Timor: An exclusive background report.
Contents

East Timor: The Modest Revolution ................................................................. 3
  Denis Freney

Multinationals and the Crisis ............................................................................. 11
  Laurie Carmichael

Multinationals and the Nation State ................................................................. 17
  Ann Game

For a Non-aligned Australia ............................................................................. 24
  Misha Frydman

An Involved Artist .............................................................................................. 27
  Jim Cane

The Decline of Deterrence ............................................................................... 33
  Robert Aldridge

Poisoned by Pollution ....................................................................................... 39
  Derek Roebuck

Early Years in the Party ..................................................................................... 48
  Richard Dixon

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East Timor: The Modest Revolution
D. Freney

"The most backward backwater in the world" was how the Australian press recently described East ("Portuguese") Timor. Looked at economically and historically, this undoubtedly is true. Yet in a short 16 months, East Timor has set an unprecedented example.

It is an historical paradox that East Timor, unknown to the world, closed off in a stagnating fascist-colonialism for 450 years, without overt political activity until April 27, 1974, should be able to defy the geo-political realities of its surroundings and reach a level of political maturity that has taken similar movements in Africa or Asia decades to achieve. This unique experience is as part of the totality of the world-wide colonial revolution, which alone explains the political phenomenon we are now witnessing 400 miles north of Darwin.

Javanese and Chinese traders made the first known contact with Timor from about 1000 AD onwards to barter goods for sandalwood, a semi-parasitic highly perfumed white wood tree in great demand in the region and particularly China. Timor was literally covered with the precious wood. It was thus one of the "spice islands", attracting the Portuguese, who established a trading station in Molluca in 1511. This Portuguese influence spread by 1566 to islands near Timor.

The Dutch drove the Portuguese out of what is now Indonesia, and in 1653 from Kupang, now capital of Indonesian (West) Timor. But they clung on east Timor, which was administered by the Church and Portuguese traders until 1702. Significantly, Portuguese control was strengthened by the emergence of the "Topasses" or Black Portuguese, the offspring of Portuguese, other European Goanese and Chinese trader-adventurers, local and other women from neighboring islands, who together formed a skilled, literate free-booting pirate class reminiscent of the Caribbean.

"Quarrelling among themselves, manipulating the traditional chiefs in bloody little trade wars aimed at controlling the rich sandalwood industry, rebelling impartially against both Church and State, they nevertheless, in the final issue invariably chose Portugal, the distant origin of their synthetic culture, in preference to Holland." (1)

Denis Freney is a journalist working on Tribune, and a member of the National Committee of the Communist Party of Australia.
He visited East Timor in October last year, meeting many people, studying the political situation and learning about the history and customs of the Timorese people.
It was only in 1769 that Portugal moved the capital to Dili from the enclave of Oe-Cussi, fearing Dutch attack. Nevertheless, throughout the eighteenth century, the Portuguese rule was nominal, with feuds between the Church and State and the Goa authorities who were nominally in charge. Britain took control briefly in 1816 during the Napoleonic Wars. All missionaries were expelled by the Portuguese from 1834 to 1877, reflecting the continuing struggle between Church and State in Portugal itself. In 1893 a tenuous border agreement was drawn up with Holland.

It was only in the latter half of the nineteenth century that the Portuguese began to slowly push their authority inland, in the hope of digging copper, gold, precious stones and oil. The first and virtually only export crop - high grade Arabica (coffee) - was planted in the hills above Dili in the 1850's. Good results from wheat and cattle were not continued, through government neglect.

Portuguese colonisation proceeded slowly and inefficiently by Dutch standards. In the Dutch East Indies (and west Timor) the role of the traditional village chiefs, the radjas, had been continually eroded as part of Dutch colonial policy. Villages were regrouped and the radjas power power limited. The Portuguese, however, in the slow push inland, with poor roads washed away every wet season, deliberately enhanced the powers of these chiefs (regulos or luirais). They were given many privileges and allowed to maintain their private armies in some cases. The Portuguese maintained the loyalty of the luirais by divide-and-rule, maintaining traditional tribal animosities, leading to almost fanatical loyalty to the Portuguese by some. The Portuguese flag was even incorporated in animist rites in some areas, as a sacred object.

But in other areas it led to violent revolts, the most famous being that led by Dom Bonaventura, in the same region, in 1912, which shook Portuguese rule. B.J. Callinan, commander of Australian commandos in East Timor in World War 11, in his book on his experiences, wrote of how an anti-Portuguese revolt in the Maubisse area, was put down by the expedient of the Portuguese arming a rival tribal group, which massacred hundreds of the rebels. (2)

At the end of the Nineteenth Century, Timor became a separate Portuguese province. The sandalwood had by then been completely stripped from Timor. The colony stagnated, serving as a place of exile for political opponents in Portugal. These deportados were however often entrusted with the administration of the colony.

It was World War 11 that turned East Timor upside down. Portugal was neutral, but the Japanese landed and for 13 months 400 Australian commandos pinned down 21,000 Japanese troops, inflicting 1500 deaths for the loss of 40. The Portuguese divided between those who worked with the Australians (mainly the deportados) and those who collaborated with the Japanese.

The Japanese, demagogically, but with some effect, rallied a sector of the Timorese to oppose both the Australians and Portuguese through anti-white, anti-colonial propaganda. As in Indonesia, many Timorese were awakened to anti-white and anti-colonial sentiments by this Japanese demagogy, although a majority remained pro-Australian. But as elsewhere in Asia, the Timorese soon felt the hard hand of Japanese fascism. Massacres of pro-Australian Timorese occurred, while the ruthless seizure of food resulted in a famine which took up to 40,000 lives. Timor's few towns were savagely bombed by the Australian air force, reducing them to rubble.

The pro-Japanese elements were wiped out when the Portuguese returned to full control in 1945. But the memory of Japanese anti-colonialist demagogy remained. There is evidence to link the pro-Japanese elements of the war period with the few pro-Indonesian forces in the island today. Some of their main leaders lived for some time in Indonesia, after independence, in liaison with similar forces who had worked with the Japanese against the Dutch. Indeed, the “kill all whites” propaganda by APODETI in recent weeks over Radio Kupang, returns to such origins, while also reflecting the provocation the Indonesians were trying to mount, to excuse invasion.

In 1959, Indonesian officers who had staged a revolt in the South Molluccas sought refuge in Portuguese Timor after their revolt was crushed. They then organised a revolt in the Viqueque region, with the aid of some elements who had supported the Japanese in World War 11. The revolt was discovered before it was launched and the Portuguese
crushed it bloodily. The pro-Indonesian APODETI party falsely claim the revolt was for merger with Indonesia. Given that its leaders were Indonesian refugees, it was more likely they aimed at using East Timor as a base against Indonesia to support the South Moluccan secessionists.

Nevertheless, the 1959 abortive revolt, coming shortly before the outbreak of liberation wars in all its African colonies, resulted in a new policy towards Timor by the Salazar regime, as part of its new colonial policy in the Sixties. It was only then that the Portuguese built any sort of infrastructure in their forgotten colony: Dili's few sealed roads, electricity, the modern port complex, concrete storm water canals, radio station and beacon, cold storage and warehouse facilities, a new hospital annex and a few rudimentary "factories" (coffee production, soft drinks, biscuits, cigarettes, etc.) were established. Much also ill-conceived, to say the least. The airport at Baucau can take jumbo jets, but actually handles only Fokker Friendships twice a week from Darwin. They were superficial development projects, immersed in corruption that did nothing for the Timorese.

More importantly, the Portuguese from 1969 did move towards a comprehensive primary education system, which has been enormously important in political developments over the past year. In October 1974, the Portuguese claimed 52,000 primary school pupils. Although this was probably an inflated figure, the education has had an important impact. It was Portuguese in all aspects, aimed above all at inculcating a "love of Portugal" in the students. Under fascism, Timorese language and culture was forbidden in the schools.

At the same time, the first high school and later a technical school, were opened in Dili. Two religious seminaries offer secondary education. Three hundred students attend the Dili lyceum, half non-Timorese. In Lisbon, 39 Timorese are attending university courses. 38 more began this year. (3) Today there is the grand total of 13 Timorese graduates from Lisbon universities in East Timor, small in number but politically very important.

THE ELITE IN TIMOR
The elite - those with some education, jobs in administration or trade, coffee plantation owners, traders, etc. - are crucial in a country like East Timor. The Timorese elite is small, numbering at all levels perhaps 3,000. It has a number of components: the traditional luaires appointed and backed by fascism; the colonial administration, mainly Portuguese at its top levels and part-Timorese, Goanese and Chinese at its lower levels; the small bourgeoisie, mainly Chinese traders and a handful of Portuguese and Timorese plantation owners; and skilled workers in commerce, service industries and the administration.

In a society like this, skilled workers such as postal technicians, who in a country like Australia would be at best in the middle level of the working class, form part of the elite, by the sheer fact that they enjoy a living standards many times better than the unskilled workers or the villagers. Yet, at the same time, they remain in a subordinate position within the administration and commerce. As a result in many cases they are open to radical, nationalist views.

The other social classes are easily defined. First there is the 90 percent of the population living through subsistence agriculture, struggling to both feed themselves and pay the poll tax levied by the Portuguese, with the alternative of forced labor. In the towns, particularly Dili, a small unskilled working class, engaged in construction, transport and trade. Extremely poorly-paid, in most cases migrants from the villages, and competing for work with the newly-arrived villagers, the Timorese working class is in many ways the most oppressed. Drawn by the hope of making money and captivated by market fetishism, having experienced town life, they are unwilling to return to their villages of origin except on holiday occasions, though maintaining close links.

The migrants from the villages who form the lumpen proletariat of Dili are a new breed. Invariably young, with a primary or even high school education, they come looking for well paid jobs, which are simply not available. Of the dozen or so high school graduates in agriculture last year, for example, ten are without jobs, scrounging a living by acting as guides, interpreters, waiters or other jobs where their English can provide some subsistence.

It is from the elite, from the skilled and unskilled workers and from the unemployed,
Educated youth, that the nationalist and revolutionary movement in East Timor has drawn its cadres and inspiration. By being able to link up with the aspirations of the villagers, this radical sector of the urban population has swiftly transformed East Timor into what it is today.

**THE DEVELOPMENT OF FRETILIN**

Prior to April 25, 1974, a handful of young, educated members of the elite gathered surreptitiously in the gardens of the governor’s residence, on Sundays, to discuss politics. Invariably young, they were educated in the early Sixties. Jose Ramos-Horta, son of an anti-fascist Portuguese deportado and a Timorese mother, had been sent to Mozambique in a form of “re-educative exile” after a youthful nationalist escapade in the early seventies. In Mozambique he worked as a journalist and cameraman, covering the war. Although he never met the FRELIMO guerrillas, his observations only strengthened the basic Timorese nationalism which had resulted in his exile in the first place.

In early 1974 he visited Darwin, where he spoke of his nationalist views to an Australian journalist, who unaware of the consequences, published them in the *Northern Territory News*. Horta, whom the fascist administration had hoped had been “re-educated”, was to be deported to Australia. Horta’s luggage was already in Darwin when the coup occurred on April 25. He was due to take the plane to Darwin exile on April 27. Among the other members of the clandestine discussion group was Nicolau Lobato, a Timorese minor administration official, who was also an ardent nationalist, and had absorbed some of the anti-colonialist ideas from the worldwide movement.

Overnight, after April 25, the former fascist administrators, all of whom were members of the official Portuguese fascist party, became “democrats.” The ruling elite met and planned to form the Timorese Democratic Union (UDT) and register it as a political association under the democratisation announced from Lisbon.

Horta and Lobato, concerned at the island’s Establishment’s decision to form such a party, considered first of all joining it, to work within, but soon decided to form their own party, the Timorese Social-Democratic Association (ASDT), to project independence as the goal. (The UDT accepted Spinola’s proposal of a federation with Portugal).

Horta, Lobato and others in the initial clandestine group were young (Horta was 24, Lobato 28) and felt the need for an older figure, well known in the island, to head the party. They therefore asked 38 year-old Xavier do Amaral, a full Timorese graduate from the Jesuit seminary in Macau, who had not entered the priesthood and held a minor government post in the port authority, to become ASDT president. Xavier was very popular among the people for his humanitarian work and for his willingness to represent them to the authorities in personal matters. The ASDT recruited among the young elite in Dili, and in the villages where its leaders were part of the traditional leadership. Yet, although it had its major goal as independence, its name and format was in a European mould. Its progress, because it was still very much a party of the radical elite, was slow.

The clandestine group emerged into public activity in the first few days after April 25. A small section of Dili’s Timorese unskilled workers had begun a spontaneous strike which Horta and others soon spread among all the town’s workers. This quickly won a doubling of the miserable wage level. Horta and others formed the Committee for Defence of Labour, an embryonic trade union structure, which soon was absorbed into the ASDT.

While strong in Dili and a few villages, ASDT was in the first few months after April 25 way behind the UDT in its support. ASDT penetration into the mountain villages was difficult because of the legacy of Portuguese colonialism, the strong grip of the luirais (almost totally UDT) and the continuing fear, deliberately inculcated by the elite, that nothing had really changed and repression would follow any move away from the UDT.

But the continuing radicalisation in Portugal had its effects in a number of ways. Portuguese papers arriving in the colony spread new ideas. Books by African liberation leaders such as Amilcar Cabral radicalised many more. Soldiers coming from Portugal or other colonies carried these books and ideas with them. In July and August, five Timorese university students arrived back from Lisbon,
full of such ideas and with close knowledge of the African liberation struggle. They quickly convinced ASDT leaders that what was needed was not a European style movement, but a liberation front. On September 12, the ASDT general assembly transformed itself into FRETILIN (Revolutionary Front for Independent East Timor).

It was a momentous decision. At the time, ASDT membership was 1,000. (1,000 ASDT cards had been issued, without payment collected). On September 20, FRETILIN held its first rally in Dili. A huge crowd of 20,000 attended, launching the movement into a period of rapid expansion which amazed its leaders and strained the limited cadre resources available.

By November, FRETILIN could boast 80,000 signed up FRETILIN members. Wherever the leaders went, they found an enormous response. In Maubisse, the seat of one of the most autocratic and powerful luirais, the villagers soon flocked to them. A delegation of 200 came to FRETILIN offices in Dili (Xavier's Timorese-style house), in early November, tore up their UDT cards and took FRETILIN ones. Within a month, Maubisse was a FRETILIN stronghold.

Once the power of the UDT Establishment to physically punish villagers was shown to no longer exist, age-old discontent burst out against the Portuguese-appointed rulers. In villages throughout the island, schoolteachers and other minor officials with some education, led the revolt and took whole villages into FRETILIN. Only in the most isolated villages did not get swept into the FRETILIN wave.

FRETILIN's program of developing an anti-illiteracy campaign in the local language, Tetum, a people's health service and cooperatives showed the real concern of the movement with the people's interests and was largely accountable for FRETILIN's victory in the villages. (4) This at the same time reflected itself in FRETILIN support among Timorese conscripts who absorbed what was happening generally in the country.

The continuing threat of Indonesian invasion, spoken directly through Radio Kupang, drove FRETILIN cadres in feverish
activity, to prepare the base for resistance to the Indonesians. Such an invasion was on the cards continually from October onwards. The fears were particularly intense in December and again in February. In January, the imminence of such an invasion was such that FRETILIN and UDT formed a coalition for independence and against invasion. UDT was then controlled by its "conservative nationalists" such as secretary-general Domingues Oliveira. The continuing leftward development in Portugal and the growth of FRETILIN in Timor had forced UDT to take up the call of independence while they also feared an Indonesian invasion.

But in the months that followed FRETILIN made all the gains, while UDT's power continued to shrink. In late February after the immediate invasion threat had passed, UDT began to turn increasingly against its alliance with FRETILIN. UDT President Lopez da Cruz and Vice-President Costa Mouzinho, during a visit to Australia last April, accepted advice from the JIO (Joint Intelligence Organisation) and Brig. Callinan, a top DLP official and director of BP (Australia) to break the coalition with FRETILIN and move towards an "anti-communist" alliance with APODETI. (5) They carried UDT with this advice, defeating the Oliveira faction, who still saw Indonesia as the main danger. In May, the coalition was broken. In June, da Cruz and Mouzinho visited Djakarta and received Indonesian support.

In late June FRETILIN refused to attend the Macau conference with Portugal and UDT and APODETI, because APODETI refused to recognise the principle of independence as the basis of the talks. This decision provided the Portuguese Governor, Lemos Pires, a close friend of Spinola, with the excuse to begin harassment of FRETILIN leaders and cadres, and to openly back UDT. The anti-communist upsurge in Portugal in July-August, and the acute crisis there, allowed this to develop also in Timor. UDT rallied its support among the elite and skilled working class, backed by the Church, to aggressively challenge the gains won by FRETILIN. In early August, da Cruz went to Djakarta and Hong Kong, where he finalised the details for support for the UDT coup attempt on August 11.

FRETILIN leaders in their majority escaped death on August 11 only because they were in the mountain villages, leading FRETILIN Revolutionary Brigades formed last June. The Revolutionary Brigades are perhaps the most important development in the past year. The Brigades consist of the whole leadership of FRETILIN, who have given up their comfortable jobs in Dili and Baucau and led virtually the whole Timorese student population into the villages. There, they hoe their own fields and grow their own crops, live in village huts, and use the rest of their time to carry out the anti-illiteracy campaign, based on the Friere method, which means combining political education with the teaching of reading.

The Revolutionary Brigades also marked a vital step in FRETILIN's ideological evolution. The ideas, drawn from Amilcar Cabral, of the radical "petty-bourgeoisie" or elite, breaking from its privileges and origins and identifying completely with the poor villagers, found concrete expression in the decision to leave jobs and go to live in the villages. Moreover, this decision was also reflected in a more basic policy-decision to avoid the formation of a privileged elite after independence. FRETILIN has decided that its leaders, from the future Republic's President down will not live in big houses, draw big salaries or drive big cars. A majority of all their time will be spent each year, living and working in the villages.

FRETILIN is highly aware of the dangers of bureaucratisation after independence, and the formation of a new, privileged elite. It is also aware that if independence is to have any meaning, it must mean a rapid improvement in the living standard of the majority - the villagers. An independent East Timor would therefore concentrate capital investment into the villages, bringing new fertile land under cultivation, improving present cultivation methods, educating the people in nutrition and concentrating on mobilising the people to these goals. Industrialisation is seen as a future goal, only attainable after a rural revolution has succeeded in adequately feeding the people and then providing a surplus for investment in industry. Of course, in such a rural revolution, the transport infrastructure, to open up internal trade is crucial. But road and bridge construction will of necessity be labour-intensive.

**IS EAST TIMOR VIABLE?**

A major argument advanced by Whitlam and the Indonesians against an independent East
Timor is that it would not be viable economically. Certainly, a superficial analysis shows East Timor to be one of the most backward colonies. It is, however, virtually completely self-sufficient as far as the vast majority of its people are concerned, though admittedly at a low living standard. Its consumer imports were for the consumption of the Portuguese army, the local elite and the Chinese traders. Australian canned beer for example was a major consumer import: a minor commentary on Australian cultural imperialism in Dili! Petroleum, construction machinery and spare parts accounted for essential imports, although petroleum could quickly be produced domestically in sufficient quantities to avoid imports.

With the old elite having fled in large part into exile, the import bill on non-essentials can be substantially cut, while judicious encouragement of coffee-growing and other exports crops can ensure sufficient to pay for imports. The possibilities of large-scale oil discoveries of course would obviate these worries completely.

It is easy to see how avoidance of a privileged elite is not only a moral question, but one essential to any economic progress in a country of such poverty as East Timor. It is a question of political awareness: the morality of a leader not drinking a can of Tooths KB which costs the equivalent of a labourer’s daily wage and of rejecting the cultural imperialism spread by tourists from Australia.

Avoiding formation of such a new elite is not an easy question, particularly in the years to come, if East Timor survives as an independent nation. In a society such as Timor where scarcity prevails, powerful forces push in this direction. And the pressure from outside - in particular Australia and Indonesia - can result in a weakening of resolve, as the temptations of power and privilege claim more and more recruits. The very formation of a bureaucratic State apparatus itself also gives rise to such tendencies. In East Timor, the formation of cooperatives in production and in import-export trade can help avoid too great a bureaucracy, leaving much decision-making with the village and producer level. Moreover, consciousness of the danger of bureaucratisation that currently exists in FRETILIN can mean a strong cadre force keeping out of administration and maintaining direct contact with the villages, acting as a transmission belt of their criticism and for an egalitarianism which rejects elite privileges.

But it is the Timorese masses themselves - the villagers, the working class, the student and unemployed town youth - who can best help avoid bureaucratisation by insisting their leaders keep to their promises, and watching carefully their actions. It is the expressed desire of the FRETILIN leaders that such a process of mass control operate that holds such hopes for the future.

Another danger facing East Timor, if it survives as an independent nation, is the possible growth of privileged elements at the village and urban level who seize part of the increasing surplus in rural production for themselves, becoming rich peasants, or small traders. The mass departure of Chinese traders, plantation owners and other elite, means that most of commerce and capitalist production is vacated property (bien vacant as it was termed in Algeria when the French settlers staged a similar exodus on the eve of independence.) Who shall own these resources? The people as a whole, organised in cooperatives, or a new privileged Timorese trader and business class?

FRETILIN, aware of the dangers of economic and political disruption if it forced these traders and businessmen to leave, before August 11 guaranteed their continued existence. Now, however, they have fled. Clearly, to set up a new Timorese elite as traders would endanger the whole strategy of opposition to an elite that FRETILIN has developed. FRETILIN had seen the gradual formation of trading cooperatives as a means of competing with the Chinese traders. Now there is little doubt such self-managed cooperatives will be formed, to fill the vacuum left by the departing elite. The anti-elite policy of FRETILIN is perhaps best shown in the abolition of all ranks in the Timorese army, now under FRETILIN control.

INDONESIAN DANGER

Much of the above is of course based on the premise that Indonesia will not invade East Timor - a premise that at the time of writing seems quite unjustified. It is of course a first priority for Australian workers, students and others to mobilise in opposition to an
Indonesian invasion. But hopefully the perspectives adopted by FRETILIN, outlined above, and the hope for the East Timorese they contain, will help in that mobilisation.

Certainly, an Indonesian invasion would meet stiff resistance from every East Timorese, it would be a mini-Vietnam on our borders. The costs of such a liberation war to the East Timorese would be incalculable; tens of thousands would die. But the Indonesian generals would also have to measure the costs: any lengthy war in East Timor would add to the underlying instability of the generals' rule, inside Indonesia itself. It would add a volatile element to the repressed political life there.

CONCLUSION

The sudden rise of the national liberation movement - FRETILIN - in East Timor must be seen as a product of the collapse of Portuguese fascism and colonialism (itself largely a result of the African liberation struggles) which in turn opened a Pandora's box of revolt against 400 years of repression.

The FRETILIN cadres, by critically examining the lessons of the worldwide colonial revolution and applying them in their own specific conditions, found the way to the masses in such a way as to mobilise them in huge numbers. While its cadres were drawn from the radical young elite, the working class and the students, it also has developed peasant cadres who play an increasing role in the organisation.

What is quite unique in FRETILIN is the degree to which consciousness of the danger of a new privileged elite is determining a new social and State structure which can, if followed consistently, if not avoid the formation of a new elite, at least severely restrict the growth both in size and power.

This consciousness can also extend into a thorough-going revolution at the village level, where the luirais and other "notables" in the village enjoy substantial privileges over the rest of the population. This involves not so much bringing the average luirais down to the level of the poorest villager, but rather of ensuring that while the rich luirais have much of their wealth taken from them, the concentration is on mobilising the poorest villagers and making sure the village surplus goes to raise their living standards. FRETILIN won 90 percent of the luirais elections conducted earlier this year by the Portuguese throughout the colony. After the victorious struggle against the UDT counter-revolution, these new luirais can in most cases be recruited to such a campaign at the village level and not expropriate for themselves the village surplus.

FRETILIN ideology has been variously described, as "populist", "trotskyist", "maoist" or what have you. All are equally inaccurate. FRETILIN is and remains essentially a nationalist movement, emerging first from the radicalised elite, which has developed a specific praxis, based on lessons from the colonial revolution worldwide and from their own concrete needs. It is certainly pragmatic and eclectic in many regards, not in a negative sense but attuned to the total world conditions in which the East Timorese revolution operates, drawing from all experiences, above all its own.

It is a revolution without great ambitions, without a desire to strike postures on the world stage. It is a revolution whose achievements, past and future, do and will modestly speak for themselves. If it is worthy of emulation, then it is perhaps above all in its modesty, in its anti-elitism and in its complete devotion to the oppressed people who are making it.

- Sydney, September 8, 1975

(1) Peter Hastings, The Timor Problem - 1, unpublished paper given to Strategic and Defence Studies Centre, Research School of Pacific Studies, ANU, Canberra, December 16, 1974, page 5.


(4) Tetum was an unwritten language until FRETILIN produced its first anti-illiteracy handbook.

(5) For fuller details on these allegations see Tribune, September 1, Aug and

(6) Unclassified Foreign Affairs paper September 11. AAP reported (September 5, 1974) Whitlam as saying "an independent Timor would be an unviable State and a potential threat to the area."

(7) Overseas Trade, August 1974. "Portuguese Timor's growth points to heightened Trade". Published by Australian Department of Overseas Trade.
Multinationals and the Crisis

L. Carmichael

Fortune magazine (May 1975) in its yearly review of the 500 top U.S. Corporations said: "Oil, inflation and recession, had - not surprisingly - a lot to do with the record turned in by the 500 largest industrials in 1974. The combination of enormously higher prices and only slightly lower consumption gave a fantastic lift to the sales, profits and rankings of the oil companies." Median profits for oil rose 39.6 per cent for the year.

Exxon breezed past G.M., finishing first in assets, net income and stockholders equity, and it won by plenty. With more than $42 billion of sales, it had an edge of more than $10 billion on G.M. Its $3.1 billion of profits were some 70 per cent greater than I.B.M., No. 2 in profits.

Combined sales of the 500 rose 25 per cent - a record. However, most of the gain was illusory. In real terms it was 5.7 per cent and for the non-oil companies among the 500 it actually declined 4.7 per cent. 471 companies rang up sales increases. Mining with a median increase of 60 per cent. Chemicals 31.0 per cent, metal manufacturing 27.9 per cent. Mining profits leaped by 100.8 per cent, Metal manufacturing 78.6 per cent, Chemicals 40.5 per cent. Fortune reported that: "Texas Gulf boasted the highest single actual profit margin - 25.9 per cent for the year - mainly because of its ability to capitalise on a world wide shortage of phosphate fertilisers."

CURRENCY MANIPULATION

These multinational corporations don't confine themselves purely to the exploitation of their respective industries, but by wielding the privileges that flow from being able to conduct their operations on a global scale, with impunity, they indulged themselves in currency manipulations that carried their plunder by massive inflation to social and international levels.

On July 17th, 1975 The Australian reporting the U.S. Senate "Multi-National Corporations Sub-Committee" said: "Multi-national corporations contributed to and were a partial cause of the 20% inflation in the U.S. in 1973-74." "By moving from U.S. Dollars to other currencies, multi-national corporations contributed to the U.S. dollars weakness at a critical period" the report said. The report
comes from a Senate Committee survey of 56 select top U.S. Companies.

It is a matter of history that very quickly following the “attack” on the U.S. dollar, “runs” were made on other currencies and massive inflation enveloped the capitalist world.

ANARCHY IN THE ECONOMY

The 1972 UN inquiry into multi-national corporations clearly described how “they increasingly exercise more and more control over national governments whilst being less and less answerable to them” thus “laissez faire” reasserted, but on a grand global scale proved too much for formulas that had been used by capitalist governments for 25 years. Herein lies the root cause of the crisis now besetting the capitalist system.

Anarchy of unrelated decision making in multi-national corporations board rooms involving tens (even hundreds) of billions of dollars manipulated on a global scale beyond the influence of national governments reduced to a shambles the previous Keynesian formulas for limiting the effects of the capitalist business cycle.

Fortune puts it this way. “Those higher oil prices were helping to reduce sales in other industrial companies. G.M. sales fell by more than $4 Billion, Chrysler’s by $800 Million.” “After 2 years of median increases across the board 6 industries showed median declines in profits.” “Shipbuilding, railroad equipment, and mobile homes declined 46.2%” “21 of the 500 lost money.”

Thus imbalances and instability gave rise to large scale relative over-production. The boom gave way to crisis. In 1975 even the oil giants who made so much in the boom have now experienced a huge reduction in turnover. The Australian Financial Review (August 8) repeated that almost all major oil companies announced precipitous drops in second quarter net income, making the last 3 months and the first half of 1975 the worst year to year decline in the industry’s post war history. Profit drop is 41% from the earlier year level. It said that “A combination of high prices and recession, drastically reduced demand, especially in Western Europe.

Even so, their profits are still 10 per cent above 1973 and two companies - Exxon and Texaco have made more money in the U.S. from the sale of oil and gas so far this year than in 1974.

The oil, energy and resources crisis are not the cause of the economic and currency crisis, but are the catalysts that sparked off the matured accumulated effects of Trans National Corporation board room anarchy. A situation over which capitalism itself cannot exercise control.

NO QUICK RECOVERY

The economic crisis with 15 millions unemployed and varying levels of inflation between 10 and 25 per cent in the 26 advanced capitalist countries belonging to the Organisation for Economic Cooperation and Development, is proving more persistent than earlier predictions expected. Recovery has not only been uneven but the crisis has actually deepened in some countries like Britain and Italy and continues to do so. The Financial Review (July 23) reported that the O.E.C.D. Secretariat (Paris headquarters) were dispensing gloom in its latest Economic Outlook. The report said “there would be relatively little rapid recovery in growth and no substantial respite from inflationary pressures.”

“Negative inventory movements probably accounted for four fifths of the G.N.P. drop in the first half of this year.” “Unemployment is equivalent to over 5½% of the total civilian labor force. Moreover the labor market has weakened more than indicated by these figures alone and average hours worked have declined markedly.

The O.E.C.D. Secretariat believes that any recovery in the next 12 months is likely to be so weak “that there must be doubt whether it will prove self sustaining.” It further predicts that there will be limitations on the incentive to invest given the levels of capacity utilisation likely to prevail over the coming year. They state “the initial contractionary impact on domestic demand has already reinforced the downward movement of the investment cycle in many countries thus impairing growth potential for a time.”

Professor Wheelwright, assessing current Australian government policies and budget strategy predicts a possible 500,000 unemployed in Australia and an inflation rate of over 20 per cent. Emma Rothschild, author of Decline of the Auto-Industrial Age writing in
the New York Times on July 27, 1975 said: "The auto industry, some people fear, may never come out of this recession, at least as far as employment is concerned. Unemployment may remain very high, unless some factories are converted to producing something other than cars; mass-transit equipment, for example, Michigan and parts of the Northeast may face a regional crisis of employment, a lasting depression."

Unemployment in the auto industry, in this view, is related to structural changes in the industry and in the national economy. The recession is not simply a cyclical bust of the sort that the industry knows well. The consequences of the energy crisis - high gasoline prices, efforts to conserve energy by restraining the use of cars and trucks, which still consume a third of all oil used in America, the development of public transport - will have

The Australian government’s plans for the auto industry (which is critical to capitalism’s constant consumer replacement ethos) is to reduce local content to 85 per cent by 1980 unless modified, will mean, not only thousands of jobs in the industry and its component suppliers, but also a major cut back in rolled sheet steel and no less an effect upon BHP investment considerations.

**WAGES ATTACK**

Into this situation, as in all previous capitalist economic crisis every effort is exerted to put the load onto the workers backs. In the absence of a clear alternative, Labor leaders join the corporations to ensure that unemployment and inflation is paid for out of the workers pay envelopes. But no such sacrifices will create investment. No amount of accumulation means greater investment without potential for sales prospects, while on the other hand ready markets would quickly produce investments, higher wages notwithstanding, were such markets available. BHP, after succeeding with its argument for increased profitability with a 10.5 per cent rise in steel prices announced losses in foreign steel markets and threatened further cut backs in production. But price rises and therefore a wage cut was sent right through the economy with Labor government assistance without any investment prospects, and BHP immediately announced they would ask for more.

Yet Minister of Labor, McLelland asserts that there is no "strike" of capital investment, there is just a shortage of capital. The workers have taken too much he said and BHP must be supported in its task of increasing its profits. We are witnessing attempts by BHP to emulate the massive cash flow, profitability and accumulation of the multi-national corporations. Accumulation that is being deliberately withheld from investments all over the world because of the tortuous crisis brought about by the very system of private enterprise itself.

**CHARACTER OF M-NCs**

National monopolies like BHP don't enjoy the same advantages as trans national monopolies. The multi-national corporation is a particular phase of monopoly development, they are an outgrowth of monopolies of the past and of monopoly foreign investment, but with specific features and characteristics. They stand at the heart of to-day’s "Neo imperialism" and "Neo colonialism."

It is clear that the multi-national corporations are inexorably driven forward to continuous super expansion by the same elemental, competitive, driving forces that have operated since capitalism first emerged into human history but they operate on an immensely magnified scale and with enormous advantages. Only the most ruthlessly aggressive monopolies survive the share raiding, bankruptcies and take overs to become the modern multi-national corporations and the process continues.

Investments even in these very early days of the modern scientific and technological revolution must be carried out on a staggering scale. Accumulation for this level of investment must be equally staggering and is accomplished by the degree of concentration that is available in the multi-national corporations.

**Fortune** (May, 1975) shows that the top 500 U.S. companies accounted for 66 per cent of all industrial sales and 72 per cent of profits. While the club of 11 companies with more than $10 billion in sales already accounts for 17.6 per cent of all industrial sales in the U.S.A.

Unless adversely affected by economic crisis, multi-national corporations aim their investment programs for a decade or more ahead. The "cash flow" plans follow suit. Every
means conceivable is used to “suck in” the wealth needed. Net profits and depreciation allowances over a period bears little relation to the actual wealth accumulated. Corporation structures and methods of exploitation vary according to the industry concerned. Oil corporation structure is quite different to auto industry or the amorphous I.T.T. conglomerate.

Generating maximum cash flow is a total and global process encompassing every available means. Taxation concessions, depreciation allowances, intra-corporate trade and transfer pricing, low wage and wage freeze areas, protection against unions, currency manipulation, “internal” low interest borrowing and high interest “external” lending, differential capital gains evaluations, monopolistic control of resources and supply of product with pricing at the maximum any market and political, situation will bear.

Either singly (the biggest of them) or in consortium they operate to manipulate currencies, create economic dislocation to undermine “unfriendly” governments, and to promote military coups. They give the “appearance” of democracy within the O.E.C.D. “neo imperialist” 26 nations whilst openly wielding fascist military dictatorships in the Third World. They have an ideological rationale created to “argue” and “substantiate” their undemocratic and authoritarian privileges and power.

Pressures exerted by the corporations and the crisis they have created are straining the capitalist system at the seams. Productive growth is severely restricted, in some cases ceased or even reversed. The O.E.C.D. secretariat estimates a total loss in growth as a result of the crisis of 10 per cent by June this year for the 26 countries covered.

NO BUDGET ANSWER

Local, regional (States in Australia) and national governments are all in budgetary difficulties. In 1975 there has been an increase in money printed, declining the value of currencies which reflect by inflation the level of multi-national corporation plunder during the boom and continuing into the crisis. (The annualised March quarter increase for

The end result of the multinationals policy in Chile is the highest inflation rate in the world.
Australia was 8.2 per cent in cash and 11.2 per cent in cashable securities). Workers are being pressed into wage freeze, pauses or guidelines, social development programs are being limited, in some cases abandoned. Small and medium businesses are badly affected, bankruptcies increase, thinly based financial “empires” collapse with massive “public” losses, savings reduce in real value terms, interest rates increase.

In all capitalist countries a particular attack is being mounted against workers wages in one form or another. In his budget speech, Australian Treasurer, Hayden said “increases in indirect taxation should not be included in indexation calculations” and stated the Government’s intentions to press this point of view.

Pay-as-you-earn taxation (the workers tax) as a percentage of budgetary income is to rise from 39.7 per cent in the 1974 budget to 45.2 per cent in the 1975 budget and this compares to 24.5 percent in 1964.

In monetary terms this should net an extra $1.045 billion more than if the 39.7 per cent of budgetary income had continued into 1975. Addition to this indirect taxes will also net another $1 billion more.

At the same time company tax is decreased 2½ per cent and there are reductions for low wage and large family incomes. Company tax falls from 16.3 per cent of budgetary income in 1964 to 12.3 per cent in 1975.

The total strategy of the budget therefore aims at redistribution at the expense of the average wage earner. To stimulate demand by giving some of this to those who cannot afford to save and who must spend and to give “incentive” to “business” and the wealthy. This is also hoped to blunt the wage demands of the low paid and at the same time save the average wage earner of any relativity argument. The budget’s overall effect will be that the economic crisis will now bring a sharp reduction in the real value of personal savings.

Simultaneously Minister of Labor, McLelland by proposing legislation launched a new initiative to try and strengthen the Arbitration Commission control over agreements, over award payments and collective bargaining. All this comes on top of the conspiracy around the strings attached to indexation where the Australian government, Arbitration Commission and the ACTU combined in a move to bring all wage movements back completely under Arbitration “control”. The employers only stay outside of the “deal” to ensure that “compliance” by all unions is ensured.

A NEW FORMULA?

The totality of all this fits into the desperate bid by the O.E.C.D. and other similar bodies spread throughout “the 26” which aims to try and find some new “formula” level to smooth out violent swings in the capitalist business cycle which in the era of multi-national corporations has “got out of control.”

Instead of the classical Keynesian formula of inflation between 3 and 6 per cent and unemployment of 1 to 3 per cent, their aim now is to try a balance of inflation between 10 and 15 per cent and an unemployment rate between 4 and 8 per cent. You can only bring one down at the expense of increasing the other. It is most significant that before the 1975 budget, the Liberal Party leaders were told by their economic advisers and big business “leaders” that there is no immediate way for government to significantly affect inflation and unemployment. Liberal leader Fraser said afterwards “I would be a most unpopular prime minister if I had to take office now.”

The multi-national corporations have their open spokesman in Milton Friedman and his uninhibited “laissez faire” school. He was recently brought to Australia after advocating and putting his policies into practice in Chile where inflation based on the first 3 months of 1975 reached an annualised rate of 282 per cent. He said in Chile - “oppose all social action of a statist nature, social service schemes, social medicine, state education, housing etc; and indict at the same time creeping statism as the promoter of inflation.”

Chile stands as the direct answer to those who blame the trade unions as the cause of inflation. The trade unions simply don’t exist.

NEO-IMPERIALISM

A major step in the “Neo-imperialist” practices directly generated by multi-national corporations in conjunction with the CIA was taken by the 1973 coup in Chile. It was a lesson spelt out to all countries attempting social change. It is clear from statements made in
terms of diplomacy that the U.S. State Department conveyed the lesson to Canberra and that the lesson was heeded in the sharp turn taken to the right by the Whitlam government. Ex Minister of Labor, Minister of Science in June, 1975, Clyde Cameron said "Multi-national corporations will unhesitatingly destroy the very fabric of the earth itself, if that will result in greater profit." (They) "are in pursuit of profit, that's all! Their prime objective, first and foremost is to obtain maximum return on their investments." He said "If it is more profitable to produce narcotics, poison gas, napalm or weapons of war they will shift their investment ... to activities that destroy life and cause suffering."

Previously, colonial empires, now the province of economic neo-imperialism of the multi-national corporation era, are carrying their political struggles for independence into a struggle for a new economic order. This represents a major threat to "the 26." It portends a major structural crisis of a multi-lateral character. It is magnified by the effect of the socialist world in the situation and only modified by the divisions which exist in the socialist world. It directly involves the most sinister operations of the multi-national corporations in pressing forward with the arms race and all that means in this highly scientific and technological age.

NUCLEAR POWER

It is an extremely serious matter indeed to contemplate the effect of U.S. President Ford proposing in June 1975 new legislation to hand over more control and production of nuclear energy in the U.S.A. to "private enterprise" - viz the multi-national corporations. Already 39 Westinghouse nuclear stations operate across the U.S.A. from New Jersey to California. Gulf general atomic have 2 plants. Babcock & Wilcox have 14 plants in the U.S. and Combustion Engineering 12.

Based on its massive accumulation to meet investment in the level of technology involved, penetration of nuclear power production is aimed at by the oil and petrol chemical corporations who are already responsible for 70 per cent of the world's pollution, and this must be seen alongside of the Whitlam government's reversal to allow export of enriched uranium.

Multi-national corporations so far deeply involved in nuclear energy hardware include- Westinghouse Electric, General Electric, North American Rockwell, Gulf Oil, Babcock & Wilcox, Combustion Engineering. Through licence arrangements and technology agreements these participate in nuclear enterprises in other countries operated by Hitachi, Furrekawa, Hoh, Mitsubishi, Canadian G.E., International Siemens, Fiat, Breda, Rolls Royce, English Electric and Reyrolle Parsens. Fuel cycle stages also involve, Allied Chemical, Atlantic Richfield-Numec, Keir McGee and W.R. Grace. There are other multi-national corporations which at this stage only play a minor role in nuclear activities but whose participation is growing.

WHICH WAY OUT OF THE CRISIS?

It is a notorious lesson of history that out of every capitalist economic crisis the most ruthless of the ruling class emerge from the intensified competition with higher levels of exploitation, with dehumanising attacks upon social development, with fewer workers for greater production. With having promoted the vilest authoritarian and fascist terror. With having attempted the worst possible adventures aimed at war and decimation of humanity. On the other hand it is a period of instability for the system in which the exploited, given the maturity of preparation and capacity can make new vital breaks in the chain of imperialism.

The struggle and victory of the Vietnamese people stands as a most recent reminder of how the ordinary people, uniting around them the world's most progressive forces, can break out of the control of the multi-national corporations and their world of chaos and misery. The task of doing this in vastly different circumstances however, is extremely complex, requiring a great deal of careful thought and investigation as well as struggle. It also requires discussion with the world's anti-imperialist forces.

We must get to know in more intimate detail, the nature of the multi-national corporation, its capacities, vulnerabilities and ally this to uniting and organising the available class forces on practical but effective concrete programs to challenge their power, with nationalisation, workers' control and self-management.
"NATIONAL INTERESTS" OR "CLASS INTERESTS?"

In the last few years a substantial number of marxist analyses of post-war capitalism have located the dominant contradiction of imperialism as one between multinational (or transnational) corporations and the nation state. While there are variations on the theme, the general conception is of a "power struggle" between multinational corporations and nation states. Thus in contemporary analyses of Australian capitalism we find statements such as:

"The problem of building up the nation state is that with multinationals such nation states can exercise only a limited sovereignty on local branches of such companies." (1)

Wheelwright, who has made the most extensive analyses of international capitalism in Australia, claims that with the rise of the (mostly American) multinational corporation which is "responsible to no one", "what is in question is the survival of the nation state ....." (2). As such analyses have been reflected in the strategies of working class and left political organisations it is important to demonstrate that they are based on concepts derived from bourgeois liberal frameworks, and that consequently they lead to inadequate strategies for a revolutionary movement. To put it most bluntly, there is a significant trend towards various forms of nationalism which have the effect of concealing class conflict and burying working class interests by proposing alliances with the national bourgeoisie, or defence of one's own state, against foreign or international capital. Wheelwright's statement that "there are conflicts between the interests of international corporations and the national interest" (op. cit. p. 60) is not uncommon, and a frequent solution offered is that "Australia" should be put in the hands of Australian ownership rather than being owned by America or Japan. (3)
One of these analyses of multinational corporations does actually admit that an explanation of the nature of “national interests can be provided only after a discussion of the relationships between class and state and between class and imperialism”; but then goes on to say that it is outside the scope of the paper; that “national interests” will be assumed, as in bourgeois ideology, “without analysing the real class dimension.” (4) It is to be argued here that the nature of inter-imperialist relations can only be grasped in the context of those questions neglected by Marinelli and Sonnini. Misunderstandings of these relations have arisen as a result of the meaning given to such concepts as the “multinational corporation”, “national interests”, and “nation state” in a number of recent analyses. It is necessary to break with ideological concepts and reformulate the question in class terms. In these terms an analysis of inter-imperialist contradictions would not ask the question “what can or can’t a state do in the face of large multinational corporations?” Rather, the focus would be on the effect that the internationalisation of capital has on the relations between imperialist bourgeoisies, and consequently on the role of the nation and state in inter-imperialist relations.

MULTINATIONAL CORPORATIONS

The key features of the post World War 2 phase of capitalism that are noted by most Marxist commentators, but variously interpreted are, firstly, the massive increase in direct foreign investment (that is the setting up of manufacturing plants in other countries, rather than the take-over of shares in existing local enterprises) (5) and secondly, that this investment is taking place in other advanced capitalist countries rather than in underdeveloped countries. (6)

The significance of direct foreign investment inside other metropolitan countries (that is, centres of imperialism) is, however, often missed; particularly when it is expressed in terms of the “rise of the multinational corporation”. The focus on transnational or multinational corporations as the characteristic feature of this phase of capitalism has led “neo-marxists” such as Barratt Brown to claim that there is a need to revise the traditional Marxist theories of imperialism (Lenin’s Imperialism specifically). While admitting that there is competition between these firms, this is seen as qualitatively different to “imperialist state rivalries at the end of the nineteenth century” (my emphasis). This view rests on the assumption that “the multinational corporation has emerged as a more powerful entity than the nation state. The new empires are the giant corporations .....” (8) The political conclusions of such a view are the same as those of the ultra-imperialist position – that is, one that claims there are no contradictions between capitalist states, the only significant contradiction being that between imperialism and the “third world”. A particular variation of this is super-imperialism. The argument in this case is that as a result of the dominance of US capital, all capitalist states are united under the leadership and domination of the US super-state. (9) Barratt Brown claims that in the light of the fact that rivalry between capitalist nation states has been contained in the face of competition from the communist world and national liberation movements (1) and that firms are “now transnational”, Sweezy is correct in seeing the only possible revolutionary initiative coming from the impoverished masses in underdeveloped countries (See Baran and Sweezy Monopoly Capital). Such positions ignore the contradictions within and between imperialist bourgeoisies and the importance of class struggle in metropolitan countries. The view that the Leninist conception of inter-imperialist rivalry (rivalry between states in defence of certain fractions of capital) has been superseded with the emergence of transnational corporations is based on a misunderstanding of the relation between capital and the state, and leads to reformism in practice. (11) That is, if the rise of the multinational corporation has in some sense meant the demise of national states, the question of state power, central to revolutionary strategy, becomes obscured. (This is to be taken up again later).

The question of the displacement of direct foreign investment towards metropolitan centres has similarly been misinterpreted by those who hold an ultra-imperialist position. (12) Those advanced capitalist countries where US capital holds dominant position become, in their schema, quasi-colonies, analogous to peripheral countries: “a line of continuity is thus drawn between the states of the Third World and the smaller industrial nations e.g. Britain.” (13) That is, the “power”
of metropolitan states is being destroyed either under the domination of large US capital, or the US superstate, or "international" capital "above" states. (14) The strategy that suggests itself in the light of this view is an alliance with the national bourgeoisie against US imperialism. Such strategies are based on misunderstandings of the relation between US capital and the bourgeoisies within these formations. As Mandel has pointed out, the percentage increase in direct foreign investment inside other metropoles, contrary to this view, signifies intensification of inter-imperialist competition. (15)

It is interesting to compare strategies for "national independence" of, for example, Australia, put forward by some "maoist" groups, with Mao's view on the same question in the case of semi-colonial countries:

"When imperialism launches a war of aggression against such a country, all its various classes can temporarily unite in a national war against imperialism ....

"When imperialism carries on its oppression not by war, but by milder means - political, economic and cultural - the ruling classes in semi colonial countries capitulate to imperialism, and the two form an alliance for the joint oppression of the masses of the people ...."

Mao Tse-tung On Contradiction
(F.L.P. Peking 1967, p. 30)

Mao's warning against collaboration with sections of a ruling class in semi-colonial countries is even more vital in the case of imperialist countries.

The crucial point with regard to multinational corporations is to understand that they are effects of the concentration and centralisation processes of capital on a worldwide scale. That is, they are simply the institutional form of this stage of monopoly capitalism. They don't signify that capitalism has qualitatively changed, but rather, are the necessary result of the basic dynamics of capitalist development (16) which exist independent of multinational corporations. Martinelli and Somaini, for example, assume that because the "multinational corporation embodies the processes of concentration and centralisation ...." (op. cit. p. 69), it is sufficient to focus attention on firms. On the contrary, it is precisely because they are the institutional effects of a process that the changing structure of global production and form of the accumulation of capital, and consequent class relations can only partially be understood by looking at the multinational corporations and their activities.

THE MULTINATIONAL CORPORATION AND THE NATION STATE

In order to grasp the nature of inter-imperialist contradictions, it is not only necessary to shift focus from the institutions of multinational corporations to modifications in class relations, but also to understand the role
MULTINATIONALS AND THE NATION STATE

of the state. Firstly, it is important to demonstrate the conception of the state implied in the formulation of "a power struggle between multinational corporations and nation states." (17)

The traditional liberal view of international relations has been one of free, separate nation states embodying national interests, competing with each other for "power". Bourgeois political scientists and economists have found it necessary to modify some of their assumptions with the emergence of multinational corporations. In general they have added the international corporation as another individual actor on the international arena competing for "power". In this new model the international corporation has an homogeneity and equivalence with nation states. It is precisely this framework that some marxists have employed recently.

Robin Murray for example, claims that two traditional assumptions have to be replaced; firstly, that there is an identity of interests between a firm and its state, and secondly, that the state has power to control the activities of its firms. What is needed instead is "a model which contains international firms, nation states, and international institutions as primary units" (as opposed to a model that has either only nation states, or international firms as primary international actors). (18) Thus we find various marxists speaking in terms similar to those of the liberal international relations frameworks: for example, "power is the driving force of multinational corporations and their success lies in their 'bargaining power' with host nation states." (19) Goldstein speaks of "public power versus private power", the "managers" of the former being "accountable", the latter, not. (20) Similar assumptions are involved when Wheelwright, followed by Catley and McFarlane, speak of "multinational corporations being responsible to no one but their own headquarters." (21) The other side of this coin is of course the suggestion that multinationals can be put under control of "the people" via nationalisation. Although it is not the main point to be taken up here, the notion of "accountability to the people" falls entirely within the liberal bourgeois notion of democracy. Goldstein also refers to a "zero-sum struggle for power of managers of multinational corporations with managers of state power." (22) The concept of zero-sum power, or countervailing power, rests on the pluralist assumption that power is a given quantity in a society for which a number of autonomous groups or individuals compete. The gaining of some of his power by one group means its subtraction from another.

A common theme in analyses of international firms is the flexibility of these firms, their ability to shift production units wherever it suits them, the consequence of which, it is argued, is an "abdication of absolute state power." (23) This particular article goes on to claim that "to the extent that foreign capital has penetrated the national economic space the state loses power to defend its own capital." (24) While it is certainly true that states no longer necessarily defend their "own capital", to speak of the state losing power vis a vis some section of capital is misleading. Similarly Martinelli and Somaini argue that because multinationals control financial flows, technology etc. and can make arbitrary choices, their activity generates "national interest conflicts." (25) That is, nation states, supposedly being powerless to control "foreign" firms, are less capable of acting in the "national interest" (whether it be the interest of national capital, or "the people" at large). Thus, the general picture that emerges from these accounts is that these firms in some sense by-pass, or are above nation states and weaken them, suggesting (although never explicitly) that the national state has in some way to be defended against international or foreign capital.

In order to demonstrate that the main contradictions on an international level today cannot be understood as one between multinationals and nation states it is necessary to outline briefly the marxist conception of power and theory of the capitalist state.

MARXIST THEORY OF THE STATE

Marxist explanations of international conflicts are located in the field of contradictions between classes, rather than conflicts of interest between nation states. It is not, however, sufficient to leave the matter here, for the question must be asked: what role does the state play in "international relations" or more precisely, inter-imperialist conflicts? In order to establish this it is necessary to look at the function of the state in capitalist societies. It is important to note that we are now looking at the national state apparatus
rather than the nation state. The use of the concept "nation state" frequently implies that the nation and the state are one and the same, the consequence of this being the suggestion that there is a national interest transcending class interests.

The marxist conception of the state is that it has a function of "holding together" societies, such as capitalist societies, that are fragmented by class contradictions. (26) When understood in the context of a society divided into classes, the state's role as a factor of order and regulation, necessarily means the reproduction of the particular social relations on which capitalism is based. In the words of Engels:

"The modern state is only the organisation which bourgeois society creates in order to maintain the general external conditions of the capitalist mode of production against attacks by workers as well as individual capitalists."


Not only is the state essential to capitalist societies because they are based on contradictions and irreconcilable class antagonisms, but these also make intelligible the appearance of the state as standing above society.

"In order that these antagonisms and classes with conflicting economic interests might not consume themselves and society in a fruitless struggle it became necessary to have a power seemingly standing above society that would alleviate conflict....."

(Engels, *Anti-Duhring*)

Bill Warren, in arguing against the assumption that multinationals are threatening the power of the state demonstrates precisely the same confusion. (27) He argues that the power of nation states vis-a-vis large firms is in fact greater now, and increasing, on the grounds that the processes of concentration and centralisation of capital have frequently been consequences of deliberate state policies. What he quite correctly appears to be emphasising is the increasing need for state intervention with the increasing internationalisation of capital. (28) This, however, is not a question of the increase or decrease of state power but rather a question of identifying the sections of the capitalist class in whose interests the state is intervening.

It is now clear that it makes little sense to speak of multinationals (in other words, fractions of capital) threatening the power of nation states, or possibly eliminating them when state power is the expression of class power, and the reproduction of capital is dependent on the state. Such an approach evades the task of class analysis, particularly an analysis of the different fractions of capital of which the bourgeoisie is comprised. Confusion has arisen at this point because with the internationalisation of capital it is not necessarily "national" fractions which will be
defended by the state. That is, the general interest of capital may not correspond to the particular interests of national fractions of the bourgeoisie. (29)

Competing fractions of capital are possibly interested in eliminating each other, but not the state apparatus. For all capitals operating within a particular society require the state to play a dominant part in reproducing the social conditions necessary for capitalist production. And, it must be noted, that despite competition between sections of capital, all sections have interests in common such as containing working class struggle, raising the rate of profit, etc. National state intervention is a pre-requisite for the necessary international expansion of capital. And here indeed there is a contradiction: the increasing importance of intervention of the national state as a condition of capital expanding internationally. This is an expression of the general contradiction of capitalism, between the tendency towards socialisation of the productive process and the private nature of appropriation, which is dependent upon the intervention of the national state. Expressing the contradiction in this way is not at all the same as saying that there is a struggle between two entities, multinational corporations and nation states. The political consequences are quite different.

CONCLUSION

The main point of the foregoing has been to argue against various forms of nationalism, such as that promoted by "maoists", that come from seeing the foreign or international nature of capital as the characteristic that makes it "the enemy". The basic antagonistic relations of exploitation on which capitalism is based have not changed; it is the form that changes in different phases of imperialism. Thus, the role of the state in capitalist society has not changed either. The basic tenets of marxism-leninism are also still valid. Whether the argument be that the state is the "tool" of foreign or international capital, or that its power is being threatened, the theoretical mistakes and political consequences are the same. Strategically these new theories lead to reformism. The national state in these schemas is either to be defended against foreign capital, or taken over intact by the people (the working class in alliance with fractions of national capital) out of the hands of the foreign monopolies. (30) Such notions ignore the role of the state in maintaining the political domination of the capitalist class. This domination cannot be overcome unless the state apparatus itself is smashed, or as Marx and Engels put it:

"The working class cannot simply lay hold of the ready made state machinery and wield it for its own purposes." (31)

There are two main political conclusions to be drawn from the above. Firstly, there is a need for proletarian internationalism as against "social-patriotism". Secondly, the enemy of the people is still the bourgeoisie and its state; and the struggle against them can only be led by a class conscious labor movement.

FOOTNOTES

3. McFarlane and Catley speak of the Labor government's inability to respond adequately to the "contradiction between the growing nationalism of the Australian people .... and the de facto economic and political power of transnational corporations." (op. cit. p. 5). There is no attempt here to identify what "the Australian people" consists of, or whose interests "their" nationalism serves.
5. See e.g. J. Dunning, Studies in International Investment, Allen & Unwin, 1970, for figures on proportionate increase in US investment abroad since the war.
6. US investments in Europe quadrupled 1957-67, whereas they not quite doubled in Canada, and hardly increased in Latin America. J. Dunning (ed.), The Multinational Enterprise, Allen & Unwin, 1971, points out direct foreign investment constitutes 75 per cent of capital exported now, as against 10 per cent before 1914.
8. Loc. cit.
MULTINATIONALS AND THE NATION STATE

10. This is Sweezy's most recent position. See "Imperialism in the Seventies", Monthly Review, Vol. 23, No. 10, 1972, pp. 2-5. Also June and Oct. 1971. Previously he took the more commonly held ultra-imperialist view that imperialism is united under US hegemony. While it is axiomatic that revolutionary movements are the threat to capitalism (the victories in Indo-China being the most recent testimony to this) neither this nor the fact that one capitalist country may have hegemony at a particular time can lead to a peaceful unity of international capitalist interests. The very dynamic of the capitalist production process makes this an impossibility.

11. The obvious comparison here is with the reformism of the German SPD and K. Kautsky, the initial proponent of a theory of peaceful ultra-imperialism.

12. This fact has also been widely used by "neo-marxists" in attempts to refute Lenin, e.g. M. Kidron, "Imperialism: highest stage but one", in Capitalism and Theory, Pluto Press, 1974, London (first appeared in 1962 in International Socialism), pp. 132-3. On an empirical level these arguments overlook the fact that Lenin referred to capitalist investments in other advanced capitalist countries. More importantly though, they are based on a lack of understanding of Marx's tendential law of falling rate of profit.


14. This latter notion comes out, e.g. in R. Murray, "The internationalisation of capital and the Nation State", NLR, No. 67, and Picciotto and Radice, Kapitalistate, No. 1, 1973, p. 57.


16. This is not to be understood in the terms put forward by Barratt Brown, that "modern technology pushes firms beyond frontiers of nations" (p. 56, op. cit.). Technology is not the determinant factor. Concentration and centralisation (and hence improvements in technology) occur as a result of the imperatives of competition between capitals.

17. Sweezy and Magdoff go one step further when they refer to the "nation", "multinational corporations and nations are fundamentally and irrevocably opposed to each other," Monthly Review, Nov. 1969. In this article, the "nation", defined as a "collectivity with pretensions to sovereignty", the "nation state", and the "national interest" are used interchangeably.

18. In Dunning (ed.) The Multinational Enterprise, p. 266. Previous reference has been made to Barratt Brown's suggestion that in fact multinational corporations have become the dominant factors in international relations, whereas nation states were previously. The issue here is not which of these entities has won the struggle, but rather, the framework that sees them as equivalent (but not necessarily equal) entities in a struggle. Barratt Brown is by no means alone in his opinion - cf. Kindleberger, Hymer, Sampson. Vernon.


24. Ibid. p. 62. These authors do in fact give a more accurate account of the function of the state "regulation of the national market economy on behalf of the capital operating within it."


26. For the most comprehensive contemporary work on the marxist theory of the state see N. Poulantzas, Political Power and Social Classes, NLB, and Sheed & Ward, 1973.


28. Writers such as Mandel have argued that the internationalisation process could provoke some form of supranational state. Not only is this mechanistic, but it falls into the ultra-imperialist mistake of thinking that it is possible to eliminate the contradictions from capitalism, and ignores the fact of uneven development of social formations on which inter-imperialist contradictions are based.

29. It has frequently been noted that, contrary to the initial purpose of the EEC, it has been more advantageous to US capital than European. See Mandel, Europe vs. America, p. 60; Turgendhat, The Multinationals, Penguin, 1973, pp. 106-107.

30. cf. Lenin's castigation of the "Leaders of Socialism" (German SPD) for their adaption "to the interests not only of their national bourgeoisie", but of 'their' state ...." State and Revolution in Selected Works, Vol. 2, Moscow, 1970, p. 287.

Australian workers' organisations should evaluate the foreign policy of their country in a spirit of internationalism. A defeat for imperialism in one country weakens the reactionary forces everywhere, and national liberation and socialist revolutions succeeded often in the past because they were strongly supported by solidarity movements in the capitalist world.

Before the second world war, colonial rule, severe encroachments on the sovereignty of the few 'independent' under-developed countries, and the presence of imperialist forces on foreign soil, were regarded as essential features of imperialism. Since then, the imperialist powers have been compelled under the pressure of the masses, who were becoming radicalised, to grant 'independence' to the developing nations by transferring the power to the pro-imperialist native bourgeoisie.

After the second world war, the USA and other imperialist powers endeavoured to combine neo-colonialism with anti-communist security pacts, military bases on foreign soil, and the use of interventions. This policy largely failed. The anti-imperialist victories of Chinese, Arab, Cuban and Indochinese people, strengthened the opposition of the third world masses to the military alliance with the imperialist powers. Consequently, many developing countries in Asia, the Middle East and Africa got rid of military bases and treaties.

This did not bring an end to imperialism for, notwithstanding all changes, the main features of imperialism still exist in most developing countries.* They still function as economic appendices of the imperialist powers, that is chiefly as producers of a limited range of low-priced food and raw materials designed for export to imperialist countries. These developing countries are still an area for investment by the multi-nationals in financial fields and in extractive and light manufacturing industries. They are also still subject to under-industrialisation, under-employment, outflow of capital, exhaustion of natural resources, negative balances of payment, and growth of foreign debts. The imperialist exploitation of these countries is thus perpetuated mainly by the chain of debts and market ties, which bind these economically dependent states to the imperialist powers.

The economic dependence and the imperialist exploitation of these developing

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countries have been strengthened by the threat that the US might will be used, if American interests are impaired. And indeed, there have been many cases of direct and indirect US intervention in the Third World. The events in Latin America and the Middle East could serve as an example.

Neither has the attitude of the native bourgeoisie of the developing countries radically changed since independence. The landlords, merchants, and other sections of native bourgeoisie, which were put and kept in power by imperialism (they form the ruling class of the Association of South-east Asian Nations) continue to co-operate with the multinationals and the imperialist powers.

But even the industrial bourgeoisie, whose interests clash in some fields with imperialism, is usually unwilling to mobilise the masses and take measures which would seriously undermine imperialism. It is frequently satisfied with limited measures, such as raising tariffs and royalties, and getting some equity in enterprises owned by foreigners. This, for instance, is the case in India, where the industrial capitalists are the main force in the regime.

At most, if pressed by the masses and the economic difficulties, the native bourgeoisie may in some developing countries nowadays nationalise with compensation some imperialist enterprises, while usually opening some new opportunities for imperialist investment in other fields.

Thus the developing countries cannot get rid of the economic backwardness and dependence on imperialism, without introducing basic socio-political changes and going through the process of a socialist revolution. Indeed, in many developing countries (ASEAN states included) which are presently strongly affected by the world-wide capitalist crisis, the social liberation movements are gaining in strength. These movements, involving workers, youth and peasants are not limited to nationalisation of foreign industries. Basically, they stand for a people’s state, a complete agricultural reform, expropriation of foreign monopolies and of the native big bourgeoisie, and for control of the economy by the workers and their allies.

In the aftermath of Vietnam some changes occurred in the foreign policies of the ASEAN countries. The authoritative, corrupt, and the pro-imperialist regimes of South-east Asia, controlled by landlords, merchants, and generals are establishing diplomatic relations with China and Vietnam. Acting under the pressure of the masses, they have also announced their intention to be ‘neutral’ and to eliminate gradually the US bases and treaties. The reason behind these moves is to placate the growing internal opposition to the deepening economic crisis and to the foreign pro-imperialist policies. The South-east Asian regimes also anticipate that by ‘neutrality’ they will succeed in restricting international support for the expanding social liberation and insurgency movements.

The South-east Asian countries hope that, by these measures, they will be able to stabilise their shaky regimes which have been affected by the US defeat in Indochina. But will these hopes come true? In 1974 there were numerous demonstrations and riots by students, peasants and workers in Thailand and Malaysia, and by students and youth in Singapore and Indonesia. There were also extensive guerrilla activities in Malaysia, Thailand and the Philippines.

The recent events in Indochina, and the opposition of the American people to direct military intervention, compels the US to use, to a greater extent, indirect methods of intervention, and to supplement these activities by manifestations of growing military strength. Thus, in Latin America, the US relies on military coups by armies equipped and trained by the Americans. Elsewhere, it seems, the US intends to use the allied countries either as cat’s paws, or as powers which would give military aid to bourgeois governments threatened by social liberation. (Australia is envisaged as acting in this capacity in our region.) There is a danger that the US, in its striving to cominate and exploit the capitalist world, may use its formidable military power in a highly dangerous way. Schlesinger’s threats to “go for the heart of your opponent’s power”, and the Mayaguez affair, have shown that this could take place.

Australia’s military arrangements with Malaysia, Singapore and Indonesia involve training of servicemen, military aid, and frequent military manoeuvres. Some people don’t attach much significance to these arrangements. They say that these were inherited from the Liberal governments and that, according to Whitlam’s statements, the Australian forces will not be used against internal dissent.
The actual practice, however, is not reassuring. Two Mirage fighter squadrons of the RAAF are still stationed in Malaysia. In October 1974, for the first time, Malaysian troops came to Australia for a joint exercise. The military aid and the political co-operation with Indonesia have greatly increased since Labor came to office. Last year, when Mr. Barnard visited Indonesia, he proposed joint troop manoeuvres. And in September 1974, Mr. Whitlam declared to the Australian journalist Mike Richardson, that “Australia is willing to consider practical defence co-operation with the Philippines and Thailand.”

There is no guarantee that the military aid given to the South-east Asian countries will not be used against internal dissent. Moreover, if the situation did become desperate for the pro-imperialist South-east Asian regimes (and tendencies exist in this direction), then, notwithstanding Whitlam’s assurances, under pressure of the US, our own industrial-military complex, the Liberals and other right-wing forces, Australia could become involved in military actions in South-east Asia.

In respect to our foreign policy, Australian workers are faced with a double task. On the one hand, they should press for an end to the Australian-US alliance and to the presence of foreign military bases on our soil. These constitute a threat to other nations (socialist countries in the first place), and make this continent a nuclear target. They facilitate US intervention in our internal affairs, and thus impede our socio-political development. They also tend to make Australia an imperialist base which would provide military assistance to South-east Asian pro-imperialist regimes.

On the other hand, supporting the social liberation movements in South-east Asia, as elsewhere, Australian workers should oppose Australia’s military arrangements with South-east Asian powers (involving training of servicemen, military aid, and frequent military manoeuvres) which could be used against internal dissent in South-east Asian nations and drag us into new Vietnams.

This double task finds its expression in the non-alignment policy adopted by the Congress for International Co-operation and Disarmament. This policy is supported by a substantial section of the Victorian ALP and the trade unions. It seems also to be in agreement with the principles on foreign policy adopted in 1974 by the CPA Congress. The non-alignment policy stands for: mutual respect for territorial integrity and sovereignty of all nations; equality of national rights; opposition to military alliances, foreign military bases, and military interventions; and support for national and social liberation. (See CICD’s publication, Australian Policies in South East Asia).

This policy, in one vital aspect, differs from the official non-alignment policies of many developing bourgeois states - support for national and social liberation movements. There are many developing countries which claim to be non-aligned and even anti-imperialist, primarily because they are aligned neither to NATO, SEATO, nor the Warsaw Pact, and because they have no foreign military bases on their soil. Nevertheless, these bourgeois states are tied to the multinationals and the imperialist powers. Moreover, social liberation forces combatting the pro-imperialist regimes are active in many of these states.

While welcoming the refusal of these states to have foreign military bases on their soil, the Australian working class should still give its full support to the internal liberation movements opposing the pro-imperialist regimes. This policy of non-alignment tied to support of national and social liberation movements can thus be regarded as a front of Australian people, united in opposition to the Australian-US Alliance and pro-imperialist policies, and in support of national and social liberation movements.

There are some revolutionary socialists who advocate for Australia a policy of alignment with socialist countries. Such a policy, however, would be much ahead of the present consciousness of the masses. Besides, even if we were a socialist country, we would still probably stick to the non-aligned policy described above because of reasons similar to those which caused South Vietnam and Cambodia to adopt a non-aligned policy.

The reasons seem to be: firstly, such a policy would secure a greater opposition of the American people to US intervention; secondly, an alliance with China would alienate the Soviet Union and vice versa; thirdly, an alliance with a socialist great power under present conditions could unfortunately mean undue interference with the socio-political development of the country, as was the case in the past with Yugoslavia and Czechoslovakia, for instance.
J. Cane is an artist and cartoonist who contributes regularly to Tribune.
Top left: "Legislative Council Guardian. Below left: "The Tightrope Worker" Top right: "Waterside Worker" "Mikis Theodorakis", chalk."
top left: cartoon for the film "The Rope," oil painting.

Below left: chalk. Below right:
AN INVOLVED ARTIST

This book, in presentation and production, is of comparable quality to any of the other large hand bound art books overflowing from bookshops. The text is informative and interesting, not often the case with those expensive art books. It is also effectively presented on brown tinted paper. The reproductions are good and represent a wide range of Noel Counihan's work. There are a large number in color, which is not always the case with such books. The layout is tastefully done, making it pleasant to handle and easy to look at. Placed on a coffee table with the usual array of glossy books, it would demand attention and compete quite well with the endless Boyds, Pughs, Nolans and Percevals, so the casual visitor might be rather alarmed, when expecting some pleasant visual distraction, to be flung back to the suffering and unemployment of the 1930 depression in Australia. Noel Counihan didn't paint about painting, he painted about people. Besides pictures drawn from this period, his themes include portraits of wharfies, Aborigines, whores, pensioners, business tycoons and political cartoons. All executed in an honest, uncompromising and graphic style.

Noel Counihan was born in 1913 in Albert Park, Melbourne. His father, at first a shop assistant, later became a commercial traveller selling women's hosiery and lingerie. Right from the beginning, his life was one of conflict. At school he was always in trouble and showed no liking for formal learning. At the age of eight Noel was pounced upon and packed off to St. Paul's Cathedral as a choir boy, and naturally rebelled. He grew to despise his father who became an alcoholic and ill-treated his mother. Eventually, he left school and became an office boy at one pound per week and started part-time drawing classes. In 1931 he discovered Marxism, Atheism and Modern Art. He became involved in protest demonstrations of the unemployed and their right of free speech against suppression by the police. It was at this time that he addressed a large crowd from a cage made from an old steel lift bolted to the back of a truck to defy police attempts to move them on. It was 25 minutes before the cage was broken open and he was arrested.

During 1935-36, Noel Counihan travelled around New South Wales with a writer friend, Judah Waten, making a modest living selling pencil portraits of the local dignitaries in country towns. Activities in the 1939-40 anti-conscription movement resulted in his arrest and deportation from New Zealand. Eventually when the war broke out he actively supported the war effort. He began painting only after a rest in a Sanatorium near Melbourne while recovering from tuberculosis in 1941. He then began an intense period of self education, teaching himself to paint and refining his concepts of what he wanted to express; these are just a few instances from Noel Counihan's active and eventful life. He was not a mere studio painter, but tightly inter-related his lifestyle and work. This is, of course, where his images draw their strength - he did experience the emotions he was painting.

His work speaks for itself. I have been greatly impressed and encouraged by it. I don't think there is any value in debating aesthetics or dwelling upon the merits of any specific painting - this would do these pictures a grave injustice - you must see them.

However, there is another aspect of special interest revealed by this book. That is how Noel Counihan dealt with the contradiction between his active marxist politics and his recognition as an Australian painter by the establishment. Intertwined with this is the ability of the conservative art world to absorb, redefine and render harmless any work of real political strength.

The main impetus of the 'art world' is geared toward rendering painting neutral and politically safe. By doing this it can be made either to serve the interests of the ruling establishment or at least not threaten it. Consequently, the role of painting has been reduced to that of a purely visual sensation. Color for the sake of color, line for the sake of line, paint for the sake of paint. In all, a rather low key hedonist experience. Just another pleasant physical sensation for those who have learnt to enjoy this experience. The whole event of visiting an exhibition remains no more memorable or meaningful than eating a large bag of marshmallows. Astute art dealers can make money buying and selling on the market they create. The culture-hungry affluent can be convinced that in this expensive, wine-sipping atmosphere of trendy people that the mud pie they bought is real ART. Various fashionable styles are adopted and dropped overnight along with their painters as 'new movements' come and go. Artists are promoted and paraded like pop stars. 'Names' are bought and sold. Glossy art
magazines are published. The ordinary person walking in on this world is intimidated by the ritual and jargon ..... I could ramble for pages describing this plastic world, but the point is that within it are meaningless and castrated pictures. It is against this insidious backdrop that the emergence and survival of Noel Counihan becomes even more significant.

The whole process of containing the potential power of pictures begins the first day the student lifts his or her brush. Facile limitations of accepted styles are smiled upon. The best carbon copy of the latest so-called 'international trend' is acclaimed. 'Abstract Expressionism' was once the avant-garde; this gave way to 'pop' and 'op' and the more sophisticated were doing 'color field' work. Each new fad defined the last as old-fashioned. This whole sideshow is usually rationalised with 'history of art' lectures. These are generally built around the idea that ART has its own reality and can be viewed as an isolated process unrelated to social and economic forces. From this position it is deduced that 'art and politics don't mix', rather a cherished piece of dogma. It is then shown that political commitment for a painter is dangerous as this will corrupt any work produced and reduce it to mere propaganda. A close look at Counihan's work and life will reveal the stupidity of this argument. In fact, it rather shows that a painter's preoccupation with formal elements tends to result in rather trite works.

However, if the radical persists and cannot be 'neutralised' there are some in-built
mechanisms to cope with her or him, the most effective being the myth of the painter as the 'eccentric' or 'bohemian'. People are taught to expect the views of a painter to be slightly outrageous and are disappointed when they are not. Consequently the dissident can be more easily accommodated.

The Art Establishment has the ability to absorb many attacks made directly upon it. An obvious example being that of the DADA movement. This group rubbed the very notion of ART. Now, their whole position has been defined as ANTI-ART and is happily incorporated in the very establishment they opposed. Lectures are given at Art Schools on the subject. Art galleries now eagerly seek to exhibit the now rare Dada pieces which are proudly displayed and heavily guarded. Another more recent assault upon ART has been made with POST-OBJECT ART. This is an attempt to liberate the holy essence ART from the object so it can't be captured by institutions. However, already professors of fine art are championing the movement at universities, and galleries are giving POST-OBJECT displays. In many respects, the motivation of these groups is worthy of sympathy for they were often attempts to reveal social hypocrisy and shallowness. Because of the nature of their attack they became lost in the internal art world debate, they failed to transcend the situation and relate to a larger number of people, remaining another esoteric group. Here we can draw important lessons from Noel Counihan's work. He showed continual development, being open to many influences, but wise enough not to become distracted and imitate transitory fashions. This single-minded approach has given his work a quality that, in retrospect, is lacking among his more fashionable contemporaries.

A part of the struggle to develop as a painter while holding marxist views is to resist the rather simplistic solution put forward by certain sections of the left. 'Art must serve the people' is a favourite slogan of the Maoists. This is interpreted as any art of the pictorial illustrative nature, heavily imbued with their own 'correct' politics as fulfilling this function. Lim Mo-Han one of the officials responsible for culture in the Chinese People's Republic in 1961 wrote 'Let us raise still higher the banner of Mao Tse-tung's thought over literature and art ... the present task for writers and artists is to develop and create a socialist literature and art in conformity with the directives set out by comrade Mao Tse-tung', and the obvious conclusion to this is "literature and art, which make up a part of the whole revolutionary cause, must naturally accept the Party's direction and control". The official pictorial art of China has failed to relate to the mass of the people and remains the product of the party. It is interesting to note that the traditional painting of China still remains the most popular among the people. The bureaucratic approach was imported directly from the stalinist model. The example of social realism in Russia has been tragic. The Russian Zhdanov said in 1946 that it was necessary to "align all the sections of our work to the ideological front". The consequence was that all cultural debate, all possibility of contestation, all ideological struggle was suppressed. In brief, the opposite to marxism. The paintings resulting from this were a sterile failure but are still tediously reproduced in Party publications. It is rather curious that dissident painters in Moscow recently were engaged in a struggle to exhibit abstract expressionism, now considered 'old-fashioned' by western artists.

However, within the marxist tradition there are more sophisticated approaches to the problem. Here the work of Gramsci is of special interest. From prison he wrote "the politician exerts pressure to make of the art of his time a given cultural world. This is a political activity, not an artistic critique. If the cultural world for which we are struggling is a living and imperative reality, its expression will be irresistible. It will find its own artists. If, in spite of political pressure, it does not find its own artists, this means we are dealing with a factitious cultural world, a pastiche, a paper lucubration by mediocrities ....". This view which finally ceases to consider art simply as an ideological superstructure and as a utilitarian instrument unfortunately has been overshadowed by naive sloganeering. It is also a credit to Noel Counihan that he, unlike many other painters, managed to support the left yet escaped the narrow restrictions it often imposed upon its painters.

I hope the supporters of the left will take more interest in Noel Counihan's work and defend it from attacks made by the conservative art world. I think already its own inherent strength has safeguarded it effectively. May a Counihan picture never safely adorn the walls of a stockbroker's office.
The deterrence theory is not only obsolete, it has been abandoned by the United States. Deterrence is the threat of severe retaliation against the cities and manufacturing areas of a country that initiates a nuclear attack. Missiles do not have to be extremely accurate nor do the warheads require much explosive power to accomplish that mission. This balance of terror has been credited with preventing first-use of nuclear weapons for three decades and it reached its point of highest credibility when the first strategic arms limitation agreement (SALT I) was signed in 1972. Since then it has deteriorated rapidly.

I have witnessed the decline of deterrence from inside the military-industrial complex of the United States. While a design engineer on submarine-launched ballistic missiles I could see the shift in US strategic policy reflected in the types of weapons being developed. During the panic of the so-called missile gap of the late 1950s, which I'll discuss more in context later, I was working 60 hours a week to design the first Polaris missile. Early in this decade when the Trident program was just beginning, I could recognise the first signs of a strategic shift toward an offensive position. That shift eventually led to my resignation from the arms industry. Since observing these phenomena I have become very critical of military policies. So, with that brief introduction, let me proceed to illustrate how sophistication and proliferation of weapons has hastened the demise of the nuclear deterrent philosophy.

The Anti-Ballistic Missile (ABM) Treaty of SALT I confines interceptor missiles to the defence of the capital city and one
INTERCONTINENTAL MISSILE EMPLACEMENT, AND LIMITS THE OVERALL NUMBER OF ABMS TO A MERE 200. AGREEMENT ON THIS NUMBER, WHICH IS A COMPOSITE OF WHAT EACH COUNTRY HAD ALREADY DEPLOYED, WAS POSSIBLE BECAUSE A CREDIBLE ANTI-MISSILE DEFENCE IS ECONOMICALLY OUT OF THE QUESTION. LEAVING MOST CITIES UNDEFENDED WAS TACIT INDICATION THAT ALL OUT NUCLEAR WAR WAS NO LONGER CONSIDERED A VIABLE OPTION BY EITHER SIDE. IT GUARANTEED THAT RETALIATION TO AN INITIAL ATTACK WAS POSSIBLE WITH A MISSILE FORCE EVEN SMALLER THAN WHAT WAS ALREADY DEPLOYED. THE ABM TREATY, ALONG WITH THE INTERIM AGREEMENT THAT RESTRICTED OFFENSIVE WEAPONS, SET THE STAGE FOR MEANINGFUL REDUCTION OF NUCLEAR ARMS. BUT THAT WAS NOT TO BE. TO BETTER UNDERSTAND THE COMPLEX CONDITIONS THAT FOLLOWED LET US BRIEFLY REVIEW THE HISTORY OF THE ARMS RACE.

NUCLEAR WEAPONS COMPETITION HAS BEEN A SERIES OF ACTIONS AND REACTIONS WITH THE SOVIET UNION, FOR THE MOST PART, ALWAYS REACTING TO A US NUMERICAL OR TECHNOLOGICAL LEAD. RUSSIA BECAME A NUCLEAR POWER FOUR YEARS AFTER THE UNITED STATES. AS THAT HAPPENED, THE "BOMBER GAP" CRISIS WAS FABRICATED TO JUSTIFY DEVELOPMENT OF THE UNITED STATES' B-52 FLEET. WE NOW KNOW THAT SUCH A GAP NEVER EXISTED. AS A MATTER OF FACT, WHEN FORMER US PRESIDENT EISENHOWER PROPOSED THAT BOTH COUNTRIES REVEAL THEIR NUCLEAR INVENTORIES AND DEFENCE SPENDING THE SOVIETS WERE SO NUCLEAR INFERIOR AND ECONOMICALLY WEAK THAT THEY MAINTAINED SECRECY TO HIDE THEIR VULNERABILITY.


EARLIER IN THE SAME DECADE THE US GAITHER COMMITTEE REPORTED THAT BY 1959 THE SOVIETS COULD LAUNCH 100 INTERCONTINENTAL MISSILES AGAINST THE UNITED STATES. U-2 SPY-PLANE FLIGHTS WERE THEN AUTHORISED TO CONFIRM OR DISPELL THAT THREAT. IT WAS LATER PROVED FALSE. THE SOVIETS WERE ACTUALLY CONCENTRATING ON SHORTER RANGE MISSILES TARGETED AGAINST WESTERN EUROPE. THEIR INABILITY TO COVER US TARGETS WAS DEMONSTRATED IN 1962 WHEN KRUSHCHEV ATTEMPTED TO MOVE INTERMEDIATE RANGE MISSILES INTO CUBA.


SO HISTORY INDICATES THAT IT HAS BEEN THE UNITED STATES WHICH HAS MAINTAINED THE LEAD IN THE ARMS RACE. STRATEGIC POLICY CHANGES, INITIATED AMID SECRECY AND DECEPTION WITHOUT THE BENEFIT OF DIVERSE PUBLIC OPINIONS, HAVE BEEN REPEATEDLY USED TO JUSTIFY CONTINUED WEAPONS DEVELOPMENT. SUCH WAS THE CASE IN THE 1960S WHEN THE DECISION WAS MADE TO FREEZE US INTERCONTINENTAL MISSILE NUMBERS AT 1054 AND THE POLARIS SUBMARINES AT 41. EFFORTS THEN FOR THE MOST PART, ALWAYS REACTING TO A US NUMERICAL OR TECHNOLOGICAL LEAD. RUSSIA BECAME A NUCLEAR POWER FOUR YEARS AFTER THE UNITED STATES. AS THAT HAPPENED, THE "BOMBER GAP" CRISIS WAS FABRICATED TO JUSTIFY DEVELOPMENT OF THE UNITED STATES' B-52 FLEET. WE NOW KNOW THAT SUCH A GAP NEVER EXISTED. AS A MATTER OF FACT, WHEN FORMER US PRESIDENT EISENHOWER PROPOSED THAT BOTH COUNTRIES REVEAL THEIR NUCLEAR INVENTORIES AND DEFENCE SPENDING THE SOVIETS WERE SO NUCLEAR INFERIOR AND ECONOMICALLY WEAK THAT THEY MAINTAINED SECRECY TO HIDE THEIR VULNERABILITY.

WORK BEGAN ON THE MULTIPLE INDIVIDUALLY-TARGETED RE-ENTRY VEHICLES. BY 1970 THE MINUTEMAN III WITH THREE MIRVS FOR A PAYLOAD BEGAN REPLACING THE OLDER SILO-BASED MISSILES. IN THAT SAME YEAR THE NEW MIRVED POSEIDON WAS PUT ON STATION IN CONVERTED POLARIS SUBMARINES. THIS WAS ESSENTIALLY THE PICTURE WHEN SALT I WAS SIGNED.

PROLIFERATION OF NUCLEAR WEAPONS IS THE HORIZONTAL ASPECT OF THE ARMS RACE THAT IS UNDERMINING THE GROUNDWORK LAYED BY SALT I. THE RENEWED TESTING ACTIVITY AMONG TERTIARY NUCLEAR POWERS AND POTENTIAL POWERS MAKES THE POSSIBILITY OF DETERRENCE LESS MANAGEABLE. ALLOW ME TO PRESENT A QUICK LOOK AT THE GLOBAL PICTURE:

1. AFTER A NINE-YEAR MORATORIUM, ENGLAND RESUMED TESTING LAST YEAR AT THE US NEVADA TEST SITE. THE BRITISH HAVE FOUR BALLISTIC MISSILE SUBMARINES ON PATROL.

2. LAST SEPTEMBER FRANCE SET OFF ITS 43RD BLAST IN THE PACIFIC SINCE 1964. THIS YEAR THEY
Foreign delegates to the 21st Congress against Atomic and Hydrogen Bombs at a demonstration in Hiroshima city.

are conducting underground tests at their new facility on the Faungataufa Atoll approximately 800 miles southeast of Tahiti. France has three missile-firing submarines with two more on the way.

3. China, also, started testing in 1964. Former Chairman of the US Joint Chiefs of Staff, Admiral Thomas Moorer, has predicted that China will eventually produce a 6000-mile missile with a 3-megaton warhead. US Defence Secretary Schlesinger says they will achieve that capability by the end of the decade.

4. On May 18, 1974 India detonated its first atomic device. Although Prime Minister Indira Gandhi stressed that India’s use of atomic power will be peaceful, the militant Jana Sangh party claimed that global conditions make it imperative for India to develop its own nuclear arsenal. It should be noted that American and Soviet scientists have failed for over two decades to find peaceful uses for nuclear explosives. And only a month after the blast the Indian Atomic Energy Commission announced plans to detonate a hydrogen bomb as a successor to the atomic experiment.

For ten years the number of nuclear powers had remained fixed at five but when India set off its bomb it caused a new global mood to surface. Only Japan, Sweden and Canada voiced sharp criticism. Russia and China did not protest and the US merely admonished India to act responsibly in the export of nuclear technology.

But the effect on non-nuclear countries was more significant. Pakistan is reassessing its potential as a nuclear power. India’s claim to peaceful use of nuclear explosives has revived credibility in that argument among such countries as Brazil and Argentina. South Africa also has the capability of producing an atomic bomb along with controlling...
one-quarter the non-communist world supply of uranium. Spain is another interested party. These are but a few of the aspiring nuclear powers and when more of them acquire the technology to miniaturise warheads, build micro-electronics and manufacture small propulsion systems they will have the capability of firing long-range nuclear missiles from an unlimited selection of launch platforms. It would be unlikely that a country which has been attacked would know whom to retaliate against.

India obtained the enriched uranium to make its bomb from nuclear plant fuel provided by Canada. Access to nuclear materials by this means is growing. West Germany has negotiated a massive deal with Brazil to sell them not only nuclear reactors but also the enriching and processing plants for uranium. The Soviets have a secret deal with Libya that involves a complete atomic centre in that country. France is reportedly negotiating sales of nuclear power plants along with complete fuel cycle technology to Argentina, South Korea, Pakistan and Taiwan. And if the US furnishes Egypt and Israel with 600-megawatt reactors, as promised by former President Nixon, other ulterior events will undoubtedly be triggered. Topping that off, if President Ford has his way in relaxing government controls it will allow US private business to produce enriched uranium.

Neither can the growing threat of nuclear terrorists be overlooked. Techniques for constructing atomic bombs are becoming generally known. The Stockholm Peace Research Institute's annual report states that by 1980 the world will have accumulated 770,000 pounds of plutonium - a by-product of nuclear reactors and the material used in the Nagasaki bomb. "Even if safeguards are 99.9 per cent effective," the report continues, "enough plutonium could be diverted without detection to produce nuclear weapons at the rate of one per week." Acquiring fissionable materials is becoming easier. When desperate people learn how to construct a nuclear device, that device will certainly be used.

To push the proliferation point a bit further, we should look closer at the lack of nuclear weapons safeguards. Although it had estimated that a $90 million construction program was needed to adequately guard nuclear weapons, the US Department of Defence only requested $4.9 million for that purpose this fiscal year. Meanwhile, testimony before the US Congress reveals that 3,647 people having access to nuclear weapons have been removed from their jobs each year because of discipline problems, mental illness, alcoholism and drug abuse. Of those discharged in 1972 and 1973, twenty per cent were for drug abuse. Blackmarketing nuclear materials could be a tempting way for drug addicts to support their habit.

The Nonproliferation Treaty is struggling for credibility. It barely survived its scheduled review last May. It is failing because the two top nuclear powers have not lived up to the "good faith" Article VI in which they promised to curtail their arms race. The United States, for instance, now has 8,500 nuclear weapons which are classed as strategic and is increasing that number at the rate of three a day. Under the conditions of the Vladivostock Agreement the number of strategic warheads could rise as high as 21,000. But the US also has, right now, 22,000 nuclear weapons in its tactical arsenal. These are widely disbursed with many in the hands of battlefield commanders. According to Dr. Frank Barnaby, director of the Stockholm Peace Research Institute, continual stockpiling of nuclear weapons "could create the imminent destruction of the world."

What I am trying to point out is that proliferation of nuclear weapons negates any argument that the deterrent theory is still workable. That being true, we are at a most critical point in history - a point where we must choose between really stopping the arms race dead in its tracks and looking for peaceful solutions to international tensions or, the other alternative, to carry this myopic struggle for weapons superiority to its ultimate conclusion: a lethal contest among many powers in an atmosphere of first-strike threats and nuclear terrorists. It is apparent to me that my government has chosen the latter course. To justify their massive arms build-up, and in fact their very existence, the Pentagon has come up with the "response in kind" selection of options that will give the flexibility for a tit for tat reaction to any nuclear attack. Of course with the increased plausibility of limited nuclear encounters we must recognise the probability that actual use of thermonuclear weapons will be part of US policy. And that direction required to achieve that flexibility and selectivity is hard targeting - a back door approach to a counterforce.
capability. Although there were media leaks and public hints that a shift from the long-prevailing deterrent posture was taking place, it was not until last year that the American people were officially informed that their leaders had carried them into the dangerous potential first-strike position that had been avoided for decades. Since that revelation the threats and insinuations by high government officials that nuclear weapons will be used have grown bolder and more frequent.

Counterforce means that a country’s attack missiles are aimed at an opponent’s assault weapons. This type of targeting implies an offensive first-strike because retaliation against empty silos does not make sense. Since counterforce targets are protected by thick concrete to harden them against nuclear explosions, a country contemplating counterforce options would need very accurate and powerful weapons. If all the opponent’s missiles were not demolished during that first strike they would be certain to retaliate with devastating results.

Qualitative improvement of weapons is the key to the new counterforce policy. Sophistication is in three main areas:

1. Two generations of Trident missiles and a new fleet of submarines are being developed to update the sea-based leg of the strategic triad. The justification for this weapon is survivability. Longer range Trident missiles will allow the submarines to patrol over ten times the ocean area now possible for Poseidon boats. The latest design nuclear submarine propulsion system will be quieter (to minimise detection by sonar) and more powerful (to allow escape in case detection should take place).

2. The highly sophisticated and expensive B-1 bombers are the Air Force’s dream of modernising the Strategic Air Command. Even in the face of convincing arguments that a penetrating bomber is no longer feasible in view of Russia’s elaborate air defence system, the Air Force tenaciously adheres to the need for such a weapon. The truth is that without a huge bomber force it would not be possible to justify the Air Force’s huge allotment of manpower and officer billets.

3. Because the Department of Defence claims that land-based missiles in stationary silos will be vulnerable in the 1980s, they are looking into mobile missile technology. Although the United States submitted a unilateral statement that deployment of mobile missiles would be considered inconsistent with the arms control intentions of SALT I, it is now developing such a weapon.

These are the main force modernisation programs but there are numerous complementary and supportive projects that enhance selective surgical strikes. The following are the more prominent:

a) Manoeuvring re-entry bodies that will hone-in on targets during the final phase of their descent.

b) Instant re-targeting of missiles through computer technology.

c) Improved missile guidance systems that can update navigation data after being launched.

d) Miniaturisation of warheads and components which allows increasing the yield without increasing size and weight.

e) Cruise missiles which resemble a small pilotless aircraft after wings and tail unfold. They fly undetected at low altitudes with target-sensing precision and can be launched from a variety of aircraft, land vehicles, surface ships and submarine torpedo tubes.

Sophistication of weapons is also complicating current strategic arms limitation talks. There is disagreement as to whether cruise missiles should be counted against the Vladivostock ceiling of 2400 nuclear carriers. But even aside from that complication, a condition of any treaty is verification that it is not being violated and that may be an obstacle that cannot be cleared. The quest for survivability (i.e. preventing detection) is completely at odds with the ability to determine that treaty quotas are complied with. It is also worth noting that the June 1975 meeting between US President Ford and Soviet leader Brezhnev was postponed. That meeting had been the target for signing a new ten-year strategic arms treaty. The prospects of disarmament negotiations do not look promising.

To soothe the fears of those who recognise the counterforce trend for what it is, US Defence Secretary Schlesinger alleges that neither the United States nor Russia has a disarming first-strike capability, nor will they have in the foreseeable future. This, he says, is because of the survivability of
THE DECLINE OF DETERRENCE

missile-launching submarines. But the emphasis placed on anti-submarine warfare by the US (over $3 billion spent annually in that area) makes one wonder if the plan is to be able to destroy the entire Soviet fleet. This question becomes more relevant in light of Secretary Schlesinger’s recent statement that “It is necessary to go for the heart of an opponent’s power, destroy his military forces rather than simply being involved endlessly in ancillary military operations.

The US Air Force is also preparing for the limited exchange of nuclear weapons which Secretary Schlesinger and other planners feel is a good possibility. The Strategic Air Command has given its pilots top-secret mission folders on how to fight a limited nuclear war. American forces are conducting exercises all over the world in preparation for any possible contingency. Although Pentagon officials say they never comment on operational plans, one ranking officer admitted that the possibilities for a one-shot-apiece nuclear exchange was being integrated into the master blueprint for nuclear war.

The unfolding US military activity is justified by another pre-fabricated gap - the “counterforce gap”. This is illogical. I have pointed out how Russia is still trying to catch up to a US lead. The deployment of MIRVs by the Soviets this year (something the US did five years ago) is depicted by the Pentagon as seeking a counterforce position. And the USSR will certainly emulate current US weapons sophistication by the end of the decade. Ironically, it is as a hedge against that predictable Soviet reaction that they offered excuse for many weapons improvements. While voicing hopes for some abstract condition that could make disarmament possible, the United States proceeds to rationalise nuclear competition while maintaining an unresponsive attitude toward meaningful arms reduction proposals. Even when the USSR introduced a United Nations resolution to reduce military spending the US did not support it. What is the reason behind this dichotomy?

It seems obvious to me that the real obstacle to stopping nuclear production is business profits. Weapons manufacturers get a juicy slice of the huge Pentagon budget. It is not possible for large corporations, which measure every decision exclusively by the dollar standard, to support disarmament with anything more than rhetoric. But even while they allude to the Soviet threat to excuse their behavior, that fear of communism doesn’t seem to be present when the Soviet Union offers a market for US merchandise. This fact was brought sharply into focus by the $1.8 billion package deal that Lockheed Aircraft Corporation (the second highest ranking defence contractor) offered the Soviets. It included the sale of thirty-two L-1011 jetliners to Aeroflot, the Russian airline, with an option to purchase thirty more on a follow-on order. Neither is that fear evident in a similar venture where Boeing Airplane Company is trying to interest the Soviets in their 747 jumbo jets for international routes. Worry about Soviet sincerity diminishes appreciably if one can believe Alexander Yankovich, a Bank of America vice-president. Pointing out that there is no risk in dealing with the Soviets because they have always lived up to their commercial arrangements, he advocates increased trade with Russia.

United States legislators also seem to cast their vote where business interests and the economy dictate. The most successful lobbying technique in Washington is to convince congress people that a given defence program will provide jobs in his/her district. This promise is especially effective with the unemployment figure crowding the ten per cent mark.

I see only one small hope of this planet extricating itself from the self-cremation it is preparing. Disarmament will come only when the masses wake up - only when the common people assume responsibility for their share in the global community and accept the personal risk to practise it. A special function in the awakening process rests with scientists, engineers, public officials and all others who have access to the secrets that should be brought out for discussion. Real peace will come only when many citizens of this world become enlightened enough to adopt a new way of combating the destructive powers that confront each of us daily - only when they adopt the non-violent lifestyle that speaks a loud and emphatic NO to destruction and death, NO to military bureaucracy, NO to corporate profiteering, NO to personal greed and status, NO to secrecy, NO to ignorance. It is a slim chance but it is a chance. A few are leading the way. But only when more follow will we be able to say with conviction: “No more Hiroshimas, no more Nagasakis.”
Poisoned by Pollution
D. Roebuck

Pollution is an international problem; it physically crosses boundaries between states. The creators of pollution are often corporations which operate in several countries or are parts of multinational conglomerates. If those who fight against pollution are successful in one country, the producers of pollution may shift their operations to a country where opposition is weaker. The struggle against pollution is therefore an international struggle.

Opposition to pollution is not a hobby for those who enjoy the countryside but a life and death war between the interests of a few and the well-being of all. Just how unpleasant the death has been for some and can be for us, is amply illustrated by recent Japanese cases.

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Japan is a string of four main islands and 3,000 islets 2,400 kilometres long off the North Pacific coast of the Asian continent. The total land area is less than 370,000 square kilometres, less than a twentieth the size of Australia. It is mountainous and forested. Its fast streams are the source of hydro-electric power. It has lakes and rivers, hot springs and volcanoes, and is subject to typhoons and earthquakes. The total population is now just over 100 million and population density is very high - 271 per square kilometre.

Japan has no great natural resources of petroleum or coal but has abundant water power for the generation of electricity - only the USA, Canada, and the USSR producing more electric power or hydro-electric power. Thermal power is increasing and provides more than half the supply of electricity. Coal gas and liquid propane are widely used by domestic users and natural gas is growing in importance. The Japan Nuclear Energy Development Program was started in 1955, and the Japan Nuclear Electric Company has been supplying electricity since 1967. About a
tenth of the national consumption is supplied by nuclear power stations. Japan imports most of its crude petroleum but exports an increasing volume of petroleum products.

The Meiji government, from 1868, promoted what were called "Measures to make Rich and Strong" to bring Japan up to the level of the great powers. This involved the creation and rapid development of heavy industry, particularly mining and smelting. As early as the 1870s the effects on the environment were catastrophic. The Hitachi mine caused destructive pollution, the Besshi and Ashio mines mineral pollution poisoning. The Ashio mine produced a great quantity of copper and discharged so much sulphur dioxide that 400 sq. km. of surrounding fields and forests were destroyed. This meant that rainwater was not contained and in 1885 the Watarase River broke its banks, flooding tens of thousands of hectares. The government took the part of the mineowners, doing nothing to prevent further pollution or compensate its victims. It went further - when the peasants organised themselves to prosecute their claims, the government crushed their organisations and in 1900 charged thousands who tried to get to Tokyo to present a petition. The government helped the Furukawa Company, owners of the Ashio mine, to impose on the victims a paltry settlement, forcing them to sign a contract that in no circumstances would the Furukawa Company have to pay more than small compensation. This was to be a precedent for the settlements forced on the victims of Kumamoto-Minamata disease in later years.

From about 1890 the fields and forests around the mine in the Toyama prefecture were laid waste by the discharge from the mines. The fish in the river were killed. Itai-itai disease first was noticed in the second decade of this century but it was only in 1971 that a victim of the disease was first successful in an action against the mining company. Since then anti-pollution precautions have been demanded of the company.

Since the late 1950s, the Japanese government has had a policy of rapid economic growth, part of which was the Region Comprehensive Development Plan. Under this, monopoly capital was reorganised and strengthened, emphasis was placed on heavy industry and the chemical industry and many new industrial sites developed all over the country. After the US-Japan Security Treaty was revised in 1960, Japan's main source of energy changed from coal to petroleum.

New industrial cities were created where large petrochemical factories were built, resulting in the distribution of poisonous pollution over all the country - air pollution causing widespread sickness, sea and river pollution destroying the livelihood of fishermen.

Government policy created programs of industrial renewal and growth and decentralisation. A new network of ports, airports, roads and railways linked the new "development points". Land was bought for these purposes and noise and vibration nuisance became widespread. New thermal and nuclear plants were built with their own forms of pollution. Waste from discarded mines continued to discharge poisons. Growing road traffic increased exhaust fumes. Lax enforcement of food and drugs control allowed many forms of injury. In 1968 there were many people poisoned by the presence of PCB in Kanemi rice oil, causing serious internal and skin complaints. The Morinaga Milk Industry Co. poisoned new-born babies in the early 1960s by selling dehydrated milk with an admixture of arsenic. Many babies were born with deformities because their mothers had taken thalidomide. Chinoform drugs caused those who took them to suffer from sub-acute myelo-optico neuropathy. The government listed more than a thousand patients suffering from peripheral and optical nerve troubles in the 1960s but wrongly attributed their symptoms to a viral disease. Coralgil was sold as a medicine. It left residues of lipid phosphorus in the blood, liver and other internal organs.

Hundreds have been killed, thousands deformed or maimed, tens of thousands made seriously ill, and millions have had the quality of their life reduced in some way. Not surprisingly, the pollution issue, called in Japan Kogai, has caused widespread reaction and resulted in organised campaigns to protect the environment and win compensation for the victims of pollution.

That widespread increase of pollution was created by industrial enterprises required by the capitalist system to maximise their profits without concern for human values and by a conniving government which was more concerned with economic growth than...
protection of its citizens is clear. When a Basic Law for Environmental Pollution Control was passed in 1967, it provided in its first article that: "The preservation of the environment must be harmonised with sound development of the economy." In other words: profit first, health if it can be fitted in.

LEGAL ACTIONS

Minamata disease broke out in 1956 in the suburbs of Minamata City, a small industrial city on the south-west of Kyushu Island. The Chisso Corporation was responsible, but with government help, was able to conceal the connection between the disease and its industrial activities. Central and local government allied themselves with the corporation to suppress the truth.

In 1965, a new outbreak of the disease occurred in Niigata, a large city on the Sea of Japan. Again government and company conspired to conceal the facts which showed the origin and cause of the poisoning, and the company's responsibilities.

Victims and their supporters in Niigata responded by organising themselves with three objects:

1. to make clear the cause of, and responsibility for, the disease
2. to help the victims
3. to prevent a recurrence of the disease and get rid of all kinds of pollution

In June 1967, legal action was started against the Showa Denko Corporation which set off other campaigns, and actions were started all over the country. Legal actions were just a part of the broad campaigns involving victims of pollution, workers, reformist political parties, democratic and progressive political groupings, scientists, intellectuals, lawyers and civil rights workers.

In June 1971, the plaintiffs in the Itai-itai disease were completely successful and this was followed by victories in the Niigata and other cases. On the basis of these decisions, other victims were able to persuade the polluters to compensate them.

The environmental protection movement has grown in strength and in the last few years has been powerful enough to force changes in government policy.

The article of the 1967 law which stated that "The preservation of the environment must be harmonised with the sound development of the economy" has been repealed and the new version clearly gives preference to safeguarding health; new crimes of creating pollution have been established; various environmental standards have been made more rigorous; a Pollution Health Damage Compensation Law has been enacted. Local government bodies have enacted Pollution Prevention Ordinances in response to popular demand.

POLLUTION DISEASES

Minamata disease is a disorder of the central nervous system caused by ingestion of large quantities of fish or shellfish which have been polluted by chemical waste containing methyl mercury compounds. It has a high mortality rate, and even if the patient does not die, suffering is long, as no way has been found to treat the dysfunctions resulting from impairment of the nervous system.

Most of the victims are found in either Kumamoto or Niigata. By the end of 1974 in Kumamoto there were 793 patients designated as suffering from this disease of whom 106 had died; those not yet designated 2,894 and it is estimated that the disease is latent in more than 10,000 people.

Since 1963-64, among fishermen of the river basin near Niigata, 526 patients have been designated as suffering the disease, 566 not yet designated, and 24 have died.

Both factories responsible blew acetylene gas into mercury sulphate solution to get acetaldehyde. Mercury, used as a catalyst, became methylated in the process and, in this form, was discharged into the drainage system. Both factories have discharged large quantities of methyl mercury into the environment.

Despite the discovery in 1959 that the disease was caused by an organic mercury compound, Chisso, the factory concerned, flatly denied any causative link between their discharge and the disease and still more strongly denied responsibility for compensation of the victims. They continued to discharge the poison and at the end of 1959 the organisations of victims and fishermen, impoverished and impatient, were forced to accept compensation of about $1000 for each victim.

In 1965 it was officially announced that Minamata disease had broken out again in
Niigata and democratic forces organised the Niigata Council of Democratic Forces against Minamata Disease to fight for compensation and an end to pollution. The victims formed their own organisation and joined forces with the Council.

In June 1967, 13 people who had suffered bereavements resulting from the disease, started an action in Niigata against the factory there, which denied liability. Subsequent to the Welfare Ministry proclaiming the official view that the cause of Minamata disease in Kumamoto was the effluent from the Chisso factory, plans were made to start an action there as well. But the Compensation Management Commission of the Welfare Ministry used its powers to compel most of the victims to accept small awards of compensation. The government and the corporation were able to split the movement and play one part off against the other. But about one-third of the families (112 people in all) stood their ground and started an action against Chisso in April 1969.

Even allowing for great differences in procedure, there is much of interest to us in the progress of the Niigata-Minamata action. From the start of the action in June 1967 to judgment in September 1971 there were 60 sessions or appearances. There were 82 witnesses, including 37 plaintiffs, 21 witnesses for the plaintiffs, and 24 for the defendants.

The major issues were causality and responsibility. The plaintiffs had to show first that the defendants' acts had caused the disease, and secondly that the defendants were responsible to the plaintiffs for the damage they had caused.

The defendants, Showa Denko, fabricated a story about mercury insecticides stored in a warehouse having been washed away and causing the pollution. They then set about destroying all evidence of their guilt - they would not allow scientists into their factory to investigate, they took out and burned anything which would incriminate them, they hired scientists to create masses of experimental data to protract the legal proceedings and confuse the issues. Obviously, they felt cornered.

Environment groups were growing in strength all over the country and directing the attention of the people to the legal battle. In January 1970, the Niigata-Minamata Disease Joint Commission was organised as a united front of the Japan Communist Party, the Japan Socialist Party, the Council of Niigata District Labor Unions, and the Japanese Farmers' Union.

On September 27, 1971, the company announced they would accept the decision of the District Court and would not appeal, and on September 29 the court found them liable.

Itai-itai disease is renal osteomalacia caused by ingestion of cadmium. Victims are mostly multiparous women over 40. The first symptom is a stabbing pain in the thighs, waist, shoulders, back, knees and other joints. Then rheumatic-like pains spread to the whole of the body; the patient starts to walk carefully, favoring her pelvic, lumbar and femoral regions; she adopts a characteristic waddling gait. This stage lasts a few years, sometimes more than ten, with gradual deterioration. The pain gets worse and is caused by slight movement, even breathing. Normal sleep is impossible, the appetite falls off. This may last for up to ten years before the patient becomes so weak that she dies.

The source of the poison is the Kamioka Mine, owned by the Mitsui Mining and Smelting Corporation, and producing zinc, lead and cadmium, among other things. Waste materials and water containing heavy metals, including cadmium, have been discharged into the Jinzu River in massive quantities. The heavy metals have been ingested by villagers lower down the river in drinking water taken from the river, or from poisoned wells, and in rice and vegetables grown in fields irrigated with contaminated water.

Hundreds have died of the disease since 1910 and it is estimated there are thousands of latent patients. The number of patients shot up after wars during which production had been increased. The sufferers, nearly all peasants, were forced or tricked out of their attempts to bring legal actions against the company. After World War II, concerned lawyers, doctors and others managed to get together the scientific evidence to show that the Kamioka Mine was the poisoner. On May 8, 1968, the Welfare Ministry declared the mine's discharge of poison was the source of Itai-itai disease. It was the first case of "Pollution-related disease". But there was a long way to go before the victims got any compensation. Local, and national, government again conspired with the mine owners to avoid responsibility.
To the peasants, political activity seemed useless or improper and they decided to bring a legal action which involved 300 young lawyers from all over the country who formed an organisation to help them. A massive claim was made by 522 plaintiffs, including the families of some killed by the poison. The amount claimed was 5 million yen for each victim who had died, and 4 million yen for each survivor.

On June 30, 1971, the district court found for the plaintiffs and at once Mitsui appealed, trying to bog the court down in a fabricated mass of scientific evidence designed to cast doubt upon the way the disease starts.

Counsel for the plaintiffs were vigorous in arguments based on the epidemiology of the disease and asked for a review of the amount of damages, demanding twice what had been awarded. After a very short hearing, on August 9 the plaintiffs were completely successful and Mitsui were ordered to pay 22 million yen to the family of a victim who died in 1949 and about 12 million yen to the estate of one who died just before the court decision. About 10 million yen was awarded to plaintiffs still alive.

As a result, Mitsui makes payments to more than 200 sufferers who still survive, plus all medical expenses. After further negotiations, the company promised to restore to its original state 4,000 hectares of fields polluted by cadmium, to compensate the peasants for all rice crops lost, and to allow victims of the pollution free admission to the factory and mine with their scientific investigators for the purposes of surveillance and investigation, at the company's expense.

Those who live in the polluted area are studying ways of preventing further pollution with the help of concerned scientists. Already the company has started to carry out its undertaking to restore the fields.

In Yokkaichi, huge petrochemical plants stand next to dwelling houses and pour poisonous fumes directly into the playgrounds of primary schools alongside them. Stinking fish were washed ashore, poisoned in the myriads. Since 1971 there has been a marked increase in occlusive pneumonic disease and a great increase in patients presenting with asthma symptoms. In all the industrial development no regard was paid to the wellbeing of those who live in the areas being "developed". All emphasis was on maximum profit at minimum cost. No investigations were made into the effect of the expansion or change of fuel on the environment, though effects of the emission of sulphur oxides were in general well known. Industrialists were encouraged to join together in building joint industrial estates by the national government, local government and financial institutions. As a result, local residents had their land and business taken from them and were subject to poison by aerial pollution.

The Yokkaichi Suit against pollution was started on September 1, 1967 and continued for nearly five years until July 24, 1972 when, after 54 hearings and three inspections had been held, judgment was given. The defendants chosen all lived in the suburb most affected and represented over a hundred victims in that area and hundreds more in the rest of the city. Two of them died during the course of the action from paroxysms associated with their ailment.

The defendants were six typical representatives of Japanese monopoly capitalism.

This case was of historic importance for two reasons - it was the first judgment to find that there was an action arising from a "just proceeding" and to hold the component companies in an industrial estate jointly liable for their pollution. It laid down what the policies of government and local authority should be on the location of huge combinations of factories, and pointed out inadequacies in official policies which preferred industrial development to the health of residents. This judgment was a great victory: political support grew and the movement was strong enough to wrest from the defendant companies important promises legally binding their future conduct.

On December 1, 1972, 124 further victims of pollution living in the same area summoned representatives of the polluting companies to discuss and negotiate problems of compensation. The representatives of the polluters agreed to the demands and to comply with their promises. A hundred days of negotiations following the court judgment achieved for all the victims what it had taken the pioneer plaintiffs five years to win in court.

Following a further demand for compensation by 800 victims of pollution, twenty or more of the polluting companies formed the Yokkaichi Pollution Victims Relief
Foundation and agreed that they would pay a lump sum and an annuity to each victim, based on the scheme provided in the Pollution Health Damage Compensation Bill then before the Japanese Diet.

Despite these successes there has been little progress in stopping aerial pollution and the “clear sky” demands of environmentalists have had limited success. While the emission of sulphur oxides was completely banned in Yokkaichi and the reduction of sulphur oxides has proceeded as planned, there is no effective control of nitrogen oxides. But the struggle goes on and has been fundamentally affected by the legal victories which have been won.

However, as some older pollution problems are solved, new ones arise usually because of the development of new private or public enterprises without concern for the people affected by their pollution.

A major case concerned the Osaka International Airport which is in the heart of a densely populated area, its runways running straight up to streets of old wooden houses. About 440 planes take off and land every day - one every two minutes at rush hours. Those living near the airport are subject to intense noise and an enormous amount of exhaust gases; they live in fear of a crash; their houses shake all the time. Because of the noise and interference they cannot carry on a normal conversation or hear callers on the telephone; they cannot watch television or listen to the radio. Normal family life is impossible - they are irritated and suffer from stress, and from a number of acute physical symptoms.

The culprits are not only the airline companies but also the Japanese government which directly controls the airport and which expropriated more and more land near the Osaka airport as it expanded and as the aircraft got bigger the damage increased. The Basic Environmental Pollution Control Law requires the government to prevent pollution of this kind, but the government has excused its illegal acts by claiming the operation of the airport is necessary in the public interest.

It told the residents that they would have to put up with the damage, ignoring the fact that when 1,700,000 people's lives are made miserable, a considerable public interest is affected. No effective measures were taken by the government, even when those affected organised and petitioned the government. So, at the end of 1969, they began an action to prohibit the departure and arrival of planes between 9 p.m. and 7 a.m. and for compensation for past and future damage. By the time judgment was given there were 264 plaintiffs who asserted their rights to protection as individuals and to protect the environment generally. The action took four years and the judgment given in February 1974 was that there should be no flights between 10 p.m. and 7 a.m. and that compensation should be granted for past damage. No damages were awarded for future loss or injury.

This was the first case in which it was recognised that a private individual could get a judgment protecting private rights by an injunction against flying at certain times of the day. In this respect it has great importance, particularly as it is believed that this is the first such case anywhere in the world.

After the first decision the government devised a plan for the airport environs, providing for the expenditure of 500 billion yen in the acquisition of neighbouring houses and soundproofing of others. These measures left undecided the question of who has power to control the source of pollution and tried to avoid the issue by evicting the innocent. Dissatisfaction with this decision has caused the growth of the biggest anti-pollution movement in Japan which has begun a new action with 3690 plaintiffs, appealing to public opinion, attacking the government and publicising the injustice of the previous decision. In the two actions there will have been over 4000 plaintiffs, a record for Japan and the world. The campaign is directed at making the government change its policies on development, transportation, pollution and the restoration and preservation of the environment.

The Tokaido Shinkansen is the Japanese National Railway Corporation's much vaunted high-speed railway between Tokyo and Osaka, recently extended to Fukuoka. The 16-coach train, weighing over 900 tons, seats 1500 passengers and reaches speeds over 200 k.p.h. Trains pass through Nagoya, about midway between Tokyo and Fukuoka more than 200 times a day. They are a clever use of technology and make transit by rail between major cities of the island of Honshu much more rapid - the time is reduced from six hours by ordinary express from Tokyo to Osaka to just over half this time. Shinkansen trains are clean and comfortable, but a ticket costs 50
per cent more than on the old express which is no longer available.

This railway was built not for people but as part of the policy of rapid economic growth which required an industrial belt stretching along Japan's eastern shore from Tokyo to Osaka with major industries arranged so they could be managed from Tokyo. Passengers were shifted on to the new fast and expensive Shinkansen line leaving the old Tokaido line for freight movement. The National Railways now have a plan to link all major industrial areas with 9,000 kilometres of Shinkansen railway covering the Japanese archipelago.

The trains run through Nagoya on a ferro-concrete track 15 metres high at the level of the roofs of houses which line the railway. Every five minutes from 6.20 a.m. to 11.30 p.m. a 900-ton train passes at a speed up to 200 k.p.h. Severe vibrations are felt in adjacent homes, bad enough for those experiencing them for the first time to think there is a minor earthquake. Normal living is impossible. Shinkansen pollution is extensive and continuous. Actions have been started by residents of a number of districts where 5,000 families (about 20,000 people) live and are affected by a diversity of damage including headaches, stomach trouble, nervous breakdowns, and physical and mental damage arising from disturbance of sleep, conversation and relaxation, loss of television and radio reception, interruption of study, damage to houses, blocking out of light and so on. Since this railway was opened the damage has increased every year but no serious attempt has been made by the National Railways to try to avoid it.

Since 1972, affected residents have had an organisation - the "Federation of Leagues against Shinkansen Kogai in Nagoya" which has waged a joint campaign against the National Railways, petitioning for effective measures to stop noise and vibration. The response has been silence or, at best, makeshift and ineffective measures.

In March 1974, 575 members of the Federation brought an action demanding that the railways reduce Shinkansen noise and claiming compensation of a million yen each. The noise and vibration levels requested had been agreed by many scholars as the maximum permissible if ordinary life were to be possible. They are not asking that the Shinkansen railway be shut down but that it should run more slowly through areas where the plaintiffs live.

The defence put forward by the National Railways is that the claim is against the public interest. They see the running of Shinkansen trains at 200 k.p.h. all over Japan as their social mission and that the Kogai associated with it is what local residents can properly be expected to contribute and they should not expect compensation.

The case, not yet heard, calls for a fundamental change in government policy: to give priority to people, the protection of their environment and the quality of their lives, at the expense of the dehumanising process of economic growth which has marked Japan's post-war years.

DEVELOPMENT OF PUBLIC OPPOSITION

In Tokyo, one of the most polluted cities in the world, a progressive local government was elected and in 1969 established the following three principles in anti-pollution regulations:

* All residents have the right to lead a wholesome, secure and comfortable life and no environmental pollution shall be allowed to violate this right
* Every resident is obliged to respect the right of others to lead a wholesome, secure and comfortable life and must not engage in any act of destruction that may cause this right to be violated in the natural environment or in living conditions
* The Tokyo Metropolitan Government, the local self-governing body of the population of the capital of Japan, has the highest obligation to guarantee the people's right to lead a wholesome, secure and comfortable life and must do everything in its power to prevent and eliminate the causes of environmental pollution.

Many other local governments, some of them certainly not progressive, have signed agreements with business and industry, binding them to take precautions against pollution. It is quite clear now that the environmental movement has general political significance.

The central government's reaction to pollution has been first to foster industries
which cause it and then to make only such moves to prevent it as have been forced upon it by environmental groups and the victims who have started legal actions. Recently, however, the political strength of the national movement to protect the environment has grown to the level where the policies of the national government are changing.

It was pointed out above that the amendment to the Basic Environmental Protection Law led to important changes in the regulations, though there is still much room for improvement. Other changes in government policy are reflected in the establishment of the Environment Agency whose object is to counteract pollution. Legislation has been passed attempting to control pollution by a formula already tried by some local authorities. Other legislation has been passed making polluters responsible without proof of fault for damage to health caused by their pollution of the air or water. The Compensation Law 1974 requires polluters to pay part of the medical expenses of those they have poisoned. None of this means, however, that the government has changed its basic attitude. It is apparent, for instance, that the government is in illicit alliance with the automobile industry regarding pollution from car exhausts.

THE ROLE OF LAWYERS

Lawyers have played a very important part in the environmental movement. Their involvement began by making sure they had a clear understanding of the damage that pollution poisoning had caused. They understood that if actions were to be brought and won, they must be able to prove conclusively what had really happened. They went to the polluted areas, listened to the stories of the victims and tried to learn from their experiences. Many realised that success in legal actions and successful political organisation were inextricably related. Many spent weeks living with victims, co-operating with scientific investigations and building up their case.

They joined residents in pressing local authorities for data on pollution, and industrial enterprises for opportunities to inspect processes. They helped foster residents' movements by informing them of their legal rights, some of which were by no means clear. Lawyers had little experience of actions based on pollution poisoning, but worked hard at developing new legal principles, using their skills to create new categories of responsibility. They also were able to offer their experience in, and influence on, the mass media.

The lawyers were not working as individuals in separate activities but as parts of a nationwide alliance. The Young Lawyers' Association, Japan's largest law society, now holds each year a session "to discuss the problems of environmental pollution of Japan".

All lawyers concerned with the fight against pollution are organised in the National Liaison Council of Lawyers against Environmental Pollution, made up of groups of lawyers from all over the country.

This professional co-operation has made possible the development of legal theory on the new problems of responsibility for pollution. One problem is the difficulty of showing the causal connection between the emission of the poison and the injury to the plaintiff. The problem is even worse when there is more than one polluter. Lawyers have succeeded to some extent in overcoming this obstacle by insisting on the validity of epidemiological evidence, where clinical and pathological evidence is insufficient.

Another new development is the acceptance of the illegality of combined polluting activities, even where the discharge of any one of the polluters in the combination is quite small.

A third new theory of liability is an extension of the concept of negligence in Japanese law. The decision in the Kumamoto Minamata disease case took the development of the law in the Niigata Minamata disease an important step further by stating (in part):

"... no chemical plant should be allowed to let waste out until all available knowledge and technology have been exhausted to make research studies and make sure that the industrial waste contains no dangerous substance and has no adverse effect on animals, plants and humans."

With regard to preventing the creation of sources of pollution, no new theories have been fully worked out yet. Lawyers are now working on elaborating the principles whereby suspension can be demanded of building projects which lead to pollution. Others are developing new concepts of a "right to the
environment", which would expand and generalise the principles which have already been established.

Another new direction of legal development has been towards comprehensive compensation orders by the courts. The traditional approach of Japanese courts to the assessment of damages has been very superficial, determining the measure of damages according to the loss which is readily and immediately apparent, restricting compensation for personal injury, for example, to loss of working capacity. To show that immediate quantifiable financial loss is by no means all that polluters should pay for and that their responsibilities cannot be discharged by a lump sum payment of the amount that can be established at the time of the action, lawyers have been working hard to persuade the courts of the relevance of, and necessity for, a new set of theories.

There are other new legal attacks on polluters, more concerned to protect the interests of the public as a whole, such as attempts to fix polluters with the responsibility for reinstating damage caused to the environment and for paying the price of pollution. Lawyers seek also to establish the principle that the public is entitled to have all data on pollution available to the polluters or the government. It is sought to establish that the government should provide legal aid or otherwise bear the cost of bringing actions for pollution poisoning and for the rights of residents to participate in the planning of regional development projects.

THE FUTURE

Lawyers are now well organised and integrated in the environmental movement in Japan. There are 31 different lawyers' groups, making up the All-Japan Committee of Members of the Legal Profession against Pollution. Many other lawyers support it, and new members and new groups are joining all the time.

There are interesting things going on at present. The outcome of the Osaka International Airport case will be important, because the court may accept the principle that the preservation of the people's health and the quality of their living environment take precedence over what have previously been accepted as the public utility and social usefulness of the polluting industries.

Pollution of the land and sea is providing new issues. The mercury poison in Minamata Bay and elsewhere, the sludge which is silting up the Seto Inland Sea and the bays of Tokyo and Suruga, and other forms of poisoning, such as the massive oil spill from the Mitsubishi tank at Mizushima last year which fouled much of the Seto Inland Sea. All are polluting activities which could yet foment political activity and legal actions which change the law.

Poison in food and drugs is another attack on health which is the subject of current litigation. A decision is awaited and expected any time now in the Kanemi Rice-oil case, and there are others, which will develop the law relating to the responsibility of manufacturers and distributors of food and drugs and the liability of local authorities for maladministration.

A CALL FOR INTERNATIONAL CO-OPERATION

The All-Japan Committee of Members of the Legal Profession against Pollution has proved its worth to the cause of environmental protection in Japan and its members have played an important part not only in bringing legal actions, but in general political work. They actively participate in international discussions and are concerned that the campaign to protect the quality of human life and health should be an international one. They seek allies throughout the world and offer co-operation and solidarity to those who fight the same war against pollution in other countries.

The international nature of the problem of pollution needs no stressing. Poison spreads across national boundaries. Polluters are often international corporations. There is a need for international initiatives and solidarity not only in the development of legal principles but also in the awakening of public opinion and the organising of political activity.

For the lawyers of Australia the challenge is clear. Individual, spontaneous, uncoordinated efforts are not now enough. So far we have not had the stimulus of Minamata and Itai-itai to give us the will to organise and fight. Do we have to wait for such a terrible lesson to teach us from our own experience. Surely we can learn from what has happened in Japan and what is already happening on a different scale in Australia.
Early Years
in the Party
R.Dixon

I first became interested in socialism and the Communist Party in the town of Lithgow. My family had moved there in 1914 soon after the outbreak of the First World War, and my father worked in the coal mines. There were six children and my father’s wages were insufficient for our family needs, so we always lived very close to poverty. Consequently, my mother set up a boarding house in Lithgow in order to supplement the family income.

I left school at the age of 14 - that would be the year 1920. I set out to try to find a job, but there was very little work available in Lithgow at that time. It had been a boom industrial town during the war with the steel works and small arms factory, as well as the mines working flat out, but in 1920-21 there was not much work going. So it was some 12 or 18 months before I was able to get work, at a very low wage in a bicycle shop. After that I found work in the post office, and in 1925 a position on the railways.

The year 1925 was a turning point in my life.

Richard Dixon worked for a time in the Communist International. He was President of the Communist Party of Australia for many years, and has participated in a number of international communist gatherings, including the meeting of 81 parties in Moscow in 1960.

young Scotsman who had come to Australia after the war, Billy Orr, who was later to become the General Secretary of the Miner’s Federation of Australia. Another boarder was Tony Luchetti who is the present Federal Labor Party member for Macquarie. We were friends and knocked around together.

In March or April 1925, Jock Garden, who was then secretary of the Communist Party, was billed to speak in Lithgow in the local park on the Sunday afternoon. Orr, Luchetti and I discussed his visit and decided to go along and hear what he had to say. In the course of a long and varied career, Jock Garden had been a religious lay-preacher, and he was somewhat of a demagogue. Apart from this, he was not a very deep thinker. I don’t recall what he said in the Lithgow Park, but whatever it was it made absolutely no impact on me. At the meeting the chairman announced that Garden would speak again that evening in the Miners’ Hall and the subject, I remember, was the Russian Revolution and Proletarian Dictatorship.

We didn’t know what proletarian dictatorship meant, but we were sufficiently interested to decide to go along and attend the evening meeting. The Miners’ Hall, we discovered, was also used by the Plebs League, a leftwing educational body which had a small library of working class literature in the hall.
Garden's speech again made no impression. The chairman of the meeting, however, was Charlie Nelson, who was subsequently to become the General President of the Miners' Federation. I think that Orr, Luchetti and I were the only members of the audience who were outside the Communist Party or those associated with it - a small left group. At the end of the meeting, Nelson sought us out. He accompanied us down the main street of Lithgow, and talked to us. I suppose we talked for two hours or more. Nelson's remarks were very enlightening and very stimulating for me.

During the period that I'd been unemployed, and also arising from experiences after getting work, I began to ask many questions about society, but I could find no answers. I listened to discussions among the boarders in our house, who were all workers, but they were at a low level of understanding and very confused. At one stage during this period, I decided to study the Labor Party's views, so I bought the Labor Party paper which at that time was the Daily Mail, subsequently to become the Labor Daily. I bought it for some months and each day read it carefully, but found studying it a futile exercise. It provided no clues whatsoever to what was happening in society, as far as I was concerned at any rate. I also went along to listen to someboosted religious spokesman who had come to Lithgow to see if religion had anything to offer in the way of answers to the problems that concerned me, but I got nothing.

In the discussion with Nelson I heard, for the first time, the marxist theory expounded, and the views and ideas expressed seemed to fall into place with remarkable clarity. Nelson had made a study of working class literature. He was well versed in the marxian doctrine. He had been connected with the IWW and the OBU. At the time we met him he was studying the writings of the German worker-philosopher, Joseph Dietzgen - the Positive Outcome of Philosophy and some other works. On that Saturday night we got a pretty solid outline of marxist philosophy and the materialist conception of history.

Nelson was a very voluble man; he was the sort of fellow who was never lost for a word, and he never used a word with one syllable when one with two or three would do. I would think that in 1925 when I met him, he would have been in his middle thirties, but he looked older. He was bald; he was a man with a very strong and square chin. When he was in discussion with you, especially if there were differences, he had the habit, when making a point, of jutting his chin forward, to give an impression of strength. But he was also a man who had serious weaknesses which were to show up later on. Some years before our Lithgow meeting he had been an alcoholic and a very sick man at that. He had set out to conquer this illness; he gave drink away and at the time we met him was a complete teetotaller.

Nelson proposed to us that we should attend a study group on marxian political economy and the three of us discussed it and agreed that we'd go along. So we got together approximately weekly, I think, maybe fortnightly, for discussion on political economy - Bogdanov's Economic Science was the textbook we used. Some time later, maybe 10 or 12 months, Nelson brought along a new student to our class, J.D. Blake. At that time he was a youth of some 16 or 17 years of age, but a pretty intense student.

At this time, 1925, the Communist Party was fighting for affiliation to the ALP and they were doing some work in this connection in Lithgow. Nelson suggested to us that we might join the local ALP branch in order to strengthen the left. Luchetti and I went along to the ALP branch but it made no impression on me. Indeed, I was completely unhappy with both the atmosphere in the branch and the discussion that went on there. I suppose I was somewhat idealistic. I think I attended the Labor Party branch meeting on only one occasion. Luchetti, on the other hand, remained a member of the Labor Party branch. Subsequently he became associated with the Lang organisation, but ultimately he returned to the Federal Labor Party and after the death of Ben Chifley was elected for the Federal seat of Macquarie.

Bill Orr at this time was working in the Lithgow steel works. Soon after he found employment in the mines and became a member of the Miners' Federation and, along with Nelson and others, became very active in the union. He would have been about 25 at the time, I think.

I was then working on the railways. I'd been appointed to the relieving staff which meant that I was frequently away from Lithgow working at one or another country railway station, sometimes for months at a time, so
that my association with the group developing in Lithgow was constantly broken. However, each time I returned to Lithgow I made contact with the local organisation again.

In 1927 most of my family moved to Sydney, and I also applied for a transfer. Early in 1928, I commenced work in the Sydney parcels office. Soon after arriving in Sydney, which would have been in February or March, I made contact with the Communist Party at their headquarters in Sussex Street. In July 1928 I joined the party.

In Sydney at this time there was only one party branch. All the members in Sydney met, I think it was fortnightly, and when I was not working (I was doing a lot of shift work at the time), I would attend the meetings.

Usually there were between 20 and 40 members in attendance at branch meetings. I was most anxious at this time to come to grips with the marxian theory and so I commenced to work through Marx's *Capital* and also attended a class with five or six other members of the party on a Saturday afternoon. Among the students at this class were Jack Simpson who was subsequently elected to the Central Committee and Political Committee of the Party, and also Dick Richardson, an outstanding party activist and a very lovable character.

I began to develop work in the trade union (the ARU) in the Sydney parcels office. I had attempted to develop union activity in Lithgow, but the organisation there was completely dead and no union meetings were held. On the Sydney station, in the parcels section, there were many more men working. There were some hundreds in the parcels section alone, but the union was in a bad way. It was still suffering from the aftermath of the 1917 general strike. The more militant workers could tell me who, on the parcels staff, had worked during the 1917 strike and who had stood firm for the strike. The chairman of the parcels sub-branch of the union was a leading porter; as a matter of fact, he was my immediate boss. The secretary of the sub-branch had scabbed in 1917 and the workers were aware of this and had very little confidence in the sub-branch of the union which was in the doldrums.

I got together two or three workers and we discussed the need to change the position in the branch, and also the leadership of the sub-branch of the union. We discussed this matter with other workers on the job. I indicated to them that I was ready to contest the secretary's position and a union mate of mine, who was a rather wild, erratic Irishman, but who, somewhere along the line had had contact with the IWW or a socialist group, agreed that he was prepared to run for the position of chairman.

In January 1929 a meeting of the sub-branch of the union was called; there would have been about 15 or 20 at the meeting, and there I was elected secretary and my colleague was elected chairman. A few days after this, I attended a meeting of the Sydney branch of the Communist Party. This was the annual meeting and branch elections were held. The secretary of the branch was Edna Nelson. She indicated that she wouldn't be nominating as she had other work to do. When nominations were called someone nominated me and I was elected secretary of the Sydney branch. This was a position I had no wish to occupy; I felt I had neither the experience nor the knowledge to hold the position. But I couldn't withdraw my nomination as I had no good grounds for this. I had to let my name go to the ballot and I was elected to the position.

All this happened within one week. I was elected secretary of the sub-branch of the union, and then secretary of the Sydney branch of the Communist Party. My work in the railways involved shift work and that meant I couldn't always attend the Sydney party branch meetings. However, I carried on and found that the position didn't require, at that time, a very great knowledge or organisational ability. As a matter of fact, most of the directional work of the party in Sydney came from the central committee. The Sydney organisation very largely confined itself to matters of such as paper sales, collecting finance, holding a monthly dance as a means of raising money, and some other activities, including educational work.

The secretary's position wasn't as difficult as I had imagined when I was elected. All this happened at the beginning of 1929, which was a period when there were significant changes taking place here in Australia and throughout the world, changes which were to affect the position of all parties and all classes.

During the First World War and after, there had been considerable industrial growth in Australia so that local capitalism was strengthened. This growth of Australian
capitalism meant also a growth of nationalism and, in turn, led to struggles, to growing conflicts between the Nationalists (this was the tory party at that time) and the Country Party. Government policy in preceding years was to work closely with British imperialism; the Country Party, in particular, was of the opinion that Australia should restrain industrial development in this country in the interests of providing raw materials for British industry and importing the manufactures we required from Britain. This policy was no meeting increasing resistance from Australian capitalists, and it caused and increased the strains between the Nationalist Party and the Country Party. But, as well, the industrial growth of Australia had brought changes in the work force. The number of industrial workers had increased, which meant that the strength and the number of unions operating in industry also grew. In the earlier years, the AWU, with its base centred mainly in the countryside among rural workers, and shearsers especially, had become the most powerful union.

Because of the dominant position of the AWU, it was able to get control of the Labor Party Opposition in most States of Australia. In NSW, in 1925-26, Lang, who had become the leader of the parliamentary section of the Labor Party, came into conflict with the AWU bureaucracy in a struggle to get control of the Labor Party machine. Basing himself on the unions that had grown with the development of industry, Lang was able to defeat the Bailey - AWU control of the Labor Party in NSW to establish his domination of the Labor Party.

The trade union movement was thoroughly reformist in the 1920s, the trade union leaders were completely dependent on arbitration. The 1917 strike had ended in defeat, it was a debacle for the workers. The officials, oriented towards arbitration, spread defeatism among the workers; nothing could be gained by strikes, they claimed.

These trends were all present as we moved towards the 1930s. The Communist Party was affected by Labor Party and reformist influences. These were to create very serious problems for the party. We had to take into acoount the fact that in 1928-29 unemployment was growing and a general offensive was undertaken by employers and governments against the trade union movement.

The Marine Cooks were among the first to be attacked, then the Waterside Workers. During this dispute, the government passed legislation to license waterside workers - the infamous “Dog Collar Act” as it came to be known. In January 1929, Judge Lukin had been appointed to the Arbitration Court by the Bruce government. He was an old and retired Queensland judge, a very reactionary gentleman. Obviously, he was appointed to do a particular job. In 1929 he delivered his Timber Workers' Award which abolished the 44-hour week in the industry, reduced wages, and undermined long-established conditions of the workers. It was a most vicious attack on working class conditions and it led to the Timber Workers' strike which was to go on for some 12 months.

The timber workers' strike was to lead to very militant struggles and demonstrations. In March 1929, the northern coalowners, led by John Brown, at that time the biggest of the coal barons, issued an ultimatum to the miners that they must accept a 12½ per cent cut in their wages. The northern miners rejected the ultimatum, and the coalowners closed the mines and locked out the workers.

There is a very interesting sidelight to this move of the coalowners. The Bruce-Page government, in a move to break the resistance of the workers, passed a very vicious anti-trade union law, one of the worst such laws seen in Australia. The object of this law was to smash the resistance of unions to the employers' attacks. Under it, the timber workers had been heavily fined; the secretary of the Melbourne Trades and Labor Council had also been fined; scores of timber workers had been haled into court under both federal and state laws. The Federal government also made provision for secret ballots of workers on strike. They proceeded, in fact, to take a ballot of the timber workers. The Sydney Trades and Labor Council and the timber workers' Strike Committee issued a call for the timber workers to come together in a great demonstration outside the Trades Hall. The workers were asked to bring their strike ballot papers with them. These were collected and then publicly burned in a great bonfire. At the same demonstration, an effigy of Judge Lukin was also burned.

This splendid act of defiance of the timber
workers was a clear expression of the growing militancy among the workers, a militancy that was in marked contrast to the leadership of most of the unions.

Bruce's anti-trade union legislation created its own problems for the government. As with all such legislation, governments seek to give the impression of impartiality - hence the section dealing with strikes also dealt with lockouts. It seemed it was designed to deal both with strikes by workers and lockouts by employers. Now, on the northern coalfields, the miners were not on strike, but were locked out by the coalowners to enforce a 12½ per cent wage cut. The Bruce government was now challenged to take similar action against the coal barons as it took against the timber workers. The demand was raised that John Brown and other coalowners be hauled before the courts and dealt with. Was the law impartial? Was it intended to deal with capitalists, equally as with workers? The course of events really caught the Bruce government with its pants down.

The last thing the government wanted was to have to deal with employers. Its legislation was designed to deal with the trade unions and strikes. It was vicious class legislation and the reference to lockouts was a sop to legally minded airy-fairy democrats. When the demand was made for the Bruce government to take action against the coal barons, it was in real difficulty. After long hesitation, it issued summonses against John Brown and several others, but the government had no intention of going on with the action. Within a few weeks, the summonses were withdrawn. This meant, of course, that Bruce's legislation lost all credibility. In other words, it came apart under pressure from the workers and the way in which the class struggle had developed.

In the coal dispute, miners in the northern fields were locked out, but in all other parts of the industry, in the west, in the south, in Queensland and Victoria, the mines were working at full blast. In these districts, the miners levied part of their wages for relief for the northern miners, who although locked out were not entitled to government assistance. The policy of the Communist Party was for an all-out struggle that would stop coal production and force a solution to the dispute. Orr and Nelson played an important part in this campaign.
Over all, this period, 1928-29, witnessed a most ruthless offensive on the working class. The 44-hour week was swept away, wages and conditions were undermined and unemployment increased. It was a time of very sharp class struggle. The whole of the leadership of the working class movement was found wanting in this situation. The Labor Party leadership sought a way out of the crisis beneficial for capitalism, the reformist trade union leadership, lacking in fighting spirit, resisted struggles by the working class, and the Communist Party did not come forward with vigorous independent policies and organisational leadership and actions that were essential in this situation.

The Communist Party played some part in the struggles which were taking place, but was unable to establish its independent position from the left of the Labor Council, from Garden and company. Party activities in the big struggles were subordinated to the Labor Council approach; thus we were influenced by reformist policies.

Before we could become a real communist party, that is a party in the sense that Lenin spoke of, a party which was a leading force in the organisation of the masses for the struggle against capitalism, we had first to settle accounts with the left reformist influences within the party and also to overcome the old Socialist Party concept that the role of the party was simply to carry on propaganda and educational work for socialism. The party, of course, must always carry on propaganda and educational work for socialism, but if we are to achieve our aims, we must be revolutionary organisers and leaders in the mass movement.

The founding of the Communist Party in 1920 was a very important step towards establishing organisational and political independence of the party, in that we were separated as an organisation from the Labor Party. But organisational separation was not enough.

The party had still to assert its ideological independence from the ALP and reformism in order to establish itself as a genuine revolutionary communist party. This was how the problem began to emerge in 1929. In all the organisations of the labor movement, the question of leadership was now under challenge - in the Labor Party, in the trade unions and in the Communist Party.

The people who had formed the Communist Party in 1920 or who had joined it around that time or later, had brought into the party their political ideas and these were left Labor Party ideas, Socialist Party ideas, IWW and anarchist ideas. But these ideas were still a long way from the revolutionary theory necessary for a communist party. The withdrawal of Garden from the Communist Party in 1926 and then of Baracchi and others was part of the process of change going on within the party. But even so, rightwing reformist influences remained and these had to be rooted out along with the old simple Socialist Party concepts of the party as just a propaganda organisation.

Kavanagh, for instance, had a very confused idea of the Communist Party. He urged the party to go "back to Marx", and essentially he meant to the economic theories of Marx. He had not come to grips with Lenin's development of marxist theory and the modern revolutionary aims and tasks of the party. He could be very sectarian in policy and tactics, which was a characteristic of the old socialist groups and the IWW. On the other hand, in the big mass struggles of 1928-29, he moved towards the reformists thereby demonstrating his ideological confusion and inability to reach a really strong, firm, independent class understanding of the policies needed.

In the 1928-29 period, the top leadership of the party was unable to find answers to the problems confronting us, in the circumstances of the very bitter class struggles and reformist betrayals. Nor could they deal with the problems that arose with rising unemployment and economic crisis. Another issue that arose sharply in 1928, and to a greater extent in 1929 was: what kind of communist party were we to be? A socialist propaganda sect closely linked with the left wing of the ALP, or were we to be a communist party organisationally and ideologically independent of the ALP and reformism? A party whose policy and tactics were revolutionary and designed to win the support of the masses of the working people, a party which could play an active and leading part in the class struggles against capitalism, and which set out to win over and prepare the working class for the fight for socialism?

The leading figures in the struggle against the policy of the party leadership were: here in Sydney, Lance Sharkey and Herbert Moxon, who at that time was a national activist of the
EARLY YEARS IN THE PARTY

central committee. In Brisbane, J.B. Miles was leading the fight. The Communist International also came into the conflict and played a vital and very positive role.

In 1928, the 6th Congress of the Comintern was held and representatives of communist parties from most countries of the world attended, including Australia. The congress reached the conclusion that capitalism was entering into a period of economic and political crisis and that this would give rise to a new round of wars and revolutions.

The 6th Congress resolution drew attention to the role of reformism in propping up capitalism; it called for a sharper struggle against the reformist betrayals and for the communist parties to prepare themselves for the big class battles that lay ahead; and to develop the independent leadership of the workers in the struggles.

Subsequent to the congress, a document was prepared which became known as the Queensland resolution. The importance of this document was that it suggested lines of policy that the party could follow in Australia, with emphasis on the need for more determined opposition from the Communist Party to the reformist leaders, and reaffirmed the need for Communist Party candidates to run independently at elections. This policy was operated during the Queensland State elections towards the end of 1928. J.B. Miles was one of the Communist Party candidates; Fred Paterson was a leftwing candidate supporting a joint policy put forward by members of the left.

Now, that happened in the Queensland State elections, but a majority of the central committee members rejected these tactics for the federal elections. In these elections at the end of 1929, no Communist Party candidates were run. The Communist Party advocated the defeat of the Bruce government and the election of a Labor government. In the circumstances of that time, this was a wrong policy. Sharkey and Moxon opposed this policy and immediately after the elections, there began a very sharp discussion in the party, and criticism of the leadership given by the central committee grew.

This discussion which preceded the party conference due to take place at the beginning of January 1930 brought into question all main lines of party policy. The Comintern also played a part in the discussion. The executive committee of the Comintern expressed disagreement with the policy of the central committee.

The Comintern document was published in the Workers' Weekly on December 6, 1929. Those events are set out in detail in Campbell's History of the Australian Labor Movement. The Comintern intervention arose through correspondence from Sharkey and Moxon who had been censured and threatened with expulsion from the party by the central committee for publishing the Comintern document. The publication of this statement in the Workers' Weekly had a big influence within the party. It analysed the changes in capitalism, the role of reformism, and it very clearly stated the role and function of the communist party in the struggles of the working class, criticising the views of the majority of the central committee. The Comintern statement declared:

"Apparently the Communist Party of Australia regards itself as being merely a propaganda body, a sort of adjunct to the left wing of the Labor Party, whereas our conception of the role and functions of the Communist Party is that it should be the leader of the working class and the principal driving force in its economic and political struggles."

By the time the 9th Party Conference assembled in Sydney on January 10, 1930, the tide of opinion within the party had swung against the majority of the central committee. This was reflected in the election of the new central committee. The majority of the retiring committee were rejected with the exception of E. Higgins, who at the time was editor of the Workers' Weekly. L.L. Sharkey and H. Moxon were returned. New members of the central committee included R. Dixon, E.J. Docker. Because the rules of the party at that time required the central committee to be elected from party members resident in Sydney, where the headquarters of the party was situated, J.B. Miles was not entitled to contest the elections. He played a most important part in the discussions and work in the conference.

The 9th Conference of the Party was unquestionably a turning point in the history of the Communist Party. It cleared the way for the party and the new leadership to bring about those changes in policy, methods of work and tactics which would open the way for the party to extend its influence and leadership in the great movements of the masses that were unfolding.
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