

The Historical and  
International Foundations of  
the Socialist Equality Party  
(Australia)

This document was adopted at the  
Founding Congress of the Socialist Equality Party (Australia),  
held in Sydney, Australia on January 21-25, 2010.

Published on [www.wsws.org](http://www.wsws.org) in February & March, 2010.

© 2010 Socialist Equality Party (Australia)  
All rights reserved.

# Contents

Capitalist breakdown and the founding of the Socialist Equality Party .....	1
The financial crash of 2007–2008.....	2
The origins of Australian exceptionalism .....	5
The Labor Party and “White Australia” .....	6
World War I and the Russian Revolution .....	10
The Communist Party of Australia .....	11
The Great Depression and the CPA’s “Third Period” line .....	14
The origins of Trotskyism in Australia.....	18
The struggle against centrism.....	19
Stalinism, Trotskyism and World War II.....	21
The post-war upsurge .....	25
The betrayals of the CPA.....	27
The post-war stabilisation and the emergence of Pabloism .....	28
The post-war boom and its contradictions .....	32
The resurgence of the working class .....	34
The struggle against Pabloism and the growth of the ICFI .....	35
The founding of the Socialist Labour League.....	37
The political backsliding of the WRP, the SLL and the Canberra coup .....	39
A global counter-offensive against the working class .....	43
The Accord and the Hawke-Keating Labor government.....	44
Political crisis in the ICFI.....	46
The split in the International Committee.....	48
The aftermath of the 1985–86 split.....	52
The World Perspectives of the ICFI.....	54
The dissolution of the Soviet Union and its implications .....	55
The formation of the Socialist Equality Party .....	58
The World Socialist Web Site .....	59
Imperialist war and neo-colonialism .....	60
The crisis of Australian capitalism and the tasks of the Socialist Equality Party.....	61

# The Historical and International Foundations of the Socialist Equality Party (Australia)

## **Capitalist breakdown and the founding of the Socialist Equality Party**

1. The founding congress of the Socialist Equality Party, the Australian section of the International Committee of the Fourth International (ICFI), takes place in the aftermath of the founding congress of the SEP in the United States and in conjunction with founding congresses being conducted by the sections of the ICFI in Europe and South Asia. The ICFI, the world Trotskyist movement, is the only political party seeking to provide the international working class with the program and organisation necessary to overthrow the outmoded capitalist system and ensure the future development of humanity on the basis of international socialism. These common initiatives are the response of the ICFI to the breakdown of world capitalism ushered in by the global financial and economic crisis that began in 2007–2008 and the new period of wars and revolutionary struggles that has opened up. They are grounded on the historical lessons of the strategic experiences of the international working class extracted by the international socialist movement over more than a century of struggle.

2. All the contradictions that wracked the capitalist system in the 20<sup>th</sup> century and gave rise to mass unemployment, fascism and war have reached a new peak of intensity in the opening decade of the 21<sup>st</sup>. Assuming ever more malignant forms, these contradictions derive from the irresolvable conflict between the global economy and the nation-state system and between socialised production and the private ownership of the means of production. They have created the objective conditions for the overthrow of capitalism by the international working class.

3. The same contradictions underlie the new dangers posed by climate change. These dangers cannot be seriously tackled, let alone resolved, within the framework of the capitalist system, where corporate profit dominates over human needs and the conflicting interests of rival nation-states make impossible the rational re-organisation of the world economy.

4. The predecessor of the SEP, the Socialist Labour League (SLL), was founded as the Australian section of the ICFI in 1972. The ICFI's orientation to the resolution of the crisis of leadership of the working class, and its principled struggle against Stalinism, reformism and petty-bourgeois radicalism, won to its ranks workers and young people in Europe, the US, Asia and Australia who had been radicalised by the revolutionary upsurge of the working class in the 1960s and 1970s. Now, almost four decades on, the founding of the SEP is being undertaken to meet the tasks posed by a new period of revolutionary upheaval.

5. The strategy of the SEP is grounded on the objective logic of the world crisis of capitalism. Its fundamental task is to politically prepare the working class, develop its socialist consciousness and build a new mass revolutionary party. This will only take place in opposition to the various petty-bourgeois tendencies that seek to subordinate the working class to the decaying and treacherous trade unions, and the remnants of the social democratic and Stalinist apparatus, and thereby to the capitalist order itself. The open disavowal by the French Pabloite organisation, the Ligue Communiste Revolutionnaire (LCR), of any connection with a revolutionary socialist program, its rejection of Trotskyism and repudiation of internationalism in order to dissolve itself into the so-called “New Anti-Capitalist Party” (NPA), is being heralded by all the organisations of the petty-bourgeois ex-“left” as their model.

6. Throughout the history of the Australian workers' movement, the Labor and trade union bureaucracies, together with the various ex-radical organisations, have promoted the myth of Australian exceptionalism as a counter to the development of socialist consciousness. In the latter part of the 19<sup>th</sup> century and the early part of the 20<sup>th</sup>, they characterised Australia as the "workingman's paradise", where the laws of the class struggle did not apply. Today, in the midst of the greatest economic and financial crisis in three-quarters of a century, the illusion is once again being promoted that Australia is "exceptional" and has "weathered" the storm. While the first phase of the global financial crisis that began in 2007–2008 has passed, neither the world economy nor Australian capitalism can return to the past. A vast "restructuring" of economic and class relations is underway on a global scale that will propel the working class into political struggle. In its perspectives resolution *The World Capitalist Crisis and the Tasks of the Fourth International*, published in 1988, the ICFI made clear the tasks posed by the coming upheavals: "[N]o struggle against the ruling class in any country can produce enduring advances for the working class, let alone prepare its final emancipation, unless it is based on an international strategy aimed at the worldwide mobilization of the proletariat against the capitalist system. This necessary unification of the working class can only be achieved through the construction of a genuine international proletarian, i.e., revolutionary, party. Only one such party, the product of decades of unrelenting ideological and political struggle, exists. It is the Fourth International, founded by Leon Trotsky in 1938, and led today by the International Committee."<sup>[1]</sup>

### **The financial crash of 2007–2008**

7. The financial crash of 2007–2008 was not a conjunctural downturn from which there will be a return to the status quo ante. Rather, the breakdown is the form through which a massive restructuring of world capitalism is taking place, affecting social and political relations within every country, and relations between the major capitalist powers. It can be resolved only on a capitalist or a socialist basis. The capitalist solution involves a drastic lowering of the living standards of the working class, together with the devel-

opment of repressive and dictatorial forms of rule. At the same time, the intensified struggle for markets, profits and resources threatens the eruption of a third imperialist world war. The socialist solution requires the taking of political power by the working class and the establishment of genuine public ownership and democratic control of all industrial, financial and natural resources. This will form the basis for the development of a planned global economy, organised to meet the needs of society as a whole.

8. The form of the crisis—the crash of the US financial system—is not accidental. It marks a qualitative turn in the economic decline of the United States—a process extending back to the end of the post-war boom at the beginning of the 1970s. This transformation has far-reaching implications. For decades its economic strength enabled American capitalism to function as the chief stabiliser of the global capitalist order. Today it is the chief source of instability. Writing in 1928, when American imperialism was still ascendant, Leon Trotsky pointed to the consequences of its inevitable decline: "In the period of crisis the hegemony of the United States will operate more completely, more openly, and more ruthlessly than in the period of boom. The United States will seek to overcome and extricate herself from her difficulties and maladies primarily at the expense of Europe, regardless of whether this occurs in Asia, Canada, South America, Australia, or Europe itself, or whether this takes place peacefully or through war."<sup>[2]</sup>

9. Twenty years ago, the bourgeoisie and its spokesmen hailed the collapse of the Soviet Union and the Eastern European Stalinist regimes as the dawn of a new era of capitalist development. Never has such a political perspective been so decisively and rapidly refuted. As the ICFI explained in February 1990, just three months after the fall of the Berlin Wall: "The disintegration of the Eastern European regimes cannot be explained apart from the development of world economy as a whole. The social upheavals in Eastern Europe reveal not only the crisis of Stalinism; they are the most advanced political expression of the general crisis of world imperialism. . . . The collapse of these regimes signals the breakdown of the entire postwar order."<sup>[3]</sup> That analysis stands completely vindicated.

10. Far from presiding over a new period of peace and prosperity, the United States seized upon the demise of the Soviet Union as an opportunity to use its military superiority to coun-

1. *The World Capitalist Crisis and the Tasks of the Fourth International*, Perspectives Resolution of the International Committee of the Fourth International, Labor Publications, Detroit, 1988, pp. 7–8.

2. Leon Trotsky, *The Third International after Lenin*, New Park, London, 1974, p. 8.

3. "The Breakdown of the Postwar Order and the Prospects for Socialist Revolution," *Fourth International*, vol. 18, no. 1, p. 228.

ter its relative economic decline. From the 1990–91 Gulf War onwards, US imperialism has initiated a series of wars, with the aim of bolstering its position on the Eurasian land mass and securing control of natural resources—above all oil and gas. The terrorist attack of September 11, 2001 has been the pretext for a continuing and expanding military offensive—the invasion of Afghanistan in 2001, followed by the war against Iraq in 2003 and now the Obama administration’s intensification of the war in Afghanistan and Pakistan. The US military’s continued offensives resemble nothing so much as the actions in the 1930s of the Nazi regime, which launched a series of military provocations to secure access to raw materials and markets, in order to enhance the position of German imperialism against its rivals.

11. The present international situation recalls Lenin’s analysis during World War I. There could be no permanent peace under capitalism, he insisted, because the relative position of the imperialist powers was continually changing, due to the uneven development of the capitalist economy itself. Consequently, any general alliance embracing all the imperialist powers was “inevitably nothing more than a ‘truce’ in periods between wars.” The era of relative post-war stability and the so-called “Western alliance” was grounded on the overwhelming economic and military supremacy of the United States, the victor in World War II. Now the balance of forces has changed. US imperialism not only faces its old rivals in Europe and Asia, but the rise of new ones, in particular China and India. A series of flashpoints has developed in East and Central Asia, the Middle East, in Africa and around the Indian Ocean as the interests of the different regional and global powers collide. Furthermore, the ending of the Cold War has removed the political mechanisms that suppressed the conflicts among the rival European imperialist powers that led to two world wars.

12. The global financial crash of 2007–2008 set in motion an economic decline on a scale not seen since the collapse of the 1930s. In the first months of 2009 world equity markets, industrial production and world trade fell at a faster rate than in the corresponding period of the Great Depression. The collapse has only been slowed by an unprecedented economic and financial bailout, organised by the major capitalist governments. All told, the bailout amounts to 30 percent of their gross domestic product—in Britain, the figure is at least two-thirds of GDP, while in the US, total government commitment to the banks and other financial institutions amounts to a staggering \$23.7 trillion, more

than 150 percent of GDP. The US Federal Reserve is estimated to have pumped around \$3 trillion into the financial system. But, notwithstanding the greatest mobilisation of financial resources in the history of world capitalism, none of the underlying contradictions that gave rise to the financial meltdown has been overcome.

13. The revolutionary significance of this crisis can only be grasped through an examination of the historical development of capitalism out of which it has emerged. The 20<sup>th</sup> century began with celebrations and the promise of peace and prosperity, under conditions where the growth and spread of capitalism in the 19<sup>th</sup> century had driven extraordinary economic development. However, the outbreak of World War I in 1914 rapidly shattered the illusions of the *belle époque*. Years of depression, fascism and economic crisis followed, culminating in the eruption of a second imperialist war in 1939, even more destructive than the first. The capitalist system survived, not through any inherent strength, but only because the revolutionary strivings of the working class were betrayed, first by social democracy and then by the Stalinist bureaucracy in the USSR and the Stalinist Communist parties around the world. Only after the deaths of 90 million people in two world wars and untold destruction of the productive forces was the bourgeoisie, under the leadership of US imperialism, able to establish a new economic and political equilibrium.

14. But the very economic expansion made possible by this equilibrium created the conditions for its disruption. The recovery of European and Japanese capitalism, vital for the American economy’s prosperity, undermined the latter’s predominance. In August 1971, US President Nixon removed the US dollar’s gold backing, leading to the demise of the post-war Bretton Woods monetary system and the deep recession of 1974–75. This signaled the end of the post-war boom. At the same time, world capitalism was shaken by a revolutionary upsurge of the working class in the period 1968–75. It only survived because of the collaboration of the social democratic and Stalinist leaderships, assisted now by the forces of Pabloite revisionism that had repudiated the program of the Fourth International and subordinated the working class to its old national-based parties and trade unions.

15. Having restabilised its political rule, the bourgeoisie, under the leadership of the US, responded to the economic crises of the 1970s through a far-reaching economic restructuring, combined with a ruthless offensive against the working class.

The globalisation of production, which lay at the very centre of these measures, accelerated in the 1990s with increasing investments made in China and East Asia, along with the development of new production facilities. The result has been an expansion of the world working class on an unprecedented scale over the past three decades. The exploitation of cheap labour in China, India and East Asia by global capital, however, has not stabilised the world economy. Rather, it has given rise to new, and explosive, contradictions. In the US, entire industries were destroyed as financialisation assumed a greater proportion of the economy. During the 1990s and into the new century, global financial imbalances increased as the US incurred mounting balance of payments deficits, which had to be financed by inflows of capital from East Asia—first from Japan and then from China. While the dollar has continued to function as the world currency, it is now the currency of the most indebted capitalist nation. On the one hand, the stability of global capital depends on the ability of the Chinese and other police-state regimes to suppress the multi-millioned working class, and so ensure the continuous flow of surplus value into the sclerotic arteries of the global financial system. On the other hand, the regimes in the cheap-labour countries depend on the continuous expansion of their exports to the world market to sustain rapid economic growth and thereby contain the mounting class contradictions that threaten to erupt at home.

16. The financial crisis that began in 2007–2008 was the outcome of the restructuring of the world economy that developed in response to the economic crises of the 1970s. The collapse of the Bretton Woods monetary system and the ending of fixed currency relationships meant there was no stable measure of value on a global scale. Financial derivatives were initially developed as an attempt to overcome this problem. But, like all other financial instruments in the history of capitalism, they became a new source of profit and speculation. Consequently the expansion of international financial transactions far exceeded the growth of international trade and investment. Moreover, the increasing outsourcing of production from the major capitalist countries, itself a result of the downturn in profit rates, meant that in these economies financial operations—trading in shares, debt, real estate and other financial assets—assumed an ever greater role in the accumulation of profit. The US economy, and with it the world economy as a whole, became increasingly dependent on speculative financial bubbles,

as wealth accumulation was separated from production. The so-called sub-prime crisis, which began in 2007 and sparked the global breakdown, resulted from the efforts of the banks and Wall Street investment houses to gouge wealth from the poorest strata of the population. This was not some kind of infection afflicting an otherwise healthy financial system. It was the outcome of the financial mechanisms that had sustained US and world capitalism over the preceding three decades.

17. The response to the crisis by capitalist governments around the world is being driven by a relentless class logic, grounded in the greatest concentration of wealth and income in history. The rise and rise of financialisation and the staggering growth of social inequality has led to the atrophy of democratic forms. The world economy is dominated by a tiny financial elite that oversees the movement of trillions of dollars, affecting the livelihood and well-being of billions of people. The combined net worth of the world's richest individuals—the global billionaires—numbering around one thousand is almost twice that of the bottom 2.5 billion people. In other words, 0.000015 percent of the world's population owns twice as much as the poorest 40 percent. The richest 2 percent of the world's population owns half of the global wealth. The top 100 financial firms manage nearly \$43 trillion or around one-third of the world's total financial assets. A group of only a few thousand corporate executives is in charge of financial assets totaling \$100 trillion, or around two-thirds of the world's total.

18. Demands for economic and social reform are everywhere blocked by this immense concentration of wealth at the very heights of society. The entire political system is subordinated to the power of entrenched financial elites. Just as reform of the *ancien régime* proved impossible in France due to the domination of the nobility and feudal-landowning class, requiring a social revolution in 1789 to open the way for the modern age, so there can be no rational re-organisation of society today except through the overthrow of the present social order by the international working class. This is underscored by the past year's events. Despite the greatest financial crisis in 75 years and the exposure of dubious and semi-criminal activities at the highest level, not a single executive has been brought to account. Moreover, the financial elites themselves have played a central role in drawing up proposals for the “reform” of the banking and financial system. The financial practices of the

past 30 years continue as before, meaning that another crash is in the making. The plunder of resources continues unabated. The top five executives at the 20 financial firms that received the most bailout money from the US government were given a total of \$3.2 billion in compensation over the past three years. One hundred US workers would have to work for a thousand years to make as much as this group made in just three.

19. There is no set of socially neutral policies that can restore equilibrium to the world capitalist system. The working class must advance its own solution. It must draw the lessons of its strategic experiences, above all, of the international upsurge of 1968–75 when it was blocked from taking power, and of the bitter defeats that ensued in the 1980s. Those defeats had a profound historical and political significance. They revealed not only the treacherous character of the existing leaderships of the working class, but that the program of national reformism had lost all viability in the era of globalised production.

20. The past 20 years have seen a significant downturn in the class struggle as the bureaucratic apparatuses of the labour movement—the social democratic parties and the trade unions—have carried out the systematic suppression of all resistance to the demands of the profit system. Faced with the transformation of their old organisations into open agencies of the bourgeoisie, large sections of workers have sought individual solutions to make ends meet. Under conditions where this is no longer possible, new social struggles, which will increasingly assume far-reaching political dimensions, are beginning to develop. A new period of revolutionary upheaval is set to begin. The objective prerequisites for a revolutionary situation arise when economic development declines severely or goes into reverse, leading to systemic, rather than conjunctural, unemployment, and a continuous decline in social conditions. A revolutionary situation can only develop, however, when subjective conditions transform, that is, when a qualitative change occurs in the psychology and political outlook of the working class. That is now underway, as vast shifts in the political landscape—not least the collapse of the entire edifice of “free market” ideology built up over the past 30 years—create the conditions for the radicalisation of mass consciousness.

21. The founding congress of the SEP is the decisive preparation for the period that has opened up. It is laying the necessary foundations for the building of the mass revolutionary party of the working class. This party will be grounded on the

historical and strategic experiences of the working class and the Fourth International, embodied in the document *The Historical & International Foundations of the Socialist Equality Party*, as adopted by the founding congress of the SEP (US) in 2008. As this resolution made clear: “Political agreement within the party on essential issues of program and tasks cannot be achieved without a common evaluation of the historical experiences of the 20<sup>th</sup> century and their central strategic lessons.”<sup>[4]</sup> The lessons extracted by the Trotskyist movement from the struggle for Marxism within the Australian working class over the past century form part of this crucial international experience. Only through their conscious assimilation can an independent socialist perspective for the working class be developed and a new revolutionary party be established and built.

### **The origins of Australian exceptionalism**

22. The fight to win the support of Australian workers for the program of world socialist revolution requires an unrelenting struggle against the nationalist doctrines of Australian exceptionalism that historically have formed the chief ideological obstacle to the development of socialist consciousness.

23. Australian exceptionalism has always been a myth. But it has been sustained over decades by a combination of powerful material factors. Geographic isolation and the material advantages flowing from the economic relationship of the settler-state to the British Empire, in which wool and other exports created the basis for a relatively high standard of living, promoted an insular outlook. A century after British settlement, per capita gross domestic product was amongst the highest in the world—nearly 40 percent more than Britain and the US and more than twice that of other western countries. This wealth made possible the provision of social welfare in Australia, before it developed in many other advanced capitalist countries.

24. Relatively high living standards enabled, as well, the granting of significant political concessions. As the *Argus* newspaper noted in 1857, social conditions in the colonies were different from Europe. The number of paupers was insignificant compared to the total population and there was no “dangerous class.” Consequently, the “wealthy classes” had “nothing to fear from manhood suffrage.” It might prevent them from abusing

---

4. *The Historical & International Foundations of the Socialist Equality Party*, Mehring Books, Oak Park, 2008, p. 2.

their power but there was “no danger of its encroaching upon their rights.”<sup>[5]</sup> There was no revolutionary struggle for democratic rights, in contrast to Europe. Writing in early 1855 on the conflicts in the Ballarat goldfields that had led to the Eureka Stockade the previous December, Karl Marx noted that while the immediate upsurge would be suppressed, the ferment that gave rise to it could only be overcome with “far-reaching concessions.” Marx’s prediction was fulfilled. Democratic concessions were granted in the 1850s followed by an expansion of the franchise. At the end of the 1880s, payment of MPs was initiated and by 1890, when the Labor Party was founded, the demands of the Chartist movement, carried to Australia by British immigrants, had been largely realised without a significant political struggle. Lenin once referred to the fact that the Russian working class came to Marxism through “agony.” In Russia and Germany, the struggle for democracy was waged against an entrenched reactionary state. As Leon Trotsky noted, while the attainment of democracy in Russia required a “grandiose revolutionary overturn”, conditions in Australia were very different: “The Australian democracy grew organically from the virgin soil of a new continent and at once assumed a conservative character and subjected to itself a young but quite privileged proletariat.”<sup>[6]</sup>

25. Australian exceptionalism found its embodiment in the Labor Party and the trade union bureaucracy. Closely associated from its very origins with the capitalist state and resting on definite material privileges, the Labor bureaucracy has played the key role, above all in times of economic and political crisis, in mobilising both ideological and material forces to counter the “foreign” doctrines of Marxism and socialist internationalism.

26. Contrary to nationalist myth, the emergence and development of Australian capitalism and the working class were, and always have been, the outcome of international processes. The settlement of Australia in 1788 resulted from the expansionary movement of British capitalism; at that time, the drive to open up new prospects for trade and commerce in the East, as well as the exploitation of the resources of the Pacific that had become possible because of navigational advances. Establishing the framework for the Marxist approach to historical processes, Trotsky wrote: “The railways which have cut a path across Australia were not the ‘natural’ outgrowth of the living conditions either of the

Australian aborigines or of the first generations of malefactors who were, beginning with the epoch of the French revolution, shipped off to Australia by the magnanimous English metropolises. The capitalist development of Australia is natural only from the standpoint of the historical process taken on a world scale. On a different scale, on a national, provincial scale it is, generally speaking, impossible to analyze a single one of the major social manifestations of our epoch.”<sup>[7]</sup>

27. While the settlement was bound up with the expansion of trade, the rise of industrial capitalism in Britain brought far-reaching changes to the new Australian colonies. By the 1820s vast areas of land were being turned over to the grazing of sheep, in order to supply wool to the British mills. This led to an onslaught against the indigenous population, which was “cleared” from the land through the spread of disease, poisoning and shooting, in a campaign that extended well into the 20<sup>th</sup> century.

28. The violence inflicted on the Aboriginal people was not simply a policy. It was rooted in the very nature of the new capitalist property relations that were being established, starting with the private appropriation of land. It was the bloody expression of the organic incompatibility of this new social order, based on private ownership and exclusion, with the social relations of the hunter-gatherer society of the indigenous inhabitants. Like everywhere else, capital emerged in Australia dripping blood from every pore.

29. Transported convicts provided the initial labour force of the new colonies. But, by the middle of the 19<sup>th</sup> century, the population had considerably expanded, with the influx of the gold rushes in the 1850s. The development of larger-scale capitalist production in the latter decades of the 19<sup>th</sup> century closed off opportunities for the small farmer and miner and led to the growth of the working class in the towns. Notwithstanding the importance of wool and other primary industries, Australia was one of the most urbanised countries in the world.

### **The Labor Party and “White Australia”**

30. The expansion of the working class led to an increase in trade union membership and demands for political representation. Following the introduction of payment to MPs, the NSW Trades and Labor Council resolved, in January 1890, to stand

5 *The Argus*, Melbourne, January 6, 1857.

6. Leon Trotsky, “Three Conceptions of the Russian Revolution”, *Writings of Leon Trotsky 1939–40*, Pathfinder, New York, 1977, p. 69.

7. Leon Trotsky, ‘En Route: Thoughts on the Progress of the Proletarian Revolution’, *The First Five Years of the Communist International*, vol. 1, New Park, London, 1973, p. 80.

Labor candidates at the next general election and to draw up a Labor platform. The onset of a global recession later that year, resulting in a plunge in the price of wool, the staple export, saw an explosion of class conflict as employers moved, under the slogan of “freedom of contract”, to smash the newly-formed unions. What began as a maritime strike in August 1890 extended into an industrial conflict involving more than 50,000 workers over a period of two months. Press reports likened it to the Paris Commune of 1871 and spoke of an “armed insurrection of class against class.”

31. The initial strike movement was defeated, but was followed over the next four years by a further series of tumultuous struggles. These battles revealed both the combative character of the working class and the weakness of the ruling class. Unlike its counterparts in France and America, the emerging Australian bourgeoisie had no revolutionary or democratic traditions to which it could turn—its origins lay in the Rum Rebellion, the exploitation of convict labour and the murder of the indigenous population. Nor did it have a large peasant class as its constituency, which it could turn against the working class. It was not rooted in centuries-old land and property ownership, with its rule blessed by the church and sanctified by tradition, but had emerged at the same time as the working class, which it now directly confronted. Under these conditions, the bourgeoisie turned to the Labor Party and the doctrines of Laborism as the chief means of subordinating the working class to its rule.

32. The Australian Labor Party (ALP) was founded in direct opposition to Marxism and its scientifically-grounded program of socialist internationalism. In 1848, the Communist Manifesto, authored by Marx and Engels, had called on the workers of the world to unite in a common struggle against capitalism. In the latter half of the 19<sup>th</sup> century, the growth of the socialist movement and the founding of mass workers parties in Europe led to the founding of the Second International in 1889 on a Marxist perspective. In contrast, the Labor Party, which was established one year later, was grounded on a nationalist and exclusivist program. Its consummate expression was the doctrine of White Australia. Significantly, the Labor Party did not seek affiliation to the Second International.

33. The White Australia policy originated in the British colonial office which, in the 1840s, opposed the importation of labour from India on the grounds that, while it may have aided the immediate interests of the pastoralists, it nevertheless had to be prohibited “for the benefit of the metropolitan state.” The British

bourgeoisie, reliant on the wealth extracted from India and forcing entry into China through the opium wars, feared the growth of an Asian population in the colonies. Such a development, it reasoned, would run counter to its perspective of using a “White Australia” as a bastion for the defence of its expanding interests in the Asia-Pacific region. Above all, the emerging Australian capitalist class feared that the introduction of labour from Asia would create a “dangerous class”, that is, a proletariat with ties to the region’s oppressed masses.

34. By the end of the century, economic expansion, both into the South Pacific and across the continent, posed the task of forming a unified nation-state from the six colonies. The rising Australian bourgeoisie sought to establish the new nation within the framework of the British Empire. The mechanisms of rule established under the British Crown were crucial for the suppression of the working class at home, while the Empire provided the all-important export markets that formed the basis of the colonies’ wealth. At the same time, the new ruling elite was developing its own interests, especially in the South Pacific region. The Australian nation-state emerged from its very birth as an imperialist power.

35. Already by 1840, the *Sydney Herald* had declared the need to “assert our just rights to the undivided supremacy and superiority over all the possessions we have discovered in the Southern Pacific betwixt this country and South America.”<sup>[8]</sup> In 1883 the colony of Queensland sought to annex the entire eastern region of New Guinea (the western part was in Dutch hands) but failed to receive Britain’s backing, thereby opening the way for the establishment of a German colony in the north-eastern part of the island. The colonial governments drew the conclusion that they needed a federal union in order to promote their imperialist interests with one voice. On May 29, 1883 an editorial in the *Melbourne Age*, which had the largest circulation of any newspaper in Australia, declared that as “unappropriated parts of the world were being seized” sooner or later “it must come to something like a Monroe doctrine for Australia and we shall have to intimate unmistakably that no foreign annexations shall be permitted in countries south of the line.” When war broke out in 1914, one of the first actions of the Australian forces was to seize the German colony in New Guinea.

36. The position of the emerging capitalist class—dependent on Empire but with its own burgeoning appetites—was

---

8. ‘Sworn to no Master, of no Sect am I’, *Sydney Herald*, August 21, 1840.

summed up in the concept of the “independent Australian Britain” developed by one of the “founding fathers” of federation, Alfred Deakin. But, as the era of mass politics dawned, the bourgeoisie lacked a political ideology on which to establish a nation-state. Unlike the American bourgeoisie of the 18<sup>th</sup> century, it had no desire to cut its ties with the Empire upon which it depended. Nor could it found the new nation by appealing to democratic sentiments under conditions where, as the 1890s conflicts had so clearly revealed, class divisions were rapidly deepening. It needed a new program. This was formulated by various petty-bourgeois ideologists in the doctrines of Laborism. According to them, Australia was a new, exceptional, nation where the class conflicts that had erupted in Europe need not arise. Provided it was unified racially through policies of exclusion, the new nation could become a “workingman’s paradise”.

37. In 1901, in the first major debate in the Commonwealth parliament, Deakin made clear the critical importance of White Australia in uniting the working class with its “own” bourgeoisie, while dividing it from the working class and oppressed masses of Asia: “Unity of race is an absolute to the unity of Australia. It is more actually in the last resort than any other unity. After all, when the period of confused local politics and temporary political divisions was swept aside it was this real unity which made the Commonwealth possible.”<sup>[9]</sup> The conflicts of “local politics”—the squattocracy versus manufacturers, free trade versus protection—that is, the divisions among different sections of the bourgeoisie, were subsumed under the banner of White Australia. Speaking in the same debate, shearers’ union leader and Labor MP W.G. Spence articulated the relationship between White Australia and the British Empire: “. . . if we keep the race pure, and build up the national character, we shall become a highly progressive people of whom the British government will be prouder the longer we live and the stronger we grow. I do not think the Imperial authorities would hesitate to give their assent to a proposal to close the door to those people who would degrade our national character, lower the standard of our energy and capacity of our people, and thus weaken the Empire itself.”<sup>[10]</sup>

38. The reactionary utopia of a white “workingman’s paradise”, where living standards would be protected through a ban on the immigration of “coloured” labour, underpinned

the program of national reformism. White Australia was supplemented by tariffs to protect local industry, and, therefore, wages. Wages and conditions were regulated by the state, with the trade unions given official recognition in the legal structure of the state through the federal arbitration system. Together, White Australia, tariff protection and arbitration formed the basis of what later came to be known as the “Australian Settlement”.

39. The pervasive character of this ideology, and the powerful class pressures that sustained it, was revealed in the attitude of the early socialist groups towards White Australia, even as they opposed the Labor Party’s other policies and took issue with its leadership. In 1896 Edward Aveling, the son-in-law of Karl Marx, acting as a European delegate representing the Australian Socialist League (ASL) at the London Congress of the Second International, put forward a motion calling on workers’ organisations to refrain from requesting immigration restrictions. The ASL opposed his actions and, at its 1898 conference, incorporated into its program the demand for “[t]he exclusion of races whose presence might lower the standard of living of Australian workers.”<sup>[11]</sup>

40. The racist and anti-democratic ideology on which the nation-state was founded was enshrined in the 1901 Australian constitution, which declared that “aboriginal natives shall not be counted” in the population. Drafted by colonial politicians for adoption as a British Act of Parliament, without any popular vote, the document contained no bill of rights. In fact, it made no mention of the word democracy and did not even guarantee the right to vote. Instead, it was left to parliament and the states to determine the eligibility of voters, with the states’ racial disqualifications of Aboriginal people specifically retained. After convention debates, where the spectre of “revolution” was mentioned a number of times, the “reserve powers” of the British monarchy to dissolve parliaments, appoint governments and command the military forces were incorporated in the constitution and vested in the governor-general, the vice-regal representative.

41. Following the federation of the six colonies, the Labor Party played the central role in laying the foundations for the national state. Labor was the only national party—the parties of the bourgeoisie were divided on the issue of protection (Victoria) and free trade (NSW). In 1905 the federal Labor Party defined its objective as: “The cultivation of an Australian sentiment based on the maintenance of racial purity and the development in Australia of an enlightened

9. Paul Kelly, *The End of Certainty*, Allen & Unwin, Sydney, 1992, p. 3.

10. *Commonwealth of Australia Parliamentary Debates*, House of Representatives, September 25, 1901.

11. Verity Burgmann, *In Our Time: Socialism and the Rise of Labor, 1885-1905*, Allen and Unwin, Sydney, 1985, p. 101.

and self-reliant community.”<sup>[12]</sup> This “objective” was to remain at the centre of the party’s platform for the next six decades. In 1909, the two bourgeois parties united in opposition to the Labor Party. But their program was based on support for protectionism, the arbitration system and White Australia. The program of Laborism had become the national ideology.

42. In 1910, the Labor Party formed the first national government of a single party—the previous governments had been coalitions. The supposed first “socialist” government in the world attracted international attention, especially from those seeking to advance a parliamentary, rather than a revolutionary, orientation. Summing up the Labor Party’s real role in 1913, Lenin wrote: “[I]n Australia the Labor Party is the *unalloyed* representative of the *non*-socialist workers’ trade unions. The leaders of the Australian Labor Party are trade union officials, everywhere the most moderate and ‘capital-serving’ elements, and in Australia, altogether peaceable, purely liberal. The ties binding the separate states into a united Australia are still very weak. The Labor Party has had to concern itself with developing and strengthening these ties, and with establishing central government. In Australia the Labor Party has done what in other countries was done by the Liberals . . .”<sup>[13]</sup> Seven years later, in a characterisation of the British Labour Party that applied no less to the ALP, Lenin insisted that its class nature was determined not by the fact that it enjoyed a mass working class membership, but by the nature of its program and leadership: “Of course, most of the Labour Party’s members are workingmen. However, whether or not a party is really a political party of the workers does not depend solely upon a membership of workers but also upon the men that lead it, and the content of its actions and political tactics. Only this latter determines whether we really have before us a political party of the proletariat. Regarded from this, the only correct point of view, the Labour Party is a thoroughly bourgeois party, because, although made up of workers, it is led by reactionaries, and the worst kind of reactionaries at that, who act quite in the spirit of the bourgeoisie. It is an organisation of the bourgeoisie, which exists systematically to dupe the workers . . .”<sup>[14]</sup>

12. Official Report of the Third Commonwealth Political Labour Conference, Melbourne, 1905, p. 10.

13. V.I. Lenin, ‘In Australia’, *Lenin Collected Works*, vol. 19, Progress Publishers, Moscow, 1980, p. 217.

14. V.I. Lenin, ‘Speech on Affiliation to the British Labour Party’, *Lenin Collected Works*, vol. 31, Moscow, 1980, pp. 257–258.

43. The trade unions established the ALP, not to overthrow capitalism, but to try and curb its excesses within the official parliamentary framework. Its 120-year history constitutes the most powerful verification of the assessment made by Lenin at the beginning of the 20<sup>th</sup> century: that trade union consciousness is bourgeois consciousness. “There is much talk of spontaneity,” he wrote, “but the spontaneous development of the working class movement leads to its subordination to bourgeois ideology . . . for the spontaneous working-class movement is trade unionism . . . and trade unionism means the ideological enslavement of the workers to the bourgeoisie.” He went on to explain the origins of socialist consciousness and its role in the development of the struggle of the working class. “[S]ocialism, as doctrine,” Lenin wrote, citing Karl Kautsky, “has its roots in modern economic relationships just as the class struggle of the proletariat has . . . But socialism and the class struggle arise side by side and not one out of the other; each one arises under different conditions. Modern socialist consciousness can arise only on the basis of profound scientific knowledge. Indeed, modern economic science is as much a condition for socialist production as, say, modern technology, and the proletariat can create neither the one nor the other, no matter how much it may desire to do so; both arise out of the modern social process. The vehicle of science is not the proletariat, but the bourgeois intelligentsia: it was in the minds of individual members of this stratum that modern socialism originated, and it was they who communicated it to the more intellectually developed proletarians who, in their turn, introduce it into the proletarian class struggle where conditions allow that to be done. Thus, socialist consciousness is something introduced into the proletarian class struggle from without and not something that arose within it spontaneously. Accordingly . . . the task of Social Democracy [Marxism] is to imbue the proletariat [literally: saturate the proletariat] with the *consciousness* of its position and the consciousness of its task. There would be no need for this if consciousness arose of itself from the class struggle.”<sup>[15]</sup>

44. Lenin was basing himself on the experiences of the European socialist movement. But there could be no clearer summation of the historical lines of conflict in the Australian workers’ movement between Marxism and the various petty-bourgeois ideologists. The latter have always opposed the necessity for a struggle against the spontaneous bourgeois consciousness of the working class as they line up to defend the nationalist ideology of

15. V.I. Lenin, ‘What is to be Done?’ *Lenin Collected Works*, vol. 5, Progress Publishers, Moscow, 1980, pp. 383–384.

Laborism and the ALP.

45. While the Labor Party was the chief instrument for the subordination of the working class to the capitalist state, it did not go unchallenged. The Industrial Workers of the World (IWW) established a Sydney branch in 1907, two years after its foundation in Chicago, and declared its opposition to the ALP's racism and parliamentarism. The IWW denounced the Australian Workers Union for refusing to enrol in its ranks "all Asiatic workers and representatives of the South Pacific Islands" and opposed the participation of the emerging trade union bureaucracy in the arbitration system. In 1910, following the experience of state and federal Labor governments, the Australian Socialist Federation pointed to the growing hostility towards the ALP among the most politically-conscious workers: "The Labor Party does not clearly and unambiguously avow socialism, nor does it teach it; it is unlike any other working-class creation in the world in that it builds no socialist movement, issues no socialist books, debates no socialist problems. It is not international; it is not anti-militarist; it is not Marxian. In policy and practice it is Liberalism under a new name; in utterance and ideal it is bourgeois. The coming conflict in Australia is between Laborism and Socialism."<sup>[16]</sup> That conflict was soon to emerge with the outbreak of World War I in August 1914.

### **World War I and the Russian Revolution**

46. World War I was rooted in the very structure of world capitalism. As Trotsky wrote in 1915: "The present war is at bottom a revolt of the forces of production against the political form of nation and state. It means the collapse of the national state as an independent economic unit. . . . The War of 1914 is the most colossal breakdown in history of an economic system destroyed by its own inherent contradictions."<sup>[17]</sup> It marked the opening of the epoch of imperialism; the epoch of wars and revolutions.

47. The eruption of the war exploded the myth that Australia could somehow be insulated from global tensions and conflicts. In the federal election campaign of 1914, which was taking place as the war began, both major parties committed themselves to defend the British Empire, with Labor leader Andrew Fisher

pledging "the last man and the last shilling."<sup>[18]</sup>

48. Australian workers, like their counterparts in Europe, were initially caught up in a wave of patriotism. The euphoria was short-lived. By 1916, the reality of the slaughter at Gallipoli and on the Western Front, as well as deepening attacks on social conditions at home, were having their impact. Out of an Australian population of fewer than 5 million, the war would claim the lives of almost 62,000 and see 156,000 wounded, gassed or taken prisoner. Opposition began to grow, both to the war and to the Labor government, now led by Billy Hughes. Concerned over falling levels of recruitment, Hughes demanded conscription for overseas service, but so great was opposition in the labour movement that he could not secure Labor Party support for the policy. Hughes and his chief supporter, NSW premier Holman, were both expelled from the party, whereupon Hughes formed a National Party government. Two conscription referenda in October 1916 and December 1917 were defeated—the second by a bigger majority than the first.

49. Opposition to the war and the onslaught against social conditions was expressed in a series of militant trade union struggles. The most important erupted in August 1917 over government attempts to impose a speed-up in the NSW rail and tramway workshops. The February Revolution in Russia, which brought down the tsar, had an immediate political impact, with resolutions carried at both NSW and Victorian Labor Party conferences congratulating the Russian workers for overthrowing the autocracy and calling for an immediate international conference to negotiate peace. The NSW resolution laid the blame for the war on the "existing capitalistic system of production of profit which compels every nation constantly to seek new markets to exploit, invariably leading to a periodic clash of rival interests" and insisted that peace could only be accomplished by the "united efforts of the workers of all the countries involved."<sup>[19]</sup>

50. Hostility to the Labor leadership and the trade union bureaucracy was expressed in growing support for the IWW, which suffered brutal repression at the hands of the Hughes and Holman governments because of its vociferous opposition to the war. While the IWW attracted support from the most militant and class-conscious workers, it could not provide them with a per-

16. "The Party as the inheritor of socialist trends in the Victorian Labor Movement," by E. F. Hill, *Communist Review*, August 1945, pp. 580-582.

17. Leon Trotsky, *War and the International*, Young Socialist Publication, Colombo, 1971, pp. vii-viii.

18. *Speaking for Australia: parliamentary speeches that shaped our nation*, Rod Kemp and Marion Stanton (eds), Allen & Unwin, April 2005, p. 48.

19. Graham Freudenberg, *Cause for power: the official history of the New South Wales Branch of the Australian Labor Party*, Pluto Press, Leichhardt, 1991, p. 117.

spective to fight Laborism. The IWW opposed the construction of an independent revolutionary party of the working class, maintaining that capitalism could be defeated by “one big union” and a general strike. While the IWW proved to be short-lived, the conception that the Labor Party’s betrayals could be countered simply through militant syndicalism was to emerge repeatedly in the course of the 20<sup>th</sup> century.

51. The Russian Revolution of October 1917, led by Lenin, Trotsky and the Bolshevik Party, opened a new chapter in the struggles of the international working class. The revolution validated in all essentials Trotsky’s Theory of Permanent Revolution, which he first advanced in 1905, and which anticipated the actual course of events. It was this theory that enabled Lenin to re-orient the Bolshevik Party in April 1917 towards the struggle for political power against the bourgeois Provisional Government, led by Kerensky and supported by the Mensheviks. The revolution underscored the historical significance of the protracted struggle that Lenin had waged against all forms of opportunism, a struggle that had led the Bolsheviks to break with the Mensheviks in 1903. What had begun as a conflict over the nature of the party turned out to have the most far-reaching implications. In 1917 the Mensheviks, who sided with the bourgeois Provisional Government as it supported the continuation of the war and opposed the distribution of land to the peasantry, opposed the taking of power by the working class.

52. The Russian Revolution was carried out on the program of proletarian internationalism. Conceived as the opening shot of the world socialist revolution, it sparked a wave of revolutionary struggles in Europe and provoked a radicalisation of the working class and oppressed masses throughout the world as the war came to an end. But nowhere else had parties of the Bolshevik type been constructed in advance. As Trotsky was later to write: “After the war, the proletariat was in such a mood that one could have led it into decisive battle. But there was nobody to lead and nobody to organise this battle—there was no party. . . . Insofar as there was no party, victory was impossible. And, on the other hand, one could not maintain the revolutionary fervor of the proletariat while a party was being created. The communist party began to be built. In the interim, the working class, not finding a militant leadership at the proper time, was forced to accommodate itself to the situation which formed after the war. Hence the old opportunistic parties received a chance once again, to a greater or lesser extent, to strengthen themselves.”<sup>[20]</sup>

20. Leon Trotsky, “Towards the Question of the “Stabilisation” of the

## The Communist Party of Australia

53. In response to the founding of the Third (Communist) International in 1919, workers around the world, including in Australia, began to build communist parties. Three tendencies came together to found the Communist Party of Australia (CPA) on October 30, 1920: the Australian Socialist Party, members of the IWW, and a group of militant trade union officials who had come into leadership positions in NSW during the recent industrial upsurge.

54. The founding of the party represented an important step forward in the struggle for socialist internationalism. But it was only a beginning. The pressures of the national milieu continued to exert themselves, reflected in the syndicalist and organisational conceptions that predominated. In conditions of the upsurge of the working class of 1916–1920, the building of the party was conceived in terms of capturing the leadership of the existing trade unions and the Labor Party, rather than developing socialist consciousness in the working class through a fight against the prevailing forms of national opportunism and politically exposing the ALP and Laborism. *The Manifesto to the Workers of Australia*, issued by the CPA on December 24, 1920 conceived the socialist revolution almost entirely in organisational terms. The capitalist class held power through forms of organisation that suppressed the masses, consequently the working class had to develop more powerful organisations to carry out the socialist revolution. The manifesto declared that the CPA was forming groups of workers in every factory, mill and workshop so that it would be in a position to direct and control every industrial dispute and disturbance of the workers “keeping in mind the same end—social revolution—and trying to utilise every spontaneous action of the workers for that one end.” The CPA was also seeking to replace existing craft unions with “more up-to-date efficient industrial unions” that would be “more advantageous for social revolutionary mass activity.”<sup>[21]</sup>

55. Notwithstanding the weaknesses of the early CPA, the Labor Party, reflecting the deepest interests of the bourgeoisie, was acutely conscious of the potential threat that it posed. As anti-

World Economy’, *The Ideas of Leon Trotsky*, Hillel Ticktin and Michael Cox (eds), Porcupine Press, London, 1995, p. 349.

21. Communist Party of Australia, ‘Manifesto to the Workers of Australia’, December 24, 1920, <http://www.cpa.org.au/z-archive/g2000/1022cpa.html> viewed February 15, 2010.

capitalist and revolutionary sentiments increased among broad sections of the working class, the Labor leaders feared the break-up of their party unless they adopted a “socialist objective”. In June 1921 a national conference of trade union delegates, convened through the initiative of the federal executive of the Labor Party, resolved that “the socialisation of industry, production, distribution and exchange be the objective of the Labor Party.” A federal ALP conference in October adopted the new objective, but then proceeded to bury it. So far as the Labor leadership was concerned, the purpose of the policy was not to overthrow capitalism but to prevent such an occurrence at all costs. In the words of Victorian delegate and future Labor prime minister James Scullin: “All over the world the capitalist system is breaking down. If something is not done, chaos will eventuate, bringing about that revolution by force which we are trying to avoid”. The conference resolved that the socialist objective should not be the platform on which the party actually fought, but would remain simply an “objective”. The racist 1905 objective would remain the fighting platform.<sup>[22]</sup>

56. For the first two years of its existence, the CPA was split between two rival factions, both seeking recognition from the Communist International. Following a resolution from the Comintern in 1921, which concluded that there were no differences in “program, principle or tactics” between the two groups and that they should unite, a united Communist Party was established. The CPA received recognition from the Communist International as its Australian section in August 1922.

57. In November 1922, the Fourth Congress of the Communist International addressed two questions of fundamental importance for the orientation of the CPA and its struggle in the Australian working class: the need to unify the workers of the Pacific region and to develop tactics that would expose the Labor Party and break class-conscious workers from it.

58. Addressing the tasks of the proletariat in the Pacific, a congress resolution pointed to growing inter-imperialist rivalries and the danger of a new world war, “this time in the Pacific, unless international revolution forestalls it.” This war, it warned, would be even more destructive than the war of 1914–1918. “In view of the coming danger,” the resolution continued, “the Communist Parties of the imperialist countries—America, Japan, Britain, Australia and Canada—must not merely issue propa-

ganda against the war, but must do everything possible to eliminate the factors that disorganise the workers’ movement in their countries and make it easier for the capitalists to exploit national and racial antagonisms. These factors are the immigration question and the question of cheap coloured labour. Most of the coloured workers brought from China and India to work on the sugar plantations in the southern part of the Pacific are still recruited under the system of indentured labour. This fact has led to workers in the imperialist countries demanding the introduction of laws against immigration and coloured labour, both in America and Australia. These restrictive laws deepen the antagonism between coloured and white workers, which divides and weakens the unity of the workers’ movement. The Communist Parties of America, Canada and Australia must conduct a vigorous campaign against restrictive immigration laws and must explain to the proletarian masses in these countries that such laws, by inflaming racial hatred, will rebound on them in the long run. The capitalists are against restrictive laws in the interests of the free importation of cheap coloured labour and with it the lowering of the wages of white workers. The capitalists’ intention to take the offensive can be properly dealt with in only one way—the immigrant workers must join the ranks of the existing trade unions of white workers. Simultaneously, the demand must be raised that the coloured workers’ pay should be brought up to the same level as the white workers’ pay. Such a move on the part of the Communist Parties will expose the intentions of the capitalists and at the same time graphically demonstrate to the coloured workers that the international proletariat has no racial prejudice.” It was necessary, the resolution continued, for the representatives of the revolutionary proletariat to meet and work out the best organisational methods for “securing the real unification of the proletariat of all races in the Pacific.”<sup>[23]</sup>

59. Earlier, in June 1921, as the immediate post-war revolutionary upsurge receded, the Third Congress of the Communist International had advanced the tactic of the “united front”. In order to broaden their support and win workers to a revolutionary perspective, the Communist Parties would propose a joint struggle with the social democratic parties in defence of the working class. Lenin and Trotsky explained that the united front tactic was aimed at exposing the role of the social democratic leaders and

22. Ian Turner, *Industrial Labour and Politics*, Australian National University, Canberra, 1965, p. 224.

23. “Theses on the Eastern Question,” Fourth Congress of the Communist International, December 5, 1922, *Theses, Resolutions and Manifestos of the First Four Congresses of the Third International*, Ink Links, London, 1980, pp. 417–418.

advancing the struggle of the working class against them. The tactic was further developed at the Fourth Congress, to take account of the peculiar situation in Britain and Australia, where the Labour parties allowed other organisations to affiliate to them. A letter from the Executive Committee of the Communist International (ECCI) set out how, in those cases, the united front tactic could be employed: “The Australian Labour Party is even more outspokenly a trade union party than its British counterpart, with an equally petty-bourgeois, reformist set of leaders. Nevertheless, the masses in their bulk continue to cling to the Labour Party. Does this mean to say that if the working masses are to be won for Communism, we should work within this mass party? The Communist International answers the question in the affirmative. The joining of the Labour Party opens wide perspectives for the development of the Communist Party, and provides a possibility for Communist sympathisers in the Labour Party to find practical application for their revolutionary desires. It further gives the Communist Party the possibility to unmask the opportunist leaders of the Labour Party before the masses of their followers in the best and most direct way, demonstrating to the rank and file of the Labour Party, that such leaders will never fight for the serious demands of the proletariat. On the other hand the masses will at the same time have the opportunity to convince themselves that the Communist Party is not only the forward-driving element of the class struggle, but that it is also the only Party that takes a hand in all the fights of the masses, shares unreservedly all their sufferings and misery. Only in this manner will it be possible to win the confidence of the workers, to isolate the opportunist leaders and to separate them from the masses.” At the same time the letter emphasised: “The United Front is not a peace treaty. It is merely a manoeuvre in the proletarian struggle. It is not an end in itself, but a tool for the acceleration of the revolutionising process of the masses.”<sup>[24]</sup>

60. The Fourth Congress was the last at which there could be open discussion of the tasks confronting the Communist International and its sections. In October 1923 the defeat of the German revolution brought to a close the post-war revolutionary upsurge in Europe, and led to the immediate strengthening of conservative and nationalist tendencies, under the leadership of Joseph Stalin, in the Soviet Union and in the CPSU. This was

expressed in an attack launched by Stalin and his supporters on Trotsky and the Theory of Permanent Revolution, an attack that reflected the political outlook of a rising bureaucracy, politically hostile to the internationalism embodied in the October Revolution. Trotsky and his followers formed the Left Opposition to fight for inner-party democracy against the growing bureaucratisation of the CPSU and the state, and to change the policies being implemented under Stalin’s direction in the Soviet Union and the Comintern. Discussion within the Comintern became constricted; every issue was increasingly viewed from the standpoint of the struggle against “Trotskyism”.

61. For at least a year after the defeat of the German revolution, the Comintern maintained a false perspective on the situation there and internationally, insisting that revolutionary struggles lay ahead. In reality, the failure of the German revolution ushered in a period of relative capitalist stabilisation. But to acknowledge this would have meant thoroughly examining the role of the leadership of both the Comintern and the German Communist Party in 1923, especially during the crucial days of October. Instead, in 1924 the Stalinists launched a furious attack against Trotsky over his publication of *Lessons of October*, which critically reviewed the experiences of both the Russian Revolution and the German debacle.

62. The political degeneration within the Soviet Union was, in the final analysis, a product of the pressures exerted by world imperialism on the young workers’ state—above all, its isolation following the defeat in Germany and the failure of other revolutionary struggles in Europe. The impact of the growing Stalinist bureaucratic caste was disastrous for the Comintern and for the young communist parties around the world, including the CPA. They were now working without a correct understanding of the world situation. The struggle to train and educate a Marxist cadre was being stifled before it had barely got underway.

63. In Australia, the ALP responded to the shift in the international situation—the subsiding of the post-war upsurge—with a sharp turn to the right. Implementing the united front initiative, the CPA, under the leadership of Jock Garden, had secured affiliation to the NSW Labor Party at its 1923 state conference. Later that year, the CPA lost the support of a key union, and the right-wing Labor parliamentary leadership seized the opportunity to attack, ousting Communist Party members from the state executive. The ALP state conference of 1924 backed the parliamentary leadership and Communist Party members were purged from

24. ‘Letter from the ECCI to the CPA’, *Our Unswerving Loyalty, A documentary survey of relations between the Communist Party of Australia and Moscow, 1920–1940*, David Lowell & Kevin Windle (eds), ANU E Press, Canberra, 2008, pp. 153–158.

ALP branches. The CPA made no gains from the experience. This was because its leadership conceived affiliation, not as part of a campaign to educate the working class about the class nature of the Labor leadership, but as an organisational manoeuvre. The post-war political restabilisation led to a decline in membership, and communications with the Communist International became infrequent. No Australian delegate attended the Fifth Congress of the Communist International in 1924 and in 1925 the party's stocks continued to decline. After it recorded a low vote in the 1925 NSW state election, the editor of the CPA's theoretical journal proposed that the party be liquidated. In December 1926, its most prominent leader, Jock Garden, was expelled after refusing to deny a newspaper report that he was no longer a member. Garden went on to join the Labor Party, where he became the right-hand man of its right-wing leader, Jack Lang. At the end of 1926, six years after it has been founded, there were virtually no founding members still in the CPA.

64. In April 1926, the parlous state of the CPA was the subject of a discussion in the Communist International. A statement on the Australian situation pointed to some of the difficulties the party confronted. The Australian working class, the statement noted, was "almost completely cut off from the proletariat of other continents" and this isolation helped maintain the grip of the "petty-bourgeois-minded, craft-narrowed elements" who controlled the Labor Party. "The slogan of 'White Australia,'" it continued, "serves as the rallying cry of all the reactionary elements in the labour movement who are steeped in nationalist ideology, and who seek to isolate themselves in aristocratic arrogance from the coloured workers and in general from foreign proletarians." The Labor and National parties continually invoked White Australia in election campaigns, competing with each other to establish which party was its best defender. While the CPA formally opposed the racist policy, it was reluctant to make a clear differentiation. It denounced "the importation to Australia of large numbers of coloured workers" while adding the qualification that the threat to wages and employment from cheap labour was "colour blind".<sup>[25]</sup>

65. The Sixth Congress of the Comintern took the campaign against "Trotskyism" to a new level, explicitly repudiating the internationalist perspective on which the Third International had been founded nine years before. The Stalinist doctrine of "so-

cialism in one country", first advanced in 1924, was now adopted as official policy. In February 1928, the ECCI announced the opening of a "Third Period." The first was the crisis of capitalism between 1917 and 1923, the second was the temporary restabilisation that followed. Now a Third Period had begun, characterised by an ever-deepening crisis of capitalism and a continuous radicalisation of the masses. All the complex problems of tactics and strategy associated with winning the working class from the social democratic and labour parties were simply replaced with the shouting of radical-sounding slogans. The policy was to lead directly to the greatest defeat ever inflicted on the working class—the coming to power of the Nazis in Germany. In Australia, it led to the complete abandonment by the CPA of the struggle to break the working class from the Labor Party, under conditions of the deep-going economic and political crisis unleashed by the Great Depression.

### **The Great Depression and the CPA's "Third Period" line**

66. The Wall Street crash of October 1929 marked the beginning of the greatest economic crisis in the history of capitalism. Within the space of three years world trade slumped by two-thirds, industrial production by half. Millions were thrown out of work as mass unemployment afflicted every major capitalist country, with the unemployment rate rising to one-third in the US and Germany, the two major industrial economies. The Great Depression was, and remains, the most powerful refutation of all the nostrums of the defenders of the private profit system, who maintain that it is the highest, and, indeed, the only possible form of economic and social organisation. Capitalism was only able to survive this catastrophe, and the horrors to which it gave rise—fascism, social misery and ultimately war—because of the betrayals of the social democratic and Stalinist leaderships of the working class.

67. The onset of the Depression had a rapid political impact in Germany, in the September 1930 election. From just 12 members in the Reichstag, the Nazi party now had more than 100. Opposing the Comintern's "Third Period" line, which designated the social democrats as "social fascists", Trotsky called for the development of a united front to meet the Nazi threat. Warning that the Nazis' aim was to destroy the entire workers' movement, Trotsky wrote, in his first statement after the election: "Assuming a defensive position means a policy of closing ranks with the majority of

25. "The Australian Question", Resolution of the ECCI, *Our Unswerving Loyalty*, op. cit., pp. 217–220.

the German working class and forming a united front with the Social Democratic and nonparty workers against the fascist threat. Denying this threat, belittling it, failing to take it seriously is the greatest crime that can be committed today against the proletarian revolution in Germany. What will the Communist Party ‘defend’? The Weimar Constitution? No, we will leave that task to Brandler. The Communist Party must call for the defence of those material and moral positions which the working class has managed to win in the German state. This most directly concerns the fate of the workers’ political organisations, trade unions, newspapers, printing plants, clubs, libraries, etc. Communist workers must say to their Social Democratic counterparts: ‘The policies of our parties are irreconcilably opposed; but if the fascists come tonight to wreck your organisation’s hall, we will come running, arms in hand, to help you. Will you promise us that if our organisation is threatened you will rush to our aid?’ This is the quintessence of our policy in the present period. All agitation must be pitched in this key.”<sup>[26]</sup>

68. The Stalinists’ Third Period line, which sounded very left wing and radical, was actually a form of extreme passivity, summed up in the slogan of the German Communist Party “After Hitler, our turn.” It abandoned the struggle to expose the treacherous social democratic leaders and replaced the struggle to win the millions of workers still in their ranks with a bureaucratic ultimatum. It split the most powerful workers’ movement in the world, opening the way for the coming to power of the Nazis in January 1933.

69. In Australia, the Third Period line resulted in the CPA’s abstention from any struggle to expose the Labor Party, right at the point where broad layers of workers were beginning to engage in increasingly militant struggles. In 1929, after falling to almost nothing two years before, strike activity reached two-thirds of the level it had attained in 1919, the year of the great post-war upsurge. This movement of the working class was expressed politically in the landslide election of the Scullin Labor government in the October 1929 federal election. The conservative prime minister, Stanley Bruce, lost his seat. The coming to power of the Labor government—the first to hold office since the beginning of World War I—in a situation of deepening global crisis, created new conditions for exposing the Laborites and winning the most militant and class-conscious workers to the CPA. Denouncing the Labor Party, its members and supporters, as “social fascists” signified a total abandonment of such a struggle.

70. The Third Period line was brought into the CPA through an ECCI intervention. An open letter was sent to the central committee of the party, criticising its decision to support the ALP in the election. This decision, the letter claimed, constituted a failure to understand that Australian capitalism was passing through a “third phase”, marked by intensifying class antagonisms. The CPA could only fulfil its role as a revolutionary party if it ruthlessly unmasked “the treacherous social-fascist role of the Labor Party and the trade union bureaucracy. . . . Even at its conference of December 1928 the Party could not give a proper political estimate of the Labor Party, define its fundamentally social-fascist character, its aggressive counter-revolutionary role in the present situation. The Party by its tactics during the elections still appears to cling to the idea that the Labor Party of Australia continues to represent the working class when as a matter of fact its past history, when in and out of Government, proves it to be an instrument of the Australian bourgeoisie. . . . In regard to the Labor Party of Australia it must be said definitely that it has already gone over to the side of the bourgeoisie and to support it in any way means to support the enemies of the working class. Consequently, the decision of the majority of your CEC to support the Labor Party in the last elections is a glaring example of grave Right deviation deserving the severest condemnation.”<sup>[27]</sup>

71. The issue confronting the CPA was not a failure to recognise the bourgeois character of the ALP’s program or the role of Labor governments in defending the capitalist order, but how to break the working class from it. The federal ALP had not held office for more than 15 years. It commanded the allegiance of the majority of the working class, including some of the most militant layers, who looked to it to carry out socialist policies against the deepening offensive of the bourgeoisie. In NSW these illusions had been buttressed by the Lang state Labor government’s introduction of new social services in the mid-1920s.

72. If there were illusions in the CPA about the Labor Party, including the conception that somehow it might be able to be transformed, through new leadership, into a revolutionary party, it was not least because they had been encouraged by the policies of the Comintern following the Fifth Congress in 1924. The incorrect analysis made by that congress—that even following the defeat of the 1923 German revolution, a new revolutionary up-

26. Leon Trotsky, ‘The Turn in the Communist International’, *The Struggle Against Fascism in Germany*, Penguin, Hammondsorth, 1971, p. 29.

27. ‘Open Letter to the CEC of the Communist Party of Australia, October 13, 1929’, *Our Unswerving Loyalty*, op. cit., p. 285.

surge lay immediately ahead—led to a further series of false assessments. Finding its analysis of the world situation contradicted actual conditions, the ECCI, Trotsky explained, had to cling to fictitious factors, discovering revolutionary forces and signs where there were none. The Comintern representative for the Communist Party of the USA, John Pepper, who was also responsible for the CPA, promoted the conception that the American Farmer-Labor Party was becoming “ever more radical” and drawing closer to the Communists. In Britain, Trotsky noted, the weakness of the British Communist Party gave rise to the idea of replacing it with a “more imposing factor”, leading to a false estimate of the tendencies of British trade unionism and the idea of the revolution “finding an entrance not through the narrow gateway of the British Communist Party, but through the broad portals of the trade unions.” Though not as pronounced, the ECCI had evinced the same general tendency with regard to Australia. In a resolution issued in October 1927, it insisted that the CPA was “duty bound” to carry out a campaign with the trade unions against the leaders of the Labor Party, and that the “so-called Australian Labor Party cannot become a genuine Labor party unless big sections of workers and first and foremost members of trade unions do their utmost to purge the Labor Party of ministers, ex-ministers and all other officials who while sailing under the colours of the Labor Party have learned to defend more or less skilfully the interests of the Australian bourgeoisie.”<sup>[28]</sup>

73. Having promoted the conception that somehow the Labor Party could be transformed, if only a new leadership were installed, the Comintern did a radical about-face, demanding strident denunciations of the ALP’s “social fascism.” As Trotsky had explained in relation to the struggle against fascism in Germany: “We must understand how to tear away the workers from their leaders in reality. . . . This stage cannot be skipped. We must help the Social Democratic workers in action—in this new and revolutionary situation—to test the value of their organisations at this time when it is a matter of life and death for the working class.” Any such approach was now condemned as support for the “social fascists” and the bourgeoisie.<sup>[29]</sup>

74. Following publication of the ECCI’s Open Letter in the *Workers’ Weekly* of December 6, 1929, the CPA Congress, held

at the end of the month, denounced the outgoing leadership for “treachery and bankruptcy” and installed a new leadership that declared its “unswerving loyalty” to the “new line.” However, the Comintern was still not satisfied and in March 1930 sent Harry M. Wicks (known as Herbert Moore) from the United States to reorganise the Australian party. Over the next year Wicks, who, it was later discovered, was a long time spy and agent for the FBI, took control of the party, rewriting its program and constitution and re-organising the leadership through a series of purges and denunciations. The changes in Australia were part of an international process. Having suppressed the Left Opposition and expelled Leon Trotsky from the Soviet Union, the Stalinist leadership of the Comintern could not tolerate an independent leadership in any section. As Trotsky put it: “It removes, sweeps away, deforms and tramples underfoot all that is independent, ideologically firm, and inflexible. It needs conformists. And it finds them without much difficulty, groups them together, and arms them.” The grouping brought into the leadership of the CPA in 1929 was to remain intact for the next several decades, following every bureaucratic manoeuvre ordered by the Stalinist regime with declarations of total loyalty to each “new line.”<sup>[30]</sup>

75. The Stalinisation of the CPA and the adoption of the “social fascist” line took place as Australian capitalism plunged into its deepest ever economic crisis. It isolated the party from the mass movements in the working class and cut it off from the shifts to the left in the ranks of the Labor Party, in particular the movement around the “Socialisation Units” in the NSW ALP and the eruption that followed the sacking of the state premier Jack Lang.

76. The global depression rapidly took hold of the Australian economy. Export revenues fell by a quarter, foreign loans dried up and unemployment, which had reached 12 percent at the end of 1929, rapidly climbed to 30 percent in 1931–32. Just as in World War I, the federal Labor government responded by implementing the dictates of the banks and finance capital. Together with the state governments, it accepted the demands of the Bank of England for the slashing of wages and government spending. The mounting class and political tensions of the period were recorded five years later by a leading parliamentary press gallery journalist: “It has to be remembered that the background to the story of the Scullin government was the worst period of

28. ‘Resolution on the tasks of the Communist Party of Australia,’ *Our Unswerving Loyalty*, op. cit., p. 23.

29. Leon Trotsky, ‘For a Workers’ United Front Against Fascism,’ *The Struggle Against Fascism in Germany*, op. cit., p. 105.

30. Leon Trotsky, ‘Who is Leading the Comintern Today?’ *The Challenge of the Left Opposition, 1928–29*, Pathfinder, New York, 1981, p. 202.

Australia's worst depression. It was a period when the placid day-to-day life of Canberra was made perilous and pregnant by rumours of riots in the great cities. Human impatience was aroused to fever pitch by unemployment, poverty, and suffering. Almost hourly, for months, Canberra dreaded tidings of a major uprising. The Rothbury miners were in revolt, wavering dangerously on the verge of an armed industrial war, until they were stemmed by the ruthless rule of baton law. Ravenous unemployed threatened to march on to Canberra, to wreak a blind vengeance on the legislators whom they blamed for it all. Armed forces paraded in the open and organised in secret. The air hung heavy with menace. Today, so resilient is the human mind, that these things seem as unreal as melodrama. It is well that people should remember that in fact they were cold reality."<sup>[31]</sup>

77. The radicalisation of the working class was reflected in the Labor Party. In April 1930, the Lang leadership of the NSW Labor Party, at that time out of office and anxious to maintain its grip on the working class, set up Socialisation Units to "devise ways and means to propagate the first and principal platform of the party—the socialisation of industry". The Lang leadership regarded the Socialisation Units as harmless propaganda adjuncts to local branches. But in major working class areas they became larger than the party branch to which they were attached, as support grew for the demand of "socialism in our time." At the height of the movement, Socialisation Units were attached to 178 of the 250 branches around Sydney, and the organisation's newspaper *Socialisation Call* had a circulation of around 40,000.

78. In the NSW state elections of October 1930, Lang was swept into office after he denounced the federal government's spending cuts and the banks' demands. His perspective was to contain the growing radicalisation of the working class. Attacking calls emanating from the socialisation movement for the taking of political power and the expropriation of industry and the banks, he declared that "the revolution has come—is being fought now, and will continue a little way into the future. It has come without our streets being barricaded, but in the way the Labor Movement has always said it would come, by Act of Parliament."<sup>[32]</sup>

79. The greatest assistance to Lang was rendered by the

CPA, which denounced members of the Socialisation Units and their leaders as "left social fascists", as well as members of the Labor Army formed to protect ALP meetings from attacks by the fascist New Guard. Right at the point where the working class was coming into intense conflict with its Labor and trade union leadership, the CPA abandoned any struggle to expose it. "It is correctly realised by our Party," the *Workers Weekly* had declared in November 1930, "that the slogan 'Make the officials fight' in industrial struggles is now obsolete . . ." Thousands of workers had become active in the socialisation units but they remained trapped behind the conception that socialism could be realised through the Labor Party. Denounced by the Stalinists and in the absence of an alternative perspective, they had no answer when the Lang machine dismantled the units in 1933.

80. Late in 1931, Lang demanded the federal Scullin Labor government withhold payments of debts to British banks until interest rates were reduced. In May 1932 Lang's NSW state government was sacked by the Governor of NSW, Sir Philip Game, on the grounds that its withholding of money from the federal government was illegal. Accepting his dismissal, Lang enunciated the loyalty to the capitalist state that has been the essential and enduring characteristic of every Labor politician: "Paramount in my mind before reaching my decision was the fact that I had always stood for law and order, and had always been opposed to violence of any kind. If we defied the Governor, we would be defying the authority of the King, whose representative he was. This might be accepted as an open invitation to the British navy and end in the arrival of British warships off Sydney heads to shell the city. So rather than risk civil war and have bloodshed in the streets of Sydney, I have decided to accept the dismissal."<sup>[33]</sup> Lang's chief concern was not British warships, but the fear of the very revolutionary upsurge by the working class that he had worked so hard to prevent. When more than half a million people rallied in Sydney in response to his sacking, Lang told them to go and vote in the election.

81. The demonstration against Lang's dismissal was the largest in Australian history. The CPA completely abstained. It declared that whether debt was repudiated or not was of "no concern to the working class" and denounced those workers who opposed Lang's sacking as "social fascists." In conditions of a radicalisation of large sections of the working class and the eruption of a deep political crisis, the CPA ensured that the Labor Party

31. Warren Denning, *Caucus Crisis: The rise and fall of the Scullin government*, Hale and Ironmonger, Sydney, 1982, p. 24.

32. 'Mr. Lang: Revolution has come,' *Sydney Morning Herald*, 5 October, 1931.

33. Gerald Stone, *1932*, Pan Macmillan, Melbourne, 2005, p. 293.

leadership remained in control.

### **The origins of Trotskyism in Australia**

82. The political struggle waged by Trotsky and the Left Opposition from 1923 against Stalinism began to reach an international audience after James P. Cannon, the American revolutionary, smuggled Trotsky's critique of the Sixth Congress documents of the Comintern out of the Soviet Union and founded the Trotskyist movement, the Communist League of America (CLA), in the United States. This initiative was to play a decisive role in the development of the international Trotskyist movement. By 1932, the CLA's newspaper, *The Militant*, was circulating in Australia, where it found its way into the hands of a layer of ex-CPA militants who had come into conflict with the party's Stalinist leadership.

83. Trotsky's critique provided a principled political foundation for the struggle against Stalinism. Significant opposition had emerged within the CPA to the bureaucratic, anti-democratic character of the party regime, but it remained at the level of national-based, organisational differences. Trotsky's analysis clarified the *political* basis of the bureaucracy and its suppression of inner-party democracy, which lay in the theory of "socialism in one country". Drawing out the implications for every section of the Communist International, Trotsky wrote: "The new doctrine proclaims that socialism can be built on the basis of a national state *if only there is no intervention*. From this there can and must follow (notwithstanding all pompous declarations in the draft program) a collaborationist policy towards the foreign bourgeoisie with the object of averting intervention, as this will guarantee the construction of socialism, that is to say, will solve the main historical question. The task of the parties in the Comintern assumes, therefore, an auxiliary character; their mission is to protect the USSR from intervention and not to fight for the conquest of power. It is, of course, not a question of the subjective intentions but of the objective logic of political thought."<sup>[34]</sup> To fight the bureaucracy, Trotsky and the International Left Opposition insisted, it was necessary to oppose to its reactionary nationalist political program the perspective of world socialist revolution.

84. In January 1933, the victory of Hitler's Nazi party in Germany confirmed Trotsky's repeated warnings about the consequences of Stalin's "Third Period" line. The German working class—the most powerful in the world—had suffered a cata-

strophic defeat without a single shot being fired. On April 1, 1933 the Comintern declared: "Having heard the report of Comrade Heckert on the situation in Germany, the presidium of the ECCI declares that the political line and organisational policy pursued by the CC of the Communist Party, led by Comrade Thaelmann, before and at the time of the Hitler coup was quite correct."<sup>[35]</sup> Not one communist party in the world criticised either the Comintern or the policies that had led to the German disaster. This response proved that the Communist International was dead for the purposes of revolution.

85. In July 1933, Trotsky issued the call for the founding of the Fourth International: "The Moscow leadership has not only proclaimed as infallible the policy which guaranteed victory to Hitler, but has also prohibited all discussion of what had occurred. And this shameful interdiction was not violated, nor overthrown. No national congresses; no international congresses; no discussions at party meetings; no discussion in the press! An organisation which was not roused by the thunder of fascism and which submits docilely to such outrageous acts of bureaucracy demonstrates thereby that it is dead and that nothing can ever revive it."<sup>[36]</sup>

86. Laying the necessary political and theoretical groundwork for the new International was a difficult and protracted process. For five years, from 1933 until its founding in September 1938, Trotsky led a patient but determined political struggle to differentiate the program and perspective of proletarian internationalism from the outlook of various centrist political tendencies which, while claiming agreement with Trotsky's criticisms of Stalinism, opposed the founding of a new International and sought a middle ground between reformist and revolutionary politics. The centrists' opposition to the formation of the Fourth International flowed from their rejection of Trotsky's analysis of the counter-revolutionary role of the Stalinist regime and its affiliated Communist Parties, and their fundamentally nationalist orientation.

87. In response to both the cataclysmic events in Germany and the analysis of the International Left Opposition, the Workers Party was founded in Australia in May 1933. Its founding document declared: "The crushing of the German working class organisations under the heel of Fascism, brought about by the criminal

34. *The Third International after Lenin*, op. cit., p. 47.

35. *The Communist International—Documents*, vol. III, 1929–1943, Jane Degras (ed.), Routledge, 1971, p. 257.

36. 'It is Necessary to Build Communist Parties and an International Anew', *The Struggle Against Fascism in Germany*, op. cit., p. 431.

failure of the Communist International to give a decisive lead to the German Party...add[s] further proof to the contention that the teachings of Lenin have been distorted by the present Stalinist bureaucracy into a utopian theory of establishing Socialism in one country, with a consequent sacrifice of international revolutionary struggle.”<sup>[37]</sup>

88. In December 1933 the Workers Party’s monthly journal, *The Militant*, supported Trotsky’s call for the founding of a new International. Under the headline “To the Fourth International”, it explained that “the decision to form a new party in Australia, although considered premature in some working class circles, has received ample endorsement in view of the events of world importance now taking place in the international revolutionary movement. Following on the German debacle and the emphatic refusal of the Stalinist bureaucracy to correct the mistakes developed by them in the European arena, or even to admit those mistakes, the various sections of the International Left Opposition have come to a definite decision regarding the whole situation . . . the Left Opposition has taken the decisive step of calling for the building of a new party and a new International.”<sup>[38]</sup>

89. The Moscow Trials, which began in August 1936 and continued to March 1938, were the most public expression of a wave of counter-revolutionary violence organised by the Stalinist bureaucracy, resulting in the deaths of almost one million people. Hundreds of thousands of Marxists, socialists and intellectuals—the highest representatives of an intellectual and political culture stretching back decades—were murdered, dealing the Soviet and international working class a blow of incalculable proportions. At the three public trials virtually all the leaders of the October Revolution were forced to denounce themselves as “counter-revolutionaries.” Throughout the bloody purges, the CPA regurgitated all the lies and slander emanating from Moscow. Despite its lack of resources, the Workers Party launched a campaign against the Moscow Trials, organising public meetings in Sydney, Melbourne and Newcastle, and exposing the frame-up through the circulation of *The Militant* and other printed material.

90. While the Workers Party courageously fought the ongoing and violent attacks of the Stalinists and the state, it was plagued with unclarified political problems and internal feuds, stemming largely from its isolation and the difficulty of over-

coming the powerful pressures of the national milieu. While it published and distributed several works by Trotsky, along with *The Militant* and regular leaflets, it tended, like the early CPA, to overemphasise national economic struggles at the expense of political and theoretical clarity, and to underestimate the political importance of a thorough review and assimilation of the lessons of the strategic experiences of the international working class during the preceding years. Only on such a basis could the struggle for socialist internationalism in the Australian working class be developed.

91. In 1937, the Workers Party carried out an important intervention into the October federal election, seeking to define the attitude that class conscious workers should take to the Labor Party. By now the CPA, in line with the decisions of the Seventh Congress of the Comintern in 1935, had abandoned its “social fascist” line and, in yet another 180-degree about-turn, was now seeking to forge an alliance with the Labor Party and so-called “progressive” sections of the capitalist class. In the name of establishing a “united front” against the threat of fascism, the Stalinist Popular Front was aimed at defending the bourgeois state against social revolution by tying the working class to social democracy and through it, to the bourgeoisie. Accordingly, CPA secretary, J.B. Miles declared that it would be a “gross error” to claim that Labor governments had always betrayed the workers. In reply, the Workers Party election manifesto insisted: “[T]he struggle to expose the fallacy and treachery of ALP policy must begin again. . . . The task of revolutionists is to point out and drive home the lessons of this experience. This consists in an uncompromising struggle against the Australian Labor Party and Stalinist reformism in every field, and above all, in the trade unions. We must unmask their pseudo-leftism, their passive resistance strike policy, their class collaboration, counterposing the methods of Leninism of the revolutionary class struggle. . . . [W]e urge all genuine militants who recognise the futility of parliamentary reformism to join us in staying with the workers to the extent of voting Labor at this election. Such a vote by a worker who sees the truth of our contentions in this manifesto is in no way an endorsement of ALP policy, but is a tactic by which sincere revolutionists can ensure a bigger possibility for getting a hearing from the workers.”<sup>[39]</sup>

### The struggle against centrism

37. Workers Party policy statement, <http://www.reasoninrevolt.net.au/pdf/d0070.pdf>, viewed February 15, 2010.

38. ‘To the Fourth International’, *The Militant*, no. 3, December 1, 1933, pp. 1–2.

39. ‘Workers Party Election Manifesto’, *The Militant*, vol.4, no.11, Sydney, October 18, 1937, pp. 1–2.

92. In the lead-up to the founding of the Fourth International, the most important political struggles in Australia were those led by Nick Origlass against various centrist groupings inside the Workers Party. Origlass had joined the Unemployed Workers Movement and the Communist Party in 1932, but was expelled soon after. He joined the Workers Party in 1934 and by 1937 had become its leading figure.

93. The most significant petty-bourgeois grouping inside the Workers Party was headed by John Anderson, professor of philosophy at Sydney University. Anderson was a supporter of Sidney Hook and, like Hook and James Burnham in the United States, an avowed opponent of dialectical materialism. He was, however, a founding member and leading public speaker for the Workers Party and wrote several articles in *The Militant* and elsewhere, exposing the Moscow Trials frame-ups and the strangling of the Spanish revolution by the Stalinists. In 1937 he began arguing that the crimes of the Stalinist bureaucracy signified that the Soviet Union could no longer be considered even a degenerated workers' state—a position that won considerable support in the party. As in the case of other rightward-moving centrist tendencies in the United States and Europe, behind Anderson's rush to abandon a Marxist—i.e., scientific and historical—analysis of the class nature of the Soviet Union, and thus any basis for defending the USSR against imperialist attack, lay a profound scepticism in the revolutionary capacities of the working class. In a paper circulated prior to the April 1937 Workers Party's Fourth Conference entitled "In Defence of Revision", Anderson argued that the source of Stalinism lay in Marxism itself. "As has been indicated," Anderson wrote, "the crudities which are the whole stock-in-trade of the Stalinists have their basis in the theories of Marx. His 'reflection theory', his denial of the independence of social movements, is based on his *monism*, his conception of reality as developing along a single track—a position most appropriate to the fanatical sectarian. With this goes the theological conception of the inevitability of Socialism as rooted in the 'nature of things'."<sup>[40]</sup>

94. In opposing monism and the "reflection theory", Anderson was attacking the very philosophical basis of the Marxist materialist world outlook: that the unity of the world consists in its materiality; that thought is a reflection of the external world,

which exists independently of man's consciousness; that social being determines social consciousness. His equation of socialism with theology was an expression of the hostility of all bourgeois ideology to the Marxist analysis of the law-governed character of historical development. While Anderson denied the laws of the class struggle, they nevertheless determined his own evolution. His opposition to the Marxist understanding that all social movements ultimately arise from and reflect class interests, was itself a well-known class phenomenon. It was an expression of the striving of petty-bourgeois layers, especially sections of the intelligentsia, for their own "independence"—a feature of Anderson's outlook that was to make him a central figure in the individualistic, anti-Marxist "libertarian" movement that emerged in the 1950s. After his positions were opposed by Origlass at the 1937 conference, Anderson's hostility to the party emerged even more openly. Its weaknesses, he insisted, were due to the "bankruptcy of Trotskyism", a product of Trotsky's attachment to Bolshevism. "The lesson we have to learn today is that Bolshevism is dead. . ."<sup>[41]</sup> Accordingly, Anderson endorsed the call by another Workers Party member to "broaden the base" of the party, declaring that it should be open to all who had "a belief in militant struggle and a desire to work out the conditions of the Australian revolution."<sup>[42]</sup> Not for the last time, anti-Bolshevism joined hands with Australian nationalism. By the end of the year, Anderson's group had broken with the party and within two years he was publicly championing "liberal democracy". In the post-war years he was to become an open anti-communist, attacking communism as "the disease of the modern times".<sup>[43]</sup>

95. Origlass led an even more protracted struggle against a centrist grouping headed by Ted Tripp. In 1929, Tripp was the first member of the CPA to be sent to the International Lenin School in Moscow. On his return, he worked as a party activist until his expulsion in 1934 for "right opportunism"—i.e., opposition to the Third Period line of "social fascism". Not long after, Tripp joined the Workers Party, and for a short time edited *The Militant*. In 1937 he opposed the Workers Party formally affiliating to the Movement for the Fourth International. Claiming agreement with Trotsky's analysis, Tripp and his followers sought to

40. John Anderson, 'In Defence of Revision', *A Perilous and Fighting Life: The Political Writings of Professor John Anderson*, Mark Weblin (ed), Pluto Press, Sydney, 2003, p. 145.

41. Hall Greenland, *Red Hot, The Life and Times of Nick Origlass*, Wellington Lane Press, Neutral Bay, 1999, p. 76.

42. *Ibid.*, p. 77.

43. *A Perilous and Fighting Life: The Political Writings of Professor John Anderson*, op. cit., p. 18.

utilise the political authority of Trotskyism while maintaining a free hand to determine their own syndicalist and opportunist orientation within the national arena. At the most fundamental level, Tripp opposed the subordination of the Australian party to the principles, program and organisational discipline of the International. His group quit the party after the 1937 conference.

96. On September 3, 1938, the Fourth International was founded at a conference in Paris to take forward the struggle for socialist internationalism in the international working class. Its founding program, *The Death Agony of Capitalism and the Tasks of the Fourth International (The Mobilization of the Masses around Transitional Demands to Prepare the Conquest of Power)*, defined the central task of the epoch as the resolution of the crisis of revolutionary leadership.

97. In May 1938, Tripp's group had reunited briefly with the Origlass-led Workers Party to found the Communist League of Australia (CLA). But at the very beginning of the CLA's January 1939 conference, where the question of affiliation to the new Fourth International was to be finally decided, Tripp and his co-thinkers reaffirmed their hostility to internationalism and staged a walkout. This ended Tripp's brief association with Trotskyism. He moved to Melbourne and, for the rest of his life, immersed himself in the Victorian Labor College—a training ground for trade union careerists and bureaucrats.

98. The CLA conference voted to affiliate to the Fourth International. Writing to Trotsky on May 8, 1939, Origlass, after detailing some of the manoeuvres of the opposition, concluded: "What was really at stake was our insistence that the Transitional Program [the founding document of the Fourth International] applies also to Australia."

99. In March 1940, in an introduction to the Australian publication of the Transitional Program, Origlass summed up the lessons of the preceding struggle: "For the Australian section of the Fourth International (the Communist League of Australia) the presentation of this program marks a significant step forward. Situated as they are in a backwater isolated from the main stream of world developments, with class antagonisms mollified by virtue of a liberal capitalist regime made possible in the developmental period of a new land, the Australian people have developed an insular backwoods outlook of disdain for the 'foreign' doctrines of Marxism. Nevertheless Australia is not excluded from the imperious sway of the laws of world economy, as has been demonstrated in the first imperialist world war, in the world-wide economic crisis of 1929–

32, and in the imperialist slaughter of the peoples today. This epoch of the decline of the capitalist system is rapidly eliminating Labor reform politics from the agenda and poses to the Australian people the inescapable alternative: the socialist revolution or fascism."<sup>[44]</sup>

100. The political clarification provided by the Fourth International and its struggle to delineate the independent interests of working class against all forms of national opportunism laid the basis for the courageous stand taken by the Trotskyists of the CLA during WWII against state repression and the combined forces of the Stalinists and Laborites, who sought to subordinate the working class to the imperialist war effort.

### **Stalinism, Trotskyism and World War II**

101. The Second World War began on September 3, 1939. It was not a war for democracy against fascism, but a continuation, on an even wider and more destructive scale, of the struggle that had erupted in 1914 among the imperialist powers for the division and redivision of the world.

102. Two days after the war began, Trotsky explained its essential logic. "The present war, which its participants started before they signed the treaty of Versailles, grew out of imperialist contradictions. It was as inevitable as the crash of two trains which are let loose one toward the other on the same track. . . . Diplomatic machinations, juggling with the formula 'democracy versus fascism,' sophisms concerning responsibility, cannot make us forget that the struggle is going on between the imperialist slaveholders of different camps for a new division of the world. According to its ends and methods the present war is a direct continuation of the previous great war, only with much greater rottenness of the capitalist economy, and with much more terrible methods of destruction and extermination. . . . The task of the authentic representatives of the working class and oppressed nations does not consist in helping one imperialist camp against the other, but in teaching the laboring masses of all countries to understand the reactionary meaning of the present war, to raise their own program—the world socialist federation of nations—and to prepare themselves to replace the regime of robbery by the regime of general cooperation."<sup>[45]</sup>

103. The outbreak of the war placed Trotsky's life in even

44. *Red Hot: The Life and Times of Nick Origlass*, op. cit., pp. 92–93.

45. Leon Trotsky, 'Who is Guilty of Starting the Second World War?' *Writings of Leon Trotsky: 1939–40*, Pathfinder, New York, 1977, pp. 84–85.

greater danger. Fearful of the social upheavals it would bring, and with the revolutionary consequences of World War I still fresh within living memory, the Stalinist bureaucracy feared that Trotsky was, in reality, the leader of the revolutionary government in exile. Working through a network of agents that infiltrated deep into the Trotskyist movement, Stalin ordered Trotsky's assassination. On August 20, 1940, Trotsky was attacked by Ramon Mercader, an agent of the GPU, the Stalinist secret police, at his home in Coyoacan, Mexico. He died the next day. As explained in *The Historical & International Foundations of the Socialist Equality Party*: "Trotsky's assassination was a devastating blow to the cause of international socialism. He was not only the co-leader of the October Revolution, the implacable opponent of Stalinism and the founder of the Fourth International. He was the last and greatest representative of the political, intellectual and moral traditions of the classical Marxism that had inspired the mass revolutionary workers' movement that emerged in the last decades of the 19<sup>th</sup> century and the first decades of the 20<sup>th</sup>."<sup>[46]</sup>

104. The war was to underscore the historic significance of the struggle waged by Trotsky against the centrist organisations that had opposed the founding of the Fourth International. In the course of the war, all of them capitulated either to their "own" bourgeoisie or to the "democratic" imperialist powers. Only the Fourth International and its sections fought to maintain the political independence of the working class and advance a revolutionary socialist program against both "democratic" and fascist regimes alike.

105. In Australia, Britain's declaration of war was followed immediately by a statement from conservative United Australia Party (UAP) Prime Minister Robert Menzies that "as a result, Australia is also at war." The Labor Party, now in opposition, declared its full support. Over the next six years, with the crucial assistance of the CPA Stalinists, it was, once again, to play the key role in organising the war effort on behalf of the Australian bourgeoisie. Almost one million people, out of a population of barely seven million, served in the Australian armed forces in Europe, Africa, the South-West Pacific and Asia, resulting in some 40,000 deaths.

106. The war's outbreak exacerbated the crisis of the UAP-led government, which had been in a state of disintegration for

the previous three years, wracked by sackings, cabinet reshuffles, and scandals. It faced growing hostility within the working class, where the pro-fascist sympathies of the main government leaders were well-known. Despite the efforts of the press to whip up patriotism, opposition intensified to the government's National Register—widely regarded as the precursor to conscription. Strikes were on the increase as workers recovered their strength from the ravages of the Great Depression. In the elections of 1940, the ALP and the main establishment parties were returned in equal numbers, with the balance of parliamentary power held by two bourgeois independents, who initially extended their support to the UAP. Menzies wanted the Labor Party to join a coalition government in order to prosecute the war, but Labor leader John Curtin refused. This was not because Curtin was opposed either to the war or to collaborating with the UAP—indeed, the Labor Party had secured agreement from Menzies for the establishment of an Advisory War Council, with equal representation from government and opposition—but because he was fearful of a movement in the working class developing outside and against the Labor Party if it were to join the government. Curtin had come into politics as a member of the left-wing Victorian Socialist Party and had been a vehement opponent of conscription in World War I. At that time, the anti-conscription movement resulted in the expulsion of Hughes and Holman from the Labor Party. Curtin was concerned about entering a coalition government under conditions where the working class was moving to the left and the Communist Party, which at this point was denouncing the war as "imperialist", was winning the leadership of its most militant layers.

107. The CPA's characterisation of the war as "imperialist" was not based on principle. Rather, it flowed from the logic of the Stalin-Hitler non-aggression pact, signed by Molotov and Ribbentrop in August 1939. Prior to this, the CPA, together with other Stalinist parties around the world, had fought for a Popular Front with the Labor Party and so-called "progressive" sections of the bourgeoisie for the defence of "democracy" against fascism. This policy continued in the first days after the outbreak of war. On September 12, 1939, for example, the CPA denounced the Trotskyist characterisation of the war as "imperialist", and a week later issued a call for the "full weight of Australian manpower and resources being mobilised along with other British forces, for the defeat of Hitler". Over the next weeks, Moscow's interests were communicated. The CPA carried out another

46. *The Historical & International Foundations of the Socialist Equality Party*, op. cit., p. 59.

about-face and started characterising the war as “imperialist”, hailing the Stalin-Hitler pact for localising its impact. The new line was motivated not by any concern to develop the movement of the working class against the imperialist bourgeoisie—in the US, Britain or Australia—but to turn it into an appendage of the Soviet bureaucracy, which feared the war’s consequences.<sup>[47]</sup>

108. Following the Nazi invasion of the Soviet Union on June 22, 1941 and the complete collapse of the “pact”, the CPA rapidly changed course once again, becoming the most fervent supporter of the war effort. In a statement issued on September 19, 1941 it declared: “The Communist Party wholeheartedly supports the present war. The Party and its members are working for the supreme war effort required from Australia toward the common objective of Britain, the United States and other allied nations.”<sup>[48]</sup> With the CPA now backing the war, the way was open for a Labor government. On October 30, 1941, the two independents crossed the floor in a budget debate, to effectively bring down the UAP-Country Party coalition government. The outgoing conservative Prime Minister Arthur Fadden, who had replaced Menzies, then advised the governor-general to call on the Labor leader Curtin to form a government.

109. The Communist Party, which had been illegalised by the Menzies government in June 1940, was now de facto legalised. The formal decision only came after the CPA and the Curtin Labor government had signed an agreement in December 1942 that spelt out the Stalinists’ responsibilities in supporting the industrial war effort. According to the agreement, the CPA would do all in its power to “assist the official prosecution of the war;” “increase the production of war materials and the provision of services for war or industrial purposes” and do its “utmost to promote harmony in industry, to minimise absenteeism, stoppages, strikes or other hold-ups.”<sup>[49]</sup>

110. The economic crisis of the 1930s and the outbreak of war revealed, once again, the weakness of the Australian bourgeoisie and its historic dependence on the Labor Party to maintain its rule. Not only did the coalition government collapse, but the UAP, the main bourgeois party, completely disintegrated. Only when the war crisis had passed was Menzies able to form a new organisation, the Liberal Party, in 1944. While the bourgeoisie

turned to the Labor Party in its hour of need, the ALP could not govern alone. The Laborites rested in turn on the CPA Stalinists, who used the support they derived in the working class from the false identification of the party with socialism and the October Revolution, to enforce the Labor government’s program.

111. At the turn of the century, the Labor Party had played the key role in the formation of the Australian nation-state within the framework of the British Empire. At the end of 1941, as the war in the Pacific began and British forces in the Far East collapsed before the advances of the Japanese army, the Laborites effected a major shift in international orientation. As the Fourth International had explained before the outbreak of war, the alignment of Australian imperialism would be determined by which of the major powers it believed would best protect its interests in the Pacific against Japan. The defeats inflicted on the British by Japan in the first days of the conflict, which were to culminate in the fall of Singapore on February 15, 1942 and the largest-ever surrender of British-led forces, showed that British imperialism could no longer meet this objective. It was time to shift allegiance to the rising imperialist power, the United States. In a New Year message issued on December 26, 1941, Prime Minister Curtin declared: “[W]ithout any inhibitions of any kind, I make it clear that Australia looks to America, free of any pangs as to our traditional links or kinship with the United Kingdom.”<sup>[50]</sup>

112. From the outset of the war, the Trotskyist Communist League of Australia was the only political tendency to advance an independent perspective for the working class. On September 10, 1939, a special edition of *The Militant*, headlined “This is not our war”, declared: “The Second World War is an Imperialist War, just as the first was. It is not a war to defend democracy; it is a war for capitalist profits, pure and simple.” The statement explained that the war was not being fought for “any such fine sounding things as freedom, democracy, peace etc.” but was a war between “rival gangster imperialists to determine who will control Europe, and who will rob and exploit the colonial peoples.” Under the headline “Enemy in Our Own Country”, the statement continued: “If Chamberlain [the British prime minister] wants to stop Hitler it is not because Hitler crushes the working class in Germany, but because Hitler threatens Britain’s colonies. If Daladier [the French prime minister] wants to stop Hitler it is not because Hitler has destroyed the liberty of the German workers, but because he is afraid to lose

47. *Betrayal: A History of the Communist Party of Australia*, Workers News Editorial Board, Allen Books, Sydney, 1981, p. 89.

48. *Ibid.*, p. 90.

49. *Ibid.*, p. 90.

50. *In His Own Words: John Curtin’s Speeches and Writings*, David Black (ed.), Paradigm Books, Bentley, Western Australia, 1995, p. 195.

some French colonies. If Roosevelt [the US president] is so pugnacious against Hitler it is not because Hitler has made virtual slaves out of the German workers, but because Germany threatens to take away much of the South American trade which is now in possession of American capitalists. While the rulers of England, France and USA do not like Hitler for the above reasons, they have no objection to *Hitlerism*. On the contrary, they know that the totalitarian organisation of their own nations is now the only method they have for preserving their power and privileges." The CLA explained that the working class had to fight for the defeat of fascism, but it could not entrust that task to the capitalist class in the so-called "democracies."<sup>[51]</sup>

113. Throughout the war, the CLA defended every independent action by the working class. In May 1940, when NSW miners went on strike, the Trotskyists called for mass pickets, the extension of the strike, the formation of workers' defence guards and the bringing down of the Menzies government. That month *The Militant* was banned by a government decree under the draconian war-time National Security Regulations. In June 1940, when the CPA was declared illegal, and meekly submitted, the CLA immediately demanded the CPA ban be lifted, pointing to its implications for the democratic rights of the working class as a whole, despite continuing provocations by the Stalinists against its own members. Soon after, when the CLA itself was declared illegal, and its press and organisation suppressed, it responded by widely distributing a leaflet to workers warning of the government's plans: "First crush all opposition, then conscription: this is the Menzies plan. . . . Down with Menzies, down with imperialist war and for a socialist peace."

114. Japan's entry into the war and the threat that it would invade Australia heightened political pressures on the CLA and its fight for proletarian internationalism. But the party had been politically prepared in advance by Trotsky. In 1937, he wrote a letter responding to a request for advice from Origlass on how to respond to such a threat. In the letter, Trotsky declared: "Naturally no Australian worker or farmer wishes to be conquered and subjected to Japan. For a revolutionary party it would be suicidal to say simply we are 'indifferent' to this question. But we cannot give to a bourgeois and essentially imperialist government the task of defending the independence of Australia. The *immigration* policy of the Australian government furnishes the Japanese

imperialists a kind of justification in the opinion of the Japanese people. By its *general* policy the bourgeois government weakens the Australian people economically, politically and militarily. Finally, in the case of a great social crisis the bourgeois government would inevitably be ready to compromise with the foreign imperialists, sacrificing the vital interests of the country, in order to have the opportunity to prevent the social revolution. All these reasons are more than sufficient to justify our irreconcilable policy toward the bourgeois ruling class in every capitalist country. But there is not the slightest reason to proclaim our indifference on the question of national independence."<sup>[52]</sup>

115. In January 1942 the Trotskyists issued a Workers Defence Policy based on Trotsky's 1937 letter and the discussions he had held with the American Socialist Workers Party (SWP) on a proletarian military policy. In opposition to the petty-bourgeois pacifists, who called for individual resistance to war, the Fourth International called for the training of workers in military arts under the control of the trade unions and with working class officers. The Workers Defence Policy explained that while Australian workers and farmers wanted to fight against domination by Japanese imperialism, for the Australian capitalist class conquest by Japan was by far a "lesser evil" than the victory of the working class and of the oppressed masses in the colonies. The "democratic" imperialists would "prefer the military victory of their rivals rather than arm the native people, knowing that the latter would inevitably struggle to drive out the old master as well as the new one moving in." When faced with defeat, "the Australian capitalist class will drop its 'patriotism', will come to terms with the Japanese imperialists, and behind the backs of the masses will collaborate in exploiting them. . . . The capitalist class always operates on the basis of the proposition: the main enemy is at home, the working class."<sup>[53]</sup>

116. In response to the Stalinists' collaboration with the Curtin government under the slogan "all for production" the Trotskyists replied: "To the capitalist class we say: You claim our homes and families are in imminent danger. Very well, we are not terrified. But we do not trust you, our class enemy, nor your 'brass hats', to lead and direct the fight. We want military training and arming under our own elected leaders. We will not seek to capitulate

51. *The Militant*, Sydney, September 10, 1939, vol.2. no. 8, (C.L.A. series) p. 1.

52. Leon Trotsky, 'Letter to Australians, December 23, 1937', *Writings of Leon Trotsky: 1937-38*, Pathfinder, New York, 1976, pp. 116-117.

53. *Betrayal: A History of the Communist Party of Australia*, op. cit., pp. 104-105.

late when an enemy bombardment destroys your valuable property. We are the people who build. We can build up everything that is destroyed. We know the miracles that can be achieved by an armed people. We remember Madrid, Moscow, Leningrad. You say you want maximum production. You, in subservience to the banks, have sabotaged Australian production for scores of years. In 1929 you closed down your factories and workshops and put us on the streets. And today graft and profit-seeking constitute your 'war effort'. Let the Federal Government nationalise the war industries and let them be controlled by shop committees of workers. Then from your huge profits the workers will get proper conditions and there will be uninterrupted production. . . ."<sup>[54]</sup>

117. The fight for these policies was carried out under continual state repression, including arrests and jailings, as well as verbal and physical attacks from the Stalinists. After police raids on their offices and homes, three Trotskyists were jailed for up to 12 months for possessing literature exposing the imperialist character of the war, calling for the election of soldiers' committees in the army, and hence "causing disaffection" among the armed forces, contrary to National Security regulations. The Stalinists' campaign reached a fever pitch at the beginning of 1943, following their agreement with the Curtin government in December 1942. The deal had been reached, the Trotskyist newspaper, *The Socialist* reported, at the point where Prime Minister Curtin's conscription scheme had lost him the support of rank and file workers. He had given the Communist Party "the shameful job of attempting to terrorise the militant rank and file from expressing their views." The deeper the collaboration of the Stalinists with the Labor government, the more they stepped up their attack on the Trotskyists. In January 1943, the Stalinist newspaper *Tribune* denounced *The Socialist* as "doing a good job for the fascists. The Yanks are making an 'imperialist occupation' of Australia; the war is an 'imperialist' one. Hurrah for more strikes, more disruption, etc. and, particularly, down with the Communists everywhere. These fascist rats are doing a nice job for the Axis masters of the unlamented Trotsky, and would be on the reception committee if the Japs invaded Australia . . ." In August 1945, the CPA Stalinists celebrated the dropping of atomic bombs on Hiroshima and Nagasaki.<sup>[55]</sup>

118. Throughout the war, the Trotskyists had very small forces, whereas the CPA now boasted around 20,000 members.

But the CLA upheld a program that defended the independent interests of the working class. Moreover in their victory over the Stalinists in the ship repair yards at Cockatoo Island and Morts Dock in Sydney, they demonstrated the significance of a consistent fight for a principled political line.

119. Industrial conflict at the dockyards began in 1943–44 and culminated in a three months' battle in the first half of 1945. Shipyard workers were fighting to defend their wages and conditions in opposition to the Labor government's National Security regulations, which were policed by the Stalinists in the national leadership of the ironworkers' union. The struggle was a precursor to the industrial upsurge for improved wages and conditions that was to develop in broader sections of the working class in the immediate aftermath of the war, against the regulations of the Chifley Labor government. The conflict ended with Origlass and his supporters defeating the Stalinists and their witch-hunting tactics, and winning election to the leadership of the Balmain branch of the ironworkers' union. In the more than six decades since these events, all manner of political tendencies, from the right-wing of the Labor Party and trade union bureaucracy to the Labor "lefts" and cynical "ex-Trotskyists", have denounced the CLA's stand on the war as "bonkers", "over the top" and "totally unrealistic". Both then and since, they have insisted that, in time of war, the working class has to be subordinated to the demands of its "own" ruling class and that any other policy is unrealistic. But the record shows that it was the political perspective advanced by Trotsky and the Fourth International on the nature of the war, and the Australian Trotskyists' insistence on the necessity to fight at every stage for the independent interests of the working class, that won the respect of the most advanced layers, and led to the CLA's victory over the Stalinists.

### **The post-war upsurge**

120. As World War II drew to a close in Europe, the bourgeoisie was economically devastated and politically discredited due to its collaboration with fascism. The British magazine *The Economist* described the forces unleashed by the defeat of Hitler's regime: "The collapse of the New Order imparted a great revolutionary momentum to Europe. It stimulated all the vague and confused but nevertheless radical and socialist impulses of the masses. Significantly, every program with which the various Resistance groups throughout Europe emerged from the Under-

54. *Ibid.*, p. 105.

55. *Ibid.*, p. 112.

ground contained demands for nationalisation of banks and large-scale industries; and these programs bore the signatures of Christian Democrats as well as of Socialists and Communists.” Pointing to widespread hostility to the bourgeoisie, it noted that, if in the 19<sup>th</sup> century the slogan of French socialism had been Proudhon’s “property is theft,” now it was “property is collaboration”.<sup>[56]</sup> The United States had recovered from the Great Depression. Nevertheless, according to the eminent bourgeois economist Joseph Schumpeter, it was “not open to doubt that the decay of capitalist society is very far advanced.”<sup>[57]</sup> In this situation, the Soviet regime and the Stalinist parties—using the political authority derived from the Soviet army’s defeat of the German armed forces—played the key role in stabilising the post-war order by opposing the taking of political power by the working class.

121. The political groundwork had been laid in May 1943 with Stalin’s dissolution of the Communist International—a guarantee to Britain and the US that the Soviet Union was opposed to social revolution. The post-war division of Europe, decided at conferences in Tehran, Yalta and Potsdam, established that the bourgeoisie would be kept in power in the West and that the Soviet Union would seek only a “buffer zone” in Eastern Europe.

122. The Stalinist parties explicitly opposed the taking of power by the working class and the establishment of socialism. A publication of the French Stalinists in 1943 declared that all the old political differences “are now being relegated to the background.” Events leading up to the war and the collapse of France in June 1940 had demonstrated that for the French bourgeoisie the main enemy was not Hitler but the working class. However, for the French Stalinists, this was no obstacle to collaboration with the bourgeoisie. “Placing the interests of the French nation above everything else, the French Communists are closely collaborating even with those who, poisoned by a decade of Hitler propaganda, have dealt France a heavy blow by persecuting the Communists, which made considerably easier the capitulation . . .”<sup>[58]</sup> In Italy and Greece the political orientation was the same, while in Germany the Stalinists of the KPD (German Communist Party) came back from exile in Moscow

to work for the dissolution of the anti-fascist and factory committees and replace them with administrative bodies in which the bourgeoisie was allowed to participate. During the war and in its immediate aftermath, the Stalinists supported bourgeois nationalist forces in the massive anti-colonial struggles that swept across Asia and opposed any independent struggle by the working class. This was in line with their so-called “two-stage” theory, which maintained that “national democracy” under the leadership of the bourgeoisie had to precede the taking of power by the working class. In Japan, this policy was adapted to hail General MacArthur and the American occupation force as agents of the bourgeois democratic revolution—a policy that played no small role in enabling the occupation force to suppress the powerful post-war upsurge of the Japanese working class.

123. The betrayals by Stalinism gave the United States, the dominant imperialist power, the necessary political conditions to rebuild the shattered foundations of European and world capitalism and lay the basis for the ensuing post-war economic expansion. In later years, the capitalist restabilisation was to be used as the springboard for attacks by various petty-bourgeois groups on Trotsky’s revolutionary perspective. Trotsky predicted a revolution, but it never came. Therefore the Fourth International’s perspective was false. Reflecting insights derived from decades of revolutionary struggle, encompassing the most diverse conditions, Trotsky emphasised that a perspective was not some kind of promissory note that could be “cashed in” on the due date. Rather, it defined a political orientation for an entire epoch. In one of his last major statements, he wrote: “The capitalist world has no way out, unless a prolonged death agony is so considered. It is necessary to prepare for long years, if not decades, of war, uprisings, brief interludes of truce, new wars, and new uprisings. A young revolutionary party must base itself on this perspective. History will provide it with enough opportunities and possibilities to test itself, to accumulate experience, and to mature. The swifter the ranks of the vanguard are fused the more the epoch of bloody convulsions will be shortened, the less the destruction will our planet suffer. But the great historical problem will not be solved in any case until a revolutionary party stands at the head of the proletariat. The question of tempo and time intervals is of enormous importance; but it alters neither the general historical perspective nor the direction of our policy. The conclusion is a simple one: it is necessary to carry on the work of educating and organizing the proletarian

56. Philip Armstrong, Andrew Glyn & John Harrison, *Capitalism since World War II*, Fontana, London, 1984, p. 23.

57. *Ibid.*, p. 43.

58. Robert Black, *Stalinism in Britain*, New Park, London, 1970, p. 218.

vanguard with ten-fold energy. Precisely in this lies the task of the Fourth International.”<sup>[59]</sup>

### The betrayals of the CPA

124. At its 14<sup>th</sup> national congress in August 1945, the Communist Party of Australia hailed the agreements of the “Big Three” at Tehran and Yalta as establishing a “great coalition of the peace and freedom loving powers, Britain, Soviet Russia and America” and set out its role in the coming peace: “Congress declares that there can be no relaxation of Australia’s war effort, even though the war in Europe has ended. Production must be maintained, strikes avoided, and disruption of national unity opposed.”<sup>[60]</sup>

125. Hundreds of thousands of Australian workers were returning from the battlefields of Europe, Asia and the Pacific determined to prevent any return to the conditions of the 1930s. Major industrial struggles for improved wages and conditions began in the concluding phase of the war and continued into the immediate post-war period. In the years 1945–47, nearly 5.5 million working days were lost as a result of industrial disputes, twice as many as in the three years immediately preceding the war. This movement was fuelled by broad-based anti-capitalist and socialist sentiments, born out of three decades of war, depression and fascism. The CPA, which now led, or had major influence over, some 40 percent of unionised workers, was determined to continue its collaboration with the Chifley Labor government and so-called “democratic” sections of the bourgeoisie. “To raise the slogan of socialism,” CPA assistant secretary Richard Dixon wrote in July 1945, “as the immediate post-war aim of the Communist Party ... would imply that we had reached the conclusion that the economic and political conditions to establish a socialist regime will exist when the war ends. We have arrived at no such conclusion as that and therefore, the raising of the slogan of socialism as our immediate post-war aim would prevent us from realistically tackling the problems of reconstruction, and would divide the progressive movement of the people and promote sectarianism.”<sup>[61]</sup>

59. Leon Trotsky, ‘Manifesto of the Fourth International on the Imperialist War and the Proletarian World Revolution’, *Writings of Leon Trotsky: 1939–40*, Pathfinder, New York, 1977, p. 218.

60. *Betrayal: A History of the Communist Party of Australia*, op. cit., p. 95.

61. “Post-War Policy and the National Congress”, *Communist Review*, no. 47, July

126. During the two-year post-war industrial upsurge, the CPA maintained its so-called “united front” with the Chifley Labor government, notwithstanding the Laborites’ efforts to suppress the struggle for a 40-hour week and better wages. But in September 1947, the Stalinist regime in Moscow ordered a “left” turn. As the Cold War got underway, the founding conference of the Communist Information Bureau (Cominform) declared that the world was now being divided into two great camps, an anti-democratic, imperialist camp, led by the US and a democratic, anti-imperialist camp, led by the Soviet Union. Henceforth attacks on right-wing socialists had to be stepped up. In accordance with this “new line”, the CPA increased its criticism of the Labor Party, and claimed there was a growing break with reformism in the working class. In reality, the post-war upsurge was subsiding and the Labor reformists had strengthened their position, not least due to the support afforded them by the CPA. By the beginning of 1949, as the Cold War intensified, CPA general secretary Lance Sharkey denounced the Labor leaders as “the definite allies of warmongers and imperialist aggressors, who are just as anti-labour as Hitler and Mussolini and the Japanese imperialists were.”<sup>[62]</sup>

127. The twists and turns of the Stalinists, and the resultant political miseducation of the working class, were to have a decisive impact on the outcome of the historic miners’ strike in 1949. In June 1949, miners voted by a ten-to-one majority to press for long outstanding demands for improvements, including wage increases and a 35-hour week. The strike led to a head-on conflict with the Labor government, which was determined to break it in order to maintain the arbitration system. Within two days of its commencement, the Labor government rushed through emergency legislation prohibiting the use of any funds to assist the strike, including strike relief paid to the miners. On August 1, Chifley sent in troops to work the open-cut mines. The minister for immigration, and future Labor leader, Arthur Calwell, told a Sydney meeting that Communists should be put in concentration camps and that the government would “use all the resources of the country against them. We will use the army on them, the navy on them, and the air force on them.” The Labor “left” Leslie Haylen declared: “The Communists in the Miners Federation have been pursuing a long sustained policy of attrition against the operation of the system of conciliation and arbitration in the coal-fields. These people are not, in

1945, Communist Party of Australia, Sydney, p. 540.

62. “The Reformists Serve Reaction”, *Communist Review*, no. 92, April 1949, Communist Party of Australia, Sydney, p. 112.

the main, Australian born, or interested in Australia. Their policy is directed from overseas and they are working upon age-old hatreds that belong to another nation and another clime. . . .” While there was considerable hostility to the actions of the Labor government, there was also deep mistrust, among wide sections of the working class, towards the role played by the Stalinists. Consequently, the miners could be isolated and, after seven weeks, forced to return to work.

128. The defeat of the miners brought to an end the immediate post-war upsurge of the working class. The Labor government’s attack on the strike as a foreign-inspired communist conspiracy helped foster the anti-communist Cold War climate that was to shape politics for almost two decades. This was not simply a question of ideology. The Labor government set up the security and intelligence organisation, ASIO, which initiated a program of spying and provocations against left-wing organisation and individuals. With the CPA having played a key role in enabling the Labor government to stabilise the post-war political situation, the way was opened for the return of the Liberals to power in 1949.

### **The post-war stabilisation and the emergence of Pabloism**

129. The Australian Trotskyists anticipated a radicalisation of the working class in the aftermath of the war, as had taken place after World War I. They believed this would see the emergence of a left wing in the ALP, in opposition to the leadership, that would lead to a split. In 1941, following its banning by the government, the CLA had adopted a tactic first advocated by Trotsky for the French Trotskyists. Dubbed the “French turn”, it consisted of entering social democratic parties to develop political work among leftward moving members and winning them to the Fourth International. Origglass formed the Labor Socialist Group (LSG), which worked inside the NSW ALP. He set out his perspective in a letter to the American Trotskyists in 1942: “Labor is in office in the Federal Parliament, but all the signs are present that a split will occur any time now which may result in a coalition government developing towards Bonapartism, with a new Labor leadership in opposition in Parliament, swinging the workers behind it and using much more radical talk—a development from liberal Labor to social democracy. By the French turn we aim to be in this . . .”<sup>[63]</sup> However, events

did not take the same course as in the 1930s. While the last stages of the war and the immediate post-war years did see a radicalisation of the working class, this did not give rise to a conflict within the Labor Party. Rather, it led to the growth of the Communist Party, due to the political prestige it was able to win as a result of the Soviet army’s role in the military defeat of Nazi Germany.

130. Following World War II, the Fourth International faced a complex situation. By the end of the 1940s, due to the betrayals of the Stalinist parties, the bourgeoisie had been able to reestablish its rule and lay the foundations for a post-war economic expansion. The political pressures generated by the new situation found their expression inside the movement in the revisionist perspective advanced by the secretary of the Fourth International, Michel Pablo.

131. Adapting himself to the post-war settlement and the Cold War political framework, Pablo argued: “For our movement objective reality consists essentially of the capitalist regime and the Stalinist world.” Excluded was any independent role for the working class and hence for the Fourth International. In his report to the Third World Congress of the Fourth International in August 1951, Pablo drew out the liquidationist consequences of his perspective, declaring that there was not a single Trotskyist organisation that did not understand the necessity of “subordinating all organisational considerations, of formal independence or otherwise, to real integration into the mass movement wherever it expresses itself in each country, or to integration in an important current of this movement which can be influenced.” As the ICFI drew out in its 1988 perspectives resolution, *The World Capitalist Crisis and the Tasks of the Fourth International*, Pablo, with the support of his close associate Ernest Mandel “proposed the repudiation of a central world strategy based on the independent and leading role of the proletariat. Instead, he sought the fragmentation of the Fourth International into a collection of national parties guided by opportunist tactics determined by prevailing national conditions.”<sup>[64]</sup> This perspective entailed the subordination of the sections of the Fourth International to whatever political forces—Stalinist, social democratic, bourgeois nationalist or petty-bourgeois radical—happened to dominate the labour movement of a given country.

132. In February 1952 Pablo presented his theses on *entrism sui generis* (entrism of a special type) to the International Ex-

63. *Red Hot: The Life and Times of Nick Origglass*, op. cit., p. 103.

64. *The World Capitalist Crisis and the Tasks of the Fourth International*, Perspectives Resolution of the International Committee of the Fourth International, August 1988, Labor Publications, Detroit, p. 14.

ecutive Committee of the Fourth International. Previously, the Trotskyist movement had practised entry into other parties as a tactic completely subordinated to the strategy of building independent parties. Now, that perspective was being ruled out in countries where the labour movement was dominated by mass social democratic and Stalinist parties. “Before the war,” Pablo wrote, “more precisely between 1934 and 1938, after Hitler’s victory and the threat which fascism exercised over bourgeois democracy and the workers’ movement, the Social Democracy included, Trotsky conceived the tactic of entry into the Socialist parties which were obliged to struggle. But this tactic had a rather ephemeral character, of short duration, with limited objectives. What was involved was to enter into these parties, to profit from their temporary left turn, to recruit members or to court certain leftist currents which were developing there and to get out. It was not a question of facing the tasks of war and revolution by remaining inside these parties. The entire conception of carrying out the entry work and work inside these parties was determined by this perspective. Today it is not exactly the same kind of entrism which concerns us. We are not entering these parties in order to come out of them soon. We are entering them to remain there for a long time banking on the great possibility which exists of seeing these parties, placed under new conditions, develop centrist tendencies which will lead a whole stage of the radicalisation of the masses and of objective revolutionary processes in their respective countries.”<sup>[65]</sup>

133. In his book *1905*, Trotsky had characterised the psychological roots of opportunism as the inability to wait. “In periods when friendly and hostile social forces, by virtue of their antagonisms and their interactions create a total political standstill; when the molecular processes of growth, by intensifying the contradictions not only fails to disturb the political balance but actually strengthens it and, as it were, makes it permanent—in such periods opportunism, devoured by impatience, looks around for ‘new’ ways and means of putting into effect what history is not yet ready for in practice. Tired of its own inadequacy and unreliability it goes in search of ‘allies’.”<sup>[66]</sup> For those who had grown skeptical in the face of the difficulties associated with building the revolutionary party, and for impatient sections of the petty bour-

geoisie who had never had much time in the first place for the patient struggle required to educate a revolutionary cadre, and who were particularly susceptible to the pressures of the national environment, Pablo’s perspective proved attractive. It offered a pathway to “integration into the real mass movement”; in other words, to rejoin the Stalinist and reformist organisations, and to concentrate on the development of their own national tactics.

134. By the early 1950s Australian capitalism was undergoing rapid growth as a result of the post-war economic boom. Living standards were among the highest in the world, second only to the United States, according to one index. The post-war strike movement had subsided, with the number of days lost plunging in 1950 after the defeat of the miners’ strike. With the onset of the boom and the initiation of the Cold War, several well-known Australian Trotskyists had already left the movement. The most significant was Laurie Short. Short had joined as a teenager in 1933 and had played a central role in the dockyards struggle at the end of the war. But by the end of 1948 he was virtually out of the movement, claiming, as many others had before and have since, that he was guided by “realism.” “I came to see that the claim that people were inevitably radicalised by economic circumstances was at total variance from reality. It just wasn’t happening. In all the time I was a Trotskyist, no more than fifty people in Australia saw the light. I began to wonder whether the evils of capitalism and its overthrow were all that inevitable.” New opportunities were opening up and, as his biographer later noted, Short was “unusually well-equipped—by virtue of his sense of purpose as well as his years of experience on the far Left fringe of politics—to take advantage of the burgeoning anti-Communism inside the union and wider labor movement.”<sup>[67]</sup> Short seized the opportunities provided by the Cold War to become national secretary of the Federated Ironworkers Association (FIA) and a bastion of the anti-communist right-wing in the Labor Party. One of his closest associates in the Trotskyist movement, James McClelland, left around the same time. He was to build up a lucrative legal practice, pursuing workers’ compensation cases for the FIA. “Diamond Jim” later entered federal parliament and became a minister in the Whitlam government, which was sacked in 1975 by the Governor-General Sir John Kerr who had also had connections with the Trotskyist movement in the 1940s. Their evolution demonstrated, not for the first or last time, the key role played by one-time radicals and “lefts” in the service of the capitalist state.

65. Michel Pablo, ‘The Building of the Revolutionary Party’ (excerpts of report to IEC Tenth Plenum), *SWP International Information Bulletin*, June 1952, reprinted in *I.S. Documents*, vol. 1, p. 34.

66. Leon Trotsky, *1905*, Penguin, Hammondsworth, 1971, p. 315.

67. Susanna Short, *Laurie Short: A Political Life*, Allen and Unwin, Sydney, 1992, pp. 88–89.

135. The Origlass-led Labor Socialist Group adopted the Pabloite *entrism sui generis* perspective at its annual conference at Easter 1952. Origlass's attempt to join the ALP was rejected—he was too well known as a Trotskyist. In order to gain admission, *The Socialist*, of which he was the editor, would have to be liquidated. Origlass edited its last issues in a manner that ensured it would give no offence to the Labor Party. He finally liquidated the publication in August 1952.

136. The sentiments to which Pablo appealed were articulated by his supporters in the American SWP under the slogan “Junk the old Trotskyism.” Similar opinions were voiced by an Australian supporter Winifred Bradley, daughter of a long-standing Australian Trotskyist, in a letter to the SWP's journal *Fourth International* in October 1953: “Leon Trotsky died in 1940—13 years ago. A new generation, of which I am a member, has arisen since who will build socialism on a world scale. This new generation most probably can't even remember when Leon Trotsky was alive. We cannot remember for we were hardly born in the days of the Moscow Trials, the days of the Popular Front and the United Front. We have only a very dim recollection of the Second World War and the only period we know is the period since the war and the only thing we're really conscious of is that the final showdown between the old and the new orders—capitalism and socialism, will occur before we are middle-aged. To prove and to base an argument on the quotation of a man who died 12 years ago—no matter how brilliant the man, how profoundly correct his ideas, without any resort to the world since 1945 does not satisfy us. Leon Trotsky wrote for a particular period and for a particular set of circumstances . . . Twelve years is a long time, particularly in this century and the period of 1933–41 is not the same as the period 1945–53. . . .”<sup>[68]</sup>

137. On November 16, 1953 the SWP's paper *The Militant* published James P. Cannon's Open Letter to the World Trotskyist movement calling for the rallying of orthodox Trotskyists to defeat Pablo's liquidationist perspective. In the course of the Letter, Cannon summarised the fundamental principles of the Trotskyist movement:

1. The death agony of the capitalist system threatens the destruction of civilization through worsening depressions, world wars, and barbaric manifestations like fascism. The development of atomic weapons today under-

lines the danger in the gravest possible way.

2. The descent into the abyss can be avoided only by replacing capitalism with the planned economy of socialism on a world scale and thus resuming the spiral of progress opened up by capitalism in its early days.

3. This can be accomplished only under the leadership of the working class in society. But the working class itself faces a crisis in leadership although the world relationship of social forces was never so favorable as today for the workers to take the road to power.

4. To organize itself for carrying out this world-historic aim, the working class in each country must construct a revolutionary socialist party in the pattern developed by Lenin: that is, a combat party capable of dialectically combining democracy and centralism—democracy in arriving at decisions, centralism in carrying them out; a leadership controlled by the ranks, ranks able to carry forward under fire in disciplined fashion.

5. The main obstacle to this is Stalinism, which attracts workers through exploiting the prestige of the October 1917 Revolution in Russia, only later, as it betrays their confidence, to hurl them back into the arms of Social Democracy, into apathy, or back into illusions in capitalism. The penalty for these betrayals is paid for by the working people in the form of consolidation of fascist or monarchist forces, and new outbreaks of wars fostered and prepared by capitalism. From its inception, the Fourth International set as one of its major tasks the revolutionary overthrow of Stalinism inside and outside the USSR.

6. The need for flexible tactics facing many sections of the Fourth International, and parties or groups sympathetic to its program, makes it all the more imperative that they know how to fight imperialism and all its petty-bourgeois agencies (such as nationalist formations or trade union bureaucracies) without capitulation to Stalinism; and, conversely, know how to fight Stalinism (which in the final analysis is a petty-bourgeois agency of imperialism) without capitulating to imperialism.”<sup>[69]</sup>

138. The Open Letter provided the programmatic basis for the formation of the International Committee of the Fourth In-

68. David North, *The Heritage We Defend: A Contribution to the History of the Fourth International*, Labor Publications, Detroit, 1988, p. 221.

69. *Ibid.*, pp. 231–232.

ternational. Because of his previous political collaboration with James P. Cannon and with Gerry Healy, the leader of the British Trotskyists, Origlass was expected to support it. But in February 1954 he wrote to the SWP declaring support for Pablo: “[T]here is no support here for Cannon’s position. Rather the Australian Section unanimously condemns the Cannonite open letter.” The LSG’s rejection of the Open Letter was rooted in a definite political orientation. Acceptance of its conclusions would require an ongoing political struggle against social democracy and Stalinism. Such a perspective, however, cut across “deep entry” into the Labor Party and accommodation to the national milieu—the basis of the Pabloite perspective.

139. The Origlass group’s decision to oppose the Open Letter marked its liquidation as a Trotskyist organisation. For more than two decades, through the most difficult circumstances, Origlass and his supporters had waged a struggle for the principles and program of Marxism. They had withstood the attacks of the Stalinists, the trade union bureaucracy and the capitalist state—none of which had been able to destroy their organisation. Its demise was the result of the opportunist perspective of Pabloism, which repudiated the conception on which the Fourth International had been founded—that, whatever the immediate conjuncture and the vicissitudes of the class struggle, the fight for a principled political line would eventually intersect with the living movement of the working class.

140. There is a bitter irony in the fact that the political liquidation of the Origlass group came on the eve of a profound crisis of Stalinism. In February 1956, Soviet Premier Nikita Khrushchev made his “secret speech” to the 20<sup>th</sup> Congress of the Communist Party, denouncing some of Stalin’s crimes. The speech, followed by the Soviet invasion of Hungary in November 1956, opened up a crisis in the ranks of the Stalinist parties internationally, providing an important opportunity to clarify essential historical and political questions. But that was taken forward only in Britain, where Gerry Healy, strengthened by his participation in the struggle against Pabloism, fought to establish the significance of Trotsky’s struggle against Stalinism.

141. Because the Pabloites maintained that Khrushchev’s manoeuvre was an expression of the Stalinist bureaucracy’s capacity to carry out a process of “self-reform”, the Origlass group made no intervention into the crisis of the Communist Party of Australia. Such was the impact of Pabloism that in 1958, the Communist Party Stalinists even endorsed Origlass against Lau-

rie Short in an election for the leadership of the Federated Ironworkers Association.

142. The liquidation of the Origlass group in Australia was part of an international process. In its 1988 perspectives resolution, the ICFI explained: “Pabloite opportunism disoriented thousands of Trotskyist cadre throughout the world and ultimately destroyed a large portion of the Fourth International. The Pabloites played the crucial role in diverting the working class from a successful challenge to the open treachery of the Stalinists and social democrats.”<sup>[70]</sup> The cadres of the Trotskyist movement in Australia had always been small in number. But the movement had undertaken important struggles in the 1930s and 1940s and accumulated a wealth of historical experience. In 1954, it was liquidated, disarmed by Pabloism in the face of the pressures generated by the post-war stabilisation of world capitalism. In little more than a decade, the post-war order would begin to break up, leading to a radicalisation of young people and a renewal of struggles by the working class. Had the Origlass group been able to resist the pressures, its experiences would have played a decisive role in the education and training of new Trotskyist cadres.

143. The revisionist tendencies that attacked the Fourth International were the product, in the final analysis, of an unfavourable balance of class forces. During the post-war boom, the bourgeoisie was able to carry out policies based on class compromise and national regulation within the framework of an expanding world economy. It was this situation that found its expression in the theories of Pabloism, which rejected the conception that the establishment of socialism required the development of independent political struggle by the working class, conscious of its historic role. Other forces, from the Stalinist and social democratic apparatuses in the advanced capitalist countries to the petty-bourgeois national movements in the former colonial countries, could replace the working class in the overthrow of imperialism.

144. In 1961, during their struggle against the reunification of the American SWP with the Pabloites, the British Trotskyists of the Socialist Labour League pointed to the objective processes underpinning the emergence of revisionism within the Fourth International: “The false leaders of the working class have a role and an ideology which corresponds to the objective needs of imperialism in its present stage of development. The opportunists of

---

70. *The World Capitalist Crisis and the Tasks of the Fourth International*, op. cit., p. 16.

all varieties now rest not only upon the labor aristocracy of a few advanced countries but upon new layers of the world's population under modern state monopoly capitalism with its particular relation to the non-capitalist world. The advanced countries have gone through a gigantic concentration of industrial and finance capital, militarisation and bureaucratisation of the economy and of the state, and the consequent creation of a new middle caste of executives, administrators and bureaucrats of the big banks and monopolies, the state, the military and security apparatus, 'social services' and the means of manipulation of 'public opinion'. The international needs of capital are faithfully administered by the middle caste. In the backward countries they find their counterpart in the nationalist petty bourgeois governing classes to which imperialism has handed over government office. . . . There are thus objective class reasons for the persistence of opportunism in the present critical stage of imperialism's development."

145. Summing up this analysis in 1987, the ICFI explained: "Thus the revisionism that attacked the Fourth International after World War II was a class phenomenon which reflected the changing political needs of imperialism itself. Confronted with the emergence of proletarian revolution, imperialism had to open up possibilities for new layers of the middle class to assume the role of a buffer between its interests and that of the proletariat. Pabloite revisionism translated these basic needs of imperialism and the class interests of the petty bourgeoisie into the vital political formulae which justified the adaptation of the Trotskyist movement to these forces. It pandered to the futile illusion that the petty bourgeoisie, through its control of the state apparatus, can create socialism without the old bourgeois state being first destroyed by proletarian revolution in which the working class—not various middle class surrogates—is the principal historical actor."<sup>[71]</sup>

### **The post-war boom and its contradictions**

146. The post-war reconstruction of world capitalism on the basis of the industrial and financial strength of the United States led to a major expansion of the global economy. However, notwithstanding Keynesian claims that government intervention could now regulate the capitalist system, this expansion did not signify that the contradictions that had led to the breakdown of 1914 and the ensuing 30 years of turmoil had been overcome. On

the contrary, it gave rise to a new disequilibrium.

147. In order to expand its own markets and forestall social revolution, the US had been forced to rebuild the war-torn economies of both Western Europe and Japan. But by the late 1960s, the Western European powers and Japan were emerging as powerful economic rivals to the US. The beginning of the protracted decline in US hegemony was marked by a crisis of the dollar and a widening balance of payments deficit.

148. The United States had entered World War II faced with the task of organising the world. The war aims of American imperialism were not to fight for democracy against fascism and militarism, but to ensure that the world remained open to penetration by American capital, goods and finance. As the Great Depression had so powerfully revealed, American capitalism had outgrown the continental framework in which it had developed—it now required the whole world. US imperialism could not tolerate a world that denied it access to vast areas of Europe because of a German empire, nor a world where the Asia-Pacific region was under the domination of Japan. Likewise, as Churchill was to discover, it was also hostile to the British Empire.

149. The opposition of the United States to the empires of its rivals had enabled it to pose as an anti-imperialist power. The democratic mask, however, soon began to slip. Victory in the war meant that the US now had to shoulder responsibility for suppressing the revolutionary struggles of the masses in the former colonial countries of Asia. No sooner had the Korean War armistice been signed than the US began to intervene more directly in Vietnam, following the staggering defeat of the French army at the Battle of Dien Bien Phu in May 1954. In 1965, it sponsored a coup in Indonesia, which brought the army general Suharto to power and resulted in the death of up to one million workers and peasants. By the middle of the 1960s, as the real face of US imperialism was emerging with its escalating troop commitment in Vietnam, opposition began to increase both internationally and at home.

150. The Australian bourgeoisie had aligned itself with the US under the 1952 ANZUS alliance (Security Treaty between Australia, New Zealand and the United States) and fully backed US policies in the region. Speaking at a New York meeting in July 1966, Australian Prime Minister Harold Holt expressed his support for the Indonesian coup, with the chilling remark: "With 500,000 to 1 million communist sympathisers knocked off . . . I think it is safe to assume a reorientation has taken place." The

71. 'Editorial' *Fourth International*, vol. 14, no. 1, March 1987, p. iii.

Labor Party likewise endorsed the bloodbath. Years later, in 1992, Prime Minister Paul Keating declared, on behalf of the entire Labor Party, that “the coming to power of the New Order government [the Suharto regime] was arguably the event of single greatest strategic benefit to Australia after the Second World War.” In 1966 the decision by the Liberal government to send conscripted soldiers to fight in Vietnam led to a radicalisation of youth and students, part of a growing international upsurge.

151. Changes in the post-war structure of world capitalism were now beginning to impact on the Australian economy and break up the material foundations that had underpinned the national reformist program of Laborism and the ideology of Australian exceptionalism.

152. Before World War II, iron and steel production, together with shipbuilding and ship repair, had been the mainstays of industry. After the war, the development by the US of multinational production led to the establishment of a number of large-scale factories, starting in 1948 with the General Motors car plant in Melbourne. This, in turn, gave an impetus to the growth of domestic white goods industries, as well as increased steel production and the expansion of metal industries. In 1939, on the eve of the war, the manufacturing industry contributed 16.3 percent to gross domestic product and 23.9 percent to employment. By 1963 it comprised 27.6 percent of GDP and 28.2 percent of employment. The expansion of infrastructure and services, as industry and the population grew, augmented the size and social weight of the working class. The wave of post-war immigration, the rise in living standards and the increasing availability of transport, particularly airline travel, and more advanced media and communications, especially television, began to break down the shut-in, parochial character of Australian cultural and political life.

153. The expansion of industry saw a growth of the working class, largely through immigration, and a strengthening of its organisational capacities and militancy, which began to increasingly strain against the constrictions of the arbitration system. In 1967–68 a major conflict developed over the powers of the arbitration system, as employers in the key metal trade sector sought to absorb so-called over-award payments into the general wage. They were resoundingly defeated in a series of struggles that brought a significant development of shop-floor organisation in metal workshops in a number of major cities.

154. As the arbitration system was being challenged, another central pillar of the so-called “Australian Settlement”—the White Australia policy—was also eroding. Prior to the war,

Australian capitalism’s relationship to the world market had been mediated by the British imperial preference system, in which agricultural goods were supplied to the British market. But the United States had ended Britain’s role as a world power, with the coup de grace coming during the Suez crisis of 1956. With the disintegration of the imperial preference system, Britain turned to Europe, while Australian capitalism became steadily integrated into the economic framework established by the US in the Asia-Pacific region. This centred on the rebuilding and then rapid expansion of Japan. In 1957, the Australian government formalised the new orientation when it signed a trade treaty with Japan, opening the way for the export of increasing quantities of coal and iron to supply the Japanese industrial expansion of the 1960s—an expansion that saw GDP rise at an annual rate of 10 percent throughout the decade. Australian capitalism’s growing dependence on its economic relations with Asia, and especially Japan, rendered untenable formal adherence to White Australia. However, so wedded was the Labor Party to this racist policy that it took a decision in the early 1960s to ban its members from belonging to any one of a number of organisations that were pressing for changes to Australian immigration laws. As a consequence, a number of leading Laborites resigned from such groups. In Western Australia, the Labor Party expelled one of its members after he refused to do likewise. The racist “objective” was finally removed in 1965.

155. The rise of the civil rights movement in the United States from the mid-1950s onwards—exposing to an international audience institutionalised racism, segregation and discrimination—had a significant impact in Australia. It began to raise questions about one of Australian capitalism’s dirtiest secrets—the criminal policies carried out against the Aboriginal population historically and the ongoing oppression and discrimination. In 1967 a majority of almost 91 percent voted in support of a referendum to change the Australian constitution—to give the federal government power to make laws with regard to the Aboriginal population and to include it in the census. While citizenship and the right to vote had already been formally granted, the referendum was regarded as a call to the federal government to redress the political and economic injustices inflicted on the Aboriginal people. In 1966 and 1967 Aboriginal stockmen walked off the Wave Hill pastoral station owned by the British aristocrat Lord Vestey in support of a demand for equal pay, and received backing from workers around the country. The Communist Party intervened in their struggle, raising the demand for

land rights in order to head off the development of a unified and independent class movement.

### **The resurgence of the working class**

156. The growing disequilibrium within world capitalism both provoked and was intensified by a powerful resurgence of the international working class. The ICFI's 1988 perspectives resolution explained: "The period between 1968 and 1975 was marked by the greatest revolutionary movement of the international working class since the 1920s. While US imperialism was being hammered by the military resistance of the workers and peasants of Vietnam, the European and American working class launched a mighty offensive to raise its living standards. The French general strike of May–June 1968, the largest in history, sounded the tocsin for the greatest international offensive of the working class. Over the next seven years, country after country was hurled into political turmoil."<sup>[72]</sup>

157. Australia was no exception. In 1965, invoking all the anti-communist rhetoric of the Cold War, the Liberal government had committed troops to Vietnam—one of only a handful of countries to do so. The following year it easily won a general election fought over conscription and its commitment to the war. But three years later the political landscape had transformed. While Labor lost the 1969 general election, it recorded a swing of nearly 7 percent and won a plurality of votes. But for the vagaries of the Australian electoral system, the ALP would have formed government. Just five months before the election, in May 1969, a general strike had erupted over the jailing of a Victorian tramways union official due to the union's refusal to pay a fine imposed under the penal powers of the arbitration system. Mass walkouts followed, leading to a general strike, without the sanction of the Australian Council of Trade Unions (ACTU). The strike only ended when an anonymous donor paid the union's fine, enabling the leadership to claim a victory, call off the strike and prevent a full-scale conflict with the government. But the penal powers, which had formed such a crucial component of the post-war industrial system, were shattered.

158. The political mechanisms that had been set in place in the immediate post-war period were now breaking down. The preparation of new ones was to take place through the Labor Party.

159. Upon becoming leader of the ALP in February 1967,

Gough Whitlam explained that he regarded his primary task to be the subordination of the working class to parliamentary rule. The Labor Party had been out of office since 1949 and Whitlam was fearful that extra-parliamentary forms of political struggle would develop if it were not returned to office. The next decade would be "decisive" for the future survival of the two-party system. Whitlam argued that his chief aim was, therefore, to create the conditions for the election of a national Labor government. The main obstacle, as he saw it, was the control exercised over the parliamentary party by its organisational wing, especially the left-wing Victorian branch. From 1967 to 1970, Whitlam and his supporters organised a series of interventions to reorganise the party. Couched in terms of "democracy" and "modernisation", the underlying motivation of the campaign was to free the parliamentary leadership from the control of the party organisation, thus rendering it more responsive to the demands of the bourgeoisie. Whitlam presented his "reforms" as necessary for Labor to secure office. In fact, the Liberal/Country Party coalition was breaking apart. Its support for the Vietnam War, which had led it to victory in 1966, was provoking ever deeper opposition; its industrial relations policy had collapsed under the impact of the general strike; there were conflicts within the Liberal Party leadership and the growing global financial turbulence was creating differences between the coalition partners over economic and currency policies.

160. The Labor leadership manoeuvred between the mounting demands of the anti-Liberal government movement on the one hand, and the demands of the bourgeoisie on the other. Its policy on the Vietnam War was a graphic expression of its dual approach. The ALP adapted itself to the growing opposition to the war while, at the same time, presenting itself as the firmest supporter of the US alliance, which Labor had initiated in 1941. When the bombing of Vietnam began in 1965, the Labor leadership declared as "unexceptionable" a US statement that it was "resisting aggression" and "seeking a peaceful solution". However, as opposition to the war grew, with millions able to nightly view its horrors on their TV screens, the right-wing of the Labor Party, led by Whitlam, became increasingly discredited. The "lefts", especially the Melbourne-based Jim Cairns, were called in to head the anti-war movement. Their task was to ensure that it did not go beyond the framework of protest politics, and that it was channelled behind the ALP, even as the party maintained its support for US imperialism.

72. *The World Capitalist Crisis and the Tasks of the Fourth International*, op. cit., p. 11–12.

161. By the beginning of the 1970s key sections of the bourgeoisie, not least among them the Murdoch press, were backing the installation of a Labor government as the only means of restoring political stability. The working class, however, regarded the imminent demise of the Liberal regime, which had held power for more than two decades, as the opportunity to press forward with its own independent demands. The ensuing conflict was to create the conditions for the greatest political turbulence of the post-war period.

### **The struggle against Pabloism and the growth of the ICFI**

162. Just as the stabilisation of world capitalism in the aftermath of World War II created the objective conditions for the emergence of Pabloite opportunism and the liquidation of Trotskyist parties in many parts of the world, including Australia, so the deepening disequilibrium of the post-war order became the driving force for the radicalisation of a new generation, and the turn by the most conscious layers to revolutionary Marxism.

163. The emergence of new sections of the ICFI in the period between 1966 and 1972 was not, however, a spontaneous or automatic outcome of the deepening world crisis. It was prepared by the ICFI's political and theoretical struggle against Pabloite opportunism, embodied in Cannon's Open Letter of 1953 and the struggle undertaken by the Socialist Labour League, the British section of the ICFI, from 1961 to 1963 against the political backsliding of the American Socialist Workers Party and its moves towards reunification with the Pabloite International.

164. In 1954 Cannon had summed up the essential issues that he had elaborated in the Open Letter. The problem of leadership, he insisted, was "a question of the development of the international revolution and the socialist transformation of society. To admit that this can happen automatically is, in effect, to abandon Marxism altogether. No, it can only be a conscious operation, and it imperatively requires the leadership of the Marxist party which represents the conscious element in the historic process. No other party will do. No other tendency in the labor movement can be recognized as a satisfactory substitute. For that reason, our attitude towards all other parties and tendencies is irreconcilably hostile."<sup>[73]</sup>

165. By 1961 the SWP, through its increasing adaptation

to the American middle-class radical milieu, had abandoned this outlook. It now glorified Fidel Castro's regime in Cuba as a "workers' state" claiming it had been established by "unconscious Marxists". The British Trotskyists exposed this as an outright rejection of the revolutionary role of the working class, and of the necessity of resolving the crisis of revolutionary leadership. They also demonstrated the objectivist method that underpinned it. Criticising the SWP's perspectives resolution, Cliff Slaughter wrote: "The fundamental weakness of the SWP resolution is its substitution of 'objectivism' i.e., a false objectivity for the Marxist method. This approach leads to similar conclusions to those of the Pabloites. From his analysis of imperialism as the final stage of capitalism, Lenin concluded that the conscious revolutionary role of the working class and its party was all-important. The protagonists of 'objectivism' conclude, however, that the strength of the 'objective factors' is so great that, *regardless* of the attainment of Marxist leadership of the proletariat in its struggle, the working-class revolution will be achieved, the power of the capitalists overthrown. It is difficult to attach any other meaning than this to the SWP resolution's formulations about the 'impatience' of the masses who cannot delay the revolution until the construction of a Marxist leadership. This means that the *existing* leaderships of the anti-imperialist forces will be forced 'by the logic of the revolution itself' to undertake the revolutionary leadership of the proletarian struggle for power. The SWP has not fully developed this theory, but in its attitude to Cuba it accepts exactly these notions. In the early 1950s the basis of the Pabloite notion that the Communist Parties and the Soviet bureaucracy would 'project a revolutionary orientation' followed from precisely this approach. A Marxist analysis must insist on this deviation in the SWP Resolution being thought through to the end. If the petty-bourgeois leadership in Cuba has been forced by the objective logic of events to lead the proletariat to power (the SWP says Cuba is a 'workers' state', which can only mean the dictatorship of the proletariat) then we must demand an analysis of the present world situation which shows how this type of event has become possible, so that the Leninist theory of the relation between class, party and power, must be discarded."<sup>[74]</sup>

166. In a letter to the SWP dated January 2, 1961, the British Trotskyists warned: "The greatest danger confronting the revolutionary movement is liquidationism, flowing from a capitulation either to the strength of imperialism or of the bureaucratic ap-

73. *The Heritage We Defend*, op. cit., pp. 249–250.

74. *Ibid.*, pp. 380–381.

paratuses in the labour movement, or both. Pabloism represents, even more clearly now than in 1953, this liquidationist tendency in the international Marxist movement . . . Any retreat from the strategy of the political independence of the working class and the construction of revolutionary parties will take on the significance of a world-historical blunder on the part of the Trotskyist movement. . . It is because of the magnitude of the opportunities opening up before Trotskyism, and therefore the necessity for political and theoretical clarity, that we urgently require a drawing of the lines against revisionism in all its forms. It is time to draw to a close the period in which Pabloite revisionism was regarded as a trend within Trotskyism. Unless this is done we cannot prepare for the revolutionary struggles now beginning.”<sup>[75]</sup>

167. Throughout the mounting conflict in the ICFI, the SWP refused to review the fundamental issues of program and perspective that had led to the split in 1953 with Pablo and Mandel. In 1963 the party followed the logic of its political positions and reunified with the Pabloites. The implications of the reunification did not take long to reveal themselves. In 1964, the Lanka Sama Samaja Party (LSSP), the Sri Lankan section of the Pabloite International, entered the bourgeois coalition government of Madame Bandaranaike—the first time a party claiming to be “Trotskyist” had played such a direct role in maintaining bourgeois rule. The LSSP’s Great Betrayal laid bare the essential class logic of Pabloite opportunism.

168. The Third Congress of the ICFI, held in 1966 under immensely difficult circumstances, assessed the lessons of the Pabloite reunification. Over the previous decade Pabloism had been responsible for liquidating the majority of the sections of the Fourth International. In the preparation for the congress, a position emerged that the Fourth International had been destroyed and had, therefore, to be “reconstructed.” Opposing this conception, the congress resolution reaffirmed the historical significance of the struggle against revisionism, insisting that the “historical continuity of the Fourth International was ensured by the International Committee, for it alone was able to carry out the theoretical and practical fight against revisionism, indispensable for the building of the revolutionary leadership.”

169. Following the congress, the Workers League was founded in the United States from a minority within the SWP that had opposed the party’s reunification with the Pabloites. Working under the guidance of Gerry Healy, a grouping led by Tim Wohlforth

had demanded a discussion on the LSSP’s betrayal, whereupon it was expelled from the SWP in 1964. Another grouping led by James Robertson, which claimed to be in support of the ICFI, had been earlier expelled. The British Trotskyists worked for a clarification of the political issues and, if possible, a principled collaboration between the Wohlforth and Robertson groups. That proved to be impossible. Robertson openly attacked the historical significance of the struggle against Pabloism at the Third Congress and went on to form the petty-bourgeois, pro-Stalinist sect, Spartacist. In November 1966 the tendency led by Wohlforth founded the Workers League as the new Trotskyist party in the US, in political solidarity with the ICFI. In Sri Lanka a group within the LSSP that opposed the LSSP’s betrayal responded to the British Trotskyists, who explained that the degeneration of the LSSP was the outcome of Pabloism, against which it was necessary to wage an international struggle. This tendency went on to found the Revolutionary Communist League as the Sri Lankan section of the ICFI in 1968.

170. While the French section of the ICFI, the Organisation Communiste Internationale (OCI), had supported the positions of the SLL at the 1966 congress, it soon began to argue that the Fourth International had to be “reconstructed.” Behind this formulation lay a centrist shift. In a letter to the OCI in June 1967, the SLL pointed to the signs of a growing radicalisation in France and warned that at such times there was a danger that “a revolutionary party responds to the situation in the working class not in a revolutionary way, but by adaptation to the level of struggle to which the workers are restricted by their own experience under the old leaderships, i.e., to the inevitable initial confusion. Such revisions of the fight for the independent party and the Transitional Program are usually dressed up in the disguise of getting closer to the working class, unity with all those in struggle, not posing ultimatums, abandoning dogmatism, etc.”<sup>[76]</sup> The formulations of the OCI, which rejected the analysis of the 1966 congress and the centrality of the fight against revisionism, had to be analysed against this background. The differences between the SLL and the OCI widened, especially after the events of May–June 1968, in which the OCI had pursued a centrist orientation, leading to a split in 1971. In Germany, a minority tendency in the Internationale Arbeiter Korrespondenz (IAK), which had been established by the OCI in 1965, supported the criticisms of the

75. *Ibid.*, p. 376.

76. ‘Reply to the OCI by the Central Committee of the SLL, June 19, 1967’, *Trotskyism versus Revisionism Volume Five*, London, New Park, 1975, pp. 113–14.

SLL and established the Bund Sozialistischer Arbeiter (BSA) as a section of the ICFI in September 1971.

### **The founding of the Socialist Labour League**

171. The Australian section of the ICFI did not emerge from a faction within an existing organisation. It was, nevertheless, the defence of the program and principles of Trotskyism against Pabloite revisionism, contained in the Open Letter and the 1961–63 documents of the British SLL, in particular *Opportunism and Empiricism*, that attracted those forces that were to found the Socialist Labour League in Australia in April 1972. Of critical importance was the emphasis placed by the British Trotskyists on the role of the subjective factor—the necessity to resolve the crisis of revolutionary leadership—in opposition to the objectivism that characterised the Pabloite perspective.

172. In late 1969 a number of young people in Sydney had formed a group in opposition to the radical and Stalinist milieu that dominated the growing anti-war movement. Its aim was to undertake a serious study of Marxism, with a view to founding a revolutionary organisation. Later called Workers Action, it established connections with like-minded groups that had developed in other cities. Leading figures within these groups had obtained copies of ICFI documents.

173. In September 1971, less than a month after the breakdown of the Bretton Woods monetary system, Workers Action published the first edition of the fortnightly *Labour Press*, which featured reprints of articles from the British SLL's daily *Workers Press*.

174. Neither Workers Action nor the other groups, however, were politically homogeneous, and, following the publication of *Labour Press*, a conflict erupted. While ostensibly over support for the newspaper, the essential content of the differences was the clash of two opposed class orientations: one directed towards the ICFI and the working class, the other back to the middle-class radical milieu and “left” sections of the Labor and trade union bureaucracy. By the end of 1971 the differences had coalesced around the central issue: for or against affiliation to the ICFI. Those in favour, led by Jim Mulgrew, who was supported by Nick Beams, insisted that the only basis for amalgamation of the groups was acceptance of the program of the ICFI. Those opposed wanted a national-based organisation that would, at times, pay

lip-service to internationalism and the ICFI, but, above all, would retain its freedom to carry out syndicalist work within the trade unions and the national sphere.

175. The internationalists prevailed and the founding conference of the SLL resolved to send two delegates to the Fourth Congress of the ICFI, held in May 1972, to seek affiliation. Following a visit to Australia in June 1972 by Cliff Slaughter, the secretary of the ICFI, the SLL was informed on November 11, 1972 that it had been accepted as the Australian section.

176. The establishment of the Australian section of the ICFI, 18 years after the Origlass group's repudiation of Cannon's Open Letter, was an event of historic significance for the international and Australian working class. Under conditions of sharpening class tensions and a radicalisation of workers and youth, amid the break-up of the post-war capitalist boom, the program of Trotskyism, defended and advanced under difficult conditions against the ravages of Pabloism, had found adherents to fight for it in the Australian workers' movement. The SLL was founded on principled, not conjunctural or pragmatic considerations: Trotsky's Theory of Permanent Revolution; the Lenin-Trotsky theory of the party; the nature of the imperialist epoch and the tasks flowing from it; the revolutionary role of the working class and the necessity of fighting for its political independence from the Labor and trade union bureaucracy, as well as from the various middle-class radical tendencies, who substituted identity politics, including feminism and black nationalism, for a class perspective as they adapted to the Stalinists and Labor “lefts”.

177. However, at the very point where their principled defence of Trotskyism and its proletarian orientation was attracting new adherents to the ICFI, the British Trotskyists began to turn away from the international struggle against Pabloism as the axis of the party's political work. The pressures bearing down on them were immense. The OCI, the only other long-standing section of the ICFI, had moved towards centrism and the Pabloites were mounting an international campaign of slander and provocation against the British SLL. At the same time there was an upsurge of the working class and a radicalisation of youth in Britain. In 1966 these pressures found expression in Gerry Healy's *Problems of the Fourth International*, where he argued that the central task of the British section was to build a strong revolutionary party in Britain, which would “inspire” revolutionists to do likewise in other parts of the world. Behind this position was a fundamental shift away from the internationalist conceptions

upon which the Fourth International had been established, and which placed central emphasis on the struggle against all forms of national opportunism.

178. The split between the SLL and the OCI was carried out without a clarification of the political issues. In fact, despite the emergence of crucial questions of strategy and tactics, especially as a result of the May–June 1968 events in France—the most significant political struggle of the post-war period and one of the largest strike movements in history—the SLL declared that the split was not over tactics, organisation or political positions but centred on “Marxist theory.” According to the SLL, it had learned from “the experience of building the party in Britain that a thorough-going and difficult struggle against idealist ways of thinking was necessary which went much deeper than questions of agreement on program and policy.” Advanced by Cliff Slaughter, this position directly contradicted Trotsky, who had insisted that “the significance of the program is the significance of the party” and that the program consisted of “a common understanding of events, of the tasks.” The central task of the ICFI Fourth Congress in May 1972 was to make a thoroughgoing assessment of the significance of the split with the OCI, and to review the lessons of the defeat of the May–June upsurge. This required an examination of the policies of the Stalinists and Pabloites, which had led to the defeat, as well as those of the OCI. But there was virtually no discussion on either issue. The failure to clarify such fundamental questions within the international movement had a significant impact on the newly-established sections of the ICFI. Right at the point where the crisis of world capitalism and the upsurge of the working class required, above all, programmatic clarity, the SLL leadership was turning away from this task.

179. The shift in the political axis of the British Trotskyists profoundly affected the development of the SLL in Australia. The party was accepted as a section without being required to produce any documents establishing its analysis of the historical struggles of the ICFI or its political assessment of the struggles through which it had passed in order to affiliate to the IC. In fact, during his visit to Australia in June 1972, rather than encouraging such political analysis, Slaughter insisted that the differences that had emerged—and remained—within the party be set aside. The effect was to leave key issues associated with the history of petty-bourgeois radicalism in Australia unclarified and unresolved.

180. Nevertheless in the course of his visit, Slaughter did make an important contribution to the political education of

the young SLL leadership. Pointing to the growing crisis of the Liberal government and the movement to install a Labor government, he insisted, against a pronounced tendency to make the party’s central focus the encouragement of militancy in the trade unions, that the SLL develop its political analysis and take responsibility for the political preparation of the working class for an incoming Labor government.

181. In the lead-up to the December 1972 election, the SLL initiated a campaign based on the tactical orientation developed by the British Trotskyists—the fight to bring a Labor government to power pledged to socialist policies. This tactic, which was derived from the Transitional Program, was aimed at exposing the real role of the Labor Party and winning the most politically-conscious workers to the revolutionary party. After more than two decades of continuous conservative rule, large sections of the working class had powerful illusions in and loyalty to the ALP. While some were quite hostile to Whitlam, who was widely recognised as a right-winger, socialist-minded workers still believed that the road to socialism would pass through the ALP. The SLL’s tactic, along with the party’s ongoing historical and political analysis, was aimed at clarifying the class character of the ALP and Laborism, breaking workers from them and winning the most class-conscious layers to Trotskyism.

182. The orientation of the Pabloites of the Socialist Workers League (forerunners of the Democratic Socialist Party) on the contrary, was to insist that the Labor Party had a “dual character”—bourgeois and proletarian at the same time—and that it could be pressured to the left. Above all, they insisted it was “absurd” to advance the building of an alternative to the Labor leadership while remaining outside the Labor Party. Amid all the twists, turns and reinventions undertaken by that organisation since the early 1970s, there has been one constant: opposition to the fight for the political independence of the working class from the Labor and trade union bureaucracy.

183. The hostility evoked by the political line of the SLL within the Labor and trade union apparatus was articulated by the “left” MP George Petersen, who, after a brief association with the ICFI in the 1950s, had joined the Labor Party via a sojourn in the ranks of the Australian Pabloites. Petersen expressed his agreement with the necessity for “transitional demands which pose the question of working class power” but went on to make clear, in a letter to *Labour Press*, that such demands required no actual struggle against the current leadership of the working class but

should be reserved for “holiday speechifying.” Summing up the nationalist hostility to Marxism that is the hallmark of Laborism, he wrote: “One of the prime curses of the Labor movement in Australia has been the blind acceptance of sectarian groups of policies derived from overseas models without any reference to the concrete conditions of Australian society”.<sup>[77]</sup> In reality, the peculiarities of the Australian workers’ movement—the so-called “concrete conditions”—could only be understood as an “original combination of the basic features of the world process” (Trotsky). The working class could only advance to the extent that it was grounded on the strategic experiences of the international workers’ movement, extracted by the Marxist movement in its struggles against national opportunism.

### **The political backsliding of the WRP, the SLL and the Canberra coup**

184. In December 1973, one year after taking office, the Whitlam Labor government introduced a referendum to legalise government controls over wages and prices. This was an attempt to meet the insistence, on the part of powerful sections of the bourgeoisie, that workers’ wage demands be suppressed and industrial stability restored following the defeat of the penal powers and collapse of the post-war industrial relations regime. Inflation was on the rise in the wake of the demise of the Bretton Woods monetary system in August 1971, and workers were determined to press ahead with their demands. The referendum was overwhelmingly defeated, signalling the start of a wages offensive by the working class over the next 12 months.

185. A rising tide of industrial struggle ensued. In 1972, 2 million working days were lost as a result of strikes; in 1973, 2.6 million and in 1974, almost 6.3 million, the most since the industrial and political turmoil of 1919. Wage claims leapfrogged as workers won first \$15, then \$24 and even \$30 and \$40 per week increases. In 1973, the inflation rate was 13.2 percent, while the average wage increased by 21 percent. In 1974, adult male earnings increased by 28 percent, with prices rising by 16.3 percent.

186. The movement in Australia was part of an international upheaval. In February 1974, the British miners brought down the Heath Tory government. In the United States the political crisis produced by the Vietnam War saw the collapse of the Nixon administration. In Portugal, the movement of the working class

and the liberation struggles in the colonies resulted in the collapse of the fascist regime that had held power for 50 years. In South East Asia, US imperialism was being defeated in Vietnam, Marcos had been forced to introduce martial law in the Philippines and the US-backed Suharto regime in Indonesia faced destabilisation with the collapse of Portuguese rule in East Timor.

187. The election of a Labor government posed complex political issues before the SLL, just eight months after its founding. In that short period of time, party membership had grown, comprising mainly young people radicalised by the Vietnam War and hostile to the Liberal government. Soon after winning office, Whitlam withdrew troops from Vietnam, ended conscription and began to implement a program of limited reforms, reinforcing illusions in the ALP. Right at the point where the SLL needed to deepen its orientation to the working class on the basis of a struggle against the Labor and trade union bureaucracy, a significant number of members began leaving the party before their political education had really begun.

188. The development of the political struggle for Trotskyism within the Australian working class required the strengthening of the political and theoretical foundations of the SLL. That was only possible through the closest collaboration with the leadership of the ICFI in Britain. But the British Trotskyists were turning away from their responsibility to train and educate an international cadre. In November 1973 they founded the Workers Revolutionary Party (WRP) on a series of tactical demands, centring on the ousting of the Tories and the return of a Labour government. The International Committee was excluded from the discussions leading up to the founding congress, and the WRP’s program contained neither a reference to the perspective of world socialist revolution nor to the lessons of the struggle against Pabloism.

189. In 1974, a serious crisis erupted in the WRP after the British miners brought down the Heath Tory government, and a minority Labour government came to power. Because the party had been founded largely on appeals to anti-Tory sentiment, not on the historic struggle against Pabloism and a political and historical clarification of the class nature of social democracy, the new situation confronted the WRP leadership with the haemorrhaging of hundreds of members and, most significantly, the emergence of an unprincipled, right-wing, anti-party faction. Led by Alan Thornett, a central committee member and leading trade unionist in the car industry, the faction opposed the party’s renewed efforts, following Labour’s election, to

---

77. *Labour Press*, July 21, 1972.

emphasise its Trotskyist perspective and its opposition to social democracy. Instead of educating the membership through a patient exposure of Thornett's centrist politics, Healy and the WRP leadership immediately cut off all political discussion and expelled the Thornett group, losing many more members and its most important faction in basic industry. The end result of this politically irresponsible act was to "tilt the social base of the party toward the middle class" and away from its formerly powerful base in the working class.

190. In its 1986 statement *How the WRP Betrayed Trotskyism 1973–85* the IC explained: "Regardless of Thornett's aims, intentions and orientation, the emergence of his faction was bound up with crucial problems of the development of the WRP and the British working class. The coming to power of the Labour Party in March 1974 and its re-election in October 1974 placed immense political pressures on the Marxist vanguard and required theoretical clarity, without which tactical resourcefulness inevitably degenerates into opportunist scheming. In this sense, the struggle with Thornett was the first great test of the WRP leadership's ability to fight the Social Democracy."<sup>[78]</sup>

191. The WRP's failure to pass this test had profound implications, not only for the WRP, but for the young sections in Germany and Australia, which, like the British section, also confronted the political challenges posed by the coming to power of social democratic governments. As it turned out, Slaughter's political advice and assistance in 1972 was to be the SLL-WRP's last positive intervention in Australia. In 1975, under conditions of the most serious and—potentially revolutionary—political crisis in Australian history, the WRP's orientation served only to politically confuse and disorient the Australian SLL. In a resolution on the tasks and perspectives of the SLL issued on October 5, 1986, in the aftermath of the split with the WRP, the IC noted: "On the crucial question of Social Democracy, central to the work of the Australian section, the SLL was forced to pay a heavy price for the political degeneration of the WRP. 1975, the year of the Canberra coup, marked the beginning of the WRP's unchecked repudiation of all the historical lessons which had traditionally guided the Trotskyist movement in the elaboration of its tactics in the struggle against Social Democracy."

192. In early 1974, just over one year after the Whitlam government had come to power, and following its failure to suppress

the powerful wages movement, sections of the ruling class moved to oust it from office. Acceding to the Liberals' demands to call an election, Whitlam was nevertheless returned to office in May 1974. By 1975, the inflationary spiral had led to a full-blown recession, deepening the country's economic and political crisis. The Labor government responded by moving further to the right. In June, "left" treasurer Jim Cairns told a Victorian ALP conference: "Despite our understandable and justified aspiration for a better society we must operate for now within the system. The system we live in has only one way to deal with inflation quickly. This is to squeeze money out of people by cutting government expenditure and the money supply through the banks so that unemployment becomes so big that it will force workers to accept real wage reductions." Whitlam took his cue from Cairns and declared that the government would not tolerate wage rises like those of the year before.

193. In July 1975, in a further attempt to appease the government's big business critics, Whitlam ousted two key "left" ministers from the cabinet—Labour Minister Clyde Cameron and treasurer Cairns. Neither man opposed his sacking, nor did any trade union or Labor "left". Moreover, they made no calls for the mobilisation of rank and file workers against Whitlam's rightward lurch. The passivity of the "lefts" gave confidence to the Liberal Party, and its co-conspirators, to step up the government's destabilisation. Upon his elevation to the leadership of the Liberal Party in February 1975, Malcolm Fraser had made clear the Opposition would block Supply (the appropriation of funds to pay for budget expenditure) in the Senate if there were sufficiently "reprehensible circumstances." By the middle of the year a series of "scandals", centring on the government's attempt to raise foreign loans, had been organised, with the collaboration of British and American intelligence agencies, to create precisely those circumstances.

194. In the same month, July 1975, the Wilson Labour government in Britain moved to introduce laws restricting wage rises for workers. In response, the WRP changed its political line. Instead of launching a campaign throughout the workers' movement for the defeat of the pay legislation by ousting the right-wingers who had introduced it, the WRP declared: "The only way to unite the whole movement is to force their resignation (Wilson and the right-wing) and make the Labour Party seek a fresh mandate to go to the country in a general election and defeat the Tories." As the IC later explained: "The resolution signified a fun-

78. 'How the WRP Betrayed Trotskyism', *Fourth International*, vol. 13, no. 1, 1986, p. 25.

damental programmatic break with the proletarian orientation for which the British Trotskyists had fought for decades. To call for the bringing down of a Labour government, under conditions in which the revolutionary party had not yet won the allegiance of any significant section of the working class and in which the only alternative to Labour was a Tory government which the working class had brought down little more than a year before, was the height of adventurism. At the very point when the Labour Party was being compelled to turn openly against the working class, creating the conditions for a powerful intervention within its mass organisations, the WRP presented an impossible ultimatum. At a very early stage of this confrontation, the WRP proposed to pre-empt the struggle within the working class organisations with a campaign that would place the fate of the Labour Party in the hands of the national electorate.”<sup>[79]</sup>

195. Having pre-empted any struggle against the right-wing Labour leadership in Britain, the WRP showed no interest in the complex political situation that was rapidly developing in Australia, nor in the approach the SLL should take. The most critical task facing the SLL was to deepen its analysis of the crisis, disclose the treacherous accommodation of Whitlam to the bourgeoisie and the state’s preparations to oust his government, and, above all, expose the role of the Labor and trade union “lefts”, backed by the Communist Party Stalinists, in refusing to lift a finger against Whitlam and the Labor right wing. Only in this way could the working class be politically armed to meet the intervention of the capitalist state. Instead, during a visit to Australia in June 1975, Healy sought to turn the SLL towards the middle-class radical milieu from which it had broken three years before. How different from his role eleven years earlier, when he visited Sri Lanka in the midst of the LSSP betrayal, denouncing it publicly and exposing its roots in the politics of Pabloism, and seeking to rally genuine Trotskyists to the International Committee.

196. The political crisis rapidly developed and on October 16, 1975 the Liberals moved to oust the Labor government by blocking Supply in the Senate and denying it the ability to function. The move opened the way for the governor-general (the head of state and the Queen’s representative) to dismiss the government. The Liberals’ actions were met with the eruption of a mass political movement of workers, students, youth and professional people who sought to block the Liberals’ attempted coup. At the same time, the entire Labor and trade union leadership, together

with the Communist Party Stalinists, worked to politically stifle this movement and channel it behind Whitlam and the Labor leadership.

197. Less than two weeks before his sacking, Whitlam had delivered a speech that revealed his central preoccupation: to prevent the working class entering into a political struggle outside the parameters of the parliamentary system. Explaining that his entire leadership had been devoted to convincing the Labor movement of the importance of reform through parliament, he declared: “I would not wish on any future leader of the Australian Labor Party the task of having to harness radical forces to the restraints and constraints of the parliamentary system if I were now to succumb in the present crisis.”<sup>[80]</sup>

198. When Whitlam was sacked on November 11, he did everything he could to assist the governor-general’s coup. The Labor prime minister did not oppose his own sacking. Instead, Labor MPs ensured the passage of Supply to the “caretaker” Fraser government that Governor-General Sir John Kerr had installed. The working class, however, responded to the coup with a series of mass walk-outs and protests. The trade union bureaucracy, under the leadership of then ACTU president Bob Hawke, worked to block mounting demands for a general strike. Asked for his reaction to the sacking and to calls for industrial action, Hawke replied: “Of course I am upset but it is not just a question of a Labor government appearing to fall. My concern is about the future of this country. What has happened today could unleash forces in this country the like of which we have never seen. We are on the edge of something quite terrible and it is important that the Australian people respond to leadership.” Speaking to a mass meeting of shop stewards just days before the coup, Hawke had disclosed the fundamental role of the Labor and trade union apparatus: “The capitalist system began to break apart at the seams in the 1970s. So we came to power in 1972 to save the system.”

199. The intensity of the political crisis and the potentially revolutionary implications of the coup were underscored by former Liberal leader Billy Snedden. Speaking on his retirement in 1983, he said: “[T]here were some events on that day in which we were so lucky it was unreal. If they [the Senate and the House of Representatives] had been sitting when the Governor-General tried to dissolve, we would have got the troops in to get them out of the House. . . . We were lucky that day . . . there was a very real

79. *Ibid.*, p. 26.

80. Nick Beams, *Industrial relations and the trade unions under Labor: from Whitlam to Rudd*, Socialist Equality Party, Bankstown, Australia, 2007, p. 2.

fear of insurrection that day.”

200. The petty-bourgeois radical tendencies worked to downplay the significance of the political crisis, thereby providing crucial support for the Labor and trade union leadership. The SWP Pabloites opposed the call for a general strike on the grounds that it was “too advanced”. Exaggerating the strength of the bourgeoisie, the Spartacists described the coup as a “slight stretching of bourgeois legality”, and declared that a general strike faced “an overwhelming likelihood of defeat.” In the aftermath of the coup, the Pabloites set about creating the myth that the Whitlam government had been sacked because it was too susceptible to pressure from the working class for reforms.

201. The Whitlam government was not sacked because it had accommodated to the demands of the working class. On the contrary, it had made clear from the outset which class it would serve. But there were fears in ruling circles that the Labor government was incapable of suppressing the opposition of the working class to its program, and that this would lead to a head-on clash. After all, the stability of capitalist rule in Australia faces no more dangerous threat than a collision between the working class and its Labor leadership—historically, the most important political prop of the bourgeoisie. The coup was a pre-emptive strike to prevent such a conflict.

202. Throughout the political crisis of 1975, the SLL fought to expose the role of the Labor and trade union leadership and develop an independent political perspective for the working class. Following the rapid swing to the right by the Labor leadership from mid-1975, the SLL called for the ousting of the Whitlam leadership and the convening of union and Labor Party conferences, open to the rank and file, to adopt a socialist program. However, in line with the orientation of the WRP, these policies were linked to the call for a fresh election. In other words, a titanic political struggle within the labour movement for a socialist program and the purging of the existing leadership should culminate with a stamp of approval from the national electorate at the ballot box.

203. With the decision of the Liberals to block Supply, on the demand that Whitlam go to the polls, the SLL dropped its call for a general election. Instead, the focus of its agitation switched to the fight for a general strike to oppose the attempts of the Liberals and the capitalist state to oust the government. It was absolutely correct to raise the necessity for an independent intervention by the working class into the political crisis. But that intervention

could only go forward to the extent that the most advanced and politically conscious workers understood that the chief danger came not from the Liberal Party, the governor-general or even the state apparatus, but from the Labor and trade union leadership, which had created the conditions for the coup. It was here that the political shift of the WRP played such a damaging role. At the heart of its orientation was the development of tactical opportunism—the elevation of tactics above strategic conceptions. In the context of the Canberra coup, that meant that the SLL was preoccupied with the search for a correct tactic that would resolve the problems confronting the working class. In fact, no tactic or slogan could play such a role. The fundamental task of the SLL was to clarify the role of social democracy, not only in Australia but internationally, and win the most advanced layers of the working class to a new, socialist and internationalist, political perspective. The paramount question was to develop an understanding, within the vanguard of the working class, of the treacherous role being played by its leadership. Without that the working class remained politically trapped.

204. Powerful pressures were exerted on the SLL to downplay the political importance of such a struggle right at the point where it became the most critical factor in the situation. These pressures were generated by the political crisis itself, as broad masses entered into struggle. In the preceding period, the SLL's work had developed within a more limited framework. After the coup, millions of people, who had been either indifferent to the political situation or had followed the crisis at a distance, now became actively involved. Within the most politically conscious layers of the workers' movement, a growing disquiet had been developing, followed by outright hostility, towards the right-wing Labor leadership and a deepening understanding of its role as the bourgeoisie's servant. But following the November 11 coup, such sentiments were outweighed by the outlook of the new forces coming onto the political scene. They were much less critical of Whitlam, while Hawke enjoyed a wide level of support—having been assiduously promoted as a “left” and champion of the workers' movement, above all by the Communist Party Stalinists. The newly politicised layers believed that the Whitlam government had been sacked because of its reforms. The situation was rapidly changing. Millions of people, previously relatively politically inactive, were now striving to find a way to defend a government and its leadership that were being attacked by the most right-wing forces in society. It became increasingly difficult

to fight for a political line insisting that the only way forward for the working class was to conduct a political struggle against that Labor leadership.

205. The betrayals of the Labor and trade union leaderships ensured the victory of the Liberals, under the leadership of Malcolm Fraser, at the December 10 federal elections. Once it became clear that independent action by the working class was not going to take place and that the coup had succeeded, more than a million votes in the middle class swung behind the Liberals, handing them a large parliamentary majority. Later, in order to cover their own counter-revolutionary role in facilitating the coup, and their organic hostility to the political independence of the working class, the Stalinists of the CPA claimed that Fraser's victory demonstrated that Australia was a "conservative" society.

206. The enormous pressures brought to bear on the SLL as a result of the political upheavals of 1975 could only have been countered on the basis of a global perspective locating the objective international significance of the events in Australia and grounding the SLL on the historical experiences of the Trotskyist movement with social democracy. But the WRP was increasingly working without an international perspective. Such political work had virtually come to a halt following the collapse of the Bretton Woods Agreement in August 1971. The shift in the orientation of the WRP deprived the SLL of vital international collaboration. In the events leading up to the coup, Healy had sought to disorient the SLL and when the crisis of October–November erupted, the WRP leaders made no move to initiate discussion on the Australian situation. There were no letters, no request for information or analysis, not even a telephone call. The only comment offered by the WRP leadership was to criticise a later assessment by the SLL that the coup represented the "beginning of the end of bourgeois democracy" on the grounds that parliamentary elections were still being held. While the coup was a major strategic experience for the Australian and international working class, the nationalist, rightward turn of the WRP leadership meant that its lessons were neither discussed nor assimilated. That could only take place in the aftermath of the split in the International Committee of 1985–86.

### **A global counter-offensive against the working class**

207. Despite the militancy and international scope of the revolutionary upsurge between 1968 and 1975, the working class

was unable to break out of the straitjacket of its old organisations and advance a socialist solution to the crisis. The social democratic and Stalinist parties, assisted by the Pabloite tendencies, disoriented and suppressed the mass struggles that threatened bourgeois rule. The critical issue remained the crisis of revolutionary leadership. The lack of an independent political perspective allowed the bourgeoisie to seize the initiative and reorganise the global order. Whitlam's craven capitulation in the Canberra coup was just one of a series of betrayals. In Chile, President Allende, together with the Communist Party and the centrist MIR (Movement of the Revolutionary Left), into which the Chilean Trotskyist movement had been liquidated by Pabloism, did everything possible to prevent the working class taking power. It was this that opened the way for General Pinochet's coup of September 11, 1973 and its terrible consequences. As *The Historical & International Foundations of the Socialist Equality Party* (US), explained: "Such exhibitions of political cowardice by the labor bureaucracies served only to encourage the international bourgeoisie to believe that it could attack the working class with impunity. In Argentina, the military overthrew the Peronist regime—which had been backed by the Pabloites—and initiated a reign of terror against the left. In Sri Lanka and Israel, right-wing governments came to power, espousing the anti-Keynesian monetarism promoted by Milton Friedman, whose economic theories had already been set to work by the Chilean dictatorship."<sup>[81]</sup>

208. By the end of the 1970s the bourgeoisie, having stabilised its rule, proceeded to launch a global counter-offensive against the working class, marked politically by the coming to power of the Reagan and Thatcher governments. Throughout the 1980s, these governments carried out a vast restructuring of the British and US economies and an unending assault on the social position of the working class, destroying tens of millions of jobs. By 1982, industrial production in the US was down by 12 percent from its peak in 1979. Unemployment, now at a post-war high, was concentrated in the industries that contained the most powerful and militant sections of American workers. In the auto industry, the unemployment rate reached 23 percent, in steel and other metals 29 percent, in construction 22 percent and in appliances and fabricated metal products 19 percent. In Britain some 25 percent of manufacturing industry was destroyed in the period of 1980–84.

81. *The Historical & International Foundations of the Socialist Equality Party*, op. cit., p. 109.

209. In Australia, the Fraser government had come to power in the December 1975 elections with a large parliamentary majority, a position it retained after the 1977 elections. The bourgeoisie was demanding similar “free market” measures as in the US and the UK, but the Liberals were unable to carry them out. Fraser and his ministers lived in fear of another eruption of the working class, and relied directly on the ACTU leadership and its president Hawke—who came to be widely known as the “industrial fireman”—to defuse industrial conflicts. As Fraser’s treasurer John Howard was later to remark, the very “fabric” of society had been severely stretched by the events of 1975.

210. The betrayal of the movement against the Canberra coup and subsequent electoral victory of the Liberals resulted in a rightward shift among layers of youth and the middle class that had been radicalised in the previous period. Laying the blame for the defeat not on the Labor and trade union leaderships but on the working class itself, they left politics and began to pursue their own careers. The pressures on the SLL generated by this shift were compounded by the on-going degeneration of the WRP, which continued to block any discussion of the 1975 events.

211. In Britain, by 1976, the WRP was seeking to overcome the problems it was encountering in the development of the working class by turning to other social layers for support, including sections of the middle class and “left” tendencies within the Labour and trade union bureaucracies in the UK, and among bourgeois nationalist regimes in the Middle East. The struggle for the program of Permanent Revolution, based on the development of an independent perspective for the working class, was replaced by an increasing drift towards the Pabloite positions that the British Trotskyists had opposed in the 1950s and 60s. By 1977 the Healy-Banda-Slaughter leadership was consciously pushing the SLL in the same direction. In 1977 it attempted to effect a fusion between the SLL and a group that had deserted the party while still proclaiming support for the ICFI. Despite the efforts of the WRP, the attempted fusion failed. The two tendencies had fundamentally opposed class orientations that could not be reconciled. The ex-SLL group was characterised by nationalism, opportunism and support for the Labor and trade union bureaucracy. The SLL had been founded on internationalism and the necessity for the political independence of the working class in opposition to Laborism, Stalinism and revisionism and, whatever the difficulties, the fight for this program remained at the very centre of the party’s life and work.

212. By 1981–82, unemployment in Australia was rapidly rising, amid extensive factory closures. But the Fraser government was unprepared for the militant response. Whereas Reagan launched a war against the American working class by sacking air traffic controllers in August 1981, the Fraser government had backed down a month earlier in the face of a wage struggle by transport workers, to the scathing criticism of the bourgeoisie. By the middle of 1982, nearly 1,500 workers were being thrown out of work every day. Thousands of steel and mining jobs were being destroyed and in September a mass meeting of steelworkers in Wollongong called for an incoming Labor government to nationalise BHP. At the beginning of October, miners on the NSW south coast occupied the Kemira mine to fight its closure, sparking a series of strikes and walkouts that culminated in the storming of parliament house by miners, steelworkers and others from the industrial area of Wollongong on October 26. A general strike erupted in Queensland, and in NSW, tens of thousands of workers poured into the Sydney CBD at the conclusion of a Right to Work march from Wollongong.

### **The Accord and the Hawke-Keating Labor government**

213. This powerful movement of the working class, along with the visible disintegration of the Fraser government, provided the impetus for behind-the-scenes preparations by the Labor and trade union leaderships for a so-called prices and incomes Accord. The Accord was an agreement between the trade union and Labor leadership for fixed wage increases, determined by the arbitration system. It committed the trade union leadership to suppress all additional wage demands outside this framework. This scheme for wage-cutting was accompanied by the claim—most assiduously promoted by the CPA Stalinists—that living standards would be maintained through increases in the “social wage”—additional social welfare and other benefits that a Labor government would provide.

214. The Accord was to form the programmatic centrepiece of the Hawke Labor government, which came to power in March 1983. The key lesson drawn by the Labor and trade union leaders from the 1975 Canberra coup was the need to have in place a mechanism for the suppression of the working class when Labor next came to power. As ACTU secretary Bill Kelty remarked, it had become clear “to unions and to some in the Labor Party

that we really had squandered an opportunity with the Whitlam Labor government. Despite the fact that there were international pressures, we had really let it get away from us. The result was that in economic management the Labor government did not have a good record and the unions appeared uncooperative. A number of unions were determined not to squander an opportunity again.”<sup>[82]</sup> The Labor Party could not make these preparations alone—it needed the help of the various Stalinist parties, both in devising the Accord and then implementing it. The final document was actually drafted by leading members of the Communist Party of Australia and carried into the union movement by CPA officials, together with the Maoist and pro-Moscow parties, whose leading members held key positions in some of the largest and most militant unions.

215. The Accord was not only a means for suppressing the kind of wages struggles that had developed under Whitlam. It was aimed at breaking up every form of independent working class organisation in order to create the framework for intensified exploitation and the driving down of social conditions. On February 3, 1983, the very day Prime Minister Fraser called an early election, Hawke, who had entered parliament in 1980, was installed as Labor leader after Bill Hayden was removed through an executive coup. Hawke was elevated to the post because his close connections to big business on the one hand, and his relationship with the trade union bureaucracy on the other, meant he was uniquely placed to implement the Accord. Nine days later, the unions adopted the Accord at a special conference.

216. The ALP won a landslide election on March 5, 1983. Five weeks later, before parliament had been convened, Hawke’s first act as prime minister was to preside over a four-day summit comprising employer, union and government representatives in the House of Representatives chamber. Opening the conference ACTU secretary Kelty declared: “Let me say openly to those employers who sometimes misunderstand the perceptions of the trade union movement that we accept that enterprises need to make profit, and, in the current environment, may require profit increases to establish increased employment.” Hawke later commented that the summit “took the employers somewhat by surprise for they were not quite used to the idea of trade union leaders agreeing to wage restraint, let alone urging it.” The unions’ pledge was delivered. In the first four years of the Accord average real earnings fell by 4.2 percent. Over the entire period of the

Hawke-Keating government the annual real percentage increase per employee was slightly less than zero, compared to more than 4 percent under the Whitlam government and slightly less than 2 percent under the Fraser government.

217. The rush to finalise the Accord was driven by international developments. In December 1983 the Labor government decided to float the Australian dollar. Under the Bretton Woods system, the value of the Australian currency had been fixed against the US dollar and the British pound, and thereby to all major currencies. After the system collapsed in 1971, the value of the Australian dollar was periodically adjusted by the Reserve Bank, through its interventions into global currency markets. But by the early 1980s, this was rendered impossible by a vast increase in the flows of international finance. No single bank or regulatory authority could counter such movements. The Australian dollar’s float had far-reaching consequences. It removed one of the central foundations of the system of national economic regulation that had underpinned the economic program of every government since federation. The huge daily global flows of finance and capital now imposed their own demands on governments in every country, each of which was driven to ensure its own national economy remained “internationally competitive.” In response to the transformation in the world economy, the Labor government and the unions worked to further develop the Accord. Simply suppressing wages was no longer sufficient. Working conditions and relationships developed under the system of national regulation had to be broken up and productivity continually increased to meet the new demands of international capital. The unions took on the task with gusto. No longer was their role to seek limited concessions that would advance the social position of their members. It was now to impose productivity increases dictated by the pressure of global competition. Outlining the new perspective in the document *Australia Reconstructed*, adopted at the 1987 ACTU Congress, Kelty wrote: “Structural change and the promotion of a productive culture are necessary to enhance our international competitiveness. We are about nothing less than the reconstruction of Australia. These are historic times. Our future is increasingly tied to the rest of the world. Many other countries faced with similar challenges are ‘internationalising’ apace. Understanding and responding to the international pressures is a national requirement—a requirement to which

82. Edna Carew, *Keating: a biography*, Allen & Unwin, Sydney, 1988, p. 72.

the unions must contribute.”<sup>[83]</sup> In other words, trade unions would become the central mechanism for boosting profits.

218. Time and again throughout the 1980s workers entered into struggles to defend their wages and conditions, only to be isolated and betrayed by their union leaderships. Each defeat—from the dismantling of the builders labourers’ union in 1984–85 and the sacking of the SEQEB workers, to the Robe River mining dispute in 1986—marked the starting point for a new offensive, culminating in the use of the armed forces to break the pilots’ strike in 1989, with the enthusiastic support of the ACTU and the entire trade union bureaucracy. At the same time a deliberate policy was instituted of breaking up workplaces and shutting down factories that employed large numbers of workers with a history of militant struggle. In those that remained open, shop committees and other forms of organisation were either destroyed or turned into pliant instruments of management. Any semblance of democracy inside the unions was abolished and militant workers victimised. The Labor government’s privatisation program resulted in the handover of public assets to corporate owners, much to the benefit of the banks and financial firms that organised the deals. Social infrastructure was increasingly privatised and the practice of user pays extended. In short, the program initiated in the US by Reagan and in Britain under Thatcher was carried out in Australia by the Hawke-Keating Labor government, with the full collaboration of the trade unions.

219. The “economic restructuring” orchestrated by the Labor government led to widening social inequality. In the decade 1986–96, the average real income of the bottom 40 percent of households fell by around \$98 per week. In the 30 years following World War II, real wages increased, on average, by 2–3 percent per year. After 1975 this growth stopped, so that by 1995, real wages were between 30 and 50 percent lower than they would have been had they continued at the previous rate. There was a massive redistribution of income away from wages towards profits. In 1975, at the peak of the post-war boom, the share of wages in national income was 62.4 percent. By 1992 it had dropped to 56 percent and by 2008 to 53 percent.

### **Political crisis in the ICFI**

220. Throughout the 1970s and 1980s, the SLL fought to deepen its orientation to the working class, intervening in many of

the most militant struggles against the Fraser and Hawke governments and winning members and support among important layers of workers and youth. The party’s twice-weekly newspaper *Workers News* was widely circulated in all the major cities and played a significant role in the strikes and struggles of steelworkers and miners, Queensland electricity workers, builders labourers, dockworkers, metal workers, railway workers, postal workers and teachers. However the coming to power of the Hawke Labor government posed new challenges to the SLL in the development of its political line and tactics, which it was not equipped to meet. While the SLL, as distinct from every other political tendency, fought to expose the Accord, the role of the Hawke government, and the Labor “lefts” and their Stalinist accomplices, its interventions increasingly tended to focus on encouraging militant union struggles, rather than deepening the party’s political analysis. This tendency expressed a certain adaptation to the pressures and national traditions of the labour movement itself. More than ever, what was needed was guidance and discussion, grounded on the strategic experiences of the Marxist movement, in the complex and difficult struggle against social democracy. But instead, the lack of collaboration on the part of the WRP leadership that had characterised the early period of the SLL’s development, now became a conscious campaign of disorientation and disruption. From October 1982 onwards, faced with principled criticisms of its theoretical and political orientation by Workers League national secretary David North, the leadership of the WRP suppressed the criticisms and worked consciously to isolate and ultimately destroy the ICFI and its sections.

221. In the mid-1970s, a growing divergence had begun to emerge between the political orientation of the Workers League and that of the Workers Revolutionary Party. In 1975, the Workers League responded to the desertion of its former national secretary, Tim Wohlforth, by deepening the struggle against Pabloism and placing the assimilation of the historical experiences of the Trotskyist movement at the centre of the party’s work. In a related development, the Workers League began to play an increasingly central role in the international campaign launched by the ICFI into the circumstances surrounding the assassination of Leon Trotsky. The investigation into *Security and the Fourth International* and the line-up of every middle-class radical and revisionist tendency against it, further underscored the significance of the struggle against Pabloism. The investigation was followed closely in the SLL, with ongoing reports published in *Workers News*. Public meetings were held on a regular basis to explain the

83. *Industrial relations and the trade unions under Labor: from Whitlam to Rudd*, op. cit., p. 12.

findings, along with internal party education clarifying the significance of the investigation on the basis of the struggle waged by the ICFI against Pabloism. In 1977, Workers League national secretary David North conducted an Australian tour to explain the historical significance of the investigation. The meetings demonstrated the class gulf between Trotskyism and the entire petty-bourgeois radical milieu, when all the various revisionist organisations picketed the meetings to try and prevent workers and youth from attending, and explicitly defended the GPU agent Sylvia Franklin.

222. In October–November 1982 North submitted a detailed critique of Healy’s *Studies in Dialectical Materialism*, demonstrating that the WRP leader’s philosophical positions constituted a reversion to the kind of subjective idealism that Marx had overcome in his critique of the Left Hegelians. In a series of political criticisms North also pointed to an “unmistakeable opportunist drift” in the work of the WRP leadership noting that “for all intents and purposes” Trotsky’s theory of permanent revolution had been treated as “inapplicable” to an analysis of the situation in the Middle East. Any possibility of discussion was stopped in its tracks after WRP general secretary Michael Banda and ICFI secretary Slaughter joined with Healy in threatening to immediately sever relations with the Workers League if North persisted with his criticisms. Revealing the class issues at stake, in December 1983, Slaughter wrote to the Workers League criticising its “very heavy emphasis” on the political independence of the working class. In his reply to Slaughter, North pointed out that “all the organisational, political and theoretical tasks of a Marxist party . . . are directed precisely toward the achievement of this political independence.” In a letter to Banda in January 1984, North expressed concern that “the International Committee is now in danger of losing the gains of many years of principled struggle” and that the Workers League was “deeply troubled by the growing signs of a drift towards positions quite similar—both in conclusions and methodology—to those which we have historically associated with Pabloism.” North further elaborated his criticisms at a meeting of the International Committee in February 1984, to which neither SLL nor Sri Lankan IC delegates had been invited. The WRP again refused to discuss the differences and repeated its threats of a split. Following the meeting Slaughter and Healy exchanged letters congratulating each other on what a good job they had done in defeating their “enemy” in the Workers League “with no holds barred.” Hostile to the program of Trotskyism, on

which they themselves had once fought, the leaders of the WRP were now fighting to liquidate the ICFI.<sup>[84]</sup>

223. Just three months after the IC meeting, in May 1984, the WRP sent a letter to the SLL demanding that the party launch a campaign for the bringing down of the Hawke government. The letter insisted that the government was not merely “capitalist” but “counter-revolutionary”. The purpose of the communication was not to bring clarity to the complex tasks confronting the SLL but to provoke a crisis in the leadership and the party as a whole. The outcome was succinctly reviewed in the IC’s 1986 *Resolution on the perspectives and tasks of the Socialist Labour League*: “The full impact of the WRP’s degeneration was felt upon the Australian section once the crisis of the Fraser government posed the return of a Labor government. From 1983 on the SLL groped for a correct political line—a task made impossible by the disorienting directives handed down from London. The letter written in May 1984 by Geoff Pilling, instructing the SLL to campaign for the bringing down of the Labor government, was a criminal blow aimed at destroying the Australian section. . . . The next stage in the attempted demolition came in September 1984 when the WRP denounced the SLL for not accepting that Hawke’s government was the last before the socialist revolution. In the ensuing confusion, the SLL defined the Hawke government as a Bonapartist government, a definition applauded by Healy at the 10<sup>th</sup> Congress [of the ICFI in January 1985]. When this line came under criticism at the congress, Healy created a diversion and cut off discussion on the perspectives of the Australian section. In all its interventions, the WRP worked consciously to make it impossible for the Socialist Labour League to mount a consistent and politically coherent struggle within the workers’ movement against Social Democracy and on this basis win the vanguard of the working class to Trotskyism.”

224. By the beginning of 1985, the SLL was in deep political crisis. Its leadership had been destabilised and undermined by the accelerating series of WRP interventions aimed at blocking discussion and clarification. Unresolved political differences and tensions had deepened, reflecting the existence of opposed class positions and signifying that the SLL was no longer a homogeneous party. The crisis could not be resolved within the national sphere. It required nothing less than the reestablishment of the programmatic foundations of Trotskyism at the centre of the work of the ICFI.

---

84. *Fourth International*, vol. 13, no. 2, 1986.

### The split in the International Committee

225. In January 1985 the 10<sup>th</sup> Congress of the ICFI was held in London. This was the first congress to be convened following the theoretical and political criticisms raised by David North of Healy and the WRP. In its statement *How the Workers Revolutionary Party Betrayed Trotskyism 1973–1985* [hereafter *How the WRP*] the International Committee explained that two interconnected facts dominated proceedings, although neither was discussed. “The first was the devastating political crisis within the WRP. The second was the suppression of the political differences which had arisen within the IC during the previous three years. The political degeneration of the WRP was at the heart of the crisis inside the IC. Not only had the British section abandoned its responsibility to provide theoretical, political and organisational leadership to the world movement; it was now the main source of revisionist politics and disorientation within the ICFI. Its work inside the IC had assumed the character of a world-wide wrecking operation.”<sup>[85]</sup> The congress document was a travesty of Marxist analysis, program and principles, and the proceedings were dominated by a series of calculated provocations, orchestrated by the Healy-Banda-Slaughter clique, to prevent any discussion on the political situation confronting the ICFI and its sections.

226. Within months, however, the long-brewing crisis inside the WRP erupted to the surface, in a form that underscored the depth of the party’s political degeneration. On July 1, 1985 Healy’s long-time personal secretary deserted, leaving behind a letter detailing his abuse, over a protracted period, of a large number of female party cadres. Despite the explosive consequences of the revelations within the British section, the WRP leadership sought to cover them up within the IC. In August, an SLL delegation attended an IC meeting, convened to hear a report on a financial crisis in the WRP, which was falsely attributed to new tax levies. The IC sections were called upon to pledge tens of thousands of dollars, which they duly did. Not a mention was made of the turmoil raging inside the WRP.

227. It was not until October 12, 1985, after charges for Healy’s expulsion had already been laid by the WRP central committee, that the SLL leadership first heard of the crisis. Under the leadership of Nick Beams, elected as national secretary six months earlier, the SLL political committee responded by send-

ing a letter to IC secretary Cliff Slaughter, insisting that the only principled way to proceed was to convene an emergency meeting of the ICFI in London to hear a report on the political situation in the WRP and assess the charges against Healy. After subsequently learning that Healy had already been expelled, Beams travelled immediately to London, and arranged for the RCL’s national secretary Keerthi Balasuriya to do likewise.

228. There was a profound political significance to this response. In 1953, when the Fourth International was threatened with liquidation at the hands of the Pabloites, the capitulation of Origglass to immense national pressures, generated by the post-war stabilisation, resulted in the destruction of the Trotskyist movement in Australia. In 1985, the decision of Beams and the SLL Political Committee that he travel to the UK, based on the understanding of the need to uphold and defend the political authority of the international movement, contributed to the renewal of the struggle for Trotskyism in the IC and the SLL.

229. Once in London, as the IC’s resolution *How the WRP* explained: “The scene which the IC delegates confronted as they assembled . . . for an emergency meeting defies description. What had appeared to be a smoothly running machine had exploded and was discharging red-hot fragments in all directions. . . . The terrible political degeneration of the WRP under Healy was mirrored most clearly in the political bewilderment and disorientation of those whom he had supposedly trained.”<sup>[86]</sup>

230. The political and theoretical critique prepared by David North between 1982 and 1985, in advance of this explosion, created the conditions for the IC delegates to come to rapid agreement that the source of Healy’s corrupt practices and the WRP’s collapse was the “ever more explicit separation of the practical and organisational gains of the Trotskyist movement in Britain from the historically and internationally grounded struggles against Stalinism and revisionism from which these achievements arose.” The October 25 “Resolution of the ICFI on the Crisis of the British Section” emphasised that all the IC sections “were formed as a result of the struggle by the British comrades against the attempt of Pabloite revisionism to liquidate Trotskyism”. Determined to re-ground the work of the British section on Trotskyist foundations after more than a decade of unrestrained nationalism and opportunism, the IC resolved to expel Healy and insisted on “the re-registration of the membership of the WRP on the basis of an explicit recognition of the political author-

85. *Fourth International*, vol. 13, no. 1, 1986, p. 109.

86. *Ibid.*, p. 114.

ity of the ICFI and the subordination of the British section to its decisions.”<sup>[87]</sup>

231. The circulation of David North’s documents, which had from 1982 been suppressed by the WRP leadership, and the IC’s October 1985 resolutions on the crisis in the WRP, produced a sharp political polarisation within the SLL. Opposed class tendencies that had co-existed uneasily for years, under conditions of the suppression of political clarification within the world movement, quickly crystallised into two deeply opposed factions—an alignment that was to remain virtually unchanged over the next four months. The majority, led by Beams, upheld the political authority of the ICFI as the continuity of the Fourth International, on the basis of its struggle against Stalinism and Pabloite revisionism, and sought to clarify the fundamental political, historical and theoretical issues involved in the WRP’s degeneration. The minority insisted that the crisis was not political, but a product of Healy’s abandonment of “revolutionary morality”; that the other IC sections, including the Australian, were “equally degenerate”; that the struggle against Pabloism was “factional”; and that the IC had no political authority over the WRP or any other section.

232. On December 16, 1985, the IC received a report from its control commission, established to investigate the WRP’s dealings with various regimes in the Middle East. It found that, behind the back of the ICFI, the WRP had carried out an historic betrayal, consisting of “the complete abandonment of the theory of permanent revolution, resulting in the pursuit of unprincipled relations with sections of the colonial bourgeoisie in return for money.” The resolution called for the immediate suspension of the WRP as the British section of the ICFI, with an emergency conference of the ICFI to determine its future relationship following the WRP’s 8<sup>th</sup> Congress in March 1986. A resolution of the Workers League central committee of December 22, 1985, explained that this action was required “by the fact that an objective investigation, conducted by the International Control Commission, has exposed a betrayal of Trotskyism. This betrayal was carried out under conditions in which the leaders of the WRP systematically deceived the International Committee. The exposure of this situation does not permit a ‘business as usual’ position. New and principled relations must be established between the WRP and the International Committee. The suspension of the WRP is the first decisive step towards establishing such relations.” All the WRP delegates at the meeting, with the exception of David

Hyland, who had formed an internationalist minority in support of the IC, voted against the resolution.<sup>[88]</sup>

233. The IC’s suspension of the WRP was a critical and defining act. Through it, the world party reasserted its political authority and the centrality of the internationalist principles and programmatic heritage of the Trotskyist movement. It underscored that there would be no compromise on these fundamental questions and, in that way, established the conditions to clarify and overcome the crisis.

234. The suspension of the WRP created a frenzy of nationalist hostility within the SLL minority. A motion declaring the SLL’s support for the actions of the IC became the key issue of contention at a special party conference from December 27, 1985 to January 3, 1986. The minority’s position, based on arguments advanced by Slaughter, that the IC had no political authority, had been answered in a powerful and comprehensive letter from the Workers League Political Committee to the Central Committee of the WRP on December 11: “Unfortunately, after years of systematic miseducation under Healy, there are many comrades within the leadership of the WRP who view the International Committee with contempt, and consider the appeals of the IC for genuine collaboration and consultation as an unwarranted intrusion into the life of the British section. References to the ‘subordination of the WRP to the International Committee’ evoke a hostile response from some comrades. Of course we are not dealing with the subjective weaknesses of individual members. The existence of powerful nationalist tendencies within the WRP is a political reflection of the historical development of the working class in the oldest imperialist country. Insofar as they are recognised and consciously fought these tendencies can be overcome, and the responsibility for waging this struggle falls upon the leadership of the Workers Revolutionary Party. The great danger that we now confront is that anti-internationalism is being encouraged by the leadership. The national autonomy of the Workers Revolutionary Party is being counterposed to the authority of the International Committee as the leading body of the World Party of Socialist Revolution. This is the real meaning of Slaughter’s assertion, in his letter to North, that ‘Internationalism consists precisely of laying down . . . class lines and fighting them through.’ But by what processes are these ‘class lines’ determined? Does it require the existence of the Fourth International? Comrade Slaughter suggests—and this is the explicit content of his entire letter—

87. *Fourth International*, vol. 13, no. 2, 1986, pp. 50–51.

88. *Ibid.*, pp. 103–104.

that any national organisation can rise to the level of internationalism by establishing, on its own, the ‘class lines and fighting them through’.”<sup>[89]</sup>

235. The letter went on to pinpoint the class origins of Slaughter’s position: “Compare Comrade Slaughter’s definition of internationalism (‘laying down class lines and fighting them through’) with that of Trotsky: ‘Internationalism is no abstract principle but a theoretical and practical reflection of the character of world economy, of the world development of productive forces and the world scale of the class struggle.’ Herein lies the foundation of proletarian internationalism and the necessity of its organised expression in the World Party of Socialist Revolution. No national organisation, no matter how loudly it proclaims its adherence to Marxism, can develop and maintain a revolutionary perspective except through constant contact and collaboration with international co-thinkers. Democratic centralism is an essential component of that collaboration. The statutes of the Communist International, far from being mere ‘forms’, were indissolubly connected with the transition from free competition capitalism to imperialism, the historical development of the proletariat and the international struggle against the social-democratic and reformist agencies of imperialism within the workers’ movement. They established the forms through which the ideological and programmatic homogeneity of the revolutionary movement was to be sustained. This has been incorporated into the Statutes of the Fourth International. Those who rail against the subordination of national sections to the international movement upon which these statutes insist ignore the fact that the price of ‘independence’ is subordination to the pressures of the national bourgeoisie and world imperialism.”<sup>[90]</sup>

236. The argument advanced by Slaughter, and his supporters in the SLL minority, that the sections of the IC shared responsibility for the WRP’s betrayal and were “equally degenerate”, constituted yet another attempt to create confusion and prevent the membership from taking a stand for internationalism and the political authority of the IC. Healy’s alliances with various Arab bourgeois regimes, which were kept secret from the IC, were made on behalf of the WRP central committee, not the IC. The other sections did not betray their Trotskyist principles in return for cash. At the conclusion of the special conference, the SLL membership voted by a two-to-one majority to support the

IC’s suspension of the WRP.

237. On January 26, 1986 the WRP central committee explicitly repudiated its support for the IC resolutions of October 25, 1985, which had called for the re-registration of its members on the basis of recognising the political authority of the ICFI. A meeting of the SLL’s central committee on February 1–2 declared that this repudiation was the outcome of the “persistent opposition by the majority of the WRP leadership to the fight waged by the IC to reestablish the British section on the fundamental principles of Trotskyism following the split with Healy.” The central committee decided that it would hold a party congress in April stipulating that membership of the SLL required recognition of the political authority of the ICFI.

238. At the 8<sup>th</sup> Congress of the WRP, held on February 8, 1986, the pro-IC minority was excluded by police. The congress, which had been preceded by the publication in *Workers Press* of a document by Michael Banda, calling for the burial of the ICFI, carried a resolution declaring that “the International Committee of the Fourth International does not represent the continuity of the Fourth International founded by Leon Trotsky in 1938.” The congress resolution signified a definitive split between the WRP majority and the IC.

239. At a special conference called by the SLL in March, the majority upheld the authority of the ICFI while the minority declared its support for the Slaughter-led WRP, and quit the party the following day. The stand taken by the SLL majority established definitively that, despite the many difficulties confronted by the section from the time of its foundation—the nationalist pressures associated with Australian exceptionalism and isolation; the turn by the WRP leadership towards national opportunism; the lack of a unified international perspective to guide its work—the party’s political foundations, grounded on the historic struggles waged by the ICFI in 1953 and 1963 against Pabloism, and commitment to the internationalist principles of Trotskyism, had remained firm. It was precisely these foundations that enabled the SLL majority to collaborate with its co-thinkers around the world to defend the IC and to defeat the petty-bourgeois, liquidationist tendency within its own ranks.

240. For the anti-IC tendencies, not least in the SLL, the crisis in the WRP became the pretext for a repudiation of the struggle for Marxism in the working class. Their “renunciationism” was bound up with broader social processes. It coincided with the defeat of the miners’ strike, an event that shook the WRP to its foundations. As David North wrote in *The Heritage We Defend: A contribution to*

89. *Ibid.*, p. 77.

90. *Ibid.*, pp. 77–78.

*the history of the Fourth International*: “In October 1985, the pent-up resentments of the middle class exploded inside the WRP. Disillusioned and bitter, fed up with years of hard work which had produced no rewards, dissatisfied with their personal situations, anxious to make up for lost time, and simply sick and tired of all talk of revolution, the subjective rage of these middle-class forces—led by a motley crew of semi-retired university lecturers—was translated politically into liquidationism. Precisely because its source lay not only in the subjective errors of the WRP leadership, but more fundamentally in objective changes in class relations, the skepticism which swept through large sections of the party was the expression of a powerful social tendency within the Workers Revolutionary Party.”<sup>[91]</sup>

241. Similar processes were underway in Australia, where the defeat of the British miners’ strike also had a significant impact. The high-point of the upsurge of the working class in 1974–75 and the movement responsible for the ousting of the Fraser government in 1982–83 had passed. Strikes were proving increasingly ineffective, defeated by a collaboration between the trade union bureaucracy and the Labor government that the working class was unable to overcome, no matter how militant its struggles. Sections of the once-radicalised middle classes were shifting to the right. At the very time the SLL minority was renouncing the political authority of the ICFI as the world party of socialist revolution, the Pabloite Socialist Workers Party which, little more than a decade before, had claimed to be the genuine continuity of the Fourth International, was openly renouncing Trotskyism. According to the SWP, “[I]f the idea of a centralised international revolutionary organisation led to tragedy in the case of the Third International, in the case of the Fourth International it became a farce.” The outlook of all these tendencies was articulated by a leading CPA Stalinist, who declared that “various Australian Marxists” had begun to “come to terms with some Australian realities”, and drew the conclusion that “we have to be in the actual political processes and forget about a great day which will never come.” These were the social moods that found their expression in the SLL minority’s denunciation of the ICFI.

242. The SLL’s former national secretary, Jim Mulgrew, supported the SLL minority in the 1985–86 split. In the founding of the SLL and its first years, Mulgrew played, along with Nick Beams, a critical role. By the mid-1970s, however, he had begun adapting to the rightward movement of sections of the middle class, and by the early 1980s had gathered around himself a

right-wing milieu that was deeply hostile to the principles and program of the IC. The growth of opportunism in the leadership of the WRP certainly contributed to his political degeneration, but Mulgrew had the opportunity, in the struggle of 1985–86, to take a different course. The greater the political clarity, however, the more hostile he became. Demonstrating the class basis of his political opposition, Mulgrew broke with Trotskyism in early 1986, declaring that the ICFI could “go into the rubbish bin of history”. Five years later, at a public forum in 1991, he declared that Trotsky had been wrong to found the Fourth International, and later applied to join the Labor Party.

243. In the final analysis, the protracted nationalist degeneration of the WRP was an outcome of the unfavourable balance of class forces on an international scale. For many years, especially after the SWP’s reunification with Pabloism in 1963 and the OCI’s break with Marxism, the British Trotskyists stood virtually alone in their defence of the program and heritage of the Fourth International. It was their political stand that was responsible for the development of new sections of the ICFI. Tragically, however, the lack of experienced co-thinkers in other parts of the world, a consequence of the destruction of Trotskyist cadres by Pabloism, took a heavy toll. Under these difficult objective conditions, Healy came to view the development of the party in Britain as the key to the growth of the ICFI. As *The Historical & International Foundations of the Socialist Equality Party* noted: “Thus, over time, the forms and habits of work assumed an increasingly nationalistic coloration. What was, in fact, a temporary relation of political forces—one which imparted to the work in Britain an overwhelming weight within the International Committee—was apotheosized into an increasingly nationalistic conception of the relationship between the SLL/WRP and the Fourth International.” The WRP became increasingly indifferent to the political experiences and problems of other sections, viewing the ICFI as “little more than an adjunct to its own British-based organization.”<sup>[92]</sup>

244. The collapse of the WRP was ultimately rooted in the contradiction between an increasingly entrenched nationalist approach, and the objective economic, social and political processes associated with the globalisation of production. It was part of a broader crisis affecting all the national-based parties and organisations in the workers’ movement—the Stalinist and social democratic parties as well as the trade unions.

91. *The Heritage We Defend*, op. cit., pp. 14–15.

92. *The Historical & International Foundations of the Socialist Equality Party*, op. cit., p. 124.

245. At the same time: “The opposition of the Workers League to the national opportunism of the WRP was in theoretical alignment with social and economic processes that were already in an advanced stage of development, and which were about to blow apart the existing structures and relations of world politics. To the extent that large sections of the international cadre had been drawn to the ICFI in the 1960s and early 1970s on the basis of the British Trotskyists’ defence of the internationalist perspective of Permanent Revolution, the criticisms advanced by the Workers League, once they became widely known in the international movement, found overwhelming support. It was this that accounted for the relatively rapid political realignment that took place within the International Committee in the autumn of 1985. It established a new basis for the work of the international movement. The subsequent development of the ICFI was the conscious response of the Marxist vanguard to the new economic and political situation. The reorientation of the movement was based on a systematic struggle against all forms of nationalism, a reorientation that was inextricably tied to the development of an international perspective. All opportunism is ultimately rooted in definite forms of national adaptation. In the struggle against other tendencies and within its own organization, the ICFI reasserted the conceptions developed in their highest form by Trotsky—the primacy of the global developments of world capitalism over the particular manifestations in any given nation-state, and the primacy of international strategy over national tactics.”<sup>[93]</sup>

### **The aftermath of the 1985–86 split**

246. The defeat of the national opportunists in the split of 1985–86 opened a new era in the history of the Fourth International. The victory of the internationalists signified a shift in the international balance of forces in the post-war struggle against opportunism. In the final analysis, Pabloism rested upon the domination of Stalinism over the workers’ movement. But as the struggle within the IC was underway, the Stalinist apparatus was descending into a state of terminal decline, culminating in the collapse of the Soviet Union in 1991—an event that changed the entire structure of world politics.

247. The split in the International Committee was the most comprehensive in the history of the Fourth International. The statements, documents and analyses published by the IC, most

notably *How the WRP Betrayed Trotskyism 1973–1985*, *The ICFI Defends Trotskyism 1982–1986*, and *The Heritage We Defend* by David North, laid the foundation for the training and education of the international cadre, and for overcoming the impact of the degeneration of the WRP in all the sections of the IC.

248. In the Australian section, the split revealed that the principled foundations of the SLL had remained intact. Throughout its history, the party had schooled its membership in the lessons of the ICFI’s struggles against Pabloism. The continued emphasis on the historical experiences of the Trotskyist movement was a critical antidote to the WRP’s opportunism, despite the impact of the WRP leadership’s attacks on the SLL and its political line. It was this that enabled the party to defeat the liquidationist tendency that emerged within its own ranks.

249. The victory of the internationalists in the IC and in the SLL established the basis for the resolution of longstanding political problems that had not only plagued the SLL, but had dominated the Australian labor movement from its earliest days. The new IC leadership, led by David North and the Workers League, established an unprecedented level of international collaboration, creating the conditions for the sections to overcome the powerful pressures generated by the national milieu within each country.

250. The IC statement of October 1986 on the political line of the SLL contained critical insights for the development of the work of the Australian section. Failing to develop a unified international analysis and perspective, based on a thoroughgoing review of the experiences of the working class, the WRP, from the early 1970s onwards, promoted instead the concept of the “undefeated nature of the working class.” This concept, as the IC statement explained, constituted a “repudiation of the most fundamental scientific conceptions and principles upon which Trotskyism is based.” “In the course of the 1970s,” it continued, “the WRP sought to make ‘the undefeated nature of the working class’—not the crisis of revolutionary leadership—the central axis of work of the International Committee. What was, in reality, an essentially conjunctural assessment of the workers’ movement, was made an abstract (i.e., devoid of historical content) universal principle from which the perspective of the ICFI in every country was to be derived. This is absolutely contrary to the method of Marxism. A correct definition of the ‘nature’ of the working class can only be derived from the historical analysis of its unique position in the capitalist mode of production,

93. *Ibid.*, p. 125–126.

which establishes that the modern proletariat is, as the bearer of new and higher social relations of production, the gravedigger of bourgeois society, i.e., that it is a revolutionary class. It is the recognition of this 'nature' of the proletariat that provides the Marxist party, regardless of the ebbs and flows of the class struggle, its central axis. This axis cannot be replaced with the evaluation of the immediate circumstances which confront the proletariat. Whether the proletariat is 'defeated' or 'undefeated' may affect the tactics of the revolutionary party: it cannot alter its fundamental principles and its central historical prognosis."

251. The statement explained that this concept had been at the centre of the opportunist twists and turns of Healy and the WRP leadership. "For Healy . . . the 'undefeated nature of the working class' became a substitute for all historical analysis and served as the point of departure for an opportunist redefinition of the tasks of the International Committee. Each and every experience of the working class was taken as a fresh verification of the 'undefeated nature of the working class.' The successful replacement of strikers by scabs, the installation of a military junta, the expulsion of the PLO from Lebanon, the Iran-Iraq war, the election of Thatcher, etc.: the essence of all these developments was the same 'undefeated nature of the working class.' The resolution of the crisis of revolutionary leadership was divested of its real Trotskyist content, and was reinterpreted to mean that the sections of the ICFI had to do nothing more than express the constantly changing forms in which the 'undefeated nature' was spontaneously manifesting itself. In other words, the line of the ICFI sections was to be based on purely conjunctural considerations worked out through the medium of 'dialectical' cognition. The test of the political line was utterly opportunist: the magnitude of the practical results it produced. What concerned Healy was not the correspondence of the political line to the historical interests of the working class, but rather the realization of immediate organizational gains. Thus, emphasis was placed not upon the winning of the vanguard of the working class to Trotskyism, but rather on acquiring, without the necessary preparatory work, a mass paper membership."

252. The statement continued: "Inasmuch as this method glorified empirical adaptation to conjunctural conditions, the work of sections was deprived of any stabilizing historical axis. In some sections, such as the Workers League and the Revolutionary Communist League, the existence of definite programmatic traditions derived from the long history of Trotskyism in

the United States and Sri Lanka, provided a counter-weight to the unrestrained tactical opportunism advocated by the WRP. The comrades of the SLL, through no fault of their own, had to work out their perspectives without the benefit of firmly established traditions, and it is this—under conditions of systematic sabotage by the WRP—that has made the development of a clear political line toward the vexed problem of Social Democracy so difficult."

253. The consequences of the opportunist conceptions advanced by the WRP gave rise to a tendency, within the Australian section, to belittle the struggle for socialist consciousness in the working class and to replace the ongoing assimilation and review of the strategic experiences of the party and the working class with an emphasis on activism. Under conditions where work on international perspectives had been abandoned by the WRP from the early 1970s onwards, this led to a tendency to separate the immediate tactics developed by the party from its overall strategy, i.e., the independent mobilisation of the working class on the perspective of world socialist revolution.

254. In many ways, in the absence of an ongoing collaboration with the international movement, the difficulties of the SLL in relation to the "vexed problem of Social Democracy" replicated those that had faced the Communist Party in its first years, and the early Trotskyist movement: a tendency, on the one hand, towards syndicalism—to adapt to the spontaneous militancy of the working class by simply raising more militant slogans and ignoring the necessity for a political struggle—and on the other, during periods of relative quiescence in the working class, towards parliamentarism—directing political demands to the parliamentary "lefts", rather than seeking to develop the political struggle of the working class around demands aimed at exposing the Laborites and their left-talking centrist apologists, and assisting the working class to break from them.

255. In January 1987, the SLL central committee advanced a new political line aimed at the political education of the working class through the exposure of the Labor 'lefts'. The SLL raised the demand, directed toward the most advanced sections of the working class, for the convening of an emergency Labor Party conference to carry out the sacking of the Hawke-Keating right wing from the Labor Party and to demand that the "lefts" form a workers' government to carry out socialist policies. The aim of this tactic was to provide a principled platform from which to fight for the mobilisation of the working class in a struggle against the attacks of the Labor government. It provided a bridge between the ongoing struggles of the working class and the es-

establishment of socialism and workers' power. Against any conception that the formation of a government by the Labor "lefts" represented some sort of necessary stage on the way to a workers' government and socialism, the tactic sought to provide a means to fight for the historic tasks of the working class within the given political situation.

256. As Trotsky had explained in the Transitional Program, the demand systematically addressed to the existing leaderships of the working class that they "break with the bourgeoisie" and "enter upon the road of struggle" for a workers' government was an "extremely important weapon" for exposing their treacherous character. And so it proved in this case. Advanced under conditions of mounting opposition in the working class to the pro-market policies of the Labor government, the SLL's policies won support and a new level of respect from important layers of workers and youth. The publication of the central committee statement, however, drew hysterical opposition from the "lefts" because it exposed their demagogic claims of "opposition" to the government as nothing but a cover for a refusal to fight the Hawke-Keating right wing.

### **The World Perspectives of the ICFI**

257. The publication of the ICFI's Perspectives Resolution in August 1988 marked a critical turning point in the development of the ICFI as a unified world party. Grounded on the assimilation of the political lessons of the split of 1985–86 and on an analysis of the objective significance of changes in the structure of the world capitalist economy—above all the globalisation of production—it became the foundation for the development of perspectives resolutions in all the sections of the ICFI.

258. The resolution emphasised that "the revolutionary internationalism that constitutes the foundation of the International Committee's perspective proceeds from a scientific appreciation of the international nature of the capitalist mode of production, the world dimensions of the capitalist crisis, and, above all, the nature of the proletariat itself as an international class." It explained that the unity of the international working class was being strengthened by profound objective processes. The days when production was carried out within the framework of a given nation-state had passed. Every production process now combined the labour of workers in many different countries and regions. This, and the global mobility of capital, meant that all

nationalist programs had become obsolete and reactionary. The old leaderships of the working class were repudiating "even the elementary conceptions that the proletariat exists as a distinct class in society and that it must defend its independent interests against capitalist exploitation"—giving rise to a universal phenomenon of "renunciationism". The national programs of the labour bureaucracies were now aimed at the systematic lowering of workers' living standards in order to strengthen the position of "their" capitalist country in the world market. The global character of production had sharpened the objective contradiction between the world economy and the nation-state system and had brought to the forefront sharp antagonisms between the imperialist powers.

259. "For these fundamental reasons," the resolution continued, "no struggle against the ruling class in any country can produce enduring advances for the working class, let alone prepare its final emancipation, unless it is based on an international strategy aimed at the worldwide mobilization of the proletariat against the capitalist system. This necessary unification of the working class can only be achieved through the construction of a genuine international proletariat, i.e., revolutionary, party. Only one such party, the product of decades of unrelenting political and ideological struggle, exists. It is the Fourth International, founded by Leon Trotsky in 1938, and led today by the International Committee."

260. In a section entitled "The International Committee and the Struggle for Marxism", the resolution summed up the lessons of the struggle waged in the aftermath of the 1985–86 split to overcome the legacy of the WRP's degeneration: "Revolutionary internationalism is the political antipode of opportunism. In one form or another, opportunism expresses a definite adaptation to the so-called realities of political life within a given national environment. Opportunism, forever in search of shortcuts, elevates one or other national tactic above the fundamental program of the world socialist revolution. Considering the program of 'world socialist revolution' too abstract, the opportunist hankers after supposedly more concrete tactical initiatives. Not only does the opportunist choose to 'forget' the international character of the working class. He also 'overlooks' the fact that the crisis in each country, having its essential origin in global contradictions, can only be resolved on the basis of an internationalist program. No national tactic, however significant its role in the political arsenal of the party (e.g., the Workers League's call for the formation of a Labor Party, or

the placing of demands on the Labor 'lefts' by the Socialist Labour League in Australia), can preserve its revolutionary content if it is elevated above or, what amounts to the same thing, detached from, the world strategy of the International Committee. Thus, the central historic contribution which the sections of the International Committee make to the workers' movement in the countries in which they operate is the collective and unified struggle for the perspective of world socialist revolution."<sup>94</sup>

261. In May 1989, at its first congress following the split, the SLL adopted a new perspectives resolution, *Build the Fourth International*. The most comprehensive document in the party's 17-year history, it was grounded on the discussion in the International Committee during the preceding three years. The primary significance of the resolution was that it identified the central task of the Socialist Labour League as the fight for internationalism: to win Australian workers to the program and perspective of the International Committee, the program of world socialist revolution. The document incorporated the IC's analysis of the intensification of the fundamental contradictions of capitalism and of the re-emergence of inter-imperialist antagonisms, and applied it to an historical assessment of the deepening crisis of Australian imperialism and its fundamental strategic dilemma—military and geo-political dependence on the US post-war alliance, on the one hand, and the new political obligations arising from the rapid development of its trade in Asia, on the other. The resolution made a thoroughgoing review of the experiences of the Australian working class with Laborism, Stalinism, trade unionism and their petty-bourgeois "left" defenders throughout the previous century, and emphasised the significance of the most recent experiences of workers under the Hawke-Keating Labor government. The SLL document advanced a political line, oriented to the working class, which provided a lever for mobilising it against the Laborites, on the basis of the fight for a workers' government and a revolutionary socialist program, and for educating the most advanced layers of workers and young people in the treacherous role of the trade union and Labor "lefts".

### **The dissolution of the Soviet Union and its implications**

262. The adoption of the 1988 Perspectives Resolution *The World Capitalist Crisis and the Tasks of the Fourth International*

by the ICFI and all its sections, ushered in a new era in the history of the Fourth International, characterised by an unprecedented level of international integration. This was grounded on the understanding that the building of the World Party of Socialist Revolution was itself a necessary expression of objective tendencies of contemporary socio-economic development. The global integration of production had profoundly revolutionary implications, exacerbating the conflict between the capitalist nation-state system and the international character of the productive forces. The split in the IC between proletarian internationalism and national opportunism was the highest expression, within the conscious revolutionary vanguard, of the irreconcilable conflict between the unprecedented internationalisation of the working class, and the nationalist policies and practice of the Stalinist and social democratic parties and trade unions. Increasingly, the class struggle would, of necessity, assume a directly international form. The IC would grow and develop to the extent that it was able to give conscious expression to these objective tendencies of development.

263. This analysis, developed as a response to, and in the aftermath of, the 1985–86 split, prepared the IC for the crisis and collapse of the Stalinist regimes in Eastern Europe in 1989 and 1990, which culminated in the dissolution of the USSR in December 1991. While the radical and revisionist organisations responded with shock and demoralisation, either refusing to accept that any change had occurred, or concluding that all was lost and socialism had collapsed, the IC assessed the juridical liquidation of the USSR as the final destruction of the workers' state—albeit highly degenerated—established 74 years earlier by the 1917 October Revolution. The new Confederation of Independent States was "openly and unequivocally devoted to the destruction of the remnants of the national economy and planning system that issued from the October Revolution." The primary task facing the IC was to draw the necessary historical lessons for the international working class.

264. The IC made clear that the events of 1989–1991, prepared for decades by the counter-revolutionary nationalist policies of the Stalinist bureaucracy, were, in the final analysis, the outcome and expression of the breakdown of the post-war equilibrium of world capitalism. While the bourgeoisie and its apologists the world over revelled in an orgy of triumphalism at the "end of socialism", the IC alone was able to assess its objective historical significance. Based for more than 65 years on the Stalinist, national autarchic program of "socialism in one country", the Soviet Union's collapse represented, at the highest level, the

94. *The World Capitalist Crisis and the Tasks of the Fourth International*, op. cit., pp. 70-71.

bankruptcy and collapse of all national programs under the pressures generated by globalised production.

265. In the wake of the catastrophic defeat suffered by the Soviet working class, David North emphasised, in a seminal report to the ICFI's 12<sup>th</sup> Plenum in 1992, the decisive role of conscious political leadership in developing, within the working class, the scientific socialist consciousness necessary for the victory of socialism. Against the conception that socialist revolution arose as a spontaneous response to the breakdown of capitalism, the report traced the intellectual foundations of the Russian Revolution—the development of an extraordinary socialist culture within the intelligentsia and the most advanced layers of the working class over a period of seventy years. The political consciousness of the Soviet and international working class had been severely damaged through its domination, for several decades, by the old Stalinist, social democratic and trade union leaderships, and, above all, by the physical extermination of an entire generation of the most cultured and politically conscious leaders, workers, intellectuals, artists and scientists in the purges of 1936–38, at the hands of the Soviet Stalinist bureaucracy. The combined impact of this assault resulted in a deep-going crisis, not only of leadership, but of perspective, in which workers saw no viable historical alternative to capitalism. This was why the working class had been unable to defend the remaining gains of the October Revolution against the liquidationist program of the Stalinist bureaucracy.

266. The IC had a responsibility to answer the Stalinist falsifiers of history, and revive a broad-based socialist culture within the international working class, encompassing a critical and historical attitude to every aspect of social, economic and cultural life: “The intensification of the class struggle provides the general foundation of the revolutionary movement. But it does not by itself directly and automatically create the political, intellectual and, one might add, cultural environment that its development requires, and which prepares the historic setting for a truly revolutionary situation. Only when we grasp this distinction between the general objective basis of the revolutionary movement and the complex political, social and cultural process through which it becomes a dominant historical force is it possible to understand the significance of our historical struggle against Stalinism and to see the tasks that are posed to us today.”<sup>[95]</sup>

95. David North, “The Struggle for Marxism and the Tasks of the Fourth International”, Report to the 12<sup>th</sup> Plenum of the ICFI, March 11, 1992, *Fourth International*, vol. 19, no.1, p. 74.

267. The IC's analysis of the essential causes and historical significance of the collapse of the Soviet Union illuminated broader international processes. The role of the Stalinist bureaucracy in restoring capitalism underscored the transformation of the old bureaucratic and nationalist organisations of the working class into nothing but appendages of the bourgeoisie and the policemen of its agenda. “It may have appeared that for much of the post-war period that these bureaucracies played a legitimate and, to some extent, even progressive role in the working class movement. Certainly, Pabloism attempted to make that point. The trade unions grew more powerful, the organizations and political parties that claimed to represent the working class—whether Stalinist or social democratic—became established parts of the political superstructure. Living standards rose, reforms were granted. But when considered from the standpoint of the independent political activity of the working class and its revolutionary consciousness, it was a period of stagnation, degeneration and decay. Neither the extent nor historical implications of this decay were entirely clear during the years of economic expansion, when great struggles were not required to raise living standards. But the development of the world crisis has brought the crisis to the surface. All over the world the reactionary character of the bureaucratized organizations, not to mention their utter impotence, has been exposed.”<sup>[96]</sup>

268. In Australia, under the Hawke-Keating government, the Labor Party and the trade unions had not only abandoned any last pretence of advocating “socialism” but made it clear that their role was to boost the profits of capital. In 1992, the Keating government's *One Nation* program, endorsed by the trade union movement, declared: “The government and the union movement are committed to ensuring that investors undertaking major capital expansion in Australia receive the greatest cooperation to achieve standards of production which will be competitive with the best in the world.”<sup>[97]</sup> In other words, they would together police ever greater rates of exploitation of the working class while savaging publicly-funded services, welfare provisions and social infrastructure. For this purpose, enterprise bargaining was introduced to split workers into individual enterprises, tying their wages and conditions directly to the requirements of “their” employers, outlaw all strikes outside enterprise bargaining peri-

96. *Ibid.*, p. 70.

97. *Industrial relations and the trade unions under Labor: from Whitlam to Rudd*, op. cit., p. 17

ods and ban all forms of unified or solidarity industrial action. Compulsory superannuation was also imposed, giving unions a direct material stake in driving up corporate profits through their partnership in massive joint employer-union superannuation funds. The quantitative changes in the relationship of the Labor Party and the unions to the working class on the one hand, and to the bourgeoisie on the other, had resulted in a qualitative transformation.

269. In its 1992 perspectives resolution, the SLL drew a balance sheet of the response of the petty-bourgeois “left” tendencies to the demise of the Soviet Union and the dissolution of the Communist Party of Australia in 1991. “The milieu of middle class radicals, pacifist priests, liberal democrats and Greens, which constitutes a kind of apparatus-in-waiting, has undergone a major regroupment over the past two years. Throughout the post-war period, the radicals functioned as satellites orbiting around the CPA and the Labor ‘lefts’. As long as the working class was dominated by and subordinated to the vast apparatuses of Stalinism and Laborism, they were happy to define themselves as ‘socialists’ and even as ‘Marxists’ or ‘revolutionaries’. They formed part and parcel of the petty-bourgeois buffer, created by the ruling class in the aftermath of the war, to suffocate the working class.” Now, they had “shamelessly shed their ‘socialist’ pretensions and become the most outspoken opponents of Marxism.” With the old mechanisms for containing the class struggle crumbling, these organisations were being called upon “to block any independent mobilisation of the working class around a socialist perspective and, above all, to prevent the development of socialist consciousness in the working class.”<sup>[98]</sup>

270. In light of the transformation of the old workers’ organisations, the document began a review of the SLL’s political line and its demand that the Labor “lefts” take up the fight for a workers’ government: “Now the division between the Labor right wing and the ‘lefts’ has lost all political meaning. They are indistinguishable in everything but the name of their respective factions.” The resolution cited the passage in the Transitional Program on which the previous tactic had been based: “Of all parties and organisations which base themselves on the workers and peasants and speak in their name we demand that they break politically from the bourgeoisie and enter upon the road of struggle for the workers’ and farmers’ government.” It then

noted: “No longer can either the trade union apparatus or the Labor Party be considered, in any real sense, as ‘parties and organisations which base themselves on the workers . . . and speak in their name’.”<sup>[99]</sup>

271. In 1993, this re-assessment, which was underway in all the sections of the ICFI, formed the basis of a change in the SLL’s political line. In the March 1993 federal election, the SLL broke with past practice and refused to advocate a critical vote for the Labor Party. In a report to the SLL central committee, Nick Beams explained: “Our attitude to the Labor Party was determined by the analysis of the objective transformation in this party and the trade unions. They are no longer workers’ organisations. This is not a question of finding some terms of abuse but is based on a scientific appraisal of all national-based organisations in the era of internationalised production under capitalism. Such organisations can do nothing but continuously attack the living conditions of the working class. This is a completely objective question. To the extent that it was possible for the productive forces to be developed within the framework of the nation-state and to the extent that the bourgeoisie was able, for a period and under peculiar conditions, to develop a series of mechanisms which regulated the fundamental contradictions of world capitalism, it was possible for organisations of the labour movement based on a nationalist perspective to in some way defend the immediate interests of the working class, while at the same time acting against its long-term historical interests. Those conditions have now ended.”

272. The transformation of all national-based organisations under the impact of globalisation required a re-assessment of the national question. The IC insisted that in the interests of the international unity of the working class it was necessary to take a critical and even hostile attitude towards separatist movements and that the repetition of the slogan “The Right of Nations to Self-Determination” was not a substitute for political and historical analysis. In the wake of the collapse of the Soviet Union, national movements such as the LTTE (Liberation Tigers of Tamil Eelam) in Sri Lanka and the PLO (Palestine Liberation Organization) in the Middle East had dropped their anti-imperialist pretensions as they sought an accommodation with the major powers on the basis of offering “their own” working class as a source of competitive, cheap labour. At the same time, new separatist tendencies were emerging in Eastern Europe, the Balkans

98. *A Socialist Strategy for the Working Class*, Socialist Labour League, Marrickville, Australia, 1992, pp. 45–46.

99. *Ibid.*, pp. 52–53.

and the former Soviet Republics as well as in Asia, Latin America and Africa that openly sought great power sponsorship. Explaining the fundamental shift that had taken place from earlier anti-colonial struggles, the IC declared: “In India and China, the national movements posed the progressive task of unifying disparate peoples in a common struggle against imperialism—a task which proved unrealizable under the leadership of the national bourgeoisie. This new form of nationalism promotes separatism along ethnic, linguistic and religious lines, with the aim of dividing up existing states for the benefit of local exploiters. Such movements have nothing in common with a struggle against imperialism, nor do they in any sense embody the democratic aspirations of the masses of the oppressed. They serve to divide the working class and divert the class struggle into ethno-communal warfare.”<sup>[100]</sup>

273. The reassessment of the national question assisted in the clarification of fundamental class issues involved in the struggle of the Aboriginal people in Australia against their historical and ongoing oppression. From the mid-1960s onwards, “land rights” had become a central demand of the Stalinists and the petty-bourgeois “left” to turn the struggle of Aboriginal people away from the working class, and subordinate them to the bourgeoisie. The granting of certain “land rights” became the vehicle for major resource companies to do deals with relatively privileged sections of the Aboriginal community at the expense of the vast majority who continued to suffer appalling disadvantage. The Mabo decision of 1992, in which the High Court recognised “native title,” was seized on as a means of promoting the illusion that the crimes committed against the Aboriginal people could be overcome within the framework of the capitalist state. An article on the “History Wars” by Nick Beams later explained: “For the liberals, the Mabo decision of 1992, which recognised native title, signified the wiping out of the concept of *terra nullius*, at least insofar as property was concerned. They regard it as the basis for advancing the interests of the indigenous population. Historical justice, they argue, requires the recognition of prior ownership, in the form of native title, which will eventually lead to some kind of restitution for past crimes. To claim that when the High Court bestowed native title it somehow enhanced the cause of the Aboriginal people is to obscure the nature of the struggle they

confront. The Aboriginal people will never advance through the creation of another capitalist property form, based on the very legal principles and doctrine that provided the framework for their dispossession in the first place. Rather, they can only go forward to the extent that capitalist property in the land and means of production is abolished. This is not simply a matter of logic, but of historical experience. If capital came into the world ‘dripping from head to toe, from every pore, with blood and dirt’, five hundred years of capitalist development—including two centuries of Australian settlement—are sufficient to demonstrate that it is organically incapable of securing justice for the indigenous peoples upon whose death and dispossession it rests. The deep-seated problems confronting the Aboriginal population cannot be resolved by the creation of new capitalist property forms. On the contrary, to even start to address them requires deep inroads into capitalist property. In other words, ending the oppression of the Aboriginal people is a task that falls to the socialist revolution. Included within its ambit are all the historical problems bequeathed by capitalism.”<sup>[101]</sup>

### **The formation of the Socialist Equality Party**

274. In June 1996, the SLL held its 17<sup>th</sup> National Congress to begin the process of transforming itself into the Socialist Equality Party. A similar initiative was being undertaken in all the sections of the ICFI. This was not simply a change of name. It was based on the recognition of the new responsibilities posed to the party by the far-reaching changes in the fundamental historical context in which the party conducted its work. New forms of work were necessitated by the political realignment underway in the international working class.

275. The new perspective was elaborated by David North: “It is the development of the contradictions of world capitalism and the class struggle as an objective historical process that determines the organisational forms within which our activity develops. These forms, and the relation to the working class that they express, bear a specific relation to the historic conditions under which they arose and initially developed. The formation of leagues, from the Socialist Labour League in Britain in 1959, the Workers League in 1966,

100. *Globalization and the International Working Class: A Marxist Assessment*, Statement of the International Committee of the Fourth International (Mehring Books, Oak Park, MI, 1998), p. 109

101. Nick Beams, ‘What is at stake in Australia’s “History Wars”?’ Part 10, *World Socialist Web Site*, July 23, 2004, <http://www.wsws.org/articles/2004/jul2004/hw10-j23.shtml> viewed February 17, 2010.

the Revolutionary Communist League in 1968, to the formation of the Bund Sozialistischer Arbeiter in 1971 and the Socialist Labour League in Australia in 1972, was bound up with definite historical conditions and strategic conceptions of the development of the revolutionary movement of the working class. The central strategic problem that confronted the Trotskyist movement in this early period in the development of the ICFI was the active and militant allegiance given by the most advanced sections of the working class to the mass Stalinist and social democratic parties and trade unions. The political activity of our sections therefore assumed, despite variations in tactics, that the starting point of a great new revolutionary reorientation of the working class would proceed in the form of a radicalisation among the most class-conscious and politically-active elements within the ranks of these organisations. Out of that movement, in which sections of the International Committee would play a catalytic role as the most intransigent opponents of social democracy and Stalinism, would arise the real possibilities for the establishment of a mass revolutionary party.”<sup>[102]</sup>

276. The transformation of the old organisations of the working class meant that the SLL now had to shoulder the responsibility for establishing that party and fighting to build it in the working class. In its congress resolution, the SLL noted: “The very name ‘Socialist Equality’ makes clear the connection between socialism and the most basic strivings of the working class for a just society, based on social equality and the right of all people to a decent and productive life.”<sup>[103]</sup>

### **The World Socialist Web Site**

277. In 1998, the ICFI established the World Socialist Web Site, an initiative that marked another key turning point in the history of the Trotskyist movement and the working class. The development of a politically-unified world party in the aftermath of the 1985–86 split with the Workers Revolutionary Party created the conditions for the development of an integrated daily practice for the world movement as a whole, at the highest political and theoretical level. For the first time, the IC was able to develop its own specific world presence. It embraced the development of the new technologies embodied in the Internet as the means to effect the transformation in

its daily practice anticipated and necessitated by the transformation of leagues to parties. Within the space of a few months, the WSWS had established itself as an international political and intellectual force, and the authoritative voice of international socialism for a growing world audience.

278. Well in advance of any other organisation within the labour movement, and in the face of accusations by the petty-bourgeois tendencies that it had “abandoned the working class” and “liquidated into cyber space” the IC’s prescience in its assessment of the potential of the WSWS was grounded on definite political conceptions. These were elaborated by David North in a report to the 18<sup>th</sup> Plenum of the ICFI in July 1998: “(1) The insistence of the ICFI on the primacy of internationalism as the basis of the political strategy and tactical organization of the working class. (2) The uncompromising character of the struggle waged by the ICFI against the domination of the working class by the reactionary labor bureaucracies. (3) The emphasis placed upon the revival of a genuine socialist political culture within the working class as an essential intellectual and, one might add, ‘spiritual’ premise of a new international revolutionary movement. This is the essential intellectual substance and precondition of socialist revolution. (4) The struggle against spontaneism and political fatalism in relation to the development of the crisis of capitalism, the class struggle, and the socialist revolution.”

279. In launching the WSWS the editorial board declared: “The World Socialist Web Site, published by the coordinated efforts of ICFI members in Asia, Australia, Europe and North America, takes as its starting point the international character of the class struggle. It assesses political developments in every country from the standpoint of the world crisis of capitalism and the political tasks confronting the international working class. Flowing from this perspective, it resolutely opposes all forms of chauvinism and national parochialism. We are confident that the WSWS will become an unprecedented tool for the political education and unification of the working class on an international scale. It will help working people of different countries coordinate their struggles against capital, just as the transnational corporations organize their war against labour across national boundaries. It will facilitate discussions between workers of all nations, allowing them to compare their experiences and elaborate a common strategy. The ICFI expects the world audience for the World Socialist Web Site to grow as the Internet expands. As a rapid and global form of communication, the Internet has extraordinary

102. *The Historical & International Foundations of the Socialist Equality Party*, op. cit., pp. 150–151.

103. *From the Socialist Labour League to the Socialist Equality Party*, Labour Press Books, Bankstown, Australia, 1996, p. 2.

democratic and revolutionary implications. It can enable a mass audience to gain access to the intellectual resources of the world, from libraries and archives to museums. In the fifteenth century Gutenberg's invention of the printing press played a critical role in breaking the control of the Church over intellectual life, undermining feudal institutions, and fostering the great cultural revival that began with the Renaissance and ultimately found expression in the Enlightenment and the French Revolution. So today the Internet can facilitate a renewal of revolutionary thought. The International Committee of the Fourth International intends to use this technology as a tool for the liberation of the oppressed and working people all over the world."<sup>[104]</sup>

### **Imperialist war and neo-colonialism**

280. The eruption of imperialist war and reaction in the wake of the collapse of the Soviet Union underscored the analysis of Lenin that capitalism had "grown into a world system of colonial oppression and of the financial strangulation of the overwhelming majority of the population of the world by a handful of 'advanced' countries." With the launching of the Gulf War against Iraq in 1990—the first of a series of military interventions by US imperialism to seize control of lucrative natural resources and counter its economic decline—the Hawke Labor government was the first in the world to sign up, indicating Labor's readiness to march lockstep with Washington in order to maintain the US alliance. In 1999, the war against Serbia over Kosovo marked an escalation of imperialist military intervention. In a statement published in June 1999, "After the slaughter: political lessons of the Balkan War", North wrote: "The United States was anxious to exploit the power vacuum created by the Soviet collapse to rapidly project its power eastward and assert control over the vast untapped reserves of oil and natural gas in the newly-independent Central Asian republics of the old USSR. Within this new geopolitical environment, the Balkans assumed exceptional strategic importance as a vital logistical staging ground for the projection of imperialist power, particularly that of the United States, toward Central Asia. Herein lay the ultimate source of the conflict between the United States and the regime of Milosevic." The justification for the war was articulated by British Labour Prime Minister Tony Blair who, in his new doctrine of "ethical imperialism", insisted that in the post Cold War world of

globalisation it was necessary to jettison the doctrine of national sovereignty and establish a new framework guided by a "subtle blend of mutual self interests and moral purpose in defending the values we cherish."<sup>[105]</sup>

281. At its conference against Imperialist War and Colonialism held in Berlin in November 1991, the ICFI had anticipated the turn to neo-colonialism. The Gulf War signified the start of a "new division of the world by the imperialists" in which the "colonies of yesterday are again to be subjugated." Underlying the broad participation in the US-led attack was "the unstated understanding that the war against Iraq would legitimize a revival of colonial policy by all the imperialist powers." While a minor imperialist power, Australia was part of this process and in 1999, following the collapse of the Suharto regime in Indonesia, organised a military intervention into East Timor in order to maintain its control over the region's oil and gas resources and to prevent the intervention of other powers, notably China and Portugal.

282. The most politically significant feature of the East Timor intervention was the role played by the middle class "left" tendencies in agitating for Australian troop intervention on the grounds that this was necessary to protect the East Timorese people from the attacks of Indonesian militias. The crucial significance of this agitation for Australian imperialism was acknowledged by the *Australian Financial Review* in an editorial: "[A]s a result of Vietnam it became politically impossible for governments to propose military action abroad . . . and Australia's diplomatic engagement with the region reinforced the domestic taboo on discussion of military intervention in the region. . . . The calls for action in Timor are ironic because many of those who fostered the political climate in which the army was run down were the loudest in demanding Australia intervene there. This call to arms has, for the first time in decades, given broad legitimacy to the proposition that Australia should be able to intervene militarily outside its territory. This raises the possibility of building a domestic consensus, not just in favour of increased defence spending, but of changing the structure of the defence force."<sup>[106]</sup> Not for the first or last time, the middle class "left" groups functioned as a vital political prop

104. *The Historical & International Foundations of the Socialist Equality Party*, op. cit., pp. 154–155.

105. David North, 'After the Slaughter: Political Lessons of the Balkan War', *World Socialist Web Site*, June 14, 1999, <http://www.wsws.org/articles/2009/mar2009/balk-m30.shtml> viewed February 17, 2010.

106. 'Spending More Makes Sense', *Australian Financial Review*, September 15, 1999.

for Australian imperialism.

283. The necessity of the perspective advanced by the SEP for the unification of the working class and oppressed masses through the archipelago has been fully confirmed in the decade since the East Timor intervention began. Far from securing independence, East Timor is a virtual semi-colony of Australia, subject to regime change at any time, at the behest of Canberra.

284. The East Timor intervention, supported by the entire political establishment, marked the reassertion of Australian imperialist interests and the bolstering of its military might. According to former defence chief Major-General Peter Cosgrove, who led the operation: “In more recent military history, we had been a nation of followers. East Timor created the need for us to lead—we had not only to give the orders but provide the bulk of the force, the energy and the logistics.” Its appetite whetted in East Timor, Australian imperialism is extending its ambitions. Declaring Australia to be in a position of “immense strength” former foreign minister Alexander Downer insisted it “should be doing things in the world” and that the Timor operation showed “Australia is a player in the region worthy of respect.” In reality, Australian ambitions in the Pacific depend on Washington’s backing. In exchange for being accorded the status of US “deputy sheriff” in the region, Canberra provides unconditional support for US military adventures around the globe. After the East Timor intervention came the deployment of Australian troops to the US interventions in Afghanistan and Iraq, followed by the Australian government’s virtual takeover of the Solomon Islands in 2003.

285. The end of the Cold War has brought not peace but a new era of wars and militarism as each of the imperialist powers fights to advance its own interests against those of its rivals. Under the banner of the “war on terror” US imperialism is seeking to combat its loss of global economic dominance by seizing control of the resources of Central Asia, especially oil and gas. That is the agenda behind the invasion of Afghanistan, the war against Iraq, the threats against Iran, military activity in Pakistan and the moves to intervene in Yemen. So far a clash between the major powers has been averted but, as the history of the 20<sup>th</sup> century demonstrates, such a collision will, at a certain point, become inevitable, creating the danger of a third world war. The only means of ending war and the threat it poses to human civilisation is to overthrow the capitalist system that gives rise to it. Thus the struggle against war can go forward only to the extent that it is directed towards the independent mobilisation of the working class on the basis of a revo-

lutionary perspective. That is the primary lesson of the immense protest movement that erupted against the US invasion of Iraq in 2003. Millions of people the world over voiced their opposition to the war in a series of globally coordinated demonstrations—the largest such mobilisation in history. The anti-war sentiment that motivated these millions remains. But the 2003 movement failed because it remained dominated by a fatal political illusion—that war could be prevented if only enough pressure were brought to bear on the official political apparatus—above all, the United Nations. The lesson that must be drawn is that only on the basis of an international socialist perspective aimed at overthrowing the existing political order—not pressuring it—can the struggle against war go forward.

### **The crisis of Australian capitalism and the tasks of the Socialist Equality Party**

286. The eruption of the global financial crisis in 2007–2008 underscores the analysis made by the ICFI that the globalisation of production and finance over the past three decades has intensified all the historical contradictions of the capitalist system, creating the objective conditions for a new era of social revolution. Likewise, these processes have shattered the material foundations of Australian exceptionalism, ensuring that the Australian working class will be drawn into the whirlwind of the global economic, social and political upheavals now being unleashed. The absence, as yet, of major social struggles does not signify that the laws of the class struggle have somehow been suspended or overcome. On the contrary, it points to the fact that mounting social and economic tensions can find no outlet within the existing, ossified, political system. The longer the present apparent stability continues, the more explosive will be the inevitable political eruption. This will not take place through the existing political structures and organisations, but will assume the form of a rebellion against them, posing the necessity for a new political perspective, aimed at the complete re-organisation of society, and the construction of new organisations to carry it through. All the work of the SEP is directed toward preparing for this new historical period.

287. The coming upheavals will be fuelled by a series of mounting economic and social contradictions that lie at the very centre of Australian capitalism, with consequences for all economic and class relations.

288. Notwithstanding claims that Australian banking regulations protected the national financial system from the worst effects of the global crisis—the latest attempt to revive the fiction of Australian exceptionalism—in October 2008 the entire banking system stood on the brink of insolvency, as the international funds, upon which it depended, dried up. Those funds only began to flow again, enabling the “Big Four” banks to roll over the international debts that sustained their operations, when the government gave a blanket guarantee for all loans raised in international markets. As a result, by July 2009, Australian banks accounted for 10 percent of the world’s total government guaranteed banking debt, a proportion way in excess of their share in global banking. Far from national regulation having provided protection, the global financial crisis impacted on Australia in the same way as had earlier crises during the 1890s and the 1930s—in the form of a collapse in foreign lending.

289. The dependence of Australia’s major banks on international financial markets has increased at an exponential rate over the past two decades, under the pressure of global financialisation. From a level of \$30 billion in 1990, wholesale borrowing by the banks climbed to \$100 billion in 2000 and then to \$357 billion in 2007, equivalent to around 30 percent of Australian gross domestic product. But as the financial crisis so clearly revealed, a rapid flow of capital in the opposite direction could see the Australian financial system pushed into bankruptcy virtually overnight.

290. The ever-closer integration of Australian banks with, and their dependence on, the global financial system is only one aspect of the financialisation process that has transformed the structure of the Australian economy over the past three decades. Whole areas of manufacturing have been destroyed, on a scale matching what has transpired in the United States. Between 1975 and 2008, manufacturing’s share of GDP fell from 20.2 percent to 9.1 percent, while the combined categories of finance and insurance, and property and business services rose from 15.3 percent to 23.2 percent. In 1984, manufacturing employment was still the highest of any sector, but over the past 25 years it has fallen from 17.5 percent of the labour force to 10 percent.

291. During the same period, finance has grown dramatically. Between 1990 and 2007, funds under management expanded, at an annualised rate of 12.5 percent, to around \$1.7 trillion. Up to the end of the 1970s, the holdings of financial assets were equivalent to about 100 percent of GDP. By the beginning of the

1990s, this proportion had almost doubled, increasing again to almost 350 percent by 2005.

292. This edifice of financial wealth has become ever-more parasitic, functioning as a kind of economic cancer. Accumulation of financial profits depends less and less on the funding of industry and productive activities, and, increasingly, on the rise in asset values—commercial property and, above all, housing. With the inflow of funds into the housing market, median house prices have risen 169 percent from 1995 to 2007, leading to a corresponding increase in the interest income of the banks and other financial operators. But the rise in asset values has been dependent, in turn, on a continuous inflow of funds from the global financial system into the Australian economy. If that inflow ceases, the entire financial system will be threatened with implosion. One of the most significant potential triggers is the dependence of the Australian economic and financial system on China. Since the Asian economic crisis of 1997–98, income generated by the export of minerals to China—iron ore and coal in particular—has been a vital source of government revenue via the taxation system, underpinning the financial system as international finance has shifted into Australian assets on the strength of its trading relationship with China. But a slump in the Chinese economy, or even a significant slowdown of growth, will see the consequent global crisis reverberate throughout the Australian economy with explosive force. In other words, the very relationships that provided a degree of insulation from the initial impact of the 2007–2008 financial crash, will become the transmission mechanisms for an economic breakdown.

293. The rise of financialisation has laid the basis for a devastating social crisis, as ever larger sections of the population plunge deeper into debt. Household credit has risen from 20 percent of GDP in the 1970s to 30 percent in 1990 to around 100 percent today. Between 1996 and 2007, credit card debt rose by 460 percent and household debt overall by 340 percent—the result of attempts by working class families to overcome the impact of real wage stagnation over the past three decades.

294. Economic “restructuring”, of which the growth of indebtedness is a product, has destroyed for all time the myth of Australia as an egalitarian society. It is now one of the most economically unequal and socially polarised of all the so-called advanced capitalist nations. While egalitarianism was always a fiction, there was, nevertheless, a certain decline in income inequality from 1915 to 1969, which continued, more gradually,

until 1981. Thereafter, the gulf between the wealthiest sections of society and the rest of the population increased. By the end of the 1990s, the top 20 percent were earning nearly 50 percent of the total income—i.e., nearly the same amount as the bottom 80 percent. In the period 1986–96, the wealth of the top 200 families climbed from \$7.3 billion to \$37.3 billion. In 1992, the pay of an executive in a top 50 company was 27 times that of the average worker. By 2002 it had risen to 98 times. Today, according to the Reserve Bank, the richest 20 percent of the population owns nearly 67 percent of all wealth, while the poorest 20 percent owns just 0.2 percent. Another study has found that the top 10 percent owns about 45 percent of total wealth, while the top 50 percent owns more than 90 percent, leaving the other half of the population with less than 10 percent. Income distribution has become ever more skewed. The income of the top 1 percent rose from under 5 percent of the total in 1980 to 9 percent in 2002, while the income of the top 0.5 percent jumped from 2.95 percent to around 6 percent over the same period. In the three decades from 1970, the proportion of families living in poverty more than doubled. In 1970, less than 3 percent of households were dependent on social security benefits. By 1997–98, the rate had risen to 20 percent, and, by the end of the decade, 17.4 percent of all dependent children were being brought up in poverty.

295. The past three decades have brought a transformation in employment conditions for millions of workers. Nearly one-third of the workforce is now classified as part-time, up from 11.4 percent in 1974 and 24.1 percent in 1996. After years of “restructuring” to produce “flexible” working conditions, Australia has one of the highest part-time working rates of any major capitalist country. Among young workers, the rate is much higher: more than 60 percent of those aged between 15 and 19 work part-time. A two-tier workforce is being created, with many new and young workers being forced into marginalised, part-time jobs, two-thirds of which are casual, with poor pay and inferior conditions.

296. Herein lies the historical significance of the coming to power of the Rudd Labor government in November 2007. Labor was brought to office with the backing of key sections of business on the promise of implementing the next “wave” of economic restructuring after that carried through by Hawke and Keating. Like the Fraser government before it, by 2007 the Howard government was unravelling; it had proven incapable of delivering the agenda required by big business after its initial brutal budget cuts and introduction of the regressive Goods and Services Tax (GST)

in the late 1990s. Since federation, in every period of economic and political turmoil, the Australian bourgeoisie has relied on Labor as the quintessential party of the national state *as a whole*—as opposed to the uneasy, sectionally-riven conservative coalition parties—to defend its class interests. In the midst of the greatest economic crisis since the Great Depression of the 1930s, Labor is once again charged with defending Australian capitalism by propping up the banks, financial institutions and corporations at the direct expense of the working class. This requires nothing less than the violent “restructuring” of economic and class relations. The Rudd Labor government is neither a “progressive” alternative to the Liberals nor a “lesser evil”, but the direct instrument of the ruling elite for the implementation of this agenda. Far-reaching changes already made to the state apparatus and legal system provide an indication of how this will be done.

297. Notwithstanding widespread and intense opposition to the Howard government’s WorkChoices provisions, Labor has already strengthened legislation against industrial action under its Fair Work Australia laws. Such is the scope of the new laws that virtually any industrial action taken by workers in defence of their interests is either illegal, subject to action by the state or to massive damages actions by employers in civil suits.

298. Likewise, Labor is expanding the police-intelligence-military apparatus, building on the raft of anti-democratic measures introduced by the Howard government after 2001 under the banner of the “war on terror”. As in the US, where the intelligence apparatus has designated the economic crisis, rather than terrorism, the greatest threat to “national security”, the Australian Federal Police (AFP) has emphasised the growing risk in “developed” countries of “demonstrations, strikes and riots” and indicated that economic instability and discontent are likely to pose the biggest threat to “national security”. Far-reaching powers, based on the post-2001 anti-terrorism laws are being extended throughout the legal system, overturning basic legal and democratic rights on the pretext of combating “serious criminal activity” and protecting “public safety and order.” Sweeping legislation has already been enacted, defining “terrorism” so broadly that it can be used against political dissent, providing for detention without trial, creating executive powers to proscribe designated groups and allowing for semi-secret trials. Legislative changes introduced in 2005, under the pretext of a fabricated “terror alert” and supported by all the parliamentary parties, allow prosecutions for “terrorism” offences without any

evidence of a concrete terrorist plan. The definition of sedition has been widened to cover advocating resistance to Australian military interventions. New laws allow the federal government, the governor-general or the Australian Defence Force chief to call out the military domestically, on such vague grounds as “domestic violence” and protecting “Commonwealth interests.” Once called out, military authorities have wide powers, including the use of lethal force, interrogation, the raiding of premises and the seizure of documents.

299. This assault on democratic rights is being accompanied by a level of militarisation not seen since World War II. Troops have been deployed in neo-colonial interventions against civilian populations in Iraq and Afghanistan, East Timor and the Solomon Islands; naval warships intercept or turn away refugee boats in Australian and international waters; the SAS participates in domestic anti-terrorism exercises, while the military is routinely involved in major domestic public events, as well as the government’s Northern Territory “intervention” against impoverished Aboriginal communities. The Labor government has boosted funding for police and security agencies way above the levels set under Howard. The 2009–2010 Budget increased net resourcing for the AFP by 50 percent and for the Australian Security Intelligence Agency (ASIO) by almost 60 percent. These enhanced state powers are currently being deployed against society’s most vulnerable—the indigenous population, refugees and the inhabitants of Australia’s “protectorates”, but they are being readied to ruthlessly suppress the outbreak of political, economic and social struggles by the working class.

300. The fundamental unanimity of the entire official establishment, including the Greens, on these measures, signifies that there is no longer any significant constituency within the Australian bourgeoisie for the defence and maintenance of fundamental democratic rights.

301. Australian imperialism has responded to the rapid re-emergence of inter-imperialist rivalries by stepping up its own political and military activities, both in support of its post-war alliance partner, US imperialism, and unilaterally throughout the Asia-Pacific. The Labor government’s 2009 Defence White Paper announced the largest expansion of the military since World War II, driven by the need to resource Canberra’s increasingly aggressive interventions in its geo-strategic “sphere of influence”. Rudd’s decision to withdraw Australian ground forces from Iraq (naval forces remain in the region) was based, not on opposition

to the criminal US-led war, but in order to recalibrate Australian policy in line with a tactical shift by the Obama administration. With Washington’s military operations refocused on Afghanistan and Pakistan, in order to shore up its control over Central Asia, Rudd has likewise stepped up Australian troop deployments to Afghanistan, in return for continued American backing for Canberra’s South Pacific operations.

302. The Australian military has occupied East Timor for the past decade, and the Solomon Islands since 2003, and the Australian government has orchestrated regime change in both countries. Meanwhile military, police and other government officials retain a strong presence in what Canberra regards as its own “special patch” and, increasingly, an “arc of instability”. The purpose is not humanitarian, but to defend Australian imperialism’s lucrative financial and geo-political interests in a region that is fast becoming an arena for rivalry between the US and China. With the rapid growth of the Chinese economy, which has more than doubled since the beginning of the 21<sup>st</sup> century, its dependence on the inflow of raw materials from around the world has become a matter of vital national interest. Security of Chinese shipping lanes raises before the Chinese regime the need for a blue water navy, along with bases and spheres of influence throughout the Asia-Pacific region. Once again a rising Asian power is challenging United States imperialism for control of the Pacific. For Australian imperialism, this poses an immense strategic dilemma. Long-term historical and strategic interests draw it to the side of the United States. At the same time, the Australian economy has become ever more dependent on China.

303. Growing tensions between China and the US are only one aspect of the web of complex rivalries, including the rise of India and the economic decline of Japan, creating a series of potentially catastrophic flashpoints in the Asia-Pacific region.

304. Global economic breakdown, mounting political instability, the eruption of military violence, attacks on democratic rights, deepening social inequality and growing poverty are creating the objective conditions for the resurgence of open class conflict. The past period, in which the working class has been pushed back due to a complex interaction of historical and international economic and political processes, recording the lowest level of active struggle in history, is coming to an end. The central task of the Socialist Equality Party is to prepare every aspect of its work—political, theoretical and organisational—to meet the resulting challenges.

305. Above all, the SEP is oriented to the development of revolutionary, that is, scientific socialist consciousness in the working class. Powerful objective tendencies are creating the conditions for such a development. Active mass support for the political parties that have sustained the Australian capitalist state for more than a century has already collapsed, opening a vast chasm between official politics and the vast majority of ordinary working people.

306. In this politically dangerous situation, the ruling elite has no greater need than the creation of new political mechanisms to trap the working class. This is the significance of the quest by the various “ex-left” middle class tendencies for a new regroupment. To that end they have promoted the Greens—a bourgeois party that postures as a sometime critic of the Liberal and Labor parties but is fundamentally committed to defending the profit system and the interests of Australian imperialism—as a “progressive” alternative. The aim of their manoeuvres is to create a vehicle through which they can enter the framework of official bourgeois politics. The one-time Pabloite group, the Democratic Socialist Perspective, (formerly the Socialist Workers Party, then Democratic Socialist Party) articulates the attitude common to all these organisations. Having decided to dissolve itself into the Socialist Alliance, along the lines of the NPA established in France in February 2009, the DSP declared it would no longer be “chronically plagued” by “‘Marxist’ identity politics” and could dispense with the old debate over the viability of a reformist as opposed to a revolutionary program by jettisoning any reference to Marxism. The evolution of the DSP has underscored the historical significance of the protracted struggle waged by the ICFI against Pabloite opportunism and vindicated its assessment that the revisionism that attacked the programmatic foundations of Trotskyism in the post-war period reflected the deepest interests of imperialism.

307. Objective conditions are emerging for the Australian working class to overcome the reactionary, nationalist ideology that has had such a damaging impact on its political development. In the past, many workers—even the more class conscious—found it difficult to grasp that the orientation of the

working class in every country had to be determined by *world* economy and *world* politics. Today, the global integration of every aspect of economic life, culminating in the greatest financial collapse in three-quarters of a century, and the ever-present threat of a second Great Depression and third world war, demonstrates that the predominance of world economy over national conditions is a palpable fact of life.

308. While the logic of economic, social and political development is leading inexorably toward open class conflict, there remains a vast gulf between the maturity of the objective situation and the present level of political consciousness in the working class. The revolutionary party must wage a patient yet unflinching struggle to develop within the working class Marxist, i.e., scientific socialist, consciousness. Only in this way can the influence of all the props of the bourgeois order—the Labor and trade union bureaucracies, the Greens and the various petty-bourgeois tendencies—be overcome. This struggle will be immeasurably strengthened by the recognition that, whatever the vicissitudes of the immediate political situation, it is the conscious expression of objective, historical tendencies of development.

309. The SEP will seek to foster all the methods of class struggle and encourage the development of new independent organisations through which the working class can advance its interests. But its essential role is to bring into the working class an understanding of its revolutionary tasks. History has reached a decisive turning point. Only the direct intervention of the masses can sweep away the present reactionary and decaying social order before it plunges mankind into catastrophe. Herein lies the significance of the revolutionary party: it is the means by which the working class becomes conscious of its historical and international revolutionary role and thus equipped to carry through the task of the epoch—world socialist revolution. The objective pre-requisites for immense revolutionary upheavals are emerging. But revolution itself requires a transformation in the political orientation and consciousness of the working class—on the basis of the great principles and historical experiences embodied in the Socialist Equality Party and the International Committee of the Fourth International.

Socialist Equality Party (Australia)

Email: [sep@sep.org.au](mailto:sep@sep.org.au)

Website: [www.sep.org.au](http://www.sep.org.au)

Read the World Socialist Web Site

[www.wsws.org](http://www.wsws.org)