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LAURIE AARONS on the Depression
JEAN BEDFORD speaks to ALR
SOUTHALL on multiculturalism

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* These are gloomy times. ALR considers the recession/depression through a lengthy study by Laurie Aarons in which he suggests some solutions, while Mike Donaldson presents a Wollongong view on how to confront unemployment.

* Ray Southall looks at a specific problem of multi-cultural Australia through an assessment of language policy.

* In an interview, Jean Bedford speaks of her concerns as a feminist author.

* Bernard Moss provides a study of the French Communist party (PCF). His argument on the role and character of that party enlarges the debate on the politics and practices of the left.

* In another context, Roger Coates continues this debate with a major review article in which he considers the various political tendencies which, historically, make up the Australian Council of Trade unions.

* A series of book reviews and discussion complete the issue.

Design and Layout: Mavis, Peter, Barrie.
Free enterprise on the cheap

— Australia and the world recession

--- Laurie Aarons

Laurie Aarons looks at the world recession, its effects on Australia, examines differing views about its causes and what should be done, suggesting some ideas for a working class alternative to the solutions suggested by upholders of the capitalist system.

The capitalist world is not yet suffering a depression on the scale of the 1930s, but few serious observers, whether supporters or opponents of capitalist "free enterprise", rule out the possibility. Many believe we are on the brink.

"There is no clearcut definition of a depression", reports Australian journalist Paul Sheehan from the US heartland of capitalism, "but many economists seem to accept that an economic downturn that causes at least 10 percent unemployment for a full year and a surge of bankruptcies and destroys confidence in long-term investment would qualify." (Sydney Morning Herald, 2/3/82.)

Many capitalist countries, including Australia, are already close to qualifying under this definition. True, unemployment has not yet reached the tragic figures of 1933, but these no longer seem impossible.

Australian unemployment has exceeded 500,000 for the first time since 1933 and is now 7.4 percent of the workforce. Over 11 million Americans are out of work — 10.1 percent — Britain and Belgium have 14 percent, even West Germany now reports 7.5 percent. Very few economists, if any, predict anything but worse figures next year.

Some may say: "Well, that's bad, but after all unemployment reached 25 to 30 percent of the workforce during the Depression." That's true, but this took some time to develop, as Leonard Silk of the New York Times points out:

"Nationally, unemployment (in the USA) has risen so far to less than 9 percent, far below the peak of 25 percent in 1933 .... But it took a few years of continuous erosion for the jobless rate to get that high — in 1930, the year after the crash, the unemployment rate averaged 8.7 percent; in 1931 it got up to 15.9 percent and in 1932 to 23.6 percent." (SMH, 5/3/82.)

The Great Depression hit Australia hard and quickly, unemployment reaching 18.4 percent in 1930, compared with only 8.9 percent in the USA ands 16 in Britain.
Unemployed as percent of workforce

<table>
<thead>
<tr>
<th>Year</th>
<th>Australia</th>
<th>Germany</th>
<th>USA</th>
<th>Britain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>10.2</td>
<td>22.7</td>
<td>3.2</td>
<td>10.4</td>
<td>10.2</td>
</tr>
<tr>
<td>1930</td>
<td>18.4</td>
<td>34.3</td>
<td>8.9</td>
<td>16.1</td>
<td>11.9</td>
</tr>
<tr>
<td>1931</td>
<td>26.5</td>
<td>43.8</td>
<td>15.9</td>
<td>21.3</td>
<td>16.8</td>
</tr>
<tr>
<td>1932</td>
<td>28.1</td>
<td>36.2</td>
<td>23.6</td>
<td>22.1</td>
<td>22.4</td>
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<td>24.2</td>
<td>20.5</td>
<td>24.9</td>
<td>19.9</td>
<td>23.3</td>
</tr>
</tbody>
</table>

there was little difference between countries by 1932 (except for Germany), as the above table shows.

Britain’s jobless rate, already close to that of 1930, is expected to reach that figure by June next year when 3.5 million people will be unemployed. Australia’s rate next year will be well over 10 percent, with some pessimists predicting 13 percent.

1. They couldn’t see it coming

The economic crisis has developed rapidly and its perception by orthodox economists, conservative politicians and the media has been sudden and shocked, particularly in Australia. They deluded themselves with the “resources boom” and never-ending investment, lulled by belief in the Liberals’ God-bestowed economic expertise which would restore prosperity after Labor’s ruinous three years.

Failure to realise the recession’s severity arose largely because orthodox economists, business executives, Liberal politicians and the media saw only the economic indications they wanted to see. They deliberately ignored unemployment which, at that stage, hit hardest at the young. When the problem was admitted, it was dismissed by the “dole bludger” image created by the media (Murdoch’s to the van) and eagerly taken up by the Liberal Party.

This attitude is by no means extinct. A certain Keith Campbell, manager of Westpac Bank branch in Fairfield (NSW), discussing the present recession, declares: “I think anyone who wants a job can still get one. The unemployed are frequently the unemployable.” (SMH, 5/10/82.)

This reactionary view, heard during the 1930s too, is harder to sustain as unemployment spreads to all sections of the workforce, no longer confined to those considered “unemployable” or expendable. Lay-offs are spreading throughout the country, including skilled workers and people who’ve worked for 30 or 40 years. Whole regions face the probability of years of being “depressed areas” — Sydney’s western suburbs, Whyalla, Albury, Newcastle and Wollongong, for example.

The record shows how capitalist representatives ignored economic reality, deliberately or through ignorance, jawboning the economy into an illusory prosperity. The leading Liberal political economist, Treasurer Howard, proudly told the nation on February 26, 1981, that AUSTRALIA IS OUT OF RECESSION (according to the Financial Review headline the next day.)

“The Treasurer, Mr Howard, yesterday proclaimed the end of the recession in a major speech on the economy delivered in Federal Parliament,” the paper reported. “The Australian economy was now growing strongly because the Federal Government had tackled its fundamental problems.”

Howard’s chief adviser, Treasury Secretary Stone, had earlier foreshadowed this optimism, predicting that “the Australian economy would grow strongly this year, despite the economic downturn in the Western world and the effects of the drought.” (FR, 30/1/81.)
BOOM .... boom .... BUST

Financial journalists joined the paean, with David Potts of the Financial Review writing a long article headed THE BOOM INDUSTRIES TAKE OFF IN AUSTRALIA (FR, 27/2/81). Euphoria persists to year’s end and even a little longer. The front page of the Financial Review for July 10, 1981 proudly reports that AUSTRALIA LEADS WESTERN GROWTH STAKES, saying:

"The OECD predicts that Australia’s real gross domestic product (GDP) should grow by 5.75 percent this year and by 5.25 percent in 1982, close to double the expected OECD average. In stark contrast to its overall projection of a delayed world recovery, the OECD predicts rapid expansion of the Australian economy based on the development of energy and resource based industries."

The OECD’s capacity to predict, never crash-hot, has been upset by the years of economic instability which began in 1974, as Ross Gittins of the Sydney Morning Herald recently pointed out:

"Every six months the OECD issues a forecast for the (Western) world economy. The latest forecast, issued at the end of December, predicted an upturn in the world economy would begin in about six months. The previous forecast, issued last June, predicted an upturn in the world economy six months later. And the one before that, issued in December 1980, also predicted an upturn six months later." (SMH, 3/3/82.)

The more things change, the more they remain the same! In the 1930s, the catchcry was: “Prosperity is just around the corner”. The OECD experts still await the world economic upturn, 22 months after their first guess of six months, but they won’t be holding their breath.

OECD’s Australian forecasts were little closer. GDP increased only 2.9 percent in 1980/81, instead of the predicted 5.75 percent, while instead of a 5.25 percent rise 1981/82 saw only a 2.6 percent increase. Next year will be even worse, as GDP will decline or, as the economists’ jargon has it, "experience negative growth".

The financial press continues its optimism up till year’s end, and even into 1982. The Financial Review’s pontifical editorialist writes on October 21, 1981, under the headline IT’S A BOOM, BUT DON’T SHOUT ABOUT IT:

“But there is a weight of evidence to show that a boom is in progress, even if some are benefitting more than others ....

“So the investment boom, while it will wreak changes in the structure of Australian industry, will itself be changing in shape. But the fundamental momentum exists, and Australia’s high economic growth relative to most of the Western world attests that most of the investment plans are not misplaced.”

The Financial Review continued in this strain for another five months, until by April 6, 1982 the outlook was for a “levelling out” according to the INDECS forecast published that day.

“Not all the economics news is bad,” the INDECS forecast said. “So far Australia has escaped the world recession and the economy, while not booming, is not getting worse .... The recovery is over, but the economy is moving sideways rather than being in recession.”

"It’s here .... and serious"

This “sideways movement” lasted a bare eight days, when the editor of the Financial Review pontificates again, but very differently, in a long article headed RECESSION: IT’S HERE AND SERIOUS by P P McGuinness. This font of economic wisdom not only reveals the truth about the economy (already well-known to the jobless, marxists and other riffraff), but also unveils the answer. This is not so much directed towards solving the recession but about how “we” should prepare for the next recovery.

Mr McGuinness explains that there is little to be done about the recession here, which depends on the state of the capitalist world economy generally, and the United States in particular. But unless workers’ real wages are reduced, he tells the capitalists, “we” won’t be ready to take advantage of the upturn when
— and if — it comes. Not that the capitalists need convincing, because they would like to cut wages all the time, boom or depression or stagnation.

2. From recession to depression — Australia and the world

All sides of politics accept that the world economic outlook is decisive for Australia's economic prospects and the social consequences flowing from a deep and prolonged depression. It would therefore be useful to examine some current views about the world economic situation and concepts of the nature and causes of capitalism's malaise.

Leonard Silk, economics editor of the New York Times, noting recently that the world economic system is "suffering the most acute stress it has known in half a century", examines some theoretical and ideological issues this raises.

He quotes Italian economist Riccardo Parboni, of Modena University, who "contends that the unfolding of global events compels the rehabilitation of earlier views that the capitalist system is prone to severe crises that threaten its existence". This view was held not only by Marx and Lenin, but also by "such anti-communist thinkers as Joseph Schumpeter and John Maynard Keynes".

Silk then quotes from Parboni's estimate of some results of capitalist crisis as developed by three of those thinkers, suggesting their views are being confirmed:

"Creating a new relationship of forces between capitalists and workers — one more favorable to the capitalists (Marx). The present high unemployment has dealt a hard blow to trade union strength in the United States, Britain and other industrial countries.

"Strengthening the largest and most powerful industrial groups at the expense of smaller producers (Schumpeter). The current wave of mergers and takeovers, in banking as well as industry, looks like working out of this asserted effect of capitalist crisis.

"Sharpening conflict between capitalist countries for control of market outlets and supplies of raw materials (Lenin). The current conflicts between the US, Japan and the West European countries for world markets in cars, steel, computers and other manufactured goods is one aspect of the crisis." (SMH, 7/9/82.)

One should add to this last conclusion the deep-seated and politically explosive difference between the US and West Europe over construction of the Soviet gas pipeline.

It is a sign of the times that marxist ideas of crisis are discussed seriously, even though they are over-simplified and do not always correctly reflect marxist insights. (For example, Marx saw capitalist crises as producing much more fundamental consequences than the one quoted, and he described the concentration of capital long before Schumpeter. Lenin saw imperialism as the motive force for the struggle over markets and raw materials; crises intensify that struggle.)

Retreat from Keynesianism

Mr Silk points out that Keynes supplied the ideas upon which the institution of the post-war capitalist world were constructed, concluding with this analysis:

"Keynesian remedies for the perceived weakness of capitalism gave rise after World War II to the greatest period of growth in world output and trade in history. But in solving one great problem — depression and unemployment — the Keynesian revolution helped pave the way for world-wide inflation.

"In recent years, the effort of the US and other advanced industrial countries has been to halt inflation, but the methods used have brought back the capitalist crisis with a vengeance." (SMH, 7/9/82.)

These "methods used to halt inflation" are the return to pre-Keynesian monetarist measures applied in varying degrees in Britain, West Europe, USA and Australia.

Views on the underlying causes of the world
World Recession

economic crisis are worth discussing. Three main causes are suggested: a prolonged period of stagnation in the world economy; the growth of national, corporate and private debt; the decline of demand due to erosion of purchasing power.

3. From stagnation to depression

Professor Daniel R Fusfeld, of the University of Michigan in the United States, has noted that every great depression like those of the 1840s, 1890s and 1930s has followed a period of relative stagnation in the world economy. He suggested in August 1978 that the period of relative stagnation was still in its early stages but could collapse into depression by 1984.

World capitalism developed rapidly for 25 years after World War II, then entered a prolonged period of relative stagnation for a decade or so, and is now in the stage of serious recession which could plunge into depression. Movements in Australia’s GDP illustrate this trend.

Australia’s GDP rose from $7,849 million in 1949-1950 to $11,976 million in 1959-1960 (in constant 1953/54 prices) — a 52 percent rise over the decade, or an average of 5.2 percent annually.

In the next decade, GDP rose from $16,330 million in 1959/60 to $27,411 million (in constant 1966/67 prices) in 1969/70. This was 67 percent over the decade, or an average 6.7 percent.

The next decade saw a slowing of the rate of growth, from $50,765 million in 1969/70 to $69,604 million (in constant 1974/75 prices) in 1979/80, a ten-years increase of 37 percent or an annual rise of only 3.7 percent. The tendency to stagnation is greater in recent years, as the table below shows:

This averages out at 2.5 percent over the six years, coinciding with the Fraser government but scarcely confirming its pretensions to "superior economic management". GDP in 1981/82 is estimated to be 2.5 percent, while it is certain to fall in this financial year.

The falling rate of increase in production, and actual declines, is now worldwide, as the last major capitalist nation, Japan, enters this phase. Britain’s national output actually fell by 5.5 percent from 1979 to 1981, the US gross national product declined by 0.2 percent in 1980, rose by 1.9 percent in 1981 and will remain static, or fall, this year.

4. "Mountains of debt" and financial crisis

A second major feature of the capitalist world economy is the huge increase in debt and the chronic danger that even one default could precipitate a financial crisis like that of the 1930s. Mexico, Poland, Brazil and a dozen other countries are grave risks, owing hundreds of billions to the big Western banks and financial institutions.

The next table shows the position of 12 major debtor “developing countries”, their total foreign debt, the payments of interest and principal due this year, and this latter amount as a percentage of their current account (CA) overseas earnings.

Third World hardest hit

Most of these countries, though not all, are "less developed Countries" (LDCs) and, apart from Mexico, Brazil and Indonesia, are oil-
### Table: Total debt and Annual payments due

<table>
<thead>
<tr>
<th>Country</th>
<th>Total debt $billions</th>
<th>Annual payments due $billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>80.9</td>
<td>29.2</td>
</tr>
<tr>
<td>Brazil</td>
<td>67.0</td>
<td>30.9</td>
</tr>
<tr>
<td>Venezuela</td>
<td>40.6</td>
<td>19.9</td>
</tr>
<tr>
<td>Argentina</td>
<td>34.7</td>
<td>12.0</td>
</tr>
<tr>
<td>South Korea</td>
<td>30.5</td>
<td>12.9</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>13.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Chile</td>
<td>14.1</td>
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</tr>
<tr>
<td>Philippines</td>
<td>15.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Taiwan</td>
<td>10.3</td>
<td>5.2</td>
</tr>
<tr>
<td>Israel</td>
<td>10.0</td>
<td>4.8</td>
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<tr>
<td>Indonesia</td>
<td>9.7</td>
<td>5.2</td>
</tr>
<tr>
<td>Algeria</td>
<td>9.1</td>
<td>5.5</td>
</tr>
</tbody>
</table>

deficient countries. This draws attention to another cause of the world crisis — the contradiction between the LDCs and the "advanced industrial countries" (the capitalist countries).

Due to the historical legacy of colonialism, the LDCs are mainly producers of raw materials whose economies are tied to the industrialised capitalist countries. The notorious "scissors effect" has accelerated over the last 10 years, with prices for manufactured goods rising more quickly than the price of raw materials, with one notable exception — oil. However, the oil price rise was incorporated into the price of exports from industrialised capitalist countries and therefore hit the oil-deficient LDCs much harder than the capitalist powers, particularly those which shared, through the oil giants, the international redistribution of wealth flowing from oil price rises.

The recent drastic decline in world commodity prices, which affected Australia greatly, is disastrous for the LDCs and has deepened the world financial crisis as falling export incomes reduce capacity to pay the huge interest debt. With the recent oil price fall, even oil-rich countries like Mexico face insolvency. How much worse is the crisis for countries lacking oil, hit by the decline in prices for their staple exports while prices for their imports of capital goods and manufactures are kept up by the multinationals and the bankers demanding their pound of flesh?

John Calverley of American Express International Banking Corporation recently estimated (FR, 8/9/82) that developing countries owed $629 billion in 1981, up from $252 billion in 1976. "It is certain to be one trillion dollars by 1986." The concept "trillion", hitherto confined to astronomy, is the US word for one million million ($1,000,000,000,000).

**US through the trillion barrier**

The debt problem is not confined to LDCS, however. Indeed, the US national debt (owned by the government) had already passed the trillion figure in October last year and could rise by one-third (i.e. by $330,000,000,000) by 1984. Alarming as this figure is, "the more alarming threat to the stability of the economy appears to be the mountain of private debt" in the United States, according to Leonard Silk (SMH, 21/10/81).

The international bankers played a key role in erecting this huge debt pyramid. Their aggressive search for profits has led to
widespread evasion of national banking regulations, dubious chains of transactions through tax havens and other sharp practices. One of the biggest American banks, Citicorp, is presently under Congressional investigation for such activities, while the Banco Ambrosiano of Milan has collapsed in very murky circumstances. The Vatican Bank owes Banco Ambrosiano $1.3 billion, but refuses to pay up, leaving hundreds of banks in many countries caught with bad debts.

The bankers' irresponsible pursuit of super-profits, not unknown in Australia where the banks co-operate with tax evasion and other shady deals, is not merely reprehensible. It is also very dangerous, raising the ghosts of the past, when over-stretched lending precipitated the 1929 Wall Street crash.

Julian Snyder, publisher of the US journal *International Moneyline*, recently warned the New York Society of Analysts of menacing parallels between today's level of debt and that which triggered the 1929 crash.

"There is," he said, "an unmanageable amount of consumer interest debt, a huge burden of agricultural debt, a mountain of home mortgage debt, a huge pyramid of business debt, erected on a thin equity base and a critical mass of international borrowing, resting on a continuing flow of credit from the United States."

**Australia's little mountain**

Australian debt figures are not easy to obtain, *Year Book Australia* warning that its figures for public borrowing don't provide an accurate measure of national debt because of duplication and other problems. But Commonwealth and state governments had on issue securities worth $32,635 million in 1981, $4,652 million repayable in foreign currencies.

Corporate debt figures are not easily available either, but piecemeal reports of the huge amounts needed to service corporate loans suggest that the figure is very high, and growing. (As this article is written, the big mining company Peko Wallsend reports that its borrowings total $209.8 million, 59 percent of shareholders' funds. This is not atypical; Burns Philp reports an interest bill of $33.1 million compared with a profit of $9.9 million.)

Some idea of private debt is provided by the total advances by Australian financial institutions which aggregated $64,707 million in 1981, divided as follows:

<table>
<thead>
<tr>
<th>Type of institution</th>
<th>Advances $million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading banks</td>
<td>21,827</td>
</tr>
<tr>
<td>Finance companies</td>
<td>19,293</td>
</tr>
<tr>
<td>Savings banks</td>
<td>11,931</td>
</tr>
<tr>
<td>Building societies</td>
<td></td>
</tr>
<tr>
<td>permanent</td>
<td>8,286</td>
</tr>
<tr>
<td>terminating</td>
<td>1,431</td>
</tr>
<tr>
<td>Credit unions</td>
<td>1,801</td>
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<tr>
<td>Instalment credit</td>
<td></td>
</tr>
<tr>
<td>(Other than finance cos.)</td>
<td>138</td>
</tr>
</tbody>
</table>

A tolerable mountain of debt, over $100 billion owed by governments, corporations and consumers, even if only a Kosciusko compared to the Himalayan peaks owed by bigger countries.

**Deeper into the red**

Further light is thrown on public and corporate debt by the balance of payments and capital inflow from abroad. In the Fraser years, Australia has "enjoyed" a total balance of payments deficit of $27,840 million ($15,000 million in the last two years), met by a huge foreign capital inflow which postpones the problem but worsens it in the long run.

Future dividend payments for foreign corporate investors and repayment of high interest and principal on private and public borrowings overseas ensure continued recourse to ever-rising borrowings, a spiral of debt both corporate and public.

The balance of payments last year
Unemployed besiege Liberal HQ

(1981/82) was in the red to the tune of $9,080 million, a record, while capital inflow reached $10,442 million, including $3 billion of Japanese money in short-term investment liable to sudden withdrawal at any time.

5. The contracting market: erosion of purchasing power

A third major cause suggested for the present recession and the potential deep depression is the decline of purchasing power. Writing of the US economy, Leonard Silk says:

"Such an erosion of real purchasing power has been going on for the past decade. Measured in constant 1977 dollars, average weekly earnings in private non-agricultural industries declined 15.7 percent to $US167.21 in December 1981 from $US198.35 in 1973. High taxes reduced consumers' real disposable incomes even further .... When sluggish growth gives way to steep recession, as it has done now, the drop in purchasing power worsens, causing sales of durable goods such as autos and housing to plunge, threatening depression ...."

Australian housing figures have plunged, shown by new housing commencements in the first three quarters of 1981/82 as compared with those for 1980/81 (see table next page):

This is a fall of 16 percent over the nine months period, and not from a high level. New housing commencements for the last eight years have never exceeded the level attained in 1973/74, although the Australian population has grown by 1.6 million, or 17.6 percent, over this period.

The decline continues, with August 1982 commencements down to only 8,235 compared with the August 1981 figure of 12,506 — a crashing 29 percent fall.

Car sales are now declining, after keeping
up fairly well — because, it is said, people who'd saved to build a house decided it was hopeless and bought a car instead. But that's been mopped up and the car industry's future is again grim. The same applies to most other durable consumer goods, with calamitous effects on the whitegoods and associated industries.

Consumer demand has declined despite Australian workers' relative success in resisting seven years of pressure to reduce real wages. Reasons for this decline include the growth of unemployment (never less than 4.5 percent during that time), uncertainty thus created among those still working and the effect of high interest rates (which if counted in the CPI would have eroded the small growth in real wages).

Cutting real wages is central to the monetarist-conservative "economic strategy" practised most consistently in Thatcher's Britain, applied with a supply-side twist by Reagan and promised by Fraser, but not prosecuted strongly enough to satisfy his own "Drys".

Leaving "Dry", John Hyde of West Australia, recently put their case bluntly in a Financial Review article summed up in its headline: Fraser's Budget error — not enough Thatcher. Hyde contrasts the two broad strategies to meet the recession adopted by capitalist countries. The first is Keynesian ("Stimulate domestic demand by public sector expenditure financed by deficit budgets"), adopted by nations like France, Canada and Ireland. That’s "Wet"; the proper path is:

"Others, of which the UK is the best example, have concentrated on making their economies more efficient .... The British approach involves the radical restructuring of what was and in some parts .... is still, a very flabby British industry. It seeks long-term benefits and accepts short-term costs." (FR, 3/9/82.)

Hyde adds a throwaway line: "It is associated with high levels of unemployment", adding that the "wet" strategy also leads to high unemployment without the benefits lying at the foot of the rainbow. "I predict that by the end of the depression the UK will be looking better than Canada, Ireland or France", he concludes, without saying how long the unemployed have to wait for the Dry Utopia.

They're only statistics ....

Lofty economic thinkers like Mr Hyde don’t trouble about mere details such as whether the jobless rate is 7 percent or 14 percent. They’re just statistics, not people, and anyway "the unemployed are only the unemployable". The Dries won’t hesitate to sacrifice (other people's) jobs in pursuing the chimera of "looking better" when the recession ends.

The Hydes of this world find it easy to "accept short-term costs" when somebody else is doing the accepting — in Thatcher's Britain, the workers with jobs whose real wages are cut and the one in seven jobless. This results in reduced demand, a worse recession and unemployment approaching
"real depression" levels.

It's not for want of trying that employers and the Fraser government have failed to reduce real wages. Real wages were cut in three of their first six years in office and, contrary to ceaseless capitalist propaganda about a "wages explosion", the rise in real average weekly earnings was only 2.4 percent from March 1975 to March 1981. The after-tax wage remained almost static, rising a mere 0.7 percent over this period.

Average male weekly earnings (AWE) were $151.10 in March 1975, coming down to $117.30 after deducting tax at the single rate. By March 1981, AWE was $284 a week, $217 after tax, BUT the Consumer Price Index had risen by 83.6 percent (from 171.1 to 314.2). The pre-tax AWE of $284 becomes only $154.66 in 1975 dollars, a rise of $3.46 or 2.3 percent. After-tax AWE in March 1981 becomes only $118.17 in 1975 dollars, a rise of just 87 cents or 0.73 percent. Some wage explosion!

Wage rates for lower-paid workers — and 60 percent earn less than AWE — follow the same pattern, with a lesser increase if anything.

Wages and profits in Australia

A favorite monetarist argument is that the wages explosion results in a declining "share of profits", with catastrophic effects on investment and employment. Manufacturing industry statistics don't bear out this argument, showing that the "wages share" of Value Added in manufacturing has declined from 57 percent in 1920/21 to only 52.2 percent in 1980/81. (Value Added is the surplus added in the manufacturing process after deducting all costs of production except wages and depreciation, so what remains after these costs is the "share of profits"). The table which appears below, prepared from official statistics, shows the trend.

A closer look at the manufacturing industry in the Fraser years will show how the "wages share" has been pushed down through a combination of hard times, technological change and government pressures.

Would wage cuts improve the economy?

Nevertheless, Australian workers' stubborn resistance to real wage cuts has maintained their living standards at about the 1975 level, instead of falling as in Britain and the United States. The key question is: Would the economy be stronger and unemployment higher if workers' real wages had dropped by about 15 percent as in the United States?

The empirical answer would have to be No. The US inflation rate is down to 7 percent and the British to 8, compared with 10 percent here, but the Australian unemployment rate is only half the British and two-thirds of the American. If real wages had dropped 15 percent here, domestic demand would have dropped by almost that much, sales and production would be down, unemployment...

### MANUFACTURING INDUSTRY

<table>
<thead>
<tr>
<th>Year</th>
<th>Factories '000s</th>
<th>Employment '000s</th>
<th>Value Added $Million</th>
<th>Wages and Salaries $Million</th>
<th>%age of VA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920/21</td>
<td>17.1</td>
<td>367</td>
<td>220.8</td>
<td>125.9</td>
<td>57.0</td>
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<tr>
<td>1930/31</td>
<td>21.8</td>
<td>339</td>
<td>236.6</td>
<td>124.9</td>
<td>52.8</td>
</tr>
<tr>
<td>1940/41</td>
<td>27.3</td>
<td>650</td>
<td>515.8</td>
<td>275.8</td>
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<td>1950/51</td>
<td>43.2</td>
<td>969</td>
<td>1,687.7</td>
<td>983.4</td>
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<td>1960/61</td>
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<td>52.6</td>
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<tr>
<td>1971/72*</td>
<td>36.2</td>
<td>1,301</td>
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<td>1980/81</td>
<td>27.8</td>
<td>1,149</td>
<td>28,475.0</td>
<td>14,872.0</td>
<td>52.2</td>
</tr>
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</table>

* No figures were issued for 1970/71 and from 1971/72 factories employing less than four workers were no longer counted in the survey.
would be worse. The vicious circle would be spiralling inwards even more rapidly than it is now, with little impact on "competitivity" and none on demand for Australia's major exports.

Australia is very dependent on the world market, particularly upon Japan, and on world prices for raw materials. Australian wage rates do not influence world commodity prices nor affect world demand for Australian coal, iron ore, alumina, and a dozen other minerals — or for wheat, wool, meat and sugar. Yet the "cut real wages" school of economists believe they can overcome the effects of the contracting world market on the Australian economy by reducing workers' real wages, thus cutting domestic demand as well. Who will buy the commodities then?

6. What does the future hold?

In an article written on the 50th anniversary of the Wall Street crash, I tried to analyse the economic situation as it was in 1979, coming to this conclusion:

"The capitalist system is once again in a deep crisis which its controllers do not understand and their conventional neo-Keynesian wisdom cannot solve. The four-year-old recession is obviously very different from the 1930s, but in some ways it is more serious and potentially worse in its human consequences." (Tribune, September 29, 1979.)

Monetarist policies adopted in place of Keynesian have not improved things, but made them worse. If neither Keynesian nor monetarist solutions can cure the system's ills, the future is indeed grim and the difference between the thirties and the eighties may not be so obvious, while the social consequences are horrifying. Before suggesting some ideas about future developments and ways of fighting the crisis, we should look at some current ideas about what is likely to happen.

Despite similarities, world capitalism in the eighties is different from the capitalism of the thirties, more sophisticated, vastly more advanced technologically and capable of using computers and instant electronic information for economic planning and forecasting. But despite all this, how do the experts see the future?

They scarcely inspire confidence even when expressing an optimistic view. This is how Leonard Silk sees the financial crisis:

"It is far less plausible to write the scenario of a world crash now than the more boring scenario that adds up to muddling through with the probability of a few national and banking disasters on the way." (SMH, 9/9/82, emphasis added.)

Sir Jeremy Morse, who presides over the big British Lloyds Bank, recently told a Melbourne business gathering that "there is a five percent risk of a serious collapse of the world banking system .... The other challenge was the threat of a series of defaults, a chain reaction by countries with huge debts." (SMH, 6/10/82.)
The international banker wasn't quite as worried as he might have been, because "he was quite convinced the central banks would step in to rescue nations in danger of default, despite the inflationary implications of such lifeboat operations." Inflation is fine when it is incurred in rescuing bankers' investments!

The banker's main worry, however, was possible inflation for another aim. "Sir Jeremy warned about the possibility of a political revulsion against unemployment. He said there could be a general move to the Left which would concentrate on reducing the number of jobless but promote a resurgence of inflation."

As to future prospects, this is how Sir Jeremy sees it:

"The short-term outlook was for a weakish recovery in 1983 with the chance of 'continued hard times' .... there may be a pause in recessionary pressures which would allow interest rates to be held at present levels or even decline."

Even this is a bit optimistic for other British capitalists. Observers predict that 3.5 million Britons will be jobless by next June, and the British Chamber of Commerce reports "evidence of a growing number of companies closing down because they see no prospect of recovery .... " (SMH, 5/10/82.)

The Financial Review editorialist, so optimistic a year ago, is now filled with foreboding:

"How bad and how long the recession (or depression) will be will depend upon the world economy, and specifically the US economy. So far signs of recovery in the world are ambiguous and not encouraging. It is not a pleasant prospect." (FR, 8/10/82.)

The prospect is indeed unpleasant for working people since they are marked for the sack, lower real wages, higher indirect taxes and lowered social services, to get capitalism out of its crisis.

Sacrificing for prosperity

The Financial Review leader-writer spells it out:

"As the Government has recognised no path to recovery and full employment is available to Australia without the rest of the world. But an acceptance by the community as a whole of the inevitability of the fall in living standards could cushion the severity in employment terms of the recession.

"This must involve an acceptance by everybody that real personal incomes need to fall. Not profits — this would simply be a self-defeating proposition. What is wanted is not a reduction but a large increase in profits. However, personal incomes are a different matter. The greater part of profits is retained and invested." (FR, 8/10/82.)

There are two sorts of income: wages and profits (including interest and salaries of business executives). If profits are not to fall, then it's wages he means, and that's his panacea, as already noted. However, there's another string to the bow — higher indirect taxes: "A substantial cut in real personal incomes could be achieved by a general sales tax, or better by some kind of value-added tax."

The millionaire, the worker (with or without a job) and the pensioner will all sacrifice by paying more for the articles of consumption, but the millionaire will get the extra profits supposed to come from this. Then all the millionaires will reinvest their profits, there'll be jobs for all — and the pigs will start flying.

What happens to profits?

There are still plenty of profits around. On the same day our editorialist dropped his pearls of wisdom, his own paper reports the following:

"Perth property developer, Mr Henry Chappie, had taken $2 million out of Australia when he left for Britain last month, the West Australian Supreme Court was told yesterday during an action related to writs served by the Taxation Department. The Reserve Bank had approved the transfer on the basis that Mr Chappie was emigrating.... " (FR, 8/10/82.)
Mr Chapple, who sold his companies to asset-stripper Brian Maher, had a couple of million to spare but he's not investing it to provide jobs. His fellow sandgroper Robert Holmes a'Court used his tax-free $27.5 million profits from speculation in Elder Smith and Ansett shares to take over a British media company, providing not one extra job in either country.

Many big Australian corporations, and multinationals operating here, have exported their profits — made from Australian workers' labor — by switching their operations to low-wage Southeast Asian countries. In the process they "exported" Australian workers' jobs. The whole point about profits is that they belong to the capitalists, who consume quite a lot and reinvest the rest — wherever they can get the biggest return. Jobs are secondary.

BHF still makes hundreds of millions in profits from its oil and gas, but won't invest these in steel production to maintain jobs. And why? Because there's no profit to be made there, at the present. That's the fallacy in the whole argument that everyone else must suffer except the owners of capital, because they alone provide jobs. There is a similar flaw in the proposition that lower wages will somehow provide more jobs. Quite apart from the problem of the market, employers are notorious for their constant desire to reduce the number of workers, and equally notorious for not allowing their human feelings to override "efficiency" considerations.

This rather tedious discussion of the cut-wages arguments is needed because it is now a big issue, with many workers grasping for some immediate solution to unemployment and depression. But acceptance of pay cuts or allowing real wages to erode through inflation, "sharing the work" or other capitalist-inspired solutions would be self-defeating, merely reducing living standards without providing extra jobs.

7. Fighting the Depression

A deep depression shakes society to its depths, but past experience shows that this does not automatically lead to a swing to the left, or rather that capitalism may answer this by a swing to rightwing extremism and violence justified by demagogic promises to solve the crisis.

Germany is the classic case, but similar movements mushroomed everywhere, including Australia with its New Guard and other semi-military fascist groups. History won't repeat itself exactly, but extreme-right
groupings are spreading and infiltrating existing conservative parties.

Even Margaret Thatcher isn’t rightist enough for the British ultras, nor is Fraser for strong groupings within the Liberal Party, particularly in NSW and West Australia, and the National Party in Queensland. If to that is added the extreme right in the trade unions and Labor Party, the big business lobbyists who play with the idea of swinging the Labor Party to the right or splitting it, and the militarist lobby, there is a potential for regroupment of the extreme right which would fish in the troubled waters of a long Depression.

The working class movement can best answer the rightist threat by developing its own program to meet the coming depression by demanding the right to work and suggesting ways of creating jobs, alongside its defence of workers’ wages and resisting sackings.

Sackings are being resisted, as workers challenge the callous attitude of the big corporations which are taking advantage of the recession to slash employment to the bone. Wollongong miners and steelworkers, through the Kemira stay-in and their one-day stoppage and protest march, have set an example that will spread.

The trade union movement is 100 percent correct in defending real wages and living standards. It needs, however, to explain the issues very concretely, to answer the fallacious and self-interested arguments of the capitalist class, realising that we are now in a deep crisis of the system. This will not be easily solved by merely changing governments and economic policies.

“They can’t blame us for the faults of their system”, declared ACTU president Bob Hawke in 1974. Whether he still holds that view or not, it remains correct. Flowing from that, the working class should resist vigorously each and every effort to make it bear the burden of the system’s partial breakdown.

The indispensable starting point is to fight every attack on living standards — on wages and hours, but also against sackings; to demand better unemployment and sick benefits, pensions and also essential services like child care, health and education. But resistance is only the beginning. The working class should also develop its own program to meet the coming depression, an alternative to the capitalist program, one that rejects the conventional wisdom that says the profit motive is supreme because it provides the jobs.

The Financial Review editorial of October 8, 1982 puts this view bluntly:

“But there is no solution to the rapidly worsening unemployment rate which does not involve the acceptance by the community generally that there has to be a substantial shift in income shares towards profits and away from personal incomes. This is simply a matter of how our economic system works.” (emphasis added)

The obvious retort in the present situation is surely: This is simply a matter of how the economic system doesn’t work. If this is so, then the working class response is to advance its own idea of the sort of a system which should replace the one that’s not working.

Even more urgent is to advance a program of action to meet the needs of the people who suffer from or are threatened by the economic crisis, one that is not bound by the dogmas of capitalist economics — or socialist dogmas either.

The social costs of depression

Capitalist dogmas are the biggest danger here in Australia, naturally enough since these dogmas dominate thinking and policy in a capitalist country like this. If these dogmas stand in the way of providing jobs, let’s do without the dogmas. The social and human costs of worshipping at the altar of the profit motive are too high, as the Australian Council of Social Service has pointed out recently. The existence of an average 450,000-strong army of unemployed, ACOSS estimates, costs the community about $8,000 million
worth of goods and services unprovided, on
top of $900 million of lost tax revenue, and
$1,200 million paid in unemployment
benefits. That's without counting the
prostitution, drug-taking and crime caused
directly or indirectly, the frustration,
psychological problems and disruption of
relationships arising, directly or indirectly,
from unemployment.

The recent ACTU Federal Unions
conference, convened to discuss the economic
crisis, suggested a National Employment
Fund to be financed equally by a capital gains
tax and collection of evaded taxes, on the one
hand, and workers forgoing half of the tax cut
due to operate from November (about $4 a
week for workers on AWE). This proposal,
while only a beginning, is an historic step
forward in that the national trade union
movement accepts the responsibility of
putting forward a plan which offers an
alternative to policies of both the Fraser
government and, partially at least, the Labor
Party.

It differs from the Labor Party in that the
ALP has rejected the idea of a capital gains
tax, on electoral grounds; it naturally differs
from the Fraser government which relies on
"the private sector" and the profit motive.
The left is somewhat divided on the issue, the
more traditional rejecting the idea out of hand
and others suggesting it should be developed
and strengthened. The latter view seems
correct, for people everywhere are demanding
action to meet immediate problems which
threaten almost every worker.

A workers' program

Strengthening and developing the idea of a
national program to create jobs would surely
involve a more concrete plan to tackle
economic and social problems in a different
way from that pursued by the corporations
and Liberal governments. One suggestion
could be the demand that federal and state
governments launch an immediate attack on
one of the country's biggest social problems,
the housing shortage.

This would require the provision of large
low-interest funds, coming from public
money raised for the purpose and also
obliging banks to provide cheaper funds for
this specific purpose. It would require
allocation of crown land and acquisition of
privately-owned land at reasonable prices,
expanding the public works labor force and
combining this with private construction
firms.

Such a housing program would meet a real
social need, would quickly employ thousands
of people and provide training for young
people. More, it would stimulate activity in
dozens of industries supplying goods for
housing, from bricks and timber to
aluminium, nails and a thousand other
products.

It's done for the 'deserving rich'

The hardline free enterprisers will howl that
this is impossible; "the market" must be
allowed to set interest rates and you must
never give 'handouts' to the poor, no matter
how deserving. This is claptrap, for special
low-interest housing finance is long-
established, thought not always for the poor.
For example, War Service Housing finance
has always been cheaper than market rates,
while low interest loans are quite common for
politicians, top public servants and business
executives.

NCP leader Doug Anthony is one
politician who got a cheap loan to buy the
Canberra house which he later leased to CIA
agent Richard Stallings. Sir John
Westerman, who presides over the Australian
Industries Development Corporation, has a
$30,000 housing loan at three percent interest
from the corporation, and his chief executives
have loans totalling $500,000. The Sydney
Morning Herald reports (9/10/82) that
"money market talk in Sydney is that the chief
executive of a leading merchant bank recently
was granted a $500,000 home loan at an
interest rate well below market levels".

The overriding needs of providing jobs and
homes demands that low-interest money be
found for housing for all, not just for the
privileged few.

There are many other urgent social needs which could use the creative abilities of all the unemployed, were it not for the artificial restrictions imposed by the capitalist economic system. These include improved public transport, a real national drive to develop solar energy, a national network of childcare facilities and a real health service aimed as much at prevention as at cure. These suggestions could be added to, and a concrete program developed for action to tackle the unemployment program.

Instead, the corporate controllers and Liberal politicians who run the system do nothing but wring their hands and say: “Well, the unemployed will just have to grin and bear it until the US economy recovers” — thus clearly showing their bankruptcy.

Development of this type of action program is, I believe, the second and most urgent task, hand in hand with resisting attacks on the working class.

Control over investment

Any real attack on unemployment will require effective controls upon the investment policies of the big corporations, controls which can only be operated by the national government. It will also require an all-out attack on tax evasion by corporations and the rich, going far beyond either the Fraser government’s belated and politically-motivated partial measures, or the official Labor Party policy. This latter is hesitant and timid about tackling the major issues of capital gains, wealth tax and “legal” avoidance by corporations and individuals which costs $7 billion a year, at a conservative estimate.

Investment control would prevent export of capital and jobs, direct investment into job-creating and socially-necessary projects and prevent takeovers, speculation and socially wasteful but profitable production. The “free-market” champions will howl again that this is “regimentation”, but their precious market has regimented hundreds of thousands onto the industrial scrap-heap.

People must come before profits, the right to work before capitalists’ “freedom” to do what they like with their profits.

The workers’ movement should advocate public ownership of key strategic industries vital to the economy, and direct their resources to meet people’s needs and provide jobs. BHP is a case in point; Hurford’s mistake was not that he advocated taking over BHP’s ailing steel industry but that he did not include its vastly profitable oil and gas fields which could subsidise modernisation and maintenance of steelworkers’ jobs. Such public ownership, directed to meeting the present crisis, would include workers’ direct participation — via elected representatives — in the operation of the industry, from shopfloor to boardroom.

Labor governments and depression

This raises the important issue of the serious problems facing a Labor government in office during economic crises, which happened to the first Labor government after World War I (the Scullin government, elected in 1929) and to the Whitlam government. The problems are real, the pressures will be even greater than in 1974/75, the temptation to seek solutions through co-operation with the big corporations on their terms will be alluring. Yet there is little prospect for solving the economic crisis easily, by better economic management or orthodox policies, Keynesian or otherwise.

A much more radical approach is needed, and the left (inside and outside the Labor Party) should be striving to develop its ideas and programs, gaining support for them among working people and encouraging intervention by workers in economic management from the workplace upwards. It is not sectarian to estimate soberly that the dominant grouping in a Hayden Labor government would tend towards a careful, orthodox reformist position, or to suggest that an active, informed, and militant mass movement outside parliament will strengthen the more radical elements in the government.

Just the same, it would avail little if the left
were merely to stand aside from the real problems or confine itself to criticising from the sidelines and calling for socialism. The real difficulties arising from depression, and the human suffering caused, requires creative new initiatives to develop mass activity to force radical policies upon the big corporations and demand use of the great social wealth to meet people's needs.

The socialist alternative

This is not to suggest that the socialist alternative should be kept in the background or soft-pedalled; quite the opposite. The causes for the crisis lie within the system itself, and these must be revealed and explained in down-to-earth and vivid terms, helping people to understand the forces which throw them onto the streets and slow down the economic life of society. The socialist alternative must be developed and spread in the course of the mass actions which will arise more and more often as the crisis bears down on people.

We should not ignore the difficulties created by the problems in those countries which have ended capitalism and are trying to build socialism (or claim they have already done so). These include economic as well as problems of political institutions, and indeed the two are closely related. The very real economic problems, which also merit the word "crisis", not only of Poland but of every such country in varying degree, are deeply affected by the capitalist world economy. But they have their own internal causes, including the basic issues of democracy and self-management, as well as those raised by the political and military struggle between the two systems.

To admit this reality is not to discard socialism as the answer to capitalism's incurable internal problems. On the contrary, to ignore the reality or pretend the crisis doesn't exist is a disservice to the socialist cause. The development of a new concept of socialism, of a way forward from capitalist crisis which does not take the road developed in previous times and guided by old dogmas, is the only effective answer to the present crisis of world capitalism.

The most effective way to develop a real socialist alternative is to work actively, and help develop, the mass movement to resist capitalist solutions for the coming depression and to seek new solutions through struggle. In this way, marxist theory will stimulate the mass movement's development of a people's program and in turn develop further its concept of socialist society and the paths to its achievement.
Confronting the Big Australian

— Wollongong response to the steel cuts

--- Mike Donaldson

In August 1982, in the face of mounting unemployment in the Wollongong region, community workers from the City Council and the Wollongong Workers' Research Centre convened a meeting which established the Committee on Employment (COE) covering Wollongong, Shellharbour and Kiama. The first meeting of COE was attended by sixty people representing thirty community organisations including local welfare centres, environmental groups, Aboriginal representatives, the Communist Party of Australia and various charitable organisations.

The major impetus behind the committee was a proposal from the Wollongong City Council to establish a local development corporation to generate work in the region using the Hunter Development Board as a model for the Wollongong corporation.

Community and labor movement activists, while realising the potential of such an organisation were concerned that it be not dominated by local business interests. The corporation was formally established on September 10. A board of about 20 was set up: 40 percent from industry and commerce, 20 percent from the trade union movement, 20 percent from COE, and 20 percent from local, federal and state governments.

The following article is based on a discussion paper drafted and circulated by a working group of the Wollongong Committee on Employment.

It outlines the problems being confronted by the Wollongong region (and, by implication, by other heavily industrialised regions), and also suggests ways in which community and union activists can confront the spectre of unemployment.

— Mike Donaldson for the ALR Collective.
The Wollongong region is in the grip of a devastating economic and social crisis.

Since the 1970s, the district has experienced among the highest rates of unemployment in New South Wales and, since April 1981, the longest duration of unemployment for people registered with the Commonwealth Employment Service (CES). The number of new registrations has more than doubled, while the number of vacancies notified to the CES has dropped dramatically. People are now talking about an "official" unemployment rate of 12 percent for the district. However, following the recent spate of closures of manufacturing establishments, and with the next lot of school-leavers ready to join the workforce in the next few months, it is likely that unemployment will hit around 20 percent by December.

At a recent National Unemployment Conference, Professor Bob Gregory of the Australian National University suggested that real unemployment in the region might already be around 18-19 percent at a conservative estimate. That is, already there are nearly one in five people who would like to work but who cannot obtain it. If the official figure soars as projected, then we will be facing a situation where real unemployment will approach one in three of the district's workforce.

Why is this happening in Wollongong? Coal and steel dominate the district. Coal mining provides employment for nearly six percent of the workforce compared with a national figure of just over one percent. The steel industry provides jobs for more than a quarter of the district's workers — nearly two-thirds of the total employed in manufacturing.

The crisis intensified with 216 retrenchments at two British Petroleum-owned coal mines, and the announcement of plans by BHP (owner of the AI&S Steelworks at Port Kembla) to reduce its national steel industry workforce by 10,000-15,000.

The district has above the average number of skilled tradespeople such as metalworkers and electricians. It is, however, under-represented in professional and supervisory "white collar" occupations. The district is severely under-serviced in public transport, health care, sewerage and public entertainment facilities. The public sector provides only about half the rate of employment opportunities in Wollongong that it provides nationally.

The proportion of service sector workers in the Wollongong district was 55.7 percent in 1976 — low compared with the national figure of 72.1 percent. This can, in part, be explained by the dominance of mining and manufacturing activities in the area and the fact that control of industry is vested in a few very large firms, such as BHP, with control functions (managerial, administrative, research, clerical) centralised in Sydney, Melbourne or London. Other explanations lie with the low level of public sector employment relative to other major cities, the job-displacing technology being introduced in the banking, finance, wholesale and retail industries, and the difficulty of transferring skills from basic manufacturing.

BHP's town

Apart from the AI&S steelworks, BHP owns or controls several other important local firms — Lysaghts, Comsteel, Tubemakers, Titan and AIR — and 50 percent of the district's collieries. There are many other firms linked to BHP through supply or contractual arrangements. With this level of dominance, it is obvious that BHP's investment decisions have a very great impact on regional employment levels. BHP's dominance is both politically and economically important. Since the steel industry started in the district in 1928, the area has depended on the fortunes of this industry — and nothing much has been done to lessen this dependence.

The 1970s saw a considerable restructuring and rationalisation of industries on a world scale. Federal and state governments since the mid-1970s have accepted an economic role for Australia as a provider of natural resources and energy for the Pacific Rim countries
while allowing "traditional" manufacturing industries to decline.

As capital shifted to energy and minerals in search of greater returns, two major customers of the local steel industry — shipbuilding and car manufacturing — were allowed to collapse or contract considerably, in line with restructuring policies. BHP's pursuit of this strategy seems proven by its diversification into oil and gas production, mineral exports and, most recently, by its attempt to enter aluminium production.

However, after several years of not investing in its steel division, over the last two years BHP has invested more than $650 million in updating its steelworks, particularly at Port Kembla and Whyalla. This investment came after BHP won unique concessions in 1981 from the federal government, with a very generous depreciation allowance on top of the general investment allowances which have operated since 1976. One of BHP's most persuasive arguments to obtain these allowances was the threat of unemployment in the steel regions. BHP used unemployment as an argument for increased government assistance. BHP is currently using the same argument to obtain assistance via quotas on imported steel or tariff protection.

However, it is not the case that more (government-encouraged) investment will mean more jobs. BHP investment is labor-replacing: the greater the capital investment, the fewer the jobs. This is also true for other industries in Wollongong: to encourage collieries, finance companies and retailers to reinvest in the district is one thing, but to encourage them to invest in ways that will create (rather than destroy) jobs is another.

This means that the Wollongong district is faced with a massive loss of jobs both in steel and associated industries, as well as the retail and other service industries that depend on steelworkers' and miners' incomes.

Who are unemployed?

Unemployment particularly affects the young, women, unskilled workers and migrants. In a region built around male-oriented industries, female unemployment has always been a major problem. Because "women's jobs" have always been scarce, there is a low participation of women in the workforce. This means that many women do not, or — in the case of married women — cannot, register as unemployed. This contributes to concealed unemployment, estimated to be significant among women. Institutional changes and population increases, bringing about an increased participation of women in the labor force, were not matched by an ability of the local economy to absorb the increase, despite increased jobs for women overall. In 1977 it was argued that this was why female unemployment remained at the high level of 30 percent.

Increasingly, older workers, particularly those over 45, are becoming unemployed. "Voluntary retirement" is aimed at this group which is least likely to be given jobs should alternatives become available.
Unemployment

**Income support**

Individual unemployed people and their families have been left in increasing poverty. Unemployment benefits were originally designed as a kind of short-term bridging finance but the lengthening duration of unemployment has meant that such an assumption is outdated.

The unemployed have been increasingly discriminated against compared with other pensioners, with their real standards of living deteriorating even further below the poverty line. In particular, the plight of the single unemployed person is ignored since their benefit is not indexed. Prior to the August budget increases which will be paid from November 1982. The adult benefit was $58.10 per week, some $16.05 below other single pensions, and some $33 below the poverty line. (The poverty line is $91.10 for a single person.) Unemployed young people are worse off again. Their benefit was $36 per week, unchanged since 1975. Prices have risen by over 98 percent since then, with their income slipping some $38 behind other single pensioners, and $55 below the poverty line.

This gross discrimination against the single unemployed affects 75 percent of persons on unemployment benefits and those single people on sickness benefits who are transferred from unemployment benefits.

Other forms of discrimination operate against all the unemployed. They cannot receive any fringe benefits, supplementary rent allowance, or guardian's allowance available to other pensioners. Although difficult to estimate, these allowances could be worth up to $50 per week. The unemployed also face much more stringent income tests than other pensioners.

Prior to this present crisis it was estimated that 17 percent of the population of Wollongong, Shellharbour and Kiama lived below the official poverty line. In some suburbs the figure is 25 percent. An increasing proportion of people seeking emergency relief from agencies such as the Smith Family are receiving unemployment benefit.

Even those who have not lost their jobs are experiencing difficulty. Many workers are uncertain as to whether their job will be next to go. Workers who budgeted on receiving overtime or double shifts are finding themselves financially over-extended. Casual work appears to have decreased. Some workers in small firms are being asked to defer wages to save their jobs. Small businesses are experiencing a considerable drop in sales and income.

**Responses elsewhere**

Wollongong's situation is not unique: similar crises have occurred, and are occurring in the United States, Canada, the United Kingdom, Europe and other parts of Australia. To reduce unemployment and revitalise urban areas, initiatives have already been taken in many of these places and the experience gained provides a valuable lead to the direction that should be taken here.

Over the past twenty years, the main approach to economic development of urban areas has relied on the private sector to restore the inner-city employment base. The aim has been to generate employment through policies which directly affect business costs and profits but which do not encroach on employee earnings, job security, working conditions or job control. Such policies assume that companies respond to measures aimed at reducing costs and increasing profitability and that, as a result, existing jobs will be retained, new jobs will be created and local workers and communities will benefit.

Urban renewal programs were implemented in the 1950s and 1960s in the United Kingdom, North America and parts of Europe. Although intended to help depressed inner-city communities, the programs were often used (by local authorities, developers and financial organisations) to "modernise" inner-city areas with new commercial and office development, forcing former residents to move to other areas without compensation. Despite the vast scale of some of the projects, there is little evidence suggesting that urban renewal has succeeded anywhere in terms of creating employment.
Renewal problems

In response to the problems created by urban renewal and the unrest of the 1960s, some projects were reoriented towards *rebuilding* (rather than removing) the inner-city economic and community base. Founded on the belief that government intervention would lead to revitalisation, governments in the UK, North America and Australia used a range of measures to make city areas more attractive for private firms.

The payment of capital subsidies towards buildings or provision of cheap land for selected development (usually manufacturing), reductions in taxes (particularly payroll tax), and reductions in service costs (gas, electricity, freight and communication) have been widely used with mixed success. Of these, reduction in taxes is probably the most significant.

Employment subsidy programs aim at encouraging employers to take on or retain existing employees. In the UK, employment subsidy programs have been widely used and include the Temporary Employment Subsidy (6 months subsidy payable to employers who deferred a redundancy of 10 or more workers), Youth Employment Subsidy (payable to employers who recruit young people under 20 unemployed for 6 months or more), Community Industry Program, Special Temporary Employment Program (project work for long-term unemployed persons 18 years and over), and the *Temporary Short Time Working Compensation Scheme*. Programs are also operated in Europe and New Zealand.

On balance, it seems that employment subsidy programs are beneficial in terms of retaining or creating jobs. The Manpower Services Commission in the UK estimated that, in late 1980, about half the total number of employment subsidy schemes represented a net increase in employment. The advantage of a subsidy program is that it can be directed to particular disadvantaged areas or groups, or to labor-intensive industries.

Employment subsidy programs have not been adopted in Australia because of the present federal government's "philosophical reservations" about job-creation schemes. The government is, instead, pursuing a policy of "fighting inflation first" in the belief that this will increase employment opportunities by strengthening economic activity. Increases in unemployment suggest that such a strategy is not effective and that measures which offer some reduction in the numbers unemployed and the length of time they spend in unemployment should be implemented.

Training schemes

Training schemes, including work experience programs and transitional education from school to work, aim to increase the "employability" of the workforce and are operated in most countries. While the programs may help selected people obtain new skills, they do nothing to help overall job availability. Unless accompanied by an increase in the number of jobs available, training schemes may only change positions of people in the unemployment queue, but do not reduce its length.

In the US, UK and Australia, business and technical assistance to new and to relocating firms is provided, generally through some form of agency, at the state, regional or local level. These agencies are usually public (e.g. the NSW Small Business Agency attached to the Department of Industrial Development and Decentralisation, or local authority departments) or quasi-public authorities (e.g. the regional enterprise agencies in Britain comprising representatives of industry, banks and unions and backed by larger local companies, or the Economic Development Corporation in the US.)

The construction of housing and other facilities was the major basis for the new town programs in the UK and US but not in Australia. Such schemes are highly capital-intensive, however, with little prospect of pay-back. A public works program (e.g. the RED scheme) provides employment but only on a short-term basis.
The provision of nursery factories has proved successful in some places. In past years, considerable attention has been given to the development of "science parks" as a way of attracting high-technology industry. However, a recent study in Britain found that new small high-technology companies do not need sophisticated factories in science parks, but small premises, often in old converted buildings, with easy tenancy terms. It was also found that few science parks are successful in real estate investment terms and that they have a low level of interaction with universities even when located close to them.

Support schemes

In the UK, schemes providing both space and supporting services to small firms have been implemented to encourage new ventures. The impetus for these schemes has come from local councils, local enterprise trusts, or the private sector (e.g. British Steel and the Clyde Workshops). The concept of an "innovation centre" has recently been put into practice in the city of Hull in Britain. The centre was set up by the local council to encourage and assist small firms, especially new ventures. For initial nominal charges, the centre makes available floor space, engineering staff and a well-equipped machine shop, electronics equipment, plastics machinery, operations support, technological advice and other sources of advice, education and help. Clients, when established, move out to commercial premises, some of which are also provided by the City Council.

In the UK, Europe, North America and, to a lesser extent, Australia, there is an array of programs available which have been used to encourage private firms to remain, locate or expand in areas of high urban unemployment. Frequently, some form of organisation or agency has been established to co-ordinate or implement these programs at the local or regional level.

Generally, the approach of all these organisations is to try to improve the conditions for private business in urban areas. This traditional approach, however, has had mixed results. Economic and unemployment problems in many inner urban areas remain and, in some cases, have worsened rather than improved. Several reasons have been put forward to explain this:

1. Insufficient resources have been allocated to development activities and those resources made available have either not been targeted to depressed or low income areas, or where targeting has been intended, it has been ignored.

2. The proliferation of organisations/agencies has meant that an increasing number of organisations is competing for the relatively small number of private sector jobs available.

3. Studies in the US have shown that private sector investment or location decisions are not really affected by financial incentives. Technology is, to some extent, reducing the significance of location while training programs tend to redistribute rather than increase employment.

4. Even when jobs have been created they have not always been stable or good ones and have not always gone to local residents. Unless a community or a development corporation gains some degree of ownership, or equity, in a firm (thereby ensuring some check on management decision-making) in return for financial or other assistance, jobs created may turn out to be short-lived, low-paid, poor quality and/or not directed towards local residents.

Given that private enterprise is about providing the best return on money invested, and that creating jobs is not a profitable activity, financial incentives would have to be very large before employers would consider relocating or expanding workplaces. It needs to be considered whether this is the best use of limited government resources. Moreover, relocation of firms frequently does not do much more than move jobs from one place to another — one area's gains are another's losses. Traditional approaches of promotion, financial and other incentives aimed at encouraging firms to relocate are subject to this criticism and, therefore, may be regarded
as a waste of public money.

As it is increasingly being accepted that few firms wish to relocate and little footloose industry remains, a change of emphasis is occurring overseas — from attracting outside industry, to encouraging establishment and expansion of local firms and enterprises.

Non-planning approaches

The "non-planning" approach is based on the belief that there should be least possible interference in the market system. Whereas traditionalists argue that some government intervention is necessary to make inner-cities competitive with other areas to attract private firms, non-planning advocates argue that government intervention will not restore depressed areas and, therefore, expenditure of government resources in these areas is wasteful. Instead, it is argued, depressed areas should be allowed to die, and poor and unemployed residents should move to places where there are jobs.

"Enterprise zones" have been established in a number of cities in the UK and US in an attempt to attract private sector jobs to inner areas. An enterprise zone is an area with minimal (or zero) regulation, taxation, planning controls, wage and social security constraints and other government "interference". In four years, 11 zones have been established in Britain and some fairly extravagant claims have been made about the jobs that have been created. Enterprise zones offer a way of reducing public spending, creating a climate for further deregulation and decreasing government activity — an appealing alternative to a conservative government committed to private enterprise and the free market.

Community-based approaches

In recent years, governments have given much greater attention to community-based approaches to job creation and economic development but public sector financial support still remains far below that given to more traditional approaches.

The community approach believes that traditional incentives to private business are ineffective. Private capital is often not attracted to depressed areas because of the inability of firms to take into account social needs and social returns (e.g. from reduced welfare benefits through job creation) and the tendency to focus on returns to capital rather than jobs. Even when incentives do influence a particular firm, local workers and communities do not necessarily benefit because the jobs created are often poor, low-paid and offer little prospect of career advancement.

What is needed, therefore, is not a strengthening of private investment, but a restructuring of the local economy under a different system of control to ensure stable, career-structured, reasonably well-paid employment.

Free market "non-planning" approaches are also rejected since the operations of the market economy are the major cause of the problems in the first place. Instead, local or community control over local economic development is necessary to avoid exploitation and control of local residents through businesses owned by "outsiders".

As unemployment is usually concentrated where housing and building is old and often inadequate, health standards are low and local services are poor, the community approach advocates expansion of enterprises designed to improve these conditions and to create and democratically-control employment. Some of the mechanisms used at the community level to promote economic development are described below.

(1) Community Development Corporations (CDC)

These are non-profit, neighborhood-oriented organisations which, acting as locally-controlled development agencies, try to integrate community, economic and physical development.

CDCs aim to bring jobs, stability and political power to disadvantaged
(2) Minority Venture Development

The last ten years has seen increasing assistance for the development of ethnic minority enterprises in the US, firstly, because evidence suggests that minority owners can provide more jobs for people of their ethnic group than other employers and, secondly, because they are more likely to locate their business in a minority community.

The Minority Enterprise Business (MESBIC) Organisations identify and assist new ventures while services are provided by CDCs and other community organisations. Funding comes from various federal and state government agencies and, once established, minority firms are given government preference when tendering for contracts.

As yet, few large-scale enterprises are totally-owned by minority groups in the US, but sufficient acquisitions of banks and other lending institutions, media (radio, TV, film, newspapers), and pharmaceutical firms have produced many jobs for low-income earners.

(3) Consumer and Producer (worker-owned) Co-operatives

(a) Community co-operatives have been formed in the US with some government and foundation assistance in areas which include: manufacturing, energy, recycling, food purchasing and distribution, gardening, park restoration/development and creation of "urban forests", housing rehabilitation and development.

The National Co-operative Bank was formed in the US in 1980 to assist community co-operatives. The bank provides special help to potential borrowers and clients ranging from solving initial establishment problems to actual operations assistance.

Special technical assistance agencies funded by federal, state and local money have also been set up to help community groups form organisations to undertake housing projects, training programs, etc.

Action to provide co-operatives has also been taken in Australia. Initiatives include:

- the establishment in 1981 of the Victorian Co-operative Development Program by the then State Ministry for Employment and Training. The program aims to establish self-sufficient co-operative business enterprises. At the present time, 19 co-operative business activities are either operating or being formed. The ministry has also funded a service infrastructure;
- the planned development by a number of local government authorities (e.g., Broken Hill) of Local Co-operative Development Agencies (LCDAs) similar to those in Britain where over 30 have been established in the last three years (working with some 500 new co-operatives). LCDAs provide essential technical expertise "on the spot" for local co-operative development. In 1978 the NSW government established a fund of $3 million in conjunction with an advisory team of personnel to help develop co-operatives (the Worker Co-operative Development Agency).
(b) **Worker Ownership**, that is workers buying or taking over a firm, is a recent phenomenon in the US and generally occurs where a large corporation decides to close or abandon an existing plant.

Generally, employees form a board of directors and hire managers to help them. US government money has been used to research possible ventures and government loan guarantees and subsidies may be obtained if the venture is proved to be feasible and non-government capital is available.

(4) **Industrial conversion**

This is usually an employee initiative, the most well-known example being the intervention campaigns by Lucas Aerospace workers in Britain. Unions at Lucas Aerospace, fighting massive layoffs and closed factories in the depressed British aerospace industry, drafted a “Corporate Plan” detailing 150 new, more socially-useful products which Lucas could develop instead of laying off workers.

In Britain, similar initiatives have followed in many industries such as machine tools, motorcars, power engineering and aerospace. The same approach is also being applied by joint union-community action group coalitions in several areas of Britain such as Tyneside, Coventry and the London Docklands.

It is difficult to evaluate community-based approaches since many institutions are new. Also, funding has been small compared with that for traditional approaches. However, fairly large job-creating developments have taken place and reasonable quality jobs have been created in economically-depressed areas. CDCs now tend to go into joint ventures with private entrepreneurs because of problems of finance and management experienced in some wholly-owned CDC enterprises. There is also the problem that some CDCs have not always remained accountable to the local community.

The importance of community based approaches is that they stress job quality, targeting of employment and benefits to local communities, worker and community involvement in development, the need for social costs and benefits to be taken into account in investment decisions, and the need for decentralised, non-bureaucratic and democratic structures.

**Local responses in Wollongong**

In March this year, Wollongong City Council began a program to look at ways of generating and preserving jobs in Wollongong. Some activities undertaken as part of this program include:

- an urban structure study (being carried out by a consultant team) to identify possible locations for new industrial and tourism developments among a range of other considerations;
- formulation of a tourism strategy;
- a study to identify firms linked with the steel industry and areas for possible product diversification;
- industrial promotion aimed at attracting industry to the area;
- a program to limit “escape spending” from the area and the development of a “buy locally” policy;
- a request for the reintroduction of the RED scheme.
On July 30, the council, recognising the seriousness of the situation regarding unemployment in the area and the need for a community response, convened a meeting of representatives of industry, government, unions and the community to establish a committee or corporation for employment generation.

A number of initiatives have been taken by the labor movement.
(a) the Federated Ironworkers Association (FIA) held a series of public meetings on the steel industry in several local centres and the Wollongong Town Hall. The union is also heavily involved in a campaign to prevent any further job losses in the industry;
(b) the South Coast Trades and Labor Council set up a special committee to discuss unemployment and job creation in the area and possible union action. The council also organised a two-day seminar on unemployment in September;
(c) the South Coast District of the Communist Party has been holding meetings between trade union militants and party activists from the national level of the CPA as well as from Newcastle. At the national level, discussions are being held between people from steel and coal districts throughout Australia.
(d) the Combined Pensioners Association of New South Wales held a rally at the Sydney Town Hall in August. The association launched a broadly-based Campaign for Social Justice which will focus on unemployment.

Much of the neighborly and family support of people forced into unemployment remains unreported. This support is essential in lessening the personal tragedy of losing a job and sharing the burden of decisions which need to be made at that time. Sharing excess home-grown vegetables, shopping trips and social activities can buffer the inevitable impacts of unemployment.

A number of locality-based projects have been initiated or proposed:
— bulk buying of food and other household items; community vegetable gardens; shared poultry ventures; contracting of maintenance and repair work on community buildings to local unemployed; local tool and workshop co-operatives for home repair and production; buying locally produced products or buying from local stores.

Future directions

In difficult times, people commonly withdraw into self-protection, or wait and hope that the government will do something, or something will change for the better. The current efforts to create jobs and provide income from alternative sources are inadequate, but to deny personal capacity to do something about unemployment, for whatever reason, is perhaps the greatest danger.

Without broad-based involvement in fighting unemployment and developing a co-ordinated response, the risk is that governments will restrict participation to “experts” and those whose experience of employment has been stable and rewarding. Implementation of proposals that are government and expert-generated often meet strong resistance because they are seen as yet another imposition promising, at best, limited success or failure. With restricted participation, details of the impact of the current situation and the effectiveness of proposals will be overlooked. Governments will be inadequately informed to take effective action and the ideas and energy of “non-experts” will likely be lost, particularly putting small-scale and local initiatives at risk or nipping them in the bud.

Those people who are particularly vulnerable, or traditionally excluded from employment, will possibly be ignored (particularly the young and the over-45-year-olds, the physically handicapped, Aborigines, women and migrant groups) and their needs discounted in subsequent job creation unless their views are actively solicited.

An opportunity to build an effective consensus or coalition on this critical issue
will be sacrificed and the region be further divided — between right and left, rich and poor, employed and unemployed, able-bodied and disabled — unless there is a positive commitment to building a representative body to develop a truly regional response.

Most economic decisions are made at national and international levels. The prospect of people from the Wollongong area having significant influence in these arenas is limited. Concerted local action, however, can begin to modify the way these decisions affect the region and initiate and support local endeavours which will be significant locally and form the basis of longer-term change in the economy.

A possible plan of action

The community needs to work out what programs it wants, how they should be run and who will run them, what funding is needed, how those resources can be obtained, what other movements/groups will give support, and how, and so on. The following are some of the things that should be considered:

(1) a community-based approach to economic development rather than a total reliance on private capital.

People live in neighborhoods, not cities; it is in neighborhoods that people’s investment, emotional as well as economic, is situated. An economic development program must build on the determination of a neighborhood’s own residents to stay and make the community livable. Residents know their needs better than a private investor and also are more aware of the best way to satisfy those needs.

(2) small-scale initiatives

Small-scale initiatives tend to be more participatory and accessible to local residents and are more likely to have a commitment to the area and to reinvest funds locally. The council should:

• adopt a policy of promoting and assisting the development of small-scale and local initiatives;
• press for the location in the city of a permanent office for the Small Business Development Agency and the Worker Co-operative Development Agency, and
• join with local community organisations in a “partnership” to establish a Local Co-operative Development Agency (e.g. as in Blacktown, NSW).

(3) locally accountable development structures

The establishment of a local development structure such as a democratically-elected Community Development Corporation, with an entrepreneurial role, could help to build new resources that will strengthen the community internally and in its relations with the outside world. The corporation would be accountable to local people (its “members”) and any profits made ploughed back into community services or the development of new enterprises.

(4) community reinvestment

The revitalisation of the Wollongong community requires institutional changes which will reduce the outflow of community resources, be they capital, labor or consumer expenditures.

With respect to capital, at the present time a significant proportion of the money earned in this district is being invested outside the area. Community action against “redlining” in the US was an influential factor in the passing of the US Community Reinvestment Act which provides a legal mechanism for forcing accountability in local financial institutions.

To limit “redlining” in this district it is necessary to investigate how much capital is flowing out of the area and work for its redirection into housing loans here, and work with local government and other groups to demand a quid pro quo: a bank can hold public deposits and make a resulting profit, but only if they pledge to provide additional credit to areas which they are supposed to be serving.
Fast food chains and chain supermarkets also export capital from the area: profits, debt service and management costs are paid to headquarters rather than locally. Some of this leakage could be plugged if buildings were owned locally, management hired from local residents and supplies purchased locally.

(5) conditional financial assistance to private enterprise

The use of traditional financial and other incentives to attract or expand private business does not necessarily create jobs, and where jobs have been created they are not necessarily good jobs, or stable. As the offering of such incentives is a possibility in this area, it should be a condition that, in return, local authorities and state and federal governments negotiate agreements regarding employment and manpower training or a share in equity.

(6) quality of employment

There are two sides to economic development:
(1) the creation of new additional jobs
(2) the creation of better jobs — stable employment offering a reasonable wage, and work satisfaction through variety and a responsibility for decision-taking.

In working for these things, labor movement campaigns should be supported for:
• a reduction of working hours in existing industries, to share out the necessary work, but without a corresponding reduction in incomes, so that effective demand can be increased;
• a moratorium on job losses in the steel industry to spread the effect of the modernisation program over a longer period of time;
• a democratisation of power and an increased participatory role for workers in management decision-making.

(7) socially useful production

The aim should be to produce goods and services that are socially useful to the community. Enterprises such as solar energy generation and recycling are two areas that offer financial and environmental benefits and the potential of substantial job creation.

Support should be given to any proposals for alternative socially-useful products put forward by workers as a counter to management moves for closures and redundancies.

(8) co-operative/community/business education and training

There is an increasing recognition that education, both formal and informal, plays an important role in local development and that this role could be strengthened. Education and local development need to be linked; education and training programs without jobs at the end are a recipe for frustration and disillusionment.

The aim of education and local development must be the creation of more effective ways of improving the life chance and living conditions of urban residents who still live in what can only be called poverty.

To be effective, education programs must ensure that there is not a specific type of education for "disadvantaged people"; education for development must be education for all.

Similarly, education and training programs must relate to the community — its resources, needs and problems — and help people to alter their situation.

(9) continuous funding

It is essential that there is adequate and stable funding available. A Community Co-operative Bank or Venture Development Bank could provide capital to new ventures directly and indirectly via low interest guaranteed loans through commercial banks.
The myth of the mainstream

Ray Southall

In May 1982, the Commonwealth Department of Education published a paper entitled *Towards a National Language Policy* "to stimulate debate on language policy" and to call attention to the "pressing needs for research and surveys on language use and language learning in Australia". The paper proposed "that the time is right for the development of a coherent and co-ordinated policy on languages in Australia" and that to achieve such a policy "changes may have to be made to the education system".

The fundamental issues which the paper poses are those considered in the Australian Council on Population and Ethnic Affairs report, *Multiculturalism for All Australians: Our developing nationhood*, which also appeared in May of this year. Of these, the most important is clearly that concerning Australian identity, towards which the attitude of the Commonwealth Department of Education paper is that expressed in the notion of "the mainstream culture", of which English is accepted as the vehicle and as the mother tongue of those of Anglo-Celtic origin.

There is nothing contentious, of course, in the claim that English is the mother tongue of those of English origin, but there are many varieties of English, of which Australian English, with its own sub-varieties, and what for brevity's sake may be called Standard English are only two. Standard English, from which Australian English is commonly judged to diverge and in doing so to gain its Australian character, is not the mother tongue of the English. The language of Newcastle-on-Tyne, for example, shows a far greater divergence from Standard English than does Australian English, as also does the English of many other regions of the United Kingdom. For most people in the United Kingdom, Standard English is a *lingua franca*, a second language which proves as difficult for native English speakers to acquire, irrespective of whether they are natives of England or Australia, as French or German.

Attention to the varieties of language, which is frequently avoided by referring to standard forms, emphasises that many Australian immigrants did and do speak a
patois/dialect which embodies a culture quite distinct from that of any standard form. A national language policy, therefore, needs to have special regard to the mother tongue, where this is patois, and to the relationship of this to any regard for the standard form. Policy decisions in this area are necessarily decisions as to the worth of the culture which a language transmits and the Commonwealth Department of Education paper appears surprisingly insensitive to this in accepting that the mother tongue of those of Celtic origin is English.

That English is the Celtic mother tongue is not perhaps as provocative an assumption in Australia as it would be in the United Kingdom, where there is a long and bitter history of struggle against the repression of Celtic languages and culture. It is, however, an assumption that those, especially the Irish, who were transported to or who migrated to Australia in consequence of English subjugation and who contributed significantly to the formation of the present identity and culture of Australia, had surrendered to the repression of their cultural heritage on their arrival in Australia. The historical situation seems rather to have been that the English colony showed no more respect than the "mother country" for Celtic culture and the necessity for Celtic languages to the transmission of that culture "from generation to generation".

This particular instance of neglect calls attention to the need not simply to maintain but actively to promote languages which are the means of access to the culture of origin and hence to restore to Australian people their cultural heritage. It is a major oversight of the Commonwealth Department of Education paper that it fails to address itself to the establishment of an inalienable right to cultural inheritance.1 This right must surely be the foundation stone of any national language policy in a multicultural society.

The extent to which the right of cultural inheritance can be exercised will depend upon the facilities made available to that end and hence upon the priorities which govern the disbursement of public funds in this area. It is because this is so that access to language becomes a matter of policy. Language policy in Australia, it seems to be conceded, will be multiculturalist, thereby reflecting the growing acceptance of the nature of Australian society. Consequently it becomes imperative to call into question the notion of "the mainstream culture" which informs the Commonwealth Department of Education's discussion paper and that for reasons other than its disregard of Celtic claims to consideration.

Multiculturalism

While a multiculturalist view of the Australian identity does not deny the importance of the English contribution, it must surely define the mainstream of Australian life as the expression of the interaction of many cultures, each of which is essential in that without it Australian life would not be as it is. It is this interaction that gives our way of life its Australian identity. The argument for this view is not that this interaction should take place but that it unavoidably does so and that by being acknowledged and welcomed it can become of still greater benefit in sharpening and enriching the perception of what it means to be Australian.

It is believed in some quarters that such a perception implies a passive acceptance of Australian life as it is. Multiculturalism, however, is not inconsistent with the pursuit of cultural change and does not require us, for instance, simply to accept chauvinism, racism, sexism and the commercialisation of every nook and cranny of our way of life. What it is inconsistent with is the assumption that such things can be understood and overcome without regard to their cultural context.

What national language policy necessarily involves is planned change, facilitated by regulation of access to cultural context. As the Commonwealth Department of Education paper observes,

In so far as different cultural and subcultural groups embody in their languages different meaning potentials, [it is] the
continued use and life of these languages [which] enables the transmission of cultural values, modes of thought and world views from generation to generation.

Consequently, by making the language of one cultural group more generally accessible changes can be effected in its traditional values, thinking and outlook. The wider political implications of this prospect need to be well aired in the debate on language policy. One implication, for instance, is that in circumstances in which government is inclined to repress the language and culture of a particular “group”, its own perception of its best interests may be better served by making that language and culture more susceptible to outside influence.

In many cases, one such outside influence is that of schools and universities. In the implementation of any national language policy these are certain to be seen as important means of improving access to languages. It needs to be recognised, therefore, that such institutions are not culturally neutral and that they instil, in the very learning process itself, attitudes, values and modes of thought which may well be alien to the culture of the languages they profess to teach. In such a way educational institutions may warp the transmission of cultural values. To overcome this built-in prejudice seems likely to require a revolution not simply in the organisation but in the very conception of education itself.

There is little evidence that universities, self-identified as they are with the myth of the mainstream culture, are capable of generating any meaningful response to the needs for a multicultural language policy. In some part this paralysis arises from chronic funding deficiencies, which have the effect of reducing the range and level of academic and managerial expertise and of increasing concentration upon the “mainstream”. More crucially, however, it is due to the kind of prejudice implicit in the very notion of mainstream culture. This becomes more obvious when funds are restricted or reduced, since at such times it becomes essential to
define "educational" priorities, usually in the practice of management rather than in the processes of academic discussion and determination. It is as near as possible to a stone cold certainty that public funding of any multicultural language policy channelled through the universities would in the main serve only to strengthen the "mainstream", with the residue being expended upon political window-dressing as at present.

An illustration of the influence of the myth of the mainstream in schools, colleges and universities is provided by the definition of Australian as Australian-English in courses of Australian literature. Such courses do not include literature and "oral literature" produced in Australia in languages other than English. Consequently, the campaigns that have been waged to get Aust. Lit. "accepted" can be seen as a backlash against multiculturalism and as a vociferous attempt to strengthen the myth at a time when it is under attack.

Universities, upon whose graduates government relies so heavily for implementing and servicing policies, are themselves political institutions, which now see their prime responsibility as the management of public funds rather than the promotion and dissemination of knowledge. The marked shift in the balance of power within universities from academics to administrators has severely weakened the capacity of universities to participate in the formation of educational policy and to respond to the educational needs which an agreed national policy may identify.

This situation, which is replicated in all areas of social provision today, is unlikely to change until such times as there is a greater understanding on the part of government that the economic returns from education, to which the Commonwealth Department of Education paper pays much attention, are dependent upon the level of investment. In respect of the relationship of a national language policy to government economic policy, however, the paper has no comment to make. Plainly there are specific prejudices built into the management of the national economy, as there are into the management of universities, and until these are exposed and subjected to multicultural directives, there is no prospect of presently deprived "cultural and sub-cultural groups" in Australia being given a fair go. There is, of course, widespread suspicion that government talk of multiculturalism is nothing more than that. When finally a consensus has been reached on a national language policy, hopefully it will be presented to government with the injunction "Put up or shut up".

1. It may be said to have glanced at the matter in acknowledging that "access to the literary tradition appears to approach the status of a "right", but such a formulation underscores the failure to wrestle with the issue of rights.

Marx & beyond ....

In March next year, ALR proposed to organise a number of events marking the 100th anniversary of the death of Karl Marx. So far, we are planning a speaking tour and symposia, and a new format for the journal.

We believe this can be a valuable exercise for the Australian left, looking at the influence of Karl Marx and assessing problems and possibilities for the socialist movement.

If you're interested in helping plan such a program, contact either the Melbourne or Sydney ALR collective.

— ALR Collective,
PO Box A247, Sydney South 2000.
Jean Bedford was born in Cambridge, England, in 1946 and came to Australia in 1947. She was brought up in Victoria and, after university, taught English as a second language, and worked as a journalist. She was literary editor of the National Times from 1980 until recently when she resigned to take up the Stanford Writing Fellowship. A collection of her short stories Country Girl Again was published in 1979 by Sisters. She lives with the writer Peter Corris and her three daughters in Coledale on the South Coast of New South Wales.

Mike Donaldson talks to her about her book Sister Kate, published recently by Penguin.

The day Sister Kate was launched, the National Times reported that it was already a best seller in Melbourne. Apart from the fact that it is an extremely well crafted book, is there any other reason why it's had such instant appeal?

I don't know; I'm really surprised. It must be that people are still fascinated by the Kelly myth even when it's presented from the woman's point of view. I would have thought that with 1981 being the centenary of Ned's hanging that people would have been sick of the Kelly stuff, but it is one of the strongest myths in white Australian history.

Ned Kelly and the gang have become archetypes of freedom and anti-authoritarianism, a symbol for people who feel victimised and want to do something about it. Otherwise, the cover, a reproduction of Constable Fitzpatrick and Kate Kelly by Nolan, is very pretty, and that might have sold a few.

You're off to take out a Stanford scholarship. Why are you taking out the scholarship, and what attracts you to the US?

Firstly, I'm attracted by the possibility of being paid to work at something I'd be working on anyway. Secondly, I'm keen to get a glimpse of American writers at work. The course I'll be attending will be full of young American writers, and one of the very few things I admire about the United States is its fiction writing. In terms of narrative fiction, the new American writers are probably the best in the world. However, I've always disliked America and all it stands for, but the opportunity to go and observe it first-hand is too good to be missed; it's probably time I gave some grounding to my anti-American prejudices.

While I'm over there, I'll be working on another novel called Grace, which will be based on the life of my mother, a woman who grew up in the slums of London and then settled in rural Australia. She provided me with the sort of themes I like — women being destroyed by their lives — and it will be an opportunity for me to work out my relationship with her which is something that I have not so far been able to do.
There is a great deal of Australian symbolism in Kate; in the first few pages we have gum trees, wombats and kookaburras. What would you reply if someone said to you that your book was "aggressively Australian"?

I'd be pleased. I think Australian writers should be aggressively Australian. It seems to me that we take our symbols and metaphors from what we see around us, and it's time Australian ones became part of the language, but not too obtrusively; not kangaroos, and koalas and wombats everywhere. When I became conscious of constructing specifically Australian symbols, I found it didn't work, and I cut it out as much as possible. But generally, it happens pretty naturally. I have grown up in the country here and I remember things like that, so my similes come pretty automatically, I think.

What about those who say that the "real" Australia isn't in the countryside anyway, and that since Australia is one of the most highly urbanised countries in the world and has been so for a long time, that rural allegory is really not meaningful for most Australians?

Rural Australia was pretty real in Kate Kelly's time, even though there were a lot of people in the cities then. What was happening in rural Australia was historically extremely significant, especially round the period of the Selection Acts and the consequent formation of an Australian poor peasantry. The selectors thought that they would have the opportunity to rise, to become more than self-sufficient, and possibly even reasonably affluent. But they never achieved that. The squatters hovered over them, waiting to take their land as soon as they could.

The Selection Acts were extremely rigid. If the smallholders couldn't clear a certain proportion of their land, then they stood to lose it. The licences had to be renewed every three years and, given that most of those who had taken up selections were poor families, it was very hard for them to get their land cleared and the crops sown, to buy the seed and to actually work the land. If they weren't successful then the land was resumed and the local squatters, the local ruling class landowners, took it over as part of their runs. There was a lot of provocation on the squatters' part. They used to deliberately run their cattle over the selectors' land and then accuse them of cattle duffing. They used to deliberately break down fences and then accuse them of not developing their land. In class terms, what happened in the countryside between 1850 and 1900 was really important for the rest of Australia. Pastoral capital and its accumulation and expansion was the name of the game then. I agree that there is this whole rural myth in Australia which isn't based on much reality, but I think that this period was one where what was happening rurally was really important for the rest of the country.

It is significant in that respect that you dedicated Sister Kate to the memory of Ian Turner, a steadfast defender in Australian historiography of the legend of the bush-bred, independent, rural egalitarian Australia. Clearly, Turner has been an influence on your work, but what of the women writers of the Australian left? Do you feel yourself to be part of the tradition of Cusack, Devanny and Pritchard? Do you think that there is a viable, living tradition there at all?
I think it's a viable tradition, though I don't have very much literary sympathy with those women writers of the 1920s and 1930s. I think the Communist party interference in their work affected it badly and I believe they would have written much better work if they had not been subject to party scrutiny and censorship. It's very hard to make didactic fiction work, anyway, even without that. The message has to somehow come through the sub-text and is lost if the writer sets out to tell people. I can't think of many writers who have made it work; there's de Beauvoir, and perhaps Doris Lessing, but I can't think of any Australians who have written didactic fiction and still produced good literature. I don't think I had any of those left women writers in mind when I was working. I was more influenced by people like Jean Rhys who wrote about women's lives in the 1920s and 1930s in England and France. She didn't write from an overtly left or feminist or even blue-stocking perspective, but nonetheless, Rhys presents us with a penetrating portrayal of women's lives and the nature of the oppression women suffered then. I don't think I considered myself to be writing in any tradition really; I was just trying to write Kate and get it finished with. I was simply trying to do the best job I could.

What you suggested about Turner, though, is quite true. He was a terrific history teacher. He was very anti-great men and battles, and pro-social context and understanding what the working people of the country lived through and created. That was what history was all about for Turner, reclaiming the texture of the lives of the working class, insisting that it never be forgotten or lost. I was very heavily influenced by him. He introduced me to oral history and showed me the importance in historiography of retrieving ordinary people's lives.

Would you describe *Sister Kate* as a feminist novel?

Well, I hope it is, for I consider myself a feminist. But I wasn't trying to put forward feminist objectives in the book and, indeed, it would have been impossible to do this in a book like *Kate* which deals with 19th century working class women; injecting feminism would have been anachronistic. I suppose, though, that some of it is anachronistic in that I probably gave Kate Kelly more liberal views than she would have held, given her social milieu. But I hope it's a feminist book in that it retrieves some of the women's part in the powerful Kelly legend. I suppose that I meant it to be a moral tale, one with lessons that still apply. Women can be destroyed if they have to live through men. I think that's still true.

At the moment there appears to be some debate among women cultural workers about the representation of women in their work. Some say that women cultural workers should concentrate on detailing and revealing the oppression of women, others say that what is needed is the production of strong, almost, perhaps, heroic characters so that women can see the potential that exists for them in taking control of their own work and activities. How does *Sister Kate* come to terms with this dilemma?

I've made a conscious choice not to go for the latter; I'm much more interested in demonstrating what's still so terribly wrong with women's roles in the world. Until you understand the problem totally, and the mechanics of the problem fully, you're not going to be able to posit real models for change. I don't know any women who are heroic and who have "escaped" in any sense. Doris Lessing has turned to science fiction and has created a fantasy world in which there are heroic women, and it seems to me that such heroism would always have to be set in the future. Even women like me who have come from the working class and are now located in the middle class, with the affluence, freedoms and choices that brings, and which are denied to working class women, still carry within us all the seeds of being trapped and oppressed. We've just turned it into other feelings of insecurity and unconfidence. If I was to write about women like me as role models, I'd have to be fairly dishonest which, as a writer, is something I'd really rather not
be. I'd have to pretend that all the terrible things which I still think are wrong for women like me, don't exist. I couldn't offer us as a role model, we're not there yet. I'm not saying that other women couldn't write books about heroic women and make them honest and true. But I'm not interested in that, and I don't think I'm capable of doing it.

You have suggested that the relationship of left women writers and, in particular, communist women writers, to the Communist party was one which was bad for the women themselves. Do you think it's at all possible that not only writers, but women cultural workers generally, would be able to work inside an organisation like the Communist Party, or are organisations like that inherently destructive?

I hope it is possible, but I think that as soon as you start to impose any sort of line on art (or thought) you're in danger of producing rubbish. It seems to me that what the Communist Party of Australia (CPA) did to its writers and artists, and what the Chinese and Soviet authorities have done more recently, is completely anti-marxist for it destroys one part of the dialectic, and prevents the possibility of growth. For socialism or communism to grow, it has to be able to accommodate change, and art and literature particularly are direct avenues for expressing both the need and the possible directions for change. The imposition of a line, such as social realism, freezes this crucial process.

There are communist writers and artists in Australia who don't feel constrained. The CPA doesn't attempt to impose a line or censorship as it did when it was stalinist. It worries me a bit that feminism has aspects of that sort of "correct line" approach. That is, there are some truths that women find out about themselves, or think they find out about themselves, that are no good because they don't "fit" with the current correct line, so they're disapproved of, or peer pressure is brought to bear, to see that they're not developed. It is extremely worrying when political movements attempt to curtail their members' expression of their own reality. Does that make sense?

Yes, it certainly does. The problem for me arises when I think of industrial workers. There are times, I think, when we would have no hesitation in saying to an individual worker, or section of workers within a union or plant, or a union or industry group within the labor movement, that they must curtail their actions and refrain from exercising their options, in the interests of winning a more general victory, of attaining some more common good. You are suggesting that this is not the case with cultural workers, that they are somehow different.

I think we are different. I don't know much about the visual arts but, apart from them, language is all we have to express everything. It is the medium through which workers discuss whether or not they should, or should not, subsume their individual goals to some common good. Language, and expression, must remain free.

I don't know ... I detest rightwing writers; I'm not at all dispassionate in that sense. Serious artists are only trying to express the truth of what they see around them, and if you interfere with that expression then you're suppressing the truth. An industrial worker who says that he genuinely doesn't want to act in the politically correct manner, for whatever reason, should be able to do that too.

But I suppose I do think that cultural workers are different. The nature of our work is different.

Polish Voices ....

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History in the making

Based on interviews conducted by Denis Freney, Poland, August 1981.

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A vanguard behind the times?

--- Bernard Moss on the French communists

The 1981 elections in France represented a victory not only of the left and the forces of labor over the right and capital, but one also of the gradualists over the radicals in the labor movement. Step by step Francois Mitterrand had achieved his grand design — uniting and revitalising a socialist party out of the ruins of the SFIO, engaging a political alliance that strengthened the socialists at the expense of the communists, defying and defeating his allies in electoral competition and forcing their capitulation before a program bearing the marks of class compromise. For the victory of the left, essentially electoral in nature, came as a setback for the PCF, the CGT and working class movements, which remained divided and generally immobilised by the delegation of power. Bowing to popular aspirations for change, the PCF conceded defeat, fell into line behind Mitterrand and undertook a review of past errors that had led to the loss of one quarter of its electorate.

This exercise of self-criticism, initiated and orchestrated by the leadership, culminated in the final resolution approved with only two abstentions at the 24th congress of the PCF in February. The criticism, evasive with respect to current responsibilities, was sweeping and radical with respect to the historic past. Blame for the May defeat was attributed to late de-stalinisation after 1956 and the delay in chartering the democratic road to socialism currently embodied in a stratégie autogestionnaire — a strategy relying upon trade union struggles and worker initiative and tending toward a society of self-management.

As a result of this delay, the PCF fell behind the times and resurrected a popular front strategy that was ill-suited to the new aspirations for self-management and to a Presidential regime that gave the advantage to the more centrist partner in any electoral alliance. The form of unity adopted — a common program of government — had served to hamper the independent initiative of the class and the party and to conceal differences with the socialists. The Common Program was too abstract, general and advanced for popular comprehension. Because it failed to articulate a more decentralised participatory approach, it left the PCF open to charges that it wanted a Soviet-style bureaucratic socialism for France. With the exception of the form of intervention in two notorious incidents — Marchais' televised approbation of the Afghan invasion direct from Moscow and the bulldozering of an insalubrious immigrant hostel at Vitry during the Presidential campaign — the leadership scrupulously side-stepped criticism of its conduct since the break with the socialists in 1978. By assigning blame to Maurice Thorez and the historic past, the criticism served to justify current...
policies and leadership and to mask those structural problems and errors that had led to the May defeat.

The blanket repudiation of the popular front strategy — a criticism extended to the 1930s as well — was an historical sleight of hand that was unworthy of a party conscious of its heritage. Whatever the problems of a popular front, it has been a mainstay of revolutionary parties since Marx. Marx in the Communist Manifesto, Lenin in 1922, the Comintern in 1935 — all advanced joint programs of government with the forces of social democracy as a way of uniting the working class, winning over the peasants and middle class and isolating the forces of capital. Under the Gaullist regime such a program was essential for uniting the opposition and reviving prospects for a non-capitalist alternative.

The pursuit of a program for popular unity entailed the condemnation of those ultra-left slogans — power is for the asking, imagination takes power, all is now possible — that flourished in the general strike of May-June 1968. To suggest that the PCF would have made greater headway with a program of self-management is to anticipate upon events. For even if the communists had been sufficiently de-stalinised to consider such a prospect in 1968, a perspective alien to both Second and Third Internationals, a program of self-management would have been far less comprehensible to workers recovering from ten years of repression and demoralisation than were demands for greater political and social democracy, for trade union rights and wage and hours improvements.

Launched by the social democratic CFDT in solidarity with the student movement, the slogan of autogestion meant everything and nothing. Gaullists and social democrats, including elements of the CFDT, took it to mean worker participation in capitalist management, while Trotskyists brandished it as a call for revolutionary power. As it was, only a small fringe of the working class, chiefly professional workers with links to the university, took it up as a concrete demand for corporate autonomy. So hazy was its meaning that most workers actually identified it with the program of the PCF! As the PCF said at the time, democratic political change by means of a common program of the left was a precondition for any kind of autogestion involving working class control.

Post-1968 strategy

Despite the mistakes it made in dealing with the student movement, the PCF was quick to recover and to incorporate lessons of May-June into its grand strategy. The Manifesto of Champigny issued in December of that year was a new synthesis that marked a decisive break with the Soviet bureaucratic model. It outlined the perspective of a
peaceful transition to socialism without civil war, of a socialism respecting political pluralism and liberty, and of a party acting as the vanguard of the working class rather than an instrument of state control. The dynamic element in the strategy was working class struggle from below leading to common programs with social democracy that would be supported by popular forces at each stage of the way. To succeed with the strategy the PCF had to avoid the shoals of reformism and extremism. The reformist danger lay in a common program that was not supported and articulated by independent initiatives and working class struggle, one that could be recuperated by reformist elements in the alliance. The extremist danger was a syndicalist strategy that concentrated on trade union and workplace activity to the neglect of left unity and a common program. In the end, the PCF succeeded in committing both errors — the opportunist one during the period of the Common Program and the ultra-left one since 1978.

The Common Program signed in 1972, largely on the basis of the communists’ own program, was the kind of transitional program — similar in nature to that of the Paris Commune or Lenin’s April Theses — that had always eluded the Second and Third Internationals. It sought to free the state and economy from capitalist domination, to improve working and living conditions for the vast majority and to democratise the institutions of daily life. Reflecting the strength of revolutionary forces in France, it was a more radical version of what had become known in English-speaking countries as the alternative economic strategy. Its main features were: 1) the nationalisation of all credit institutions and key industrial groups, to give the public sector the capacity to control the private sector; 2) new powers for workers and unions to control production in the private sector and to co-manage the public sector; 3) rises in wages and social expenditures linked to increased productivity and output; 4) channelling production away from specialised export, the global capitalist division of labor, toward meeting local consumer and social needs and increased trade with third-world and socialist countries. Designed as a program of government for five years (the life of parliament), it left room for worker participation and initiative, notably with respect to demands for further nationalisation. It was a coherent program of change, balancing supply and demand factors under a new economic logic and offering credible prospects for peaceful transition within the basic institutions of the Fifth Republic.

Had the PCF integrated this program into its long-term strategy, had it avoided opportunist and ultra-left errors, it would have surely found itself further down the road to socialism today. It was handicapped in finding the proper equilibrium by the Stalinist legacy. The Comintern under Stalin had forged monolithic parties that linked a dogmatic version of Marxism with a highly centralised command structure and agitational style of propaganda and work. For communists formed in this mould de-Stalinisation was an extremely difficult and painful process. Rather than return to the theoretical source and elaborate anew a strategy to suit particular national conditions, communists tended to frame every issue in terms of the old versus the new, ancients and moderns, Stalinists versus Euro-Communists. The fact that a policy was Stalinist, that it had been practised by communists between 1928 and 1956, was of course no more proof of error than of worthiness. No party went through de-Stalinisation without some damage to its internal cohesion and fidelity to Marxism.

In the case of the PCF, committed to a strict sense of unity, the debate took place not so much between sharply delineated factions as between old and new sensibilities, usually identified with the party apparatus and intellectuals respectively, but often raging within each individual breast. Within the political bureau debates, kept a closely guarded secret, may have pitted old guard personalities like Gaston Plissonnier and Claude Poperen along with the more complex Roland Leroy against the more liberal Paul
Laurent, Pierre Juquin and Jean Kanapa on some but not all issues. Under the pressure of events and the socialist challenge the decisions taken by Georges Marchais, the Secretary-General, were marked by haste and improvisation. The most egregious example, from a theoretical point of view, was Marchais’ sudden announcement on television in 1976 that the PCF was abandoning the doctrine of the dictatorship of the proletariat. As dissident Althusserians pointed out, the PCF could repudiate the Stalinist dogma, which associated proletarian rule with terror and the one-party state, but it could not banish a basic marxist concept that was synonymous with working class democracy.

Rank-and-file discussion

Nearly all the critical decisions of the '70s — to sign the Common Program, to abandon the dictatorship of the proletariat, to accept the nuclear strike force, to break with the socialists and adopt the stratégie autogestionnaire — were taken without consultation of the rank and file and with only ceremonial discussion in the central committee. Kept in the dark about the debates, motivations and reasoning of the political bureau, this committee could only rubber stamp decisions. With only laconic pronouncements to guide them, even members amenable to the leadership had a hard time following the party line. Due to the lack of clarity and political education, few members were capable of justifying the basic options of the Common Program when they came under fire in 1977. By then, the leadership was faced with widening divergences between those members, chiefly intellectuals, who thought the party had not gone far enough in the direction of Euro­communism, and officials of the apparatus, who felt it had gone too far and was in danger of losing its strength and identity to the socialists. The practice of a highly uniform centralism that filtered out divergent opinions in the cells above the section level and that concealed debates among party leaders was not conducive to real political unity. A leadership cut off from party debate — including its own — was not likely to measure its words, weigh decisions, find adequate responses to criticism and achieve proper synthesis.

The major fault of analysis in the '70s concerned the nature of the new Socialist Party. The PCF treated the PS in a schematic way as a social democratic party that was naturally inclined to compromise with capitalism and imperialism, but which could be pushed along the path to socialism by mass action. It could not conceive that an electoralist party composed of teachers, politicians and technocrats could be any more sincere about achieving socialism than a blue-collar social democratic party, it refused to exploit, or recognise, the manifold contradictions in the PS between socialist ideals and reformist practices, between national goals and international commitments, and among the diverse tendencies and personalities vying for Mitterrand’s attention. When the alliance broke down, the crude attacks on the PS as a social democratic party returning to capitalist austerity, the NATO alliance, and a centrist coalition lacked credibility because they did not wholly correspond with reality. The fault of analysis was compounded by a style of agitational propaganda. Hammering slogans rather than seeking to persuade by suggestion and reasoning may be effective in peasant countries or among committed workers, but in this case drove intellectuals and sceptics away from the party in droves.

Another handicap — at least it turned out to be — was the Soviet connection. Anti-communists succeeded in turning the strident anti-Sovietism of the '70s — the USSR as Gulag — against the party and its program. The actual degree of association with Soviet communism was far more limited than people were led to believe. The PCF had broken with the one-party state model of socialism beginning in 1963. As it chartered a democratic path, it began to criticise measures of political repression in socialist countries and to call for democratisation within the limits of existing institutions. By
1978 criticism of bureaucratic distortions in the Soviet Union had reached Trotskyist proportions. The only respect in which fidelity to Moscow was unyielding was in the international arena. The PCF was determined not to support any position that might tend to weaken the Soviet bloc as a counter-weight to US and Western imperialism. Support for Soviet policy internationally made it even more imperative to distinguish PCF strategy from the Soviet model. Despite its stratégie autogestionnaire the PCF paid a heavy price for its unqualified support for the Afghan invasion and more conditional approval of the martial law regime in Poland. Of the million or so voters who deserted the PCF in 1981, most expressed dissatisfaction with the party's position in these matters. But these positions proved to be a serious handicap only because of more fundamental weaknesses in party policy and practice.

The Stalinist legacy made it difficult to deal with the challenges that came from the New Left and SP. If the frontal strategy in 1968 was basically sound, it was carried out with a crudeness and brutality that alienated an entire student generation who were accused of being unwitting tools of the bourgeoisie, if not agents provocateurs. Student radicals like Daniel Cohn-Bendit were more intent on crushing the “Stalinist scum” than on overturning De Gaulle — their design was to confront De Gaulle over the corpse of the PCF — but they did not represent the whole of the student movement whose aims deserved better than the ridicule and invective of the PCF. A less defensive party would have known how to take up the demands of the “new” social categories — youth, women, immigrants, professionals and the unskilled, radicalised by May-June. Instead, the PCF allowed itself to be outmanoeuvred by the CFDT which could criticise their excesses while sympathising with their aspirations. As a result of the alienation of these categories, the communist-led CGT lost its unquestioned leadership over the trade union movement.

After 1972 the PCF mishandled the problems arising from left unity. The results of the alliance were more positive than the PCF is now willing to admit. During the period 1972-1978 the PCF doubled its membership — to 700,000 — increased its total number of votes (while suffering an erosion of less than one percent) and held over local governments, maintained a high level of strike activity of a political character during a period of industrial decline, won wide acceptance for its demand for a role in government and popularised the themes that underlay Mitterrand’s presidential platform — nationalisation, reindustrialisation, greater equality of income and wealth, and an increase in popular consumption.

The problem with the Common Program was not the form of unity — nothing prevented the PCF from criticising the PS or taking independent initiatives — but the opportunistic way in which the program was promoted and justified. Until 1977 the party treated it with almost the same inattention as Mitterrand, as an electoral platform and symbol of unity rather than a series of measures to change society. In the 1973 elections, the PCF presented itself as the guarantor of the program, but it neglected to explain or justify the measures it contained. Doubts about socialist sincerity, expressed in a secret report to the central committee, were hushed up. In the Presidential election of 1974, the PCF rallied unconditionally to Mitterrand who not only presented a much attenuated platform, but recruited rightwing critics of the Common Program like Michel Rochard to his campaign staff. Following Mitterrand’s narrow defeat, the PCF tried to emulate the socialists’ electoralism by calling for a union of the entire French people against monopoly capital and by soft-pedalling the socialist character of the program. The sudden reversal — the outburst of attacks on the PS — that occurred after losses in six by-elections in September seemed motivated by narrow partisan concerns. Rather than make a detailed critique of the accommodationist trends in the PS — Mitterrand’s swing away from the leftwing CERES and alliance with the Ricardians, his penchant for “brilliant”
technocrats like Jacques Delors and Jacques Attali — the party simply accused the PS of abandoning the program and accepting capitalist austerity. Instead of pinning Mitterrand down on his interpretation of the program, it relented on its criticism once he protested his loyalty and agreed to a series of mass meetings to denounce capitalist austerity. Without the material evidence of socialist accommodation, PCF polemics merely bewildered and angered newcomers to the left who had never personally experienced social democratic betrayal.

By the time the PCF did undertake its full-scale campaign against socialist betrayal, which was real, it had become so enmeshed in the myth of left unity that it could only criticise its partner at its peril. The party waited too long, until after it had racked up municipal gains on joint lists with the socialists, before proposing the necessary updating of the program. Indications are that it was taken by surprise by Mitterrand's obduracy, his unwillingness to discuss new terms, his refusal to compromise, his insistence on keeping a free hand. By standing up to the PCF, Mitterrand indeed hoped to increase his popularity and to force the party into accepting an auxiliary role. By background and training, PCF leaders were prepared to expect ideological deviation, but the Gaullist hauteur and rule of Mitterrand was something they did not know how to handle. Several years of complaisance punctuated by occasional fits of ill temper had left the PCF in a weak position to counter Mitterrand's design.

In retrospect, the PCF campaign for the program against the socialists, which was decried by some liberal elements in the party at the time, appears fully justified, but it was conducted with the subtlety of a sledgehammer. Instead of exploiting the manifold contradictions in socialist positions — made apparent in the course of negotiations — the party simply denounced the PS as a social democratic party that had turned to the right under pressure from the bourgeoisie and German Social Democracy, accepting the need for working class austerity and preparing the way for a reversal of alliances with the centre-right. The party did not explore the possibility of a "third way" whereby the PS would implement an attenuated version of the Common Program with the PCF in harness in a Left alliance. While the PCF was virtually forced in May 1981 to accept the possibility of a "third way" under the more favorable conditions of a Mitterrand presidency, it could not have afforded to surrender to a PS oriented further to the right under Giscard, without a fight. If, on balance, the propositions of the PS in 1978 were no more accommodating to capital than those of 1981, Mitterrand was then allied with Rocardian advocates of austerity who would have weighed heavily in a left
government. But for its combination of opportunist and sectarian errors, the PCF nevertheless could have won the fight.

Once the decision to break was taken — neither side was interested in compromise after September — the PCF veered to the left when it announced that it would no longer automatically withdraw for a better placed socialist on the second round and that it would run its own Presidential candidate in 1981. Little notice was taken of a decision approved without discussion that not only marked a reversal of PCF policy but also of a deeply-rooted tradition of republican discipline against the right. The inference drawn was that the PCF considered the socialists to be no better than the right, a startling suggestion that was to have disastrous consequences in 1981.

Rather than open discussion on the reasons for the defeat of the Program in the March elections — a strong communist vote might have saved it — the party clamped down on debate and castigated those dissident intellectuals who were criticising from behind the security of their professorial chairs. The leadership drew into its bunker, the industrial working class, and quietly abandoned the struggle for unity and the Common Program. In the absence of any project for left unity, voters were left with no hope for political change. To satisfy the need for change the PCF substituted its so-called stratégé autogestionnaire. According to this strategy, workers would achieve through trade union struggles those reforms that would anticipate upon socialism. This was precisely the kind of syndicalist strategy that the PCF had denounced in the CFDT! Its reformist limits had just been tested in the trade union campaign to save the French steel industry. So long as the state remained under capitalist domination, a situation which the PCF had no strategy for changing, how could trade union struggles result in anything but the mild reformism of the CFDT and FO?

The blunders committed in the 1981 Presidential campaign flowed directly from the new strategy; indeed, they were made deliberately to accustom people to it. The PCF had abandoned left unity and the hopes of electoral victory to the socialists in order to concentrate on workplace struggles. It assumed that its vanguard role in the factories would eventually be rewarded at the polls, forgetting that voters respond to quite different appeals and motivations from strikers. Since the experience of the Common Program had presumably shown that workers could not understand abstract and general programs, they were to be presented with 131 separate objectives of struggle, all drawn from the Program! In a campaign that put struggle before persuasion, Marchais was given free rein to act out the role of the aggrieved working class primitive who delighted in scandalising self-satisfied bourgeois and confounding simpering TV journalists. Short on media coverage, for reasons for which it was partly responsible, the PCF relied upon enthusiastic solidarity meetings with the blue-collar faithful and commando-like propaganda of the deed — the bulldozing at Vitry, the shutdown of a live television discussion on youth and unemployment which had deliberately excluded the CGT, the vigilante denunciation, without adequate proof, of drug traffickers at Montigny.

The broadsides fired at the PS fell even wider of the mark than in 1978, for Mitterrand had taken a few turns to the left in 1979 when he marginalised Rocard. Taking no notice of the shift, the PCF now flatly asserted that Mitterrand was no better than Giscard; nay, his commitment to the Atlantic alliance made him even worse. Mitterrand’s platform, drawn from basic options of the Common Program, was denounced as a smokescreen for capitalist austerity. From the faulty analysis came a tactical error that proved fatal in May — the refusal to guarantee support for Mitterrand on the second round. If the Marchais candidacy had been presented as a way of leaning on Mitterrand and pushing him to the left, it would have attracted a much larger following that would have given the PCF greater leverage with the new regime. By refusing to acknowledge that a Mitterrand presidency could be an instrument of change, the PCF confirmed suspicions that it might by calling
for abstention on the second round, play the spoiler role and help re-elect Giscard (some old-guard leaders may indeed have favored this tactic in hopes of splitting up the PS). To vote for Marchais under these conditions was to risk the re-election of Giscard. One quarter of the PCF electorate deserted because they preferred even a reformist socialist to accelerating unemployment and industrial decline.

The grey of PCF strategy was overtaken by the green of popular will. The collapse of the PCF vote and swing toward Mitterrand, wholly unexpected, compelled the realisation that he was not only better than Giscard, but that with his own hesitating gait and European rhythm, he might even open the way to socialism. In his first year of office, Mitterrand carried out most of his pledges, taking measures to increase social expenditure, the minimum wage and public service employment, to open space for union and worker initiative, to decentralise the state and guarantee civil liberties, and to nationalise all credit institutions and seven key industrial concerns. Falling into line without in the least revising its strategie autogestionnaire which was quite compatible with reformism, the PCF agreed to keep its own action and criticism within the bounds set by the voters in May. Without apologising for recent aggressions against the PS, the PCF subscribed to a new rule of conduct "not so much to denounce as to explain, not to much criticise as propose, and not only propose, but construct, achieve, realise, concretise". It used its participation in government to urge it forward, its legislative function in parliament to weigh the positive, negative and insufficient, and its trade union position to accomplish in the workplace what the government and legislature had failed to do by law. As a party of government and struggle, the PCF enjoyed the benefits of being in both worlds, gaining recognition for the dedicated work of its ministers and for the combativity of its militants in the factories. In short, the PCF was compelled by circumstances to adopt a position of critical support, of unity and struggle, of struggle within unity, for its socialist partners.

If the PCF currently enjoys such an enviable position as a party of government and struggle, why undertake criticism of past and recent errors? The PCF has been seriously weakened by the defeat of May 10. Satisfied with its role of tribune and vanguard of the working class, it has surrendered to its stronger inter-classist partner the job of determining national policy and goals. Whatever happens to the governing coalition, the PCF is not likely to recuperate its electoral losses in the next four years. Nor with the most combative trade unionists in the world, is the CGT likely to regain leadership over all elements of the working class, particularly white collar workers, so long as the PCF lies under a political cloud. In late 1981, the CGT was running with the wind, gaining in factory elections for the first time since 1969, until martial law was declared — with the acquiescence of the PCF and CGT — in Poland.

Mitterrand has forced the PCF to play an auxiliary role which will not be easily overcome. The PCF has been impressed into service of a regime whose destiny is by no means assured. The contradictions of French socialism — between socialist ideals and an accommodationist practice, between advocates and opponents of austerity, between socialist domestic policies and European Community trade policies, between support for the Third World and a commitment to US militarism — have yet to be resolved. How to increase wages, social expenditures and employment in an economy open to competition from Western partners in
the midst of the greatest depression in half a century?
The structural reforms of the first year accompanied by minor wage and hours gains may have arrested economic decline, but they have not produced sustained growth or reduced unemployment. In the absence of firm government directives the newly nationalised firms have continued to implement prior corporate plans for lay-offs, shutdowns and foreign investment. The first anniversary of the Mitterrand election was marked by a record balance of trade deficit and the announcement of a social pause, including tax relief for business, a moratorium on new social expenditures and reforms, and a wage-price freeze that will reduce average real income over the next two years. Restraints on social expenditures and new taxes on working people were features of the recent 1983 budget.

By aiming to please all classes the French government may end up satisfying none. Appeasement of big business has neither spurred industrial investment nor disarmed the hostility of the right while it has disappointed workers who have yet to see any general improvement in working and living conditions. The absence of working class enthusiasm was apparent in the local cantonal elections in March which were won by an aroused right wing. Preparations for local municipal elections in March 1983 do not augur well for the Left.

The PCF knows that the way to industrial recovery under Mitterrand will be crooked and narrow. It has probably averted a more serious drift to the right and austerity. The tragedy of past and recent errors is that it may have lost the capacity to stay the course.

NOTES

*The author attended the congress as correspondent for the Australian Left Review.

7. Despite the avalanche of anti-PCF literature about May-June an informed critique remains to be written. For the official PCF version, see Laurent Salini, Mai des proletaires (1968).
8. Cf. Hincker, op. cit., who is perhaps too sanguine about this period.
Fifty years of the ACTU

By some standards the Australian trade union movement has been an outstanding success. Although it has sometimes been sharply divided ideologically, it has achieved a wide coverage of the workforce and an almost complete structural unity. In the last decade major new affiliations of white-collar and government employees have highlighted this growing organisational strength. In the same period financing has dramatically improved, and professionalism and sophistication have grown. The ACTU now is not so disadvantaged in the fairly unequal battle with government and employers as it once was. And partly as a cause, partly as a consequence, many of the ACTU’s affiliates have grown stronger and more effective.

Bald figures underline this story of recent rapid development and greater cohesion. From 1972 to 1975 the proportion of trade unionists in the employed workforce rose from 53 percent to a relatively high 58 percent — a faster rate of growth than during World War II. Between 1971 and 1979 (before the CAGEO affiliation) the membership of ACTU-affiliated unions grew by over half a million, and in 1979 (perhaps the most significant figure) over 72 percent of all trade unionists were in ACTU-affiliated unions (62 percent in 1971).

Quantitatively and organisationally, this is a success story. However, as Jim Hagan notices, apart from the printing and metal...
workers’ amalgamations in the 1960s and 1970s (not really industrial unionism anyway and to which the ACTU contributed little) the ACTU has fallen far short of the grand objectives of its founders: the socialisation of industry and the transformation of the trade union movement from craft to industrial unionism.

The lack of a solid history of the Australian labor movement constitutes a great gap in the intellectual wherewithal of the political left in Australia. (There are a number of excellent partial studies.) And until somebody comes up with something more comprehensive and complete, Hagan’s *The History of the ACTU* may, by default, serve the purpose. Not that Hagan has set his sights low. His book is an ambitious undertaking and in many respects a major achievement, even if it doesn’t always live up to its basic conception and good beginning.

Hagan tries to ensure that the reader sees the ACTU in the round. Although, as he readily acknowledges in his preface, the book fails to deal adequately with the “other” history, the one from below in the factories, mines, offices, banks and schools, with the actual class struggle and the “ebb and flow” of working-class consciousness, it is nevertheless not a narrow institutional history. In fact, it is almost five distinct books (which may be a source of weakness with some unwarranted repetition and a little loss of direction): the ACTU and the unions; the ACTU and the government; the ACTU and the employers; the ACTU and the economy; and the ACTU and the arbitration system. And running through it, trying to bind it all together, not always with uniform success, is a major theme: the ACTU as an historic compromise between labourism and revolutionary industrialism.

The revolutionary syndicalism of the IWW (Industrial Workers of the World), the One Big Unionism of the revolutionary industrialists and the revolutionary unionism of the communists, all had a measure of common ground which can perhaps best be referred to as revolutionary industrialism — a feeling (as much as a doctrine) that social revolution depends almost solely on industrial working class organisation and power.

**Australian labourism**

In Hagan’s definition of *Australian* labourism there are five features: a strong trade union movement; a parliamentary Labor Party based on the trade unions; a protective tariff policy to develop Australian industry and provide jobs at *fair* wages; a White Australia policy based on ideas of ethnic superiority and “purity”; and a system of compulsory industrial arbitration to determine fair wages and working conditions.

Hagan stays with this definition of labourism throughout, without real acknowledgment of other important points and the significance of the particular mix that applies at any specific moment. This rigidity leads to over-simplification of the dichotomy between labourists and revolutionaries and reduces the explanation to too black-and-white a picture.

Hagan manages, quite contrary to the facts, to leave out of his definition a socialist strand whereas socialism has always been an element of labourism — albeit of fluctuating and uncertain proportions. And, of course, in 1921, six years before the formation of the ACTU, at the behest of the All-Australian Trade Union Congress of that year, this strand became quite explicit.

Social catholicism and Irish ethnicity is another, almost as important, omitted strand. Thus, B.A. Santamaria’s notorious “Movement” appears in Hagan, almost *deus ex machina* whereas it sprang from a conservative attempt to co-opt this particular strand for rightwing purposes. Some might argue that male sexism is an equally important omission.

Moreover, Hagan doesn’t allow for the significant weakening of white Australian chauvinism over the last fifteen years. Nor does he give sufficient weight to the vigorous attack on maleism in approximately the same period although he doesn’t ignore completely the ACTU’s development of a women’s
policy. There is perhaps an even more serious failure: an almost complete neglect of the effects of non-English speaking migration, especially since World War II, the consequent segmentation of the workforce, different traditions towards work and workers' organisations and the relative lack of concern about ethnicity in the trade unions and the ACTU.

The origins of the ACTU

Hagan's detailed and coherent account of the immediate circumstances leading to the formation of the ACTU shows quite clearly that, as with so much else subsequently, the initiative lay with the revolutionaries. Briefly, there were three main impulses at work leading to the establishment of a national trade union centre: first, the steady growth of a national consciousness and the need for stronger organisation across state borders; secondly, a deep concern about the problem of unco-ordinated direct action and the possible threat that it constituted to the viability of trade union organisation; and, thirdly, the anti-labourist, anti-political belief of a growing number of class-conscious workers that only a strong, independent industrial organisation could bring about a successful revolution.

Hagan shows that the agreement to form the ACTU was a principled compromise between revolutionary industrialism and labourism. It was, in effect, an aspect of what had become known as the workers' united front. The ACTU was to be the organised trade union embodiment of the united front of different sections of the working class. The principal architects of the strategy and therefore founders of the ACTU were E.J. Holloway, the secretary of the Melbourne Trades Hall Council, C. Crofts, secretary of the Federated Gas Employees' Union, and a key figure in the Commonwealth Council of Federal Unions (CCFU), and J.S. (Jock) Garden, secretary of the NSW Labor Council. But it should be said, and Hagan's account brings this out clearly, that the ultimate organisers, strategist and key-note speaker at the founding congress was that man-for-all-seasons, Jock Garden.

This is not the place to try to come to grips with the complexities, motivations and paradoxes of Garden's politics and character. His enemies and detractors from both right and left have so muddied the waters that there is no easy way to establish the essential truth about him. But his common image as a demagogue or mere opportunist and crook will not stand up to careful research and analysis. He was as capable of serious error as the next person, and he certainly wasn't an encyclopaedic marxist. Yet he grasped and at times brilliantly applied to Australian conditions some of the major ideas and main theoretical discoveries of international communism. Perhaps the greatest paradox about him was that in the middle of him moving to organise the ACTU he was expelled from the Communist Party for failing to publicly acknowledge his membership of an organisation (the CPA) of which he had been one of the principal and most public founders.

J.S. Garden's role

Garden realised that after the failure of the One Big Union (OBU), of which of course he had been one of the key figures too, the only practical approach to launching a continuing national trade union organisation was to base it on the central trade union councils which had a long history of increasing stability, strength and acceptance. After the effective end, in 1923, of attempts to launch the OBU and the formation of the largely Victorian-based Commonwealth Council of Federal Unions, Garden worked remarkably skilfully to head off the CCFU influence and bring about an historic compromise — an Australian trade union council.

Garden had the general backing of the CPA's mass influence and policy initiatives through the NSW Labor Council's various Trades Groups, but it seems likely that to some extent friction developed between Garden and the party leadership over the ACTU. In any case the detailed strategy and organisational arrangements could have only
been carried through by somebody of Garden’s political perspective acting through his public, official position.

On this point Hagan says:

Why was it that the constitution of the ACTU won endorsement so easily .... ? Part of the answer seems to lie in what Garden had recognised: that building the new organisation on the basis of the Trades and Labour Councils would allay the worst fears of the craft unions .... But another important part of it lies in the combination of that structure with .... government by a biennial congress, a body which the larger industrial unions were better able to influence. Thus the structure was a compromise .... whether they believed in bringing the revolution out of big unions, whether they believed in working for socialism by established labourist methods, or whether they merely believed in concentrating on winning a maximum advantage from an existing capitalist system. (p.83)

**The communists and the ACTU**

The communists backed the ACTU from the beginning. Except for the period in the early 1930s when the ACTU leaders along with other union and ALP leaders, including many of the left, were stigmatised as social fascists, and a leading CPA trade union figure moved that the NSW Labor Council disaffiliate from the ACTU, this backing has continued. Although the communists differed theoretically from their predecessors, say, in the IWW, fundamentally the communist strategy for revolution, especially in Australia, depended on establishing strong workers’ industrial organisations.

Communists have differed over how much weight should be given to direct influence over the established union structures, in particular the significance of holding high union office, but there is no doubt that where and when communist workers held senior official positions they were able to influence ACTU policy debates and decisions. When backed by an active rank and file and helped by propitious circumstances, they assisted large groups of workers (miners, metalworkers, seamen, etc.) and the class as a whole, to improve their lot very materially by shortening the weekly hours of work, increasing pay rates and improving working conditions, etc.

Where the communists adequately recognised the role of the ACTU, such as in the 1930s after 1935, they were successful. At any particular time the ACTU embodied the actual level of trade union unity, and ACTU sympathy and support constituted a crucial element in any contemplated strategy or campaign. Hagan beautifully illustrates this point with the approach of the communists in the Miners’ Federation before and after World War II.

The two situations were not equal in all other respects, but the fact that the post-war situation was politically more difficult — a Labor government, a more clearly stalinist, and also anti-communist, international and domestic atmosphere, etc — made it even more imperative that an industrial strategy based on a broad trade union unity followed. However, whereas in the period 1937-40 the Miners’ Federation took great pains to get
the ACTU onside with consequent solid gains, in 1949 the Miners’ Federation went it alone except for the support of the other leading militant unions. Thus the 1949 Coal Strike became a head-on contest between revolutionary industrialism and labourism. The CPA political leadership implicitly estimated there would be a weakening of reformist labourism, both industrially and politically, and in some ill-defined way such industrial struggles would lead to a socialist revolution.

In the more than thirty years since the failure of the 1949 Coal Strike some of the misconceptions about a revolutionary strategy have been straightened out, but there has been a never-ending debate about industrial policy and tactics. A vigorous industrialism boiled up again in 1969 over the imprisonment of the leading militant official Clarrie O'Shea. It continued to make substantial headway until 1974.

The trade union movement has been changing. In the 1960s and '70s we witnessed considerable fragmentation of the communist movement. The rise of new left forces — often left labourist and associated with new and growing technical and sub-professional sections of the workforce — has further complicated the picture. Such diversity tends to confound simple scenarios about a strategy for radical and fundamental social change. Even tactical left unity is something that sometimes defies the wit of today's revolutionary industrialists.

**Revolutionary industrialism**

The heyday of revolutionary industrialism in Australia occurred between 1920 and 1950. One of its successes was the compromise that brought the ACTU into existence. It made an important contribution to strengthening individual trade unions, to building a stronger movement and raising the Australian standard of living. For a period in the late 1950s and early 1960s, communists such as Alec Macdonald, Tom Wright, Jim Healy and Gerry Dawson made significant contributions to the work of the ACTU executive. But in the last thirty years the revolutionary push has faltered — enough to give some credence to Hagan's conclusion that in the ACTU labourism has won. How far this is a result of unpropitious circumstances or deliberate design is hard to say. To some extent since the 1970s it has probably been due to a weakening of resolve and theoretical uncertainty about trade unions as such opposed to grassroots industrial ideas and organisation.

If revolutionary industrialism in the ACTU ultimately failed, there may be a case for arguing that the original compromise was wrong, that revolutionaries would have been better served if they had remained organisationally separate in the industrial sphere from labourism just as many of them came to keep themselves political separate. They then would have avoided unpalatable compromises and would have advanced revolutionary objectives, such as industrial unionism, without the hesitations and preoccupation with every-day struggles that have so often characterised militant trade union policies. But the answer is, surely, no. In this matter of principle they have largely been correct even if on the purely industrial level they haven’t always been as vigorous in promoting general class issues as they might have been.

But perhaps the case against the different variants of the basic idea of “Bringing the revolution out of big unions” is that they failed in the contest with labourism, not in the sense of a pragmatic deal, which often happened, but in the sense of realising what they were up against. The revolutionaries followed Marx, Proudhon, Kropotkin, Lenin, Trotsky, Stalin and Mao Zedong. But they lacked sufficient grasp of a political culture firmly rooted in Australian realities. International communism contributed much to working-class consciousness, but it failed to address adequately the central issues of the indigenous political culture. Hence, frontal-assault ideology predominated in thinking about social change. The intricacies of positional political warfare defeated nearly all those who attempted to understand how
ruling class strength could be effectively challenged.

The politics and dominant culture of the parliamentary state were entrenched and could not be overborne by direct attack. The existence of the Labor Party and the possibility of the occasional reality of a Labor government provided sufficient opportunity for the expression of most of the political interests of the working class. The general level of political class consciousness did not pose anything more daring than a reformed parliamentary government.

As employers' interests were challenged and capitalist governments responded, using the parliamentary state against the working class, the ALP took up the issues that the unions expressed through the ACTU. The Labor Party counter-attacked with new constitutional policies to reform and democratise the state, thus satisfying the main political aspirations of the majority of trade unionists. If this well-tried formula for change seemed to come under direct challenge, as in 1949, not surprisingly most trade unionists (and necessarily the ACTU) resisted the challenge. So the revolutionaries quickly found themselves outside the mainstream of the class, dramatically at odds with the majority of the class and unable to influence effectively enough the development of its essential character.

Compulsory arbitration

Discussion of compulsory industrial arbitration and conciliation is a major part of The History of the ACTU. Rightly, Hagan features the special, almost unique nature — only New Zealand has a basically similar way of dealing with industrial disputes — of Australia's industrial relations system. Nevertheless, it is difficult to be sure just what Hagan's view of industrial arbitration is. His account is mainly descriptive, and while it is fairly even-handed between labourist views and a revolutionary critique there is too little overall analysis. By very largely dividing the discussion on principles (the chapters on government) from the practice of conciliation and arbitration (the chapters on the court/commission), Hagan sets up an additional obstacle to a full appreciation of the role of a system of legal enforcement in Australian industrial relations.

Doctrinally, revolutionaries attacked any reliance on compulsory arbitration, and sometimes advocated withdrawal. Although some unions especially in the 1910s and '20s fought hard against acknowledging the court's power (the seamen in 1918-19 and 1935-36, engineering workers in 1927, waterside workers in 1928 and timber-workers in 1929), by the mid-1930s, the miners and ironworkers under communist influence were accepting the court's imprimatur on whatever portion of their claims they could secure by direct negotiations and industrial action.

As Jack Hutson, then an AEU (Amalgamated Engineering Union) research officer, wrote in 1966:

The main question therefore is not so much whether the arbitration system should be abandoned or not, but to what extent it should be used. Experience has shown that the best results are obtained by making the minimum use of it, and as far as possible on our terms and not on those of the system.

Paradoxically, compulsory industrial arbitration represented an extension of the role of the liberal-democratic state into industrial relations — what Justice Higgins, the second president of the court, called "a new province of law and order". Higgins strongly upheld the liberal theory of the rule of law and he argued that it could be properly applied to industrial relations and the resolution of industrial disputes. Despite the initial wariness of a substantial proportion of trade unionists, due to what seemed the reasonable practice of Higgins' court, the majority of trade unionists came to accept this view. But a significant minority, especially in the period 1919-21, became increasingly disillusioned. Starting in 1921 the Hughes and Bruce governments steadily eroded what independent capacity the court appeared to have, and the arbitration system became
steadily more coercive, both in principle and practice. As this process unfolded, while not changing fundamentally, the mood of the unions and the ACTU became progressively more and more adamantly reformist; they pressed for radical reconstruction of the system.

Since 1930, the ACTU has tried to get Labor governments to bring about reforms in the direction of a conciliatory, non-coercive system, but it has had minimal success. In fact, the Chifley government in 1947, by raising the court to the status of a court of superior record gave it the sort of judicial authority necessary to punish offenders for contempt of its orders, thus opening the way to an increased use of the generality of the Act’s penal clauses by subsequent conservative governments. At other times, such as in 1930, an anti-Labor majority in the Senate has blocked the more conspicuous amendments that were intended to repeal the penal provisions of the Act.

Penal powers and the state

The long campaign against the so-called penal clauses in the 1960s reached its climax in 1969 with the jailing of Clarrie O’Shea for contempt, and a national protest stoppage. The Gorton and McMahon governments had to respond by modifying the force of certain of the punitive sections of the Act. In 1973, as in 1930, Senate obstruction undid Labor’s amending bill’s reforms. The majority of the ACTU’s submissions proposed total or partial abolition of penalties, but in order to get the bill through the Senate the Labor government redrafted it leaving the penal clauses intact. The conservative Senate majority then insisted on thirty further hostile amendments.

What follows from a study of compulsory arbitration in Australian industrial relations is that while the industrial arbitration system may be an area of class contest, it is the coercive aspect of the modern parliamentary state rather than the state as alienated social power (settling disputes), that is the stronger aspect. The system cramps the workers’ struggle into a tight framework. Under the pressure of the policies of its more militant affiliates, the ACTU has moved to loosen the grip of compulsion and heavy penalties for breaches of awards and orders but since the 1920s regardless of the party in government, the ultimate power of the parliamentary state has been used to defeat reforms beneficial to the workers. The plain conclusion is that significant structural reform of the federal arbitration system is highly unlikely without a radical reform of the parliament itself, particularly the role and powers of the Senate.

NOTES

Discussion:

Red North revisited

In Australian Left Review (No 80), Carmel Shute, in her review article of "Red North", said that at the beginning of the 1935 crushing season the Australian Workers Union (AWU) had won an agreement to burn cane in the Ingham district only.

As a participant at the time I know that is not correct as the following account will show.

Ingham had two sugar mills, both owned by the Colonial Sugar Refinery (CSR). About 570 men were employed to cut cane for these mills.

For 18 years prior to the 1934 strike, no union meeting had been held and most cutters had never attended a union meeting. When cutters were getting sick in bigger numbers than usual, some went to the union office and asked for a meeting to be called.

The union refused. The local branch of the Communist Party (CPA) initiated a petition and collected signatures calling for a union meeting in accordance with the AWU constitution.

The required number of signatures was obtained and submitted to the union office. The CPA advertised the meeting and called on all cutters to attend.

Although the AWU organiser went around the district telling cutters not to attend, about 80 percent turned up and voted to go on strike until all cane was burnt and Weil's Disease declared an industrial disease. This hectic strike was successful.

Prior to the strike, no compensation was paid to any sufferer of Weil's Disease; some sufferers could not cut cane again; some died. The presence of the Commissioner of Police and police reinforcements and the hostility of AWU officials could not break the strikers' determination to end this grisly scandal.

Before the 1935 season started, the CSR, assisted by the AWU officials, recruited 200 men from the NSW Northern Rivers and arranged for them to come to Ingham. The plan was to victimise the activists of the 1934 strike. The AWU officials led the way in saying that it was now safe to cut the cane green.

Each cane gang consisted of seven or eight cutters and a cook. Together they signed a contract to cut cane for a group of three or four employers. The AWU now said that all gangs must register with the union one week before the sign-on. This was done so that the union could hold out any militant. If a gang included such a cutter the union would tell the gang leader to exclude him or lose the contract. Those AWU officials were the most effective spies for the CSR and other employers.

Green again

The 1935 season started and cane was cut green. Within a few weeks some men became so ill that a deputation went to the union office and asked for a meeting to be called. The union officials said "no". Again, a petition was produced and signatures obtained. This time the AWU organiser called the meeting since it was known that, as in 1934, the meeting would take place. But the AWU called the meeting for signed-on cutters only and arranged for uniformed and plain clothes police to stand at the door of the meeting hall. Those who had not been signed on for a cut could not attend even though they were financial union members.

Nevertheless, the cane was burnt the following week.

The 1936 season started at the end of May with a record crop. The propaganda machines ran flat out. The AWU played a leading part, saying it was now safe to cut the cane green and that it would be cut green further north. (The strike at Innisfail and Tully in the previous year had been defeated.)

Again, the cane was cut green and again, after only a few weeks, men were ill. Soon a ward at the local hospital was full of cane cutters. Agitation for burning was stepped up, groups of cutters again made representations to the union. Eventually, the cane was burnt, but not before some cutters were badly affected. One young Italian became so ill and close to death that he received the last sacraments. After four or five weeks he recovered and applied for compensation. He sought help from the AWU but, as usual, they said the they could not do anything.

The case went to court. The insurance company brought Dr Raphael Cilento to help them against this disabled cane cutter. Dr Cilento was regarded as an authority on tropical diseases but, until this
case, he had shown no public interest in establishing what diseases were affecting cane cutters. He had not been in Ingham before.

Now he claimed that the Italian cutter had typhus. The cutter lost the case.

A deputation went to the AWU to argue that if this cutter had typhus, then the union should do something about typhus as an industrial disease. Again, the union made a negative response.

Although there was a Labor government in office at the time, and there were many such cases, any gains that cane cutters made were despite, and against opposition from, CSR, the AWU, big farmers and rats. Success came only when the rank and file became active and able to unite the many nationalities making up the workforce on the canefields. The driving force for this was the Communist Party.

— George Bliss.

* The demand to burn cane developed after it was recognised that this was the only way to prevent Weil's disease. The virus was spread by rats urinating on wet ground or cane stalks.

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**Reviews:**

Socialism & Australian Labor


The interwar period poses particular problems for anyone seeking to understand the history of the Australian left. At the end of the First World War we have the Russian Revolution and the establishment of the Communist International. Over the next few years the monarchies of Europe collapsed, working-class movements reached for power and movements of colonial liberation sprang up. At the end of the 1920s there was the most severe capitalist crisis in history. During the 1930s the fight against fascism mobilised a broad range of progressives.

The left drew on the energies of able men and women who made enormous sacrifices. Yet the record of the left in Australia consists essentially of errors, defeats and repeated attempts to rebuild. It was not until the Second World War that the Australian Communist Party achieved its maximum membership — some 20,000 members in a population of seven million. By the end of the war it held leading posts in unions including the miners, the metal trades and the maritime workers, representing more than a quarter of the organised working class. However, that was the highpoint. By the end of the 1940s the Communist Party was losing ground. Since then it has suffered defections in 1956 and 1968, and two major splits until today it is as weak as it was between the wars.

How is it that the left failed? If we look at the period from the end of one war to the beginning of the next we can recognise certain crucial weaknesses. On the eve of the First World War there were a number of organisations, the pragmatic ones linked to the emergent labor movement, the doctrinaire ones more concerned with agitation and exerting an efflorescent influence on less organised sections of the working class. The effect of the Russian Revolution was to reorient the left towards Leninist methods, insofar as these were understood, but with the re-establishment of capitalist stability in the 1920s, the Communist Party found itself isolated from the mainstream of the labor movement, a problem compounded by ill-conceived attempts on the part of small groups of activists to capture mass organisations. The onset of the Depression at once created conditions for a left advance and, at the same time, saw the communist tactics of the third period throw away these advantages with a
sectarian hostility towards those closest to the left.

Yet to say this is merely to record the historical contours of the period. There are further tasks of analysis. The institutional and ideological effects of patterns established at this time were of lasting significance and need to be analysed. There are major episodes of resistance to be investigated. The emergence of militant forces rebelling the unions in the wastelands of the 1930s or of the generation of intellectuals radicalised in that period should be traced.

Frank Farrell's decision is to concentrate on the influence of the left on the broader labor movement and, in particular, to consider its effects on Australian labor's attitude to international issues. He draws attention to a number of aspects: the Hands Off Russia campaign at the end of the First World War, support for international martyrs like Sacco and Vanzetti, attempts by the left to combat Australia's racist immigration rules, the anti-fascist campaigns of the 1930s. He also draws attention to some organisations of importance, especially the Pan-Pacific Trade Union movement. The book has material to work with of considerable dramatic value and it includes more than forty illustrations.

However, there are major problems created by Farrell's organisation of the book. His discussion of the impact of the left on the organised labor movement requires an understanding of the history of both. In the first two chapters of the book and then, in subsequent passages, Farrell provides an account of the development of the left. Unfortunately, it is an account which concentrates on institutions and doctrines at the expense of the larger historical forces. He narrates more than he explains. A bewildering number of groups and grouplets pass before us (there are more than fifty abbreviations) at a rapid pace. Farrell loses the opportunity to put flesh and blood on this organisational skeleton by not breathing life into the leading characters who were indeed a colorful lot. Biographical information is generally restricted to captions attached to the illustrations. But if the presentation of the left is schematic, the treatment of the environment in which it operated is even more threadbare. Neither the Australian Labor Party nor the trade union movement are properly explained.

What is really required in order to understand the successes and failures of the left is an account of the Australian economy, workforce and social patterns. It needs to be explained that the Australian economy up to the First World War was based on primary industries with much of the workforce employed on a contractual basis; the extractive and service sector, with both craft and unskilled labor, was located in the coastal cities. Industrialisation began in the twentieth century on the basis of tariff protection, state regulation of industrial relations and a relatively high standard of living for Australian workers. The political and industrial practice of the Australian working class was thus strongly attached to a populist and interventionist tradition which was subject to assault from the right in the inter-war period. There were possibilities for the left to crystallise discontent but it was much more difficult to break the institutional mould.

The recurrent theme of Farrell's story, the left's alternation between doctrinaire hostility of the Labor Party and trade unions and opportunist compromise with its more progressive sections, have to be understood in this context. By fragmenting his study into a serial examination of issues and campaigns, Farrell robs his research of explanatory power.

This is a book that students of Australian labor history will consult for well-researched material on the international issues of the inter-war period. Not all will accept its interpretations. His discussion of the White Australia Policy, for example, leans over backwards to justify on tactical grounds apologists for racism in the labor movement. His treatment of the subject of violence in the unemployed movements of the 1930s is so concerned to preserve an even-handed and reasonable tone as to almost lose sight of the circumstances of the victims — and in these as well as other passages he should have given us some particular case studies and used some contemporary and oral material. What it does best is to survey; it is least successful as an interpretation.

I am convinced that the vital task is to turn back to the essential basis of the Communist Party, the trade unions. We cannot understand the growth of the Party in the 1930s unless we grasp how the militants worked out a viable strategy of leadership. Especially in the maritime, mining and metal industries, their achievements were enormous. I am not suggesting that we should celebrate them uncritically. There were very real difficulties — of opportunism and inflexibility, of economism and doctrinaire excess — and there were specific circumstances that operated in their time that do not operate today. But when all allowances are made, these elements were crucial to Farrell's story and they remain crucial today.
Australian capitalism: in boom and recession


The main themes of Catley and McFarlane’s latest book are the extent to which Australia’s economic development has been shaped by the pressures of the international capitalist economy and by the role of the public sector (and thus, in turn, by political decision-making rather than “free market” forces). They trace these through three historical chapters (one on the 19th century, one on the period from 1890 to 1945, and one on the Menzies era) and focus on the present in the next three (one each on the impact of the “New International Economic Order” on Australia, the policies of the Whitlam government, and on Fraser’s government). A closing chapter deals with “Options for the 1980s”.

Given the direction economic debates have taken in Australia over the last decade, this could be a valuable book. Under the guise of “monetarism” the old doctrines of laissez-faire have been resurrected, and it is claimed that the economic stagnation of the last few years is the result of a public sector which is “too large”. The dismal failure of market forces to revive the economy despite Fraser’s vandalism in the public sector has shown in practice that these dogmas are misconceived, but it is still worthwhile to be reminded that they are without historical foundation as well.

As Catley and McFarlane emphasise, there never was a “golden age” of laissez-faire in Australia. On the contrary, throughout the 19th century the government played a major role in the economy — disposing of the land, importing labour (first through convict transportation and then assisted immigration) and importing and investing capital (borrowing on the London capital market to finance railways and other public works). The “golden age” of the Liberal Party under Menzies in the 1950s was not one of laissez-faire: directly contrary to Menzies’ rhetoric, it was one of expanding government intervention and regulation in order to achieve rapid economic growth and full employment. As the authors remark: “The major Australian firms have never been committed to rugged free enterprise and the application of risk capital; they are committed to demanding subsidies, protection, tax concessions and an assured market.

Unfortunately, this is not the book that is needed. The main themes are submergent in a welter of detail as the authors feel obliged to pursue side-track they come across. Thus, we are told that “the root cause of the latest crisis” is the “restructuring” of the Australian economy by multinational corporations. They attempt to demonstrate this in Chapter 5, but it is a disjointed series of summaries and polemics from which the “conclusions” abruptly emerge, without any real justification. They take us through American Cold War policies, the OECD’s 1977 McCracken report on the international economic crisis, the “Pacific Rim strategy” for American capital espoused by some businessmen in the late 1960s, the growth of export-processing zones in the ASEAN countries, internal developments in China after the downfall of Madame Mao, and the Viet Nam-Kampuchea war of 1978-79. Along the way, theories of “long waves” of economic growth, the dispute between “neo-Ricardians” and “Marxist fundamentalists” and the displacement of Keynesian economics by so-called “monetarism” are all dealt with.

“Strategy”

From this mish-mash it is concluded that calls from Third World governments for a “New International Economic Order” (involving increased foreign aid, export price-stabilisation and industrialisation in underdeveloped countries) are really a “strategy” of the Rockefeller-sponsored Trilateral Commission for the “further expansion of capitalism into the peripheral areas” of the world economy and are thus a “fraud”. It is alleged that Australia’s part in this “strategy” is the “development of new mining and energy industries under the control of multinational capital”, and that (for unspecified reasons) a reduction of tariff protection and the “growing de-industrialisation” of the Australian economy is the “other side of this coin”. Needless to say, no evidence of this “strategy”, let alone of the role assigned to Australia in it, is produced. The paranoia too typical of leftwing nationalism has taken over from rational analysis.
The authors are better when dealing with internal Australian developments. The most useful chapters are probably those on the Whitlam and Fraser governments. The authors give a blow-by-blow account of policy decisions, economic events and party in-fighting, much in the manner of the financial press. But once again the basic argument is submerged by the detail. Essentially, they argue that Labor got in by formulating a “rival package” which could more properly ensure the process of the expanded reproduction of capital — or, to put it more simply, they promised business more growth and more profits at a time when the Liberals were in disarray. But Whitlam and his colleagues were manifestly unprepared for the inflation and recession that gripped the Australian economy in 1973-74; business rallied to the Liberals once more. The Whitlam government faced a “united phalanx of business opposition”, and senior public servants and the mass media also threw their weight against it. The government was already disintegrating rapidly in the face of a hostile ruling class when Kerr dismissed it. Catley and McFarlane briefly discuss the claim that the sacking was the result of CIA/ASIO machinations. The evidence in support of this allegation is only circumstantial (CIA officers referring to Kerr as “our man” in Canberra, etc) and they are surely right to conclude that “it is not necessary to rely on CIA complicity to account for Labor’s thrashing”.

Fraser got the Liberals back in by promising business more growth and more profits — to be achieved by reducing inflation, cutting real wages and distributing the national income from wages to profits, cutting expenditure on welfare, health and education, and touting the mineral boom to attract foreign investment. But, five years later, he had still failed to deliver the goods in terms of higher growth rates and there were signs of business restiveness.

Catley and McFarlane explain the rise and fall of governments in terms of the formulation and disintegration of what they call “policy packages”, supposedly “both appropriate to the needs of capital and politically feasible given the level of class struggle”. They show a considerable passion for unearthing conscious design behind the pattern of events; even what the authors deride as the ad hoc policy-making typical of the Liberals is treated as such a package. They do impose some intellectual order on the chaos of events they describe by means of this device, but I think it is too neat and tidy. They identify some intellectual influences on governments (OECD technocrats in the Whitlam government; Friedman’s laissez-faire “monetarism” in the Fraser government) and then attribute the coherence of these intellectual constructs to government policies. In their world, politicians are always choosing “strategies” and “policy packages” rather than making practical decisions under pressure of events.

One of the central problems of the book is that its theoretical approach is so eclectic. The authors invoke numerous economic theorists but make little attempt to explain their theories or how they fit together, let alone assess their validity. Thus, for example, on the central question of what went wrong with the Whitlam “package”, they first summarise a paper by Professor Fred Gruen, one of Whitlam’s key advisers, who saw it essentially as one of misreading the situation and making a succession of policy blunders as a result and, second, the AMWSU’s Australia Uprooted pamphlet, which argued that the government’s policies were deliberately wrecked by an “investment strike” by multinational corporations. Presumably they themselves would agree more with the latter view but they give no grounds for preferring one or the other. In general, they disapprove of laissez-faire economists, “rightwing” Keynesians and “dogmatic” marxists and approve of “leftwing” Keynesian theorists. The Polish marxist Michal Kalecki, and his theory of the “political business cycle”, comes in for particularly favorable mention.

This eclecticism means they do not develop a coherent explanation and thus gives them little basis for reaching any definite conclusions about where things are going, except by way of historical analogy. In their final chapter on “Options for the Eighties”, they summarise current views in the Labor and Liberal Parties (finding two “packages” in the former, three in the latter). They have little to say by way of assessment of these, nor do they spell out their own solution to Australia’s economic woes. Their sympathies for the Labor left “package” comes through but they conclude that there is little chance of it being implemented. They end on a pessimistic note: “Even if, as in 1919, 1929, 1946 and 1972, the public mood were to swing to the left in the 1980s it seems unlikely that this would benefit the leftwing political parties [such as the CPA and its offshoots]…. which seems likely to decline. Such a mood would be institutionally channelled into an ALP electoral victory. And if that happens the pattern of accommodations, political counter-attacks and defeats outlined earlier will likely again come into play. Such is the rhythm of the political development of Australian capitalism.”
Leninism & Western socialism

Leninism and Western Socialism by Roy Medvedev, Verso, 310 pp, $11.75 (paperback). Reviewed by Dave Davies.

The term “Soviet dissident” was coined in the 1960s and '70s when a number of independent thinkers emerged in the Soviet Union and began expressing themselves in various ways.

Since then, their numbers have diminished and the range of viewpoints expressed is so wide that a term to cover all of them has little value. Mysticism and Russian nationalism have consumed Alexander Solzhenitsyn and eclipsed his great talent, once at the service of Soviet literature. The courage and justified democratic demands of Andrei Sakharov have been overshadowed by his uncritical acceptance of “Western democracy” and support for such reactionary figures as George Meany.

But for those remarkable twin brothers Roy and Zhores Medvedev the story is different. They have kept their political cool in the face of reprisals by the authorities such as expulsion from the Communist Party of the Soviet Union, loss of jobs, petty and not so petty harassment. Zhores had a short spell in a mental institution and —worst of all — enforced exile from the USSR.

They have retained their objectivity, being able to write calmly about the important differences between the Stalin, Khrushchev and Brezhnev leaderships. Far from remaining static, their ideas have evolved and their challenges to dogmatism have developed in the framework of a commitment to democracy, world peace, socialism and marxism.

The subject of this review, Roy, now has an impressive list of works to his credit, including Let History Judge (an appraisal of Stalinism), On Socialist Democracy, After the Revolution (an analysis of the first months of Soviet power), Philip Mironov and the Russian Civil War (the Don Cossacks and the revolution), Khrushchev: The Years in Power and other books and essays. Assessing Lenin

An example of the evolution of his ideas is his attitude to Lenin. Soviet official history unfortunately tends to transform the person described by Mayakovsky as “this most human of all people” into an icon — static, miracle-working, infallible and an object of worship. In his early writings, Medvedev was evidently influenced by this strong element in his political upbringing and scarcely questioned what Lenin wrote and did. Thus, Stalin erred in departing from Lenin, a theme in Let History Judge.

In later works, including the one under review, Lenin is an outstanding revolutionary, capable of firm resolve, flexibility and penetrating analysis. But Lenin did not inherit from Marx and Engels any blueprint for the revolution or for the guiding of the new socialist state. Inevitably he made errors, many of which he explicitly recognised or acknowledged by changing course. Lenin’s works contain many contradictory statements, some of them on vital issues.

Medvedev is also critical of Lenin’s use of invective in polemics — a habit, one might add, which has been used as a licence for subsequent communist leaders to indulge in language which detracted from political and ideological debates.

Medvedev’s treatment of Lenin not only restores him to his rightful status as an outstanding, living human being but facilitates a deeper understanding of Soviet history. For example, Medvedev argues that the New Economic Policy of the early ‘twenties — usually presented as a temporary retreat — should have been introduced immediately after the revolution. He believes that this was beginning to occur to Lenin himself when he saw the dramatic way in which the Soviet economy and the political situation improved with NEP.

The strongest sections of this book are the first five chapters in which Medvedev discusses such vexed questions as marxism, leninism and marxism-leninism, the dictatorship of the proletariat, Soviets as a form of revolutionary power, majority and minority in revolution, and socialism in one country.

The reader may not agree with all his formulations and conclusions, but will be struck by his detailed knowledge, his clarity and his deflation of official dogma, all of which draw upon the best traditions of the Russian and Soviet revolutionary
tradition. Above all, the author is concerned with
the definite historical conditions that gave rise to
concepts such as "dictatorship of the proletariat",
rather than treating them as abstract principles or
everal truths.

Medvedev's exposition of the above historical
issues will be refreshing to more than one
generation of Australian leftists. This includes
those who grew up with an uncritical acceptance of
the rather sterile official accounts of Soviet history
and also those who grew up during the Cold War
and subsequent periods when the great
contribution of the Soviet people to the socialist
cause was obscured both by Western propaganda
and actions of the Soviet leadership.

Less satisfying, perhaps, is the final chapter on
"Communists and Social Democrats in the West".
Not that one could argue much with his criticisms
of Social-Democratic parties or the ingrained
sectarianism of many communist parties in the
West.

Communists and Social Democrats

But Roy Medvedev has never travelled outside
the USSR and lacks first-hand experience of
advanced capitalist countries. And in the USSR,
reliable information on the outside world as well as
open debate are often lacking. For example,
following the imposition of martial law in Poland,
polemics ensued on a range of issues between the
CPSU and the Italian Communist Party. The
actual views of the PCI were not published in the
USSR, and unless access could be gained to PCI
documents, the Soviet citizen had only distorted
accounts and quotes torn out of context to go on.

Thus, the reader may find that Medvedev is not
so authentic in this last chapter, resorting to even-
handed criticism of both Communists and Social
Democrats and lacking, to some extent, an
appreciation of elements of a viable socialist
strategy for advanced capitalist societies.

His knowledge of "eurocommunism", of PCI
debate on a "third way", or of the emphasis on
democracy for many Western communist parties
appears incomplete. But, having said that, it must
be added that Medvedev's critique is vastly
superior to the naive views of some other Soviet
"dissidents" and the official blinkered view.

There is another heartening aspect of this book.
One gets the impression from the number of
sources quoted that Medvedev is able to draw on
the resources of a number of other people involved
in the field of history and contemporary politics. If

this impression is correct, it indicates that there are
a number of people dissatisfied with current
official thinking despite the decline in the number
speaking out.

The existence of frustrated Soviet historians
would not be surprising in view of the restrictions
placed on research and discussion. For instance,
the very name of Khrushchov, who was the most
prominent Soviet leader from soon after Stalin's
death in 1953 right up to 1964, cannot be
mentioned. Some years ago, an officially
commissioned history of the collectivisation of
agriculture was prepared by a group of scholars —
only to be scrapped at the last moment (it was
already set in type according to some) by an edict
from above.

Unfortunately, the tendency has been for
historians and others to comply with official
requirements for the sake of their careers. But if my
hunch is correct, and some are now pressing to
have their views expressed in one way or another, it
is a positive sign.

The words used most often these days to
describe various aspects of Soviet life include
"immobility", "stagnation" and even "regression".
The writings of people such as Roy Medvedev
induce the optimist to reflect that the October
Revolution and the great struggles and
achievements of the Soviet people are too vital to
be always encrusted by dogma and bureaucracy.

Under the Hook

Under the Hook: Melbourne Waterside
Workers Remember Working Lives and
Class War, 1900-1980 by Wendy Lowenstein
and Tom Hills, Melbourne Bookworkers
Publishers, in association with the
Australian Society for the Study of Labour
History, Prahran, Victoria, 1982. Reviewed
by Drew Cottle.
In those "silent" days before oral history had achieved even its present bastard status in Australian intellectual circles, Brian Fitzpatrick penned an article for Meanjin entitled "The origins of the people are not in the library". Fitzpatrick could easily have exchanged the word "history" for "origins".

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• Waterside worker — Noel Counihan

Fitzpatrick, a victim of the Cold War, wrote his populist piece as a broadside against the conservative counter-revolution which was currently taking place in Australian historiography. Few listened to Fitzpatrick as, by administrative fiat, his voice was effectively excluded from the common room discourses of academe on the subject. Some time later, Wendy Lowenstein (along with a small, talented and industrious band which included Bill Wannan.
John Meredith, John Manifold and others), was collecting Australian folksongs and folklore: the threads of the people's history. In many ways, the work that Lowenstein and company performed was as an active cultural resistance front to the rapid Americanisation of Australian material life. That battle, of course, is far from over. And Under the Hook is another bullet in this continuing cultural war of position.

This peregrination into the past is not meant to create the genesis of a Lowenstein legend, it is to place her work in a political and cultural context which not only makes the production of Under the Hook intelligible. But also to underline the stubborn fact that her practice of radical history did not fall from the skies or, more pointedly, was not imported via Sussex University or a Chicago radio station. Wendy Lowenstein was listening and talking to working people about their lives well before the current antipodean oral history cult burst upon the scene. One need only examine the back issues of Australian Tradition or the work, Cinderella Dressed in Yella which she co-edited with June Factor and the late Ian Turner, to appreciate the point that Lowenstein has paid her dues. Indeed, it was this learning by doing, this recording of the struggles, the aspirations, inspirations and tragedies of those largely written out of Australian history's Who's Who which led Lowenstein to begin her first major oral history project, Weevils in the Flour.

This massive tome was Lowenstein's tribute to the working-class lives irrevocably scarred by the Great 1930s Depression. Weevils filled an enormous gap in Australian historiography. By Lowenstein's sure and skilful hand, popular memory of the Depression was rescued from oblivion. Weevils established oral history in its own right — notwithstanding the angels-on-a-pinhead criticisms hurled at Weevils and the practice of oral history generally by some academics.

The first sample of authentic people's history had finally arrived in the libraries. Oral history associations flourished. Oral history projects, some pedestrian and some bold in their conception, blossomed. More importantly, the critical success of Weevils sent Lowenstein off on another path-breaking effort — this time into the torpid wasteland of Australian local history. It was, however, to be a local history with a difference.

Unlike the plethora of inane "classless" local histories, "wage slavery" was to be the pivotal centre of Lowenstein's new study: the remembered struggles and experiences of Melbourne's wharfies.
Only Lowenstein’s links with, and a high standing born of activism in, Melbourne’s organised labor movement enabled her to even contemplate a remembered history of these workers. Her firm friend and co-author of Under the Hook, Tom Hills, made it a practical possibility. The enthusiastic co-operation of rank-and-file wharfies and the collective efforts of those whom Lowenstein and Hills acknowledged in their rousing class stand ensured that the production of Under the Hook would be a completed reality.

Tom Hills’ fighting proletarian spirit was a constant inspiration to the purpose, direction, tone and structure of Under the Hook. Lowenstein could have been shunned as a pestering interviewer, or worse, treated as a potential bosses’ pimp if it had not been for Hills’ willingness to urge workers to openly discuss their working lives. Because Hills had proven his worth in past “blues” on the waterfront, the making of Under the Hook was given every assistance. Had Lowenstein, armed with a tape-recorder, first appeared out of “management’s” headquarters, the Melbourne wharfies would have been as mute and as unco-operative as the cargoes they shifted. Critics of Lowenstein’s “one-class history” view, such as Peter Spearritt, have failed to realise that in the continuous class struggle between labor and capital one cannot levitate above the barricades or be on both sides simultaneously. Oral history, like all history, is not a “supraclass” phenomenon.

Bob Gollan is only partly correct when he suggests that, “.... This (Under the Hook) is not the history of Melbourne’s waterside workers ....” Judging by the past efforts of labor history and its preference for the safe, institutional ground of trade union hierarchies, Labor parties and governments, Under the Hook is the Melbourne wharfies’ story over 80 years. It is a local and oral history of “the Port” written in a new and exciting way, as Lowenstein and Hills assert, “from a militant working class point of view”. It is history from the bottom up. It is a repository of lived history, remembered history, rather than the cold and deadly abstractions of most history texts. Working people live and breathe in Under the Hook. Their personal and collective triumphs and tragedies are paramount.

Not being handicapped with a tin ear as some oral historians tend to grow when they pretend “to listen to the masses”, Lowenstein, by dint of hard yakka as a folklorist and a deep understanding of the material and emotional realities of working-class life, has captured in the pages of Under the Hook, the rich cadences, irrepressible humour and the indomitable collective strength of working-class language and culture. The bankrupt verbal slur of the “Ocker” millionaire John Singleton is foreign to its pages. Nor are the wharfies’ oral traditions “Orwellised”, thankfully, into “plain and simple English”. The chapters of Under the Hook complement each other superbly. The voices of Tom Hills, Lou Albress, Don Strang, Jim Nagel, Bert King, John Morrison, the McLeavy family, Manny Calleja, etc weave a fine mosaic of remembered struggle and experience.

But they are not the tall waterfront tales of a golden nostalgic past. For no such past exists for those whose sweat and labor secured the profit margins of the shipowners and their kind. They are the stories of workers whose many battles — be it against shipping companies’ lockouts, "kept" courts, the bull system, the police, scabs, containerisation, alcoholism, or their fight for better wages and conditions and a resolute proletarian internationalism — have hitherto gone largely unrecorded (at least in their own words). In these stories we learn what "sticking up for and covering your mates on the job" means. Fraternity or mateship and that much abused notion "a fair go" is shown to be an existential part of every Melbourne wharf-labourer. Only those whose own decorous lives are bereft of such qualities can afford to lampoon them.

This is not to suggest that wharfies are marble angels, for quite clearly they are not. Crime and criminals as Under the Hook details do exist on the wharves. However, here the very notion of crime and the working class must be called into question when a social system which perpetuates the crime that the labor of the vast majority should bolster the lives of that acute minority, the very rich. The wharfies live out Ned Kelly’s defiant aphorism, ".... Your bloody rich man’s government will never govern me!"

The effects of the booms, busts and wars in the era of late imperialism on the lives of Melbourne wharfies are faithfully recorded in Under the Hook. Here the political truth, “the personal is the political”, is made plain. The constant struggle to find work, to feed, clothe and shelter one’s family, to love and be loved, to laugh, to stand up to the boss, to seek relief and release in the companionship of the jar occur on every page. A thorough reading of Under the Hook has given this reviewer a deeper appreciation of the hidden dimensions of what the phrase “down the struggling years” actually means to working people.
The deft use of personal and official photographs as well as Noel Counihan’s sketches throughout the book consolidate its visual and narrative power. Whether it be coalsies on their last shift smoke (p.19), Gang 255 sling sheepskins at Prince’s Pier (p.140), the trucking of bales of wool in gunny sacks (p.164) or Counihan’s line drawings of wharfies shouldering the load (p.122), all poignantly complement the collective narrative of the wharfies.

Constructive rather than carping criticism can, of course, be levelled at Under the Hook. The number of workers interviewed for the study is too limited. The ethnic composition of the wharfies, particularly after World War II, is relatively neglected. The changing material circumstances of wharfies and their families is not rigorously analysed. The contemporary reputation of the Melbourne WWF branch as being, “rebel group” and the pervasive influence of “Maoism” on the Melbourne piers despite the recent retirement of Ted Bull is not explained. The failure to scrutinise the archives of the shipping companies and the state during the turbulent times of prolonged strikes and rapid technological change (containerisation) to assess the strategies of the ruling class and its governmental minions is somewhat surprising. So, too, is the dearth of statistical information on shipping company profits and the innumerable work-related illnesses, ailments and health hazards of the stevedoring industry. It is a simple task to point out these blindspots in Under the Hook. However, even to suggest these neglected areas of research conjures up the need for a veritable army of interdisciplinary research workers — something the capitalist state itself has neither done nor will ever do for any industry let alone Melbourne’s waterfront.

Like Weevils in the Flour, Under the Hook stands as another monument to Lowenstein’s creative efforts to rescue Australia’s proletarian past. In these desperate times of staggering foreign domination, vanishing work and vanishing workers, Under the Hook and more popular history in a similar vein is needed if the Australian working class is to win back its country and its history. On re-reading Under the Hook, I am reminded of the sentiments the great German artist Kathe Kollwitz expressed in her diary:

... For me the Koenigsberg longshoremen had beauty; the Polish jimkes on their grain ships had beauty; the broad freedom of movement in the gestures of the common people had beauty. Middle class people held no appeal to me at all. Bourgeois life as a whole seemed to be pedantic. The proletariat, on the other hand, had a grandness of manner, a breadth to their lives ....

The remarkable achievement of Under the Hook is that it captures this proletarian beauty with infinite sensitivity.

NOTES

5. Some of these offerings are found in the Oral History Association of Australia's Journal, 1980-81 issue.
6. See "Here we stand", Under the Hook, pp.4-5.
7. Spearritt's attempt at "myth-breaking" is revealed in his article "The mythology of the depression", The Wasted Years (ed) Judith Mackinolty (Sydney, 1981).
10. An argument, crucial to all practising oral historians, about the pitfalls inherent in the recording of language, was raised in History Workshop. See Editorial, "Language and History", History Workshop, Issue 10, Autumn, 1980, pp. 1-6.
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