

# The Historical and International Foundations of the Socialist Equality Party (Australia)—Part 6

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*The World Socialist Web Site has published The Historical and International Foundations of the Socialist Equality Party (Australia). The document was adopted unanimously at the party's founding congress in Sydney on January 21–25. (See: "Socialist Equality Party (Australia) holds founding Congress"). (Click here for Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11)*

## 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 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 ICFTU’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.”[72]

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.

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.”[73]

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.”[74]

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 apparatuses 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.”[75]

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

*To be continued*

Footnotes:

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

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

74. Ibid., pp. 380–381. [back]

75. Ibid., p. 376. [back]

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. [back]



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