Issues of Industrial Strategy

THE STRIKE MOVEMENT IN AUSTRALIA has reached a postwar record. In 1970 there were 2738 strikes involving 1,367,000 workers and the loss of 2,393,700 man-hours, compared with the previous postwar high of 1949-50 when there were 1276 strikes incurring a loss of 2,062,888 manhours. The present movement received tremendous impetus from the penal powers strike of May 1969, an action which has paralysed the system of compulsory arbitration, opening the way for new offensives by the workers.

The situation poses a number of questions. Firstly, what is the nature and importance of the situation, including the crisis in arbitration? How much have we succeeded in influencing this movement with the concepts advanced in the Communist Party’s 22nd Congress document Modern Unionism and the Workers’ Movement? Has experience confirmed views we advanced some 18 months ago? Secondly, what is the significance of the present movement in the light of our attempts to raise the political understanding of the working class? What place does this movement occupy in the party’s tactics and strategy for radical social change?

The party can draw considerable credit from its action in calling

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in January 1969 for a confrontation of the penal powers and an offensive against arbitration. As a result of the workers' action in May 1969, the arbitration system as it has been progressively refined for the previous 60-odd years will never be the same again. This makes the present period significantly different from any other period in the history of the labor movement. The State, employers, the Labor Party, we and other sections of the Left are all re-appraising their positions, trying to find a viable solution to the problems of change, each from a particular standpoint.

There is an almost desperate striving by the government, employers and sections of the Labor Party to find a way out of the crisis of arbitration. Unfortunately, the Left in the trade union movement has expended little energy or thought to place before the workers the kind of concepts and perspectives that would take the situation out of the stalemate created by the May 1969 actions to new offensive positions that would make it even more difficult for the ruling class to advance alternative measures aiming to serve the same purpose as compulsory arbitration.

In government circles wiser counsel has prevailed against a view that confrontation with the trade unions on penal powers should be used to precipitate a federal election. This threat has diminished, and the next phase centres on the discussions being held by the National Labor Advisory Council in which it is hoped that some measure of agreement might be reached in finding a solution to the problem.

It has been left to the Labor Party to put forward a considered alternative to the present arbitration system. This alternative, the brainchild of J. B. Sweeney and Clyde Cameron, the Shadow Minister for Labor and National Service, has considerable significance for the Left.

These proposals seek merely to reform, and not to replace arbitration as a system of regulating industrial relations. Basically, the proposals combine a recognition of the trend towards collective bargaining and the winning of over-award payments, with the concept of negotiated industrial agreements within industries showing an above-average rate of profitability. These proposals would be ratified under an amended Arbitration Act and made subject to penalties for breaches on either side. Recovery of any fines imposed, however, would be taken out of the hands of the arbitration system and made recoverable by recourse to ordinary civil law, thus attempting to remove some of the odor associated with arbitration.

The authors attach many other conditions to these industrial
agreements. They would have to be ratified by a plebiscite of the trade union membership, and where a division appeared about whether such an agreement should be signed or not, a case for and against would have to be circulated among all members. The agreements are intended to operate for a maximum of three years, with leave reserved for either party to re-open any question. Strike action will not be permitted on any of the questions agreed upon and contained in the agreement, but the workers will be free to take strike action on matters not included. This is the essence of the Sweeney-Cameron proposals.

As can be readily seen they do little more than reform the existing system of arbitration and conciliation. The proposals are designed to contain the movement of the workers within the acceptable limits of the capitalist framework. I have heard it said and argued that in order to be concrete on this question we should spell out a comprehensive alternative system of industrial relations. I hold that this is neither possible nor desirable. Rather it seems to me that we should be elaborating theoretically the evolution of industrial democracy and its relationship to the democratic needs of the class as a whole.

Capitalist industrial relations are but a part of the whole question of industrial democracy. This cannot be seen in isolation from such questions as the multi-national corporation in contemporary imperialism and its role in certain industries. Other related matters are the question of trade union structures and trade union democracy, the role of factory and workshop organisation, and the important concept of workers' control and self-management. Because of Australia's relative isolation, the ramifications of the multi-national corporation are not seen as clearly as they should be. Consequently, little research has been done on these relations.

Posing the problem of the influence of the multi-national corporation, Malcolm Warner, of the London School of Business Studies, writing in the journal New Society of October 1970, asked:

What will be the pattern of collective bargaining in the age of the multi-national corporation? Will trade union organisation, strategy and bargaining patterns, centred on the nation-state, be appropriate to the extraordinary concentration of industrial power now emerging?

Warner goes to say that already the foreign output of American-based trans-national companies is greater, on one estimate, than the output of any nation except the US and the USSR.

I refer briefly and, of course, quite inadequately to this aspect, only because it is not as pressing as the main problems I want
to discuss. But there is mounting evidence of the impact and influence of the multi-national corporation on the political, economic and social concepts of the trade unions and the working class. For example, I have it on good authority that the Australian Government had been forced to protest officially to the US Government against an agreement that had been negotiated by an international corporation in WA on the ground that it adversely affected national economic planning.

My argument against spelling out or defining an alternative to arbitration is based on the belief that if we do attempt this we immediately restrict the horizons and manoeuvrability of the working class and pave the way for and facilitate new methods of containment of the workers' struggles. For the trade unions to exercise a role in the radical transformation of capitalist society they must be left free, unfettered by any restrictions, in order to expand the scope of their struggle against capital. This does not mean that they will ever be free from restrictions under capitalism but it does mean that it is not our responsibility to define the limits of their activity, but rather to lead the attack on all attempts at containment by a continuing offensive against the "sacred rights" of the capitalist class.

For this purpose rather than spell out an alternative system of industrial relations we should elaborate certain principles that can be justified theoretically and practically in the minds of the masses. I suggest the following:

1) We are for collective bargaining as a form of industrial relations — collective bargaining backed by industrial strength of the workers, setting out to include representatives of the rank and file as well as the officials in the negotiations.

2) We are for industrial agreements, preferably on an industry basis and made for the shortest possible duration.

3) We are opposed to the inclusion of any form of sanctions or penalties for any breach of the agreement, either on the part of the employer or the workers. Any breach of agreement by the employer can be adequately dealt with by the unions and workers involved, while any breach by the workers should be subject to resolution and/or discipline by a code drawn up and decided upon by the workers themselves.

4) Workers and unions should be completely free to use their industrial strength to deal with questions not involved in the agreement, to join with other workers on matters of a broader social character without jeopardising the terms of the agreement.
5) These broad principles should be advanced together with an elaboration of the concepts of workers’ control and self-management.

On the question of workers’ control, I think we must say that we have not yet reached first base in clarifying this concept among workers. This arises in part, I believe, because there is little or no conviction among the left of the trade union movement. We are well aware, of course, that the trade union officials among the party opposition scoff at the concept, branding it as Trotskyist, anarchist, left-adventurist, and so on. But if we have made so little headway, we do need to ask ourselves if it is realisable or is it some idealistic concept that has no basis in the objective conditions.

In my view the problem does not lie in the concept being impracticable or even unacceptable to the workers, but in our inability to break through the conservatism and the lack of appreciation of the radical changes that are taking place around us in the whole field of industrial democracy. If the left trade unions fail to recognise that tremendous changes are taking place calling for radical solution and the projection of radical concepts, then certainly the employers are taking the movement for workers’ control seriously.

The February 1971 issue of the conservative Establishment journal Rydges commences an article dealing with the worker-control movement by saying “Massive world-wide pressure from employees for a voice in management of industrial undertakings amounts to the biggest takeover ever”.

The article quotes from Professor Kenneth Walker’s “Industrial Democracy”, the main paper delivered to The Times Management Lecture for 1970.

Ever since the vision of democracy captured man's aspiration and he began to put it into practice in the political sphere he has also had a dream of extending democracy to economic life, and into the organisation in which he performs his daily work.

In its most militant form (this dream) has expressed various ideologies based on an interest-group view of society and has formed part of programmes for the transformation not only of industrial organisation, but of society itself.

Recently, too, the main publications of two of the world’s largest multi-national oil corporations were turned over to the radical views emerging on the problems of this society. The two publications are Esso’s The Lamp (No. 4, Vol. 52) and Pegasus, the British publication of Mobil Oil. American social worker Sol Marzullo, writing in Pegasus states:

We cannot ignore the reality that all institutions, all of them (law, School, government, business) must become responsive to change not simply to
pacify the critics, but to enlarge the horizons and the quality of life of mankind.

Other similar expressions of concern abound in the employers’ journals and statements

In using these illustrations I am not suggesting that these institutions and organisations of capitalism are accepting these trends and appearing to adopt them. On the contrary, unlike most of the left in Australia, and particularly the left in the trade unions, they are recognising the potential of the demands for workers’ control and trying to understand them with a view to finding answers from their point of view of how to contain them.

Within Australian industry today there are emerging trends for greater democracy and worker participation. It is interesting to note, for instance, that of the number of industrial disputes in 1969, 684 were concerned with wages, hours and leave. In other words, straight economic issues. In the same year 1025 disputes, or more than 50% of the total, were concerned with working conditions and management policy. Without the specific knowledge of these latter conflicts, I think it is logical to assume that they were defensive struggles. But what is more important is the nature of them.

Even within what is essentially a spontaneous movement certain limited experiences are emerging that express this “new” in the working class striving for an expansion of their rights, for a say in the process and against the soul-destroying alienation that is taking place in the labor process.

An interesting study in trends of industrial democracy can be made in an examination of the postwar developments in three advanced capitalist countries — West Germany, Italy and Japan. Each of these countries in its own particular way and from both employer and trade union point of view has entered into different experiments in industrial relations. In Italy and West Germany the old trade union industrial relations that existed under fascism were completely broken, allowing for a fresh start with the aim of devising methods of both advancing and containing the workers’ struggle against capital. In Japan, too, the present situation arose, not on the basis of what existed in the past, but as a spontaneous development in the struggle for democracy and their new-found “free” trade union organisation. A study of industrial democracy in these three advanced capitalist countries is important from a number of points of view. Firstly, because they have not been hung-up with practices of the past and in a certain sense they were able to start afresh, so that new patterns of industrial relations have been developed.
In West Germany, one finds so-called workers' participation. Even though the practice has been distorted, becoming a system of class collaboration, this concept had its origin in the revolutionary years of the 1848 period, when provision for it was written into a draft constitution. Although the draft was rejected some forms of the ideas were put into practice by the workers, to the extent that factory works councils gained legal recognition. From here on the concepts became distorted and the process of containment through collaboration began, and finally in 1916 the establishment of workers' councils became compulsory for a wide range of industry, as part of the war effort. The workers' councils were disbanded by the nazis, but in 1945 the military government of the occupying powers again permitted the election of workers' representatives in the factories and the Allied Control Commission gave them formal recognition. These organisations have been turned into organisations of class collaboration by such methods as denying the works councils the right to call strikes. But the germ of the original concept remains buried beneath the reformist concept and practice of co-determination.

In Italy, the more flexible and looser structure of the trade union movement (given even the existence of multiple national trade union centres) has allowed for massive national campaigns to be developed. It has been possible to mobilise the class as a whole around specific demands involving not just workers in one industry but workers (unionists and non-unionists, blue and white collar) in a national movement after a period of intensive ideological preparation providing the motivation for the action. The Japanese unions and workers have developed their "spring offensive" programs which move large sections of the working class on a broad front.

I don't raise any of these examples as models to be copied here, but only to emphasise the fact that many Australian problems arise from the fact that our trade union conceptions and apparatus have been moulded by over 60 years of existence within the framework of arbitration.

If it is true that we are, in a certain sense, at the crossroads and on the threshold of what could be a qualitatively different situation, then we need to develop initiatives in projecting new ideas for work, trade union structures and organisation, including rank and file organisation at factory and trade union levels. There is a need for us to examine what is new and developing in the spontaneous movement and to elaborate theoretically the significance of it.