucratic ruling caste, conscious that its interests were opposed to workers' democracy.

Far from being the result of Lenin's conception of the revolutionary party, the usurpation of power by the Stalinist bureaucracy was the result, in the extreme conditions facing an isolated socialist state in a backward country, of the disappearance of a decisive component of this concept — the presence of a broad layer of worker cadres, schooled in Marxist politics and supported by a politically active working class.

The anti-socialist nature of Stalinism

The formation and consolidation of the bureaucratic caste headed by Stalin found its principal reflection in the political field, in the suppression of workers' democracy. Since it owned no means of production, the Stalinist bureaucracy would have lost its privileged access to consumer goods if the functionaries of the socialist state were subject to the democratic control of the working class. The new political regime established by the

Stalinist bureaucracy most closely resembled that placed in power in capitalist countries by victorious fascist movements — a politically atomised population ruled over by a ruthless bureaucratic dictatorship masquerading behind social demagogy and the ceremonial trappings of representative "democracy." To settle internal disputes within its own ranks, the ruling caste of bureaucrats created an "infallible" supreme arbiter as unchallengeable as themselves.

The political counter-revolution carried out by the Stalinist bureaucracy in the 1920s and '30s did not overcome the resistance of the Soviet working class to the point where private property was restored in the means of production. To the contrary, in order to expand its consumption privileges the Stalinist bureaucracy centralised the social surplus product in its own hands through the forced collectivisation of peasant farming, the nationalisation of all retail trade and light industry, and the subordination of production to a super-centralised system of bureaucratic planning.

Although the rise and consolidation of the Stalinist dictatorship in the USSR was the product of a political counter-revolution, the bureaucratic caste introduced reactionary tendencies in all fields of social life, including in the economy, in the social position of women, in the relations between nationalities, and in science and culture:

- *Economy*: The entire economy of the transition period between capitalism and socialism is characterised by the contradiction between socialised relations of production and the survival of capitalist norms of distribution. The bureaucratic ruling caste accentuated this contradiction by the enormous expansion of its consumer privileges and of social inequality; by introducing enormous disproportions between the development of production of producer goods and the whole sector (agricultural and industrial) producing consumer goods; by destroying workers' control over production and subordinating economic planning and management to the omnipotence, arbitrariness and greed for consumer privileges of individual bureaucrats (including factory managers).
- *Women*: The Bolshevik government instituted a series of deep-going reforms aimed at uprooting the oppression of women, including the liberalisation of divorce laws, legalisation of abortion and the establishment of community kitchens and nurseries in order to free women from domestic servitude in the individual family unit. The Stalinist bureaucracy reversed these reforms: marriage and divorce laws were tightened up; abortion was again made illegal; the socialisation of domestic services was abandoned in favour of a revival of the cult of the family and women's traditional role as mother and homemaker.
- *Relations between nationalities*: One of the great strengths of the Bolsheviks was their appeal to the oppressed nationalities within the tsarist empire. Under Lenin's leadership, the Bolshevik government gave unconditional support to the right of the non-Russian nationalities to self-determination and promoted a voluntary union of Soviet republics. Lenin insisted that this federation should not limit itself to formal equality between the various national republics, but take affirmative action to develop the economies and culture of the oppressed nations in order to close the historical gap between them and the former oppressor Russian nation.

The Stalinist bureaucracy abandoned the Bolsheviks' policy on national self-determination and voluntary federation. It centralised control of the USSR in the hands of the Russian-dominated bureaucracy in Moscow, promoted a resurgence of Great Russian nationalism, attempted to forcibly Russify the non-Russian nationalities, and accentuated the historical gap between the European republics, particularly Russia, and the republics of Central Asia and Transcaucasia. During and after World War II it forcibly incorporated the Baltic nations of Lithuania, Latvia and Estonia into the USSR, deported whole nationalities within the USSR from their homelands to remote territories, and subjected the newly formed socialist states in Eastern Europe to Moscow's political control. The Soviet bureaucracy used its armed forces to crush pro-socialist workers' uprisings in eastern Germany (1953), Hungary (1956) and Czechoslovakia (1968).

- *Science and culture:* Under the early Soviet government there was a flowering of innovation and debate in the realms of literature, art and architecture, of theatre and cinema, of psychology and psychiatry, of economic analysis and historiography that has had no equal before or since. With the rise of the Stalinist bureaucracy, cultural and artistic innovation and debate was suppressed. All literary and artistic production was forced to conform to the dictates of "socialist realism," that is, to the bureaucracy's romanticised image of social life under its rule. Free theoretical discussions in all the fields of social science were suppressed, and even research in some areas of natural science was obstructed or even prohibited, as in the case of genetics. The history of the party and of the revolution was systematically falsified and periodically rewritten. Marxist theory, instead of being a guide to revolutionary action, was transformed into a state "religion," with an apparatus of official ideologists scholastically culling the writings of Marx, Engels and Lenin to select quotations with which to justify the bureaucracy's pragmatic policies.

Under the rule of the Stalinist bureaucracy there was an enormous gap between the official view of life, in which socialism had supposedly triumphed, and the realities of daily life for the great majority — permanent shortages of consumer goods and lengthy queues, and continual humiliation at the hands of arrogant and unremovable officials. Nevertheless, while working people were deprived of political freedoms and access to consumer goods taken for granted by workers in advanced capitalist countries, they enjoyed important social gains flowing from the abolition of capitalism and the functioning of the nationalised, planned economy: guaranteed full employment; free medical and dental care; free education; nominal subsidised prices for housing, transportation, and basic foods.

In the wake of the Soviet Union's victory over German and Japanese imperialism in World War II new socialist states were created in Eastern Europe, China and North Korea. But due to the Stalinist nature of their leaderships, privileged bureaucratic castes consolidated power in these newly formed socialist states and blocked the formation of a system of workers' democracy from their inception. In Vietnam and Cuba socialist states came into being in the late 1950s and early 1960s, respectively, that were under revolutionary leaderships. While bureaucratic deformations developed in these two

socialist states due to the relative backwardness of their economies and to the influence of the Stalinist regimes upon them, they have not led to the usurpation of political power by a bureaucratic caste.

While the nationalised, planned economies provided the means for a rapid process of industrialisation and urbanisation of the Stalinised socialist states, all of which had been relatively backward countries before the overthrow of capitalism, this process of extensive growth of the productive forces was accomplished at the cost of tremendous and unnecessary waste of economic, social and natural resources.

Without a deepening of the workers' socialist consciousness and their active involvement in economic planning and management there is no way to produce quality goods in the transition from capitalism to socialism. But bureaucratic planning and management methods destroyed rather than encouraged working-class initiative, and undermined socialist attitudes to work. Thus, bureaucratic planning and management methods increasingly came into conflict with the task of modernising production in industry and agriculture to produce high quality goods, leading to a slowing down of economic growth, a deepening social crisis, and an erosion of confidence in the effectiveness of the nationalised, planned economy within the population as a whole.

In the face of this accelerating crisis, the bureaucracy sought to preserve its privileges by introducing more and more capitalist features into the nationalised, planned economy: organisation of the economy on the basis of profitability of individual enterprises; tying of incomes (of factory managers and even of workers) to enterprise profitability; a wholesale market for exchange of producer goods between state enterprises; autonomy of enterprise decision-making in matters of price, investment, and orientation of production; selling of shares in state enterprises through stockmarkets; auctioning off of state enterprises to private buyers. The bureaucratic caste thus began to dismantle the nationalised, planned economy, to wipe out the socio-economic foundations of the socialist state, and to prepare the way for a restoration of capitalism. Increasing elements of the bureaucracy sought through corruption, black-marketeering and embezzlement of state property to accumulate capital in their hands and, in open alliance with imperialism, set out to transform themselves into a new capitalist ruling class.

Stalinism was not a distorted, bureaucratic form of "socialism," but rather a stage on the road to capitalist restoration. The Stalinist bureaucracy was a petty-bourgeois social stratum with interests hostile and opposed to those of the working class. It was bourgeois in its attitudes and aspirations, and was the chief transmission belt into the socialist states of capitalist ideological values: contempt for workers; desire for private enrichment; servility toward established authorities; racism and national chauvinism; reactionary views on women and the family; fear of unfettered debate; anti-internationalism; and even open anti-communism. It preserved socialised property only to the extent that it feared that the economic chaos and decline in living standards resulting from its abolition would lead to a revolt by the working class against the bureaucracy's monopoly of political power.

The longer it preserved itself in power the more the bureaucracy undermined any identification of the workers with the nationalised, planned economy, and thus weakened their ability to resist its inevitable attempt to transform itself into a new capitalist ruling class. However, once the bureaucracy made an open turn toward restoring capitalism it began to create the social conditions in which the working class could start to overcome its political atomisation and develop independent organisations of struggle.

In the course of struggles to defend their social and democratic rights, the workers can rapidly regain an understanding of the need to defend socialised property forms. However, the indispensable condition for a successful defence and revival of socialised property is the revolutionary overthrow of the political rule of the petty-bourgeois bureaucratic stratum and the establishment of a workers' democracy. This cannot be accomplished without the leadership of the most politically conscious and experienced workers, organised into a mass revolutionary party built upon Leninist lines.

The experience of Stalinism demonstrates that workers' democracy is not merely one "model" of political organisation of post-capitalist society; it represents the only effective means to consolidate working-class rule and to build socialism.

Section 3. Stages in the transition to socialism

Because of the specific obstacles to be overcome and tasks to be accomplished, the transition to socialism within Australia will occur through two main stages.

The first stage of the transition period

The main task of the first stage will be to break the political and economic power of monopoly capital.

Since the capitalist state is the political instrument of the rule of monopoly capital, and since the working class can begin the socialisation of the ownership and management of the productive apparatus only through the conquest of political power, the working class must overthrow the capitalist government and transfer political power to a working people's government. The working people's government must move immediately to dismantle the capitalist state machine, beginning with its repressive apparatus — its police, military forces, judicial bodies, etc — replacing it with armed forces and a judicial system devoted to defence of the working people's interests. The capitalist parliamentary system must be replaced by a democratically centralised system of genuinely representative institutions of popular power arising out of elected committees or councils created by the workers and their allies to impose their interests in all areas of economic and social life, including factories, offices, hospitals, schools, transport and communications centres. From these councils delegates would be elected to municipal councils, which in turn would elect delegates to regional councils. Within the areas in which they represented working people, these councils would take over the functions of public administration from the institutions of the capitalist state.

This democratically centralised system of popular representation — in which the elected representatives rather than unelected officials would be responsible for public administration, and in which they would be subject to immediate recall by their electors and paid at no more than the average wage of a skilled worker — would culminate in a national congress of delegates elected by the regional councils, which would appoint the central executive bodies of the revolutionary government.

Through such a system of centralised representation and decentralised administration, working people would be drawn into the tasks of public administration not only through their votes but through their participation in the actual management of society at all levels.

The revolutionary working people's government would promote the generalisation of mechanisms for workers' control over the capitalist monopolies. In the process of supervising their day-to-day operations, the workers employed by the big corporations and banks will gain the experience and knowledge necessary to move forward from workers' control to workers' self-management. As this occurs, the working people's government would progressively nationalise the major industrial, agribusiness, commercial, transport, communications, mass media, banking and financial corporations and thus bring the decisive levers of economic power under its direction.

With the expropriation of monopoly capital and the consolidation of institutions of popular power as the basis of the new state, the social domination of the capitalist class will be decisively broken. The capitalist social order will have been replaced by a society in which the interests of the working class are politically and economically dominant. The new socialist state power will be the political instrument for the defence and organisation of the rule of the working class, and for effecting the transition to socialism.

The second stage of the transition period

The consolidation of the socialist state will open the way to the second stage of the transition to socialism — the passage from a multi-structured economy (i.e., an economy with a mix of different property forms) to an economy in which private ownership of the means of production is completely eliminated and in which the economy is directed according to a democratic plan for the satisfaction of the most pressing social needs. Decisive and consistent steps will be taken to begin to eliminate the deeply entrenched social inequalities that are based on the oppression of women and racist discrimination.

The operations of state enterprises would be coordinated through a democratically centralised system of national economic planning. The remaining, smaller, capitalist enterprises — most of which played a subordinate role to the monopolies — would be required to adhere to the role allocated to them in the economic plan. Self-employed business operators and family farmers would be offered assistance to maximise the productivity of their enterprises and assure them a comfortable livelihood.

In the first stage of building socialism there will still be an exploiting class, though dispossessed of political power and economically subordinated to the dominant socialised sector of the economy. The second stage in the transition period will be marked by the gradual socialisation of all the means of production, beginning with the remaining enterprises employing hired labour.

While moving, at a pace consistent with social and economic needs and the administrative capacities of the workers, to bring all privately owned enterprises using hired labour under state ownership and workers' self-management, the socialist state will respect the right of individuals and families to own and operate businesses using only their own labour. It will avoid arbitrary, premature, and oppressive measures against small individual proprietors, working farmers and self-employed professionals. In fact, it will offer assistance to enterprises based on individual labour, and to anyone wishing to form cooperative enterprises in which all who work in them are equal partners in their ownership. It will seek, by force of example, to demonstrate to small proprietors the material advantages of socialised labour.

The existence of commodity-money relations during the transition period is an inevitable consequence of the relative underdevelopment of the productive forces and the resulting relative shortage of consumer goods and services. As long as such shortages remain, consumer goods and services will retain their commodity character (i.e., products for sale), with access to them being rationed by the capitalist mechanism of payment for work (with skilled labour receiving a higher monetary remuneration).

The socialist state will massively expand both the availability and quality of goods and services that monopoly capitalism has previously included in the "social wage" (for example, free primary and secondary education, free school meals, free health care, free parks, museums and sports-grounds) and rapidly extend it to include other services whose costs can be more easily socialised such as public transportation, tertiary education, etc. Nevertheless, at the beginning of the transition period the bulk of consumer goods and services will still be allocated on the basis of each individual's contribution to social labour, through the payment of money wages.

The survival of money-commodity relations in the sphere of consumption creates an unavoidable retention of the use of monetary standards in the relations between publicly-owned enterprises making producer goods (means of production), without however implying real market relations (since in these relations transfers of resources do not involve any change in ownership). Since the production cost and sale price of consumer goods are calculated in money, it is simpler to make the same calculations for producer goods as well. As a result, the whole economy of the transitional period is marked by a constant battle between the logic of planning (which as an affirmation of the directly social character of labour contains a fundamentally egalitarian dynamic) and the law of value (which encourages the persistence of the defence of private interests and therefore of the persistence of a tendency toward private enrichment, individual selfishness, etc.). The operation of the law of value in the transition period cannot be overcome by administrative decree, but its influence can be progressively reduced through the growth

in the productive forces, the consolidation and extension of planning, the incorporation of more and more consumer goods and services into the "social wage," and the international extension of the socialist revolution.

A rational relationship will therefore need to be established between overall economic planning and the surviving elements of the market economy that avoids bureaucratic arbitrariness on the one hand, and a return to the anarchy of the market on the other.

Experience has shown that economic planning is undermined by attempts by central planning authorities to dictate detailed and complete production targets for individual enterprises, whether in terms of physical quantity, value (cost of production), or earnings. A degree of freedom of action for these same enterprises enables central planning to function more efficiently. On the other hand, the whole superiority of a planned economy compared with a market economy lies precisely in the fact that it substitutes the maximum overall efficiency of investment by society as a whole for the maximum profitability of each separate enterprise. Reliance on market mechanisms and capitalist economic categories (e.g., profit, interest, law of value, etc.) within the state-owned sector undermines and blocks the possibilities of conscious planning of social and economic priorities by the working people.

The planning authorities should therefore make use of the market for the distribution of consumer goods, without yielding passively to it. They should seek to guide the market by means of incentives, while not hesitating to coerce it by means of injunctions wherever this is required for the realisation of social goals, as freely decided by the working people. Within the state-owned sector, each individual enterprise should function as a "subsidiary" of a single "firm" — the socialist state — applying the most rational techniques of planning, organisation, and accounting previously developed by monopoly capitalist corporations, but subjecting these to the democratic control of elected management bodies at the level of individual enterprises, different branches of industry, and within the nationalised sector as a whole.

While recognising their unavoidable necessity during the transition period, the socialist state should promote the withering away of commodity-money relations and individual material incentives. As the productive forces of society grow, and as people's consumption patterns are progressively rationalised with their emancipation from economic insecurity and poverty, an increasing number of consumer goods can be distributed according to the satisfaction of needs rather than in exchange for money (that is, incorporated into the "social wage").

As the new economy develops the material basis to progressively substitute free access to consumer goods and services for the old system of distribution through money wages, the socialist state should promote a continuous transformation of daily habits, morals, ideology and culture. This ideological and cultural transformation will be aimed at systematically reducing tendencies towards individual acquisitiveness, instead encouraging voluntary cooperation and solidarity, not through state coercion, but by

persuasion, education, and above all, as a result of the altered socio-economic conditions, through example and experience of everyday life.

The planned development of the productive forces and the consequent increases in the standards of living, qualifications and culture of the workers will overcome the objective conditions of the social division of labour between managers and managed. The radical and continuous shortening of the working day, and the gradual elimination of tiring, monotonous, repetitive labour through the increasing application of automated production techniques, will provide increasing numbers of working people with the material possibility of developing popular self-government.

While substantial advances along the road to building socialism can be made by a socialist state in Australia, the completion of the transition to socialism is impossible without the victory of socialist revolutions in other countries, particularly other highly industrialised countries. Only the international victory of the socialist revolution is capable of creating the necessary preconditions for a successful conclusion of the process of constructing a socialist society by extending the international division of labour and by removing pressure from the remaining capitalist powers. This pressure includes the compulsion to divert social resources to military defence.

The development of the productive forces to a higher level than attained under even the most advanced capitalist economy is an essential material precondition for the emergence of the classless society. This can only be accomplished through maintenance and extension of the international division of labour on the basis of planning the world economy.

Both international economic planning and a radical redistribution of material resources in favour of the poor nations are necessary to overcome the gross social and economic inequality that imperialism has introduced between nations.

The Australian socialist state, as part of a growing international federation of socialist republics, will provide generous material aid to help overcome the legacy of backwardness and poverty that imperialism has inflicted on the oppressed nations of the world.

In carrying out this task, it will be necessary to overcome egotistical, short-sighted, narrowly nationalistic ways of thinking, which exist today among important sections of the working people in imperialist countries like Australia. This will require the development of a spirit of working-class internationalism, together with an economic policy that demonstrates that the redistribution of material resources to poorer nations can take place without reducing the living standards of the working people in the highly industrialised countries. This policy can be achieved through the elimination of unproductive expenditures such as military spending, through the elimination of the enormous waste of resources inherent in the capitalist private-profit system (as a result of periodic recessions and permanent underutilisation of capacity; irrational organisation of

industry, transportation and distribution networks; unnecessary packaging and advertising, etc.) and through freeing the creative power of the workers.

The socialist society

Basing themselves on a historical-materialist analysis of the tendencies inherent in the development of socialised productive forces, Marx and Engels distinguished two phases in the development of the future socialist or communist society.

The first phase of socialism, while based on a far higher level of development of the productive forces than exists under even the most advanced capitalist economy today, will not yet be fully mature economically and entirely free from the traditions and vestiges of capitalism. While the means of production will have become common property and all citizens will have become working partners in a single, worldwide, democratically centralised planned economy, in the first phase of socialism it will still not be possible to eliminate inequality in the distribution of consumer goods. Apart from the free satisfaction of the most basic needs, the distribution of consumer goods and services by and large will continue to be measured in terms of the quantity of labour given by the individual to society. Since no two individuals are really equal in their capacity for labour, or in their needs, the principle of equal remuneration for equal amounts of labour gives unequal individuals equal amounts of products for effectively unequal amounts of labour. This inequality in the division of consumer goods and services will mean that in the first phase of socialism a state will continue to be necessary to regulate the distribution of products and the allocation of labour. However, since classes will have withered away this state, which consists of the armed workers themselves, will have lost its character as a coercive instrument for the systematic repression of one class by another.

In the higher phase of socialism, humanity will pass beyond formal equality in the distribution of consumer goods and services to actual equality, that is, to the operation of the rule *from each according to their abilities, to each according to their needs*. As a result of the planned development of the productive forces and the full automation of production, socialism in its higher phase will be able to assure society such an abundance of goods that labour will cease to be a requirement for the satisfaction of people's material wants. Each individual's material wants will be freely satisfied according to need. Labour itself will disappear and be replaced by free creative practice. The state, as a special apparatus of coercion, will wither away and be replaced by a purely technical administration of the general business of society based on the people's voluntary fulfilment of social duties. Socialist society in its mature phase will be based on the most complete human solidarity. The leisure and educational opportunities which will be afforded to everyone through the provision of material abundance will offer every individual possibilities for the fullest development of their creative abilities. For the first time a truly human society will exist in which the free development of each individual will be the condition for the free development of humanity as a whole.