DISCUSSION:

ECONOMIC CRISIS

B. TAFT has made a valuable analysis of post-war capitalism. Marxists, however, also need to look more closely at Australia, and to look at other phenomena which suggest that the factors he raises may not continue to operate in future with the same force.

Rapid scientific and technical progress has undoubtedly increased the role played by the production of the means of production in the economic process.

But in the final analysis, means of production serve for the production of means of consumption. Or, as Marx said, “the production of constant capital never takes place for its own sake, but solely because more of it is needed in those spheres of production whose products pass into individual consumption.” (Capital, Vol. 3, p. 359, Kerr edition.)

This is still true, even though the contradiction between the producing and consuming power of capitalist society has, for the time, been lessened in its sharpness and a general world crisis of overproduction averted.

Its truth is evidenced in the present situation in Australia, where the rapid forward surge in productive capacity has produced an underlying, long-term, and extreme instability.

I am not arguing that a general world crisis of over-production is imminent. Still less am I arguing in favor of a “wait for another depression” policy. “Wait for” was never good politics, anyhow.

But I do suggest that the possibility of a serious collapse, affecting Australia if not the world, should not be discounted; that good politics must take this into account and advance appropriate proposals to avert it. Further, the rapid, anarchistic economic growth has created pressures in our society that are antagonistic to the progressive forces in the undeveloped countries. These pressures are dominant in our foreign policy, and their results exacerbate the economic problems.

There is much evidence that production has already been growing beyond the capacity of the market to absorb it. The value of stocks, for instance, has shown a net increase of $2,176 million in the 10 years to June, 1966. About 28% of this ($625 million) took place in 1965.

Indeed, a pronounced over-capacity exists now (or will exist when planned projects operate), in a large number of industries. New industries like chemicals and aluminium, which have figured prominently in Australia's growth story, are in the list.

This situation, the result of rapid, unplanned growth and a policy of leaving private enterprise free to make its own investment decisions, has confronted the Australian economy with serious problems.

The inflow of foreign capital has been responsible for much of the anarchistic growth and its results are seen in the position of our international reserves. In 1964-65 we had a deficit of $770 million on current account (visibles plus invisibles), but
our international reserves, saved by a capital inflow of $474 million, fell by only $316 million, to a figure of $1,392 million.

For the six years ending June, 1965, the net deficit on current account was $2,869 million, but the apparent capital inflow was $3,333 million. Had this inflow been half what it was, our reserves would now be eroded to danger point. Capital inflow has become a drug. The more we get the more we need, and the more we are likely to catch the 'flu every time Wall Street sneezes.

The more, too, do we need to export on a sharply competitive world market to meet our foreign commitments. The Department of Trade has stated that exports must reach $5,000 million by the mid-1970s if we are to balance our international payments. That is nearly double the $2,586 million reached in 1965.

Export of the newly discovered minerals will, of course, contribute to this target, yet signs are not wanting that their potential as foreign currency earners has been over-glamorised.

B. Taft pointed to the beneficial effects of the market, especially for capital goods, created by the industrialisation of the United Arab Republic, as well as to the fact that progress in other under-developed countries is exceedingly slow, and the gap between them and the advanced, imperialist States is widening.

The point is that the U.A.R. has broken, firmly and decisively, out of the colonialist and neo-colonialist net, while almost all the other newly independent States still hold to a policy of indigenous capitalist growth and foreign capitalist investment. Their slow growth rate is the direct result of the policies of the dominant advanced countries.

Kenya, where the writer was able to observe this policy at first hand last year, is a good example. But take Malaya, which is closer to Australia and has been independent for several years.

Marked on U.N. maps as one of the hungry countries of the world, Malaya has a high birth rate, a fast growing labor force, as well as very considerable unemployment. Measured in percentages, its industrial growth is marked, but in absolute figures it is slight, and totally inadequate to provide jobs and rising living standards.

The slight industrial growth comes mainly from overseas investment and not from local capital accumulation, and is not in sectors of the economy that would compete with the exports of the advanced countries; the import of manufactured goods has been rising.

The minimum measures that Malaya must take include control over the outflow of dividends and other remittances, industrial development as public enterprise coupled with a high protective tariff and import controls, and foreign aid of a non-exploitative character (i.e., from the socialist countries).

These policies depend for their introduction on the victory of progressive political forces.

It follows that our growth, rapid, anarchistic, and largely foreign financed and foreign owned, has created a basic instability that is becoming increasingly acute and bears within itself the danger of serious crisis.

If this proposition is correct, and I believe it is, we must formulate a comprehensive policy to correct the instability and avert the crisis.

ALF WATT.
PICASSO

I READ with pleasure Herbert McClintock’s review of John Berger’s *Success and Failure of Picasso*.

I would like to deal here only with one Berger opinion with which I disagree—that the French Communist Party failed Picasso in not guiding and leading him along the path to becoming the artist of the working class.

I agree that the French Party made mistakes, but think these consisted rather of doctrinaire conceptions of socialist realism as the only art of the working class, views at that time almost universally accepted in the communist movement, including by artists.

Leading French Party functionaries, with such exceptions as Laurent Casanova, a man of broad artistic culture, were bewildered by Picasso’s art.

They realised the immense political value of the fame and prestige Picasso brought to the Party, but nevertheless felt his art itself was alien to the movement.

It seems to me that the biggest mistake they made was to ignore Picasso and to throw the weight of the Party behind lesser painters like Andre Fougeron in an effort to build up an orthodox socialist realist counter to the influence of Picasso.

For example, they arranged in 1950 an exhibition in a fashionable Paris gallery of Fougeron’s rather stiff, hard, naturalistic paintings of miners and publicised them to the sky in the Party press. They failed, nevertheless, to capture interest in any way comparable to Picasso’s paintings.

We know now, from the written evidence of Picasso’s former wife, Francoise Gilot, herself a painter, that Picasso was deeply hurt by this display of partisanship, but his loyalty to his newly-found party remained firm.

Picasso was recruited to the Party, at the age of 65, by Casanova, who influenced him strongly, as he did a number of other intellectuals, in discussions held when Casanova was hidden from the Nazis by close relatives of Picasso’s dealer Kahnweiler.

Picasso deeply admired Casanova and communist intellectuals prominent in the resistance, like the poets Louis Aragon and Paul Eluard.

When he joined the Party the market value and sales of his work began to fall, especially in the United States, as Kahnweiler and Gilot have admitted.

For years afterwards his art came to be written down in influential art magazines and to this day false interviews and forged “testaments” are published throwing doubt on his artistic integrity.

He has consistently resisted all pressures on him to resign his Party membership, even when his work has been subjected to ridicule and to attack from sources within the Party leadership, and from the Soviet Union, such as when he drew and Aragon published in *Lettres Françaises*, a head of Stalin.

To all such attacks he has replied with dignity and restraint and from within a communist viewpoint.

Since the war, Picasso has not created anything with the power and authority of his epic mural of the Spanish war, “Guernica”.

This can hardly be held against him. The mural was the result of a very special historical situation and exceptional emotional pressures to
which his Spanish origins contributed strongly.

He has, however, responded on an impressive scale to major world events with his *Massacre in Korea* of 1951, his later murals *Peace* and *War* at Villauris, as well as the 1949 *Dove* which, in all its simplicity, provided the world with its most acceptable symbol of peace.

The world communist movement has created a rich body of fine art and literature, some of the finest of the twentieth century.

It is only necessary to mention the work of Siqueiros, Rivera, Leger, Guttuso, Sholokov, Brecht, Eisenstein, Prokofiev and Shostakovich to demonstrate that.

But the attitudes mentioned have adversely affected both the work of Party artists and the Party's relationship with them.

These attitudes were expressed particularly in oversimplified interpretations of the slogans "art is a weapon" and "literature must be Party literature".

It was held that art should be obviously militant and should intervene directly in political life with the immediacy of propaganda or organisational work.

Its form should be intelligible and acceptable to the worker, irrespective of his cultural level. The success of art was measured by its relation to one or other current campaign, the degree to which it illustrated the current Party line.

It resulted frequently in Party artists feeling themselves not quite free to follow the spontaneous dictates of their artistic impulses, those impulses without which no real worthwhile work of art is created.

In fact, life itself in all its infinite variety is the source of art. It all depends what we make of it, imaginatively and in the terms of art.

Our communist values will find expression in art which comes from the heart.

When Lenin said that literature must be Party literature he was not referring to artistic literature, but to political writing.

Artists with any sense of social responsibility, and obviously artists attracted to the Communist Party have this sense to a marked degree, cannot but be deeply concerned with the timeliness or relevance of their art to the crucial issues facing mankind; in present-day terms, the war in Vietnam and its possible escalation into world nuclear war, racialism, man's self-alienation and others.

But the complex nature of the creative processes has to be considered if art is to arise above the ephemeral and strike deeper than the cartoon or the poster, valuable as they may be in their own right.

In our own Party in Australia there has been in recent times a most welcome advance in the attitudes of leading organs and of individual cadres to these problems, restricted or limited mainly by lack of familiarity with them.

Far greater trust is being placed in the ability of artist members to meet their own specialised problems and responsibilities in a communist spirit.

It is now possible to hold out to the serious-minded artists outside the Party a welcoming hand with the assurance that in our Party they would be free to express themselves as they genuinely feel.

To return to Picasso.
He comes in the declining years of a great cultural epoch; one of unprecedented technological advance, but also one which in art elevated above all else individualism and subjectivism and widened disastrously the gap between the artist and the general public, to the point of mutual mistrust and even hostility.

Picasso does not open an era. He closes one. His art, with all its restless inventiveness, its subversive intentions, its metaphors and ambiguities, its violent distortions of natural form and its strident emphasis on the expressive sign, winds up an epoch of visual and pictorial discovery.

Within Picasso's art the perceptive painter will find a well of suggestions for the further development of his own art, and encouragement.

Noel Counihan.

DEMOCRACY AND FACTIONS

One can agree with Rex Mortimer (A.L.R. No. 2) in discussing John Sendy's article "Democracy in the Communist Party" (No. 1) that we need discussion for and against specific proposals.

The former's main proposal is factions, in favour of which he advances these arguments:

1 Factions were not outlawed in the Russian Party till as late as 1921.
2 Lenin's extraordinary leniency towards factionalism, for example the Zinoviev-Kamenev betrayal of the Party's plans in 1917.
3 Outlawing factions, in a one-party state assisted the rise of Stalinism.
4 The welcome stimulation provided by the struggle against the Hill faction;
and the conclusion:
5 That the thing is not to proscribe factions but to define the limits within which they may function.

It is good that such a question should be discussed without the emotions it traditionally arouses, and I would like to put forward some 'Cons':

1 & 2 Factions were certainly recognised to exist in the Russian Party but what were the experiences of these and what were Lenin's views?

"Hitherto, all over the world parties have been formed of local organisations united by a single central institution. But in 1912, the Russian and Lettish liquidationists made a great discovery: henceforth it will be possible to create a Party consisting of centres, organisations and factions". (Lenin, Present Situation in the R.S.D.L.P., 1912, Selected Works, 12 Vol. edition, Vol. 4).

"... by this label of 'non-factionalism' the worst remnants of factionalism mislead the young generation of workers." (Violation of Unity under Cover of Cries for Unity, 1914. Vol.4)

The letter of the C.C., R.S.D.L.P. of Nov., 1917 to Zinoviev, Kamenev and others, called upon them "either to give an immediate undertaking in writing to submit to the decisions of the C.C. and to carry out its policy in all your actions, or to retire from all public Party activity and, pending the meeting of the Party Congress, to resign all responsible posts in the working class movement." (Vol. 6).

"The guarantee that we will not break our neck on this question (conclusion of the Brest-Litovsk peace
with Germany—E.A.) lies in the fact that instead of applying the old method of issuing an enormous quantity of literature, of discussions and plenty of splits, instead of this old method, events have brought a new method of learning things. This method is testing everything with facts, with events, with the lessons of world history.” (Report to 7th Congress of the R.C.P., March, 1918. Vol. 7).

“There is an objective logic in factional struggles which inevitably leads even the best of people . . . to a position which actually differs in no way from unprincipled demagogy. This is what the whole history of factional war teaches.” (The Party Crisis, Jan., 1921, concerning the struggle with Trotsky over the Trade Unions. Vol. 9. Emphasis added).

“. . . in my opinion this luxury (the discussion on the above question, E.A.) which took up so much of the Party’s time . . . was absolutely impermissible.” (Report to 10th Congress, March 1921. Vol. 9).

What Lenin wrote does not, of course, settle the matter for us. But appeal to his views and to the experiences of the Russian Party surely demand examination of it.

3 The question of a one-party state does not arise in considering the position of the C.P.A. Our aim is for a coalition of all left forces for the achievement and building of socialism. There should also be, I believe, the constitutional right of political opposition.

In such circumstances, anyone who disagrees enough with the prevailing party view or its underlying basic outlook to form a faction, has ample scope to join one of the other constituent parts of a coalition (whether before or after its actual formation) or form a new constituent.

4 The ‘stimulation’ of the Hill period did not depend on there being a faction but on the fact that fundamental differences gradually took shape and had to be thought through and argued out.

We could in my opinion have well done without the factional part of it and concentrated on the issues, observing majority rule and leaving time to provide additional evidence as to who was right—a course repeatedly and unsuccessfully offered to Hill.

Similarly (though with differences) in the international split, Taking the substance of these as unavoidable in the circumstances, surely we would be better off if there were concerted action, especially regarding Vietnam, while reasoned debate continued on the issues—a course precluded by the stand of the Chinese Party.

5 Of course, if people differ strongly enough they will voluntarily leave the party, or factionalise, whatever penalties there may be in the rules.

But if they do not differ so strongly, what do they need a faction for if their views have adequate opportunity to be advanced and discussed? A faction is a party within a party, a group having its own organisation and discipline, its own loyalties, through the “objective logic” of which it comes to put these things above loyalty to the party, its platform, its organisation and discipline.

And Rex Mortimer has not defined at what point the activities of factions would cease to be compatible with party membership, or who is to decide when that point has been reached.

Far better, it seems to me, would be to develop the present practice of giving expression to different points
of view in party publications, to include in this different points of view expressed in party committees, and seek to define under what conditions a right to a party-wide discussion of issues in dispute might be invoked.

This (mentioned in part by Mortimer) by no means exhausts the question, but opens a more fruitful approach than giving factions a constitutional standing under the rules, which would I believe—and unnecessarily—encourage and institutionalise disunity.

ERIC AARONS.

PSYCHOANALYSIS

Psychoanalysis (hereafter PA) is a technique, method or practice, but not, as "Heraclitus" wants, a science which demands a clearly-defined subject-matter and with it causality, synthesis, generalisation, standards of predictability and control. PA never measured up to that!

Many sciences reveal ever-increasing inter-relationships—almost "coalescence" in some spheres—such as biology and bio-chemistry. But each stands upon its own independent feet, distinctive and particular. Hence, an all-sided approach in psychiatry is needed and not, as with Freud, a "Literal and uncompromising psychic determinism."

For PA practice and its results one must rely upon authorities competent to judge. Professor of Psychology, H. J. Eysenck, Director of the Institute of Psychiatry in London University, writes (1960): "Training in PA techniques became almost an essential requirement for the budding psychiatrist, and theories and jargon filtered through to nurses, social workers, teachers and the general public . . . The success of the Freudian revolution seemed complete. Only one thing went wrong: The patients did not get any better" (his emphasis).

There's something gorgeously funny in that sentence when one thinks back over a half-century of thousands of PA textbooks, hundreds of schools, sub-schools, trends . . .

It was said of Freud that he rescued the sick mind from theology and put it back where it belonged, the clinic. All right. A persistent claim for him is that he sought the origin of mental disorders (and associated or resultant physical ailments, say paralysis) in the patient's environmental conditions. That would, indeed, place PA on a scientific basis. But what is environment? Man's consciousness (including fantasy, etc.) is a social product. Behavioural and characterological phenomena cannot be restricted, as with PA, to personal, or transient, or family and group connections, important as they are. The real environment, the basic determinants, are work, income, housing, education, peace, war.

The harassing actions by Sydney's police against Aborigines (and Chicago's police against Negroes) could be sanctioned by "proofs" from PA texts dealing with complexes, hidden drives, etc., among these coloured people. I prefer Paul Robeson's aphorism: "There are no backward people, only people held in backward conditions."

—L. HARRY GOULD.

TRADE UNIONS

I agree wholeheartedly with Pat Clancy that there is an urgent need for rethinking many of the complex
problems that confront the trade union movement in Australia at the present time. In his six-page article Pat goes into great detail to point out just what some of these problems are, and how progressive unionists should go about tackling them. In doing so, a long overdue service was rendered to the entire left movement.

While I accept many of the conclusions drawn, it is on the question of amalgamations between kindred unions that I feel deeper rethinking is required. It is not enough to repeat that amalgamations are the main way forward during this particular period of Australian development.

There are certain obvious disadvantages one is forced to accept that tend to weaken the left influences on important trade union bodies by this method, i.e., representation on Trades & Labor Councils, Dispute Committees and various Industry Federations, both State and Federal.

Also the subject should be analysed in light of local conditions, and the fact that in Australia the Arbitration Commission interferes to such a degree in the internal affairs of the unions. How often have we seen, that after years of bitter struggle, militant workers have built a strong large union that has been captured by right wing opportunists from within, or has had extreme right wing leadership imposed, either directly by the Court, or by way of Court controlled ballots.

Amalgamation at this stage of Australian development does not meet the challenge as far as medium or large unions are concerned. It is done better by way of State and Federal Industry Federations. Some experience in Victoria has shown the way forward by the wise and militant leadership that has been shown by such federations in the recent prices campaign.

The subject warrants much deeper study and calls for all-round discussion to establish just where the left is going before we trade the devil we know for the devil we don't know.

—J.O'N.

As Pat Clancy indicates (ALR No. 2), the increasing weight of white collar workers in the work force, and of young people in the community as a whole, poses new challenges to trade unionism. I see these challenges along the following lines:

The six and a half odd million Australians under 30 who have, as Clancy says, "no personal experience of the economic difficulties and many struggles of the 30's" have, in my view, serious and indeed imperious needs. Lay aside for the moment the truly sad plight of the big pockets of underprivileged amongst us (the sick, the widowed, the old): consider the great majority of workers—unskilled, skilled, white-collar, blue-collar. Increasingly these will be young and highly-trained people. For a start (as Clancy says), their material needs are not being satisfied. These needs are largely influenced by society's vastly increased production potential, and are far more ambitious than the needs of their fathers. But material standards are being undermined before their very eyes by the relentless pressures of inflation, all of which, incidentally, is roughly true for advanced capitalist nations in general, and not merely for Australia.

What about the personal, you might say the psychological, needs of these workers? Here the situation is fairly new, and I think potentially extremely encouraging for socialists. The under-thirties, in general, feel far greater self-respect and make far more im-
perious and ambitious demands upon life than did the generation who experienced the depression. They take for granted a fairly high material level—but would, in my view, fight even more tenaciously than their fathers did if confronted with a direct challenge to those standards (and that’s saying a lot, when you recall, say, the depression-eve strikes and lockouts). But, in addition, they want a feeling of fulfilment which the scurry for material acquisitions does not assuage. They are actually experiencing a desire for creativity from work, and because this desire is largely frustrated, often manifest signs of anger, bewilderment and restlessness. Usually, of course, they do not know what makes them so restless. The younger the workers are, the more imperiously such desires assert themselves. But as producers, in their actual work situation, they are often mere ciphers, and they experience alienation in an especially bitter way because of their developing needs.

And as citizens, in their social and political life, their situation is deteriorating as neo-capitalist decision-making is concentrating in the hands of an ever-dwindling, tiny few. On the cultural plane, neo-capitalist society, as it becomes more automated, will deepen the workers’ feeling of alienation and make their cultural impoverishment ever more poignant. Thus it becomes an imperative human need that the worker, both as producer and as citizen, be offered the chance of education, both specialised and general. The younger and the more skilled the worker, the truer these things are of him.

In its total commitment to maximum profit, neo-capitalism (in Australia as much as anywhere else) profoundly distorts the model of the sort of life appropriate to both the possibilities and the needs of our century.

This began as a discussion about trade unions, but it soon turned into one about politics. And it can go no further without facing up to problems of political power: every marxist knows why. Pat Clancy pointed to political problems only implicitly, and I felt he did so because he thinks of trade union politics chiefly in terms of the Communist Party. As it is, the Communist Party cannot directly confront problems of political power, but this is no reason for a marxist to avoid carrying analysis through to the political level if it is essential—and in this case, essential it certainly is.

To return to narrowly and obviously trade union problems: consider the worker merely as producer, and not as both producer and citizen. Increased control over that part of their lives they spend as producers would fulfil important needs of modern workers. With the spread of automation, as more of the work force becomes highly skilled, workers will need and, even if leadership on the matter is not forthcoming, will demand increased control over the part of their lives spent as producers. Even now there are signs of this for those who like to see.

Teachers, for example, have struck over the composition of the tribunal which determines their working conditions, and threaten to strike over the size of classes they teach. Both these demands are closely related to traditional bread and butter trade union demands, but at the same time they approximate and prefigure a qualitatively new type of union demand. They represent the beginnings of an invasion of the boss’s area of control, and they assume and reflect an increase of self-respect in the worker, an expanded concept of his rights and his area of power. In my view, incidentally, waterside workers
began to encroach upon the boss's area of control as early as 1920 in some Queensland ports in their struggle for the rotary system.

The demand for workers' control must be taken up by cadres specialised in the ways of each particular industry; here such a demand can be spelled out only in the most general way.

The boss reacts extremely sharply to any demand for workers' control which is something more than a mere worker-manager consultation device (this strengthens his position, not the worker's). The boss can sense the menace inherent in such a demand. Thirty shillings a week he can concede if he must, and then make it up at the workers' expense. But once workers taste self-management, it is very hard in need to make them forget that taste; one can imagine circumstances under which the experience could bring an irreversible increase in the workers' self confidence.

—M.S.

LETTER

The Editor,
Australian Left Review.

We enclose a copy of our first report *Vietnam: Negotiations*, for review in *Left Review*. This report is shortly to be published in printed form.

We are also interested in gaining more members for the Group, and would appreciate it if you could print the following advertisement in the next issue of your magazine:

**VIETNAM STUDY GROUP**

Anyone interested in assisting in research on the Vietnam war and related problems, please contact:

The Secretary,
Vietnam Study Group,
230 Leicester Street,
Carlton, Victoria.

or 'phone 309 1453.

Intending members should have done some background reading on Vietnam, and be prepared to do several hours' research work a week. The Group is not affiliated to any political organisation. The main function of the Group is the preparation of reports providing detailed and integrated factual material on aspects of the Vietnam war. The first report — on Negotiations — is available from the secretary. Other assistance in the form of monetary donations or secretarial help (especially typing) is also welcome. The Group is also interested in having correspondence members, particularly in other States.

Unfortunately, we cannot afford to pay you for putting in such an advertisement—our only finance comes from donations.

Thanking you,

Yours sincerely,

**JOHN LAYFIELD (SECRETARY).**

(See review on page 64.)