West Australian voters wiped out the WA Liberal “dries”, who thought Fraser was too wishy-washy in his support for the “free market” and the “right” of the wealthy to avoid tax. And Queensland Liberal voters swung heavily to Aboriginal and ex-Liberal Senator Neville Bonner, whom Queensland Liberal hardliners had dropped from number one on their ticket, thus prompting him to stand as an independent.

The Fraser government was the first conservative government in an advanced Western democracy to apply the hardline monetarist policies of Milton Friedman as a pro-capitalist solution to the recession of the mid-1970s. This economic policy was accompanied by a conservative offensive aimed at making workers and the poor pay for the crisis, at dismantling some of the welfare state, and at aggressively promoting conservative values of “free enterprise”, individual self-interest, “the market”, and conservative versions of “the family” and “the nation”, as the main principles on which to base an economic and social recovery. Howard — and his hardliners — had dropped from Queensland Liberal party support for the “free market” and the alleged “socialism” in general. The election showed that these bogeys and tactics are not as effective as they once were. However, the left should be concerned that part of the reason for the failure of anti-communist and anti-socialist scaremongering is that many people believe the socialist left is no longer a relevant force in Australia.

Unions, especially leftwing unions, should also be concerned that anti-union feeling is high, despite Fraser’s failure to turn it to his electoral advantage. (In fact, many voters believed that Hawke could handle the unemployment better than Fraser, making Fraser’s union-bashing counterproductive.) Public opinion polls show that many people believe that unions are more to blame for our economic problems than big business or governments. The consistent anti-union campaign by conservative politicians and the media has had a lasting impact which unions can ignore only at their peril. Unions should seek to turn this feeling round and direct it at the real causes of the capitalist crisis by more actively and more imaginatively promoting themselves and their policies.

And while individual unions must firstly look after their own members, they should overcome the traditional tendency to interpret these interests in narrow, sectional ways which so often make them appear as no more than sectional groups scrabbling for their own interests first, last and always. Decentralization and routes on which have done great damage in this respect. The ACTU/ALP accord on economic policy provides considerable opportunities for widening the horizons of the whole union movement. The left should take up this challenge, especially among rank-and-file union members who constitute the only force which can ensure the accord’s full implementation, and its extension in progressive directions.
The defeat of hardline conservatism, and the present severe crisis of the conservative parties (especially the Liberals), does not rule out another swing of the political pendulum back to conservative parties in the next three to seven years, as happened in West Germany on March 6. If Labor does not deliver the goods, if it gets crushed and snuffed by the crisis of the system, then a swing back to the right, rather than further left, is the most likely result.

It will not be easy to prevent this happening and, given the present limited clout of the left, we should not underestimate the objective possibilities for preventing it. However, the left can try to develop a strategy which has the best chance of building independent progressive mass movements and expanding the influence of socialist ideas in the new situation opened up by Labor's victory.

Such a strategy should centre around active intervention by the labor and progressive social movements to ensure the implementation and extension of Labor's reform policies, rather than sitting back and leaving it all to the government, or just criticising from the sidelines.

The movements should mobilise to defend Labor's progressive policies against conservative attack and undermining, as may soon happen over the Franklin dam. They should also push for the earliest possible implementing of Labor's promises and campaign for Labor to extend and improve its policies in progressive directions.

The building of movements around these aims would in itself shift the political balance to the left, and would also increase the possibilities of developing mass understanding of the need for more basic changes than the Labor government currently stands for. Such an understanding by broad masses of people will only develop through their experiences of how well or otherwise Labor's policies work — and how convincing or otherwise they find the left's arguments for a more radical approach.

The left's arguments should be convincing at two levels. Firstly, in suggesting immediate policies and intermediate strategies for dealing with the current crisis. (This includes an alternative economic strategy.) Secondly, in projecting an alternative "vision of the future" — an outline of the sort of society we want, its aims and its ideas and values.

This cannot be done in abstraction, but only in connection with the various mass movements, each of which have thrown up their own "visions of the future" based on their particular concerns. Equally, the various movements need an overall social vision to enable them to form an alliance to achieve a radical social change in all their interests.

The central issue for the moment is the economy which, of course, is connected with other vital issues in ways that are not enough talked about.

Labor has inherited an economic mess, of which the projected $9.6 billion deficit for 1983/4, and GMH's claimed $130 million loss and plans to retrench 1400 workers were just two obvious examples in Labor's first week. It would have been difficult anyway for Labor to carry out its promises, but now Prime Minister Hawke and Treasurer Keating are indicating that many policies cannot be delivered, at least for now, and that Fraser's wage freeze may have to be extended.

The outflow of $2,500 million in the week before the election, and Labor's 10 percent devaluation three days after the election (noting the speculators $250 million), shows how Labor can be pressured by the owners of private capital. BHP, Australia's largest corporation, early this year also shifted $2,500 million around the globe — to buy up Utah. This move will double BHP's capitalisation, but will not create one new job.

How to control capital in the social interest, and how to make the owners of private capital accountable to the society from which they profit, is the big issue for Labor in its attempts to tackle the problems of the depression.

The most pressing need for some control over capital is to direct it into job-creating industries. The financial institutions are awash with surplus money looking for the most profitable investments, yet unemployment is still soaring for lack of a policy to develop new industries and for lack of social control over the huge amounts of capital that are now available.

Bob Hawke's policy speech correctly said that the "first and foremost" issue is the "right of every Australian to a job". Yet even Labor's difficult aim of creating 500,000 jobs in three years will only lower unemployment "by a couple of percent", leaving it at 8% in three years' time, assuming no further economic decline. It is most unlikely that the right to a job can be achieved if the "free market" is left unchecked and uncontrolled.

No one expects the Hawke Labor government to adopt socialist solutions — that is neither its platform nor its mandate. But it should be expected to adopt the necessary measures to control capital to the extent necessary to implement its election promises. And Labor's "socialisation aim" still does say:

"The Australian Labor Party is a democratic socialist party and has the objective of the democratic socialisation of industry, production, distribution and exchange, to the extent necessary to eliminate exploitation and other anti-social features in these fields."

— Brian Aarons, 15.3.83.

The newly-rationed prices and incomes agreement between the ACTU and the federal Labor Party has been accurately described by some as "historic". It undeniably has a great deal of support both within the labor movement and in the wider community, if the recent Labor victory is anything to go by. However, such a policy holds both great promise for Labor and poses serious problems for the left in times of recession.

The agreement challenges prevailing left fears of ineffectiveness or "movement impotence" into the process of managing capitalism while offering possibilities for effective intervention to defend and extend social gains and the interests of the labor movement.

In the worst case scenarios, the agreement promises disaster, allowing the Hawke government to exact wage restraint while stalling on social wage trades-offs or on the implementation of effective union inputs into planning and industry development.

Supporters of the accord stress that the agreement could also expand the role of trade unions, giving the labor movement a direct input into the processes of planning and policy development which so far have only responded to Labor resistance after massive campaigns to apply external political and industrial pressure.

Implicit in the worst case view is the notion that the agreement in some way replaces or pre-empts struggle and union campaigns to defend living standards. But the accord also offers a possibility to rebuild the cohesion and co-ordination badly eroded by the effects of the recession, the miners' boom and the policies of the Fraser government. The agreement also offers the opportunity to develop mass-based campaigns in support of broader class issues through a deep involvement in government planning and spending policies.

AUSTRALIAN LEFT REVIEW 83
However, the accord guarantees none of this. And, confronted with the harsh economic realities of 1983, the agreement's greatest attraction for many will be its promise of wage restraint and inhibited industrial action. Unless the labor movement intervenes decisively in the discussions that will forge Hawke's new consensus, the ACTU accord will be interpreted in a way that stress the need to pare back its potential for reducing the political activity and economic well-being of the working class.

The fate of the agreement will largely rest on how Labor under Hawke responds to the pressures exerted by the militant unionism and the depth of Labor's commitment to the principles espoused in the ALP/ACTU accord. However, a simple reading of the accord shows that the actual details of operation are, at best, sketchy, with many vague promises, qualifications and modifications. The document has more than a whiff of a policy speech about it.

In exchange for a guarantee that unions will not pursue claims in addition to CPI increases, both the ALP and the ACTU agreed that wage maintenance is seen as an objective. But: "It is recognised that in a period of economic crisis as now applying, that this will be an objective over time".

This is not a strict guarantee of wage maintenance and most likely this qualification will be the undoing of the accord.

The Australian Teachers' Federation delegites to the special federal unions conference, called to ratify the agreement, were placed in the impossible position of being pressured to accept the clause despite decisions from their annual conference to reject any agreement which failed specifically to guarantee quarterly wage indexation.

These delegates decided not to oppose the package and at least one supported it — with one argument being put that the agreement could be interpreted to guarantee quarterly indexation. Recent statements by Prime Minister Hawke about extending the wage pause seem to put this optimistic assessment of the clause under challenge.

The teachers' delegate also argued that the agreement would mean an extra $220 million for education spending, as part of the social wage. This promise would also seem to be in doubt following government statements about the deficit of the deficit.

Undoubtedly, the agreement will come under its first major challenge over the question of full indexation. If those unions whose members have been worst hit by the recession are to be simply baulked in with those whose positions are relatively secure, a centralised system of wage restraint seems unlikely to withstand the pressures. Perhaps, with a view to compromise, a more flexible approach could be put forward involving a multi-tiered system which differentiates between the higher and low-paid workers.

This arrangement would put the stress on many of those militant unions which signed the agreement despite substantial misgivings — in the inevitable hot-house atmosphere of an election campaign.

Other vague areas concern the timing of various reforms. For example, while the ALP commits itself to increasing unemployment benefits and pensions to the basic rate of 25 percent of average male earners, there is no time scale suggested.

Similarly, the sections of the accord dealing with education specified that, under a Labor government, funding for non-government schools would be determined on a "needs" basis. But this point was overtaken when the government budget fell substantially watered down during the election campaign in the face of a very deliberate campaign by the Catholic Church. It appears that other sections of the accord, such as the issue of doctors' fees, are still "open to negotiation" after the ACTU has accepted them.

Overseas experiences with similar arrangements show that they can easily degenerate into little more than vehicles for wage restraint. It's vital, therefore, that unions ensure that negotiations over wage increases and social wage spending are balanced and in the long-term interests of their members and the working class.

By far the section of the agreement which holds the greatest potential for the labor movement concerns industry development and planning. "Both the ACTU and the ALP support as a priority the institution of a planning structure which will determine the way in which the national economy will generate growth on a sustained basis."

It is this section which opens the greatest potential for labor movement intervention in the context of an economic policy which sees its prime goal as full employment.

"Consultation is a key factor in bringing about changes in industry. This consultation will be extended to industry, company and workplace level," the accord says.

While the potential for intervention is clear, such a proposal is also a clear challenge to the labor movement.

To operate effectively in such a system of consultation, the labor movement at all levels must have access to information from company accounts; it must be able to intervene so that information independently of the company accountants; there must be provision for a delegate system rather than the token "worker representative".

This last point is crucial otherwise workers on such bodies are tied up with secrecy provisions, divided loyalties and are effectively isolated from those whose interests they are supposed to represent.

It is a great challenge — and a substantial breakthrough — for the labor movement if it is able to escape the limitations traditionally imposed by Australian industrial relations institutions which were specifically designed to defuse mass participation and demobilise the working class (e.g. Arbitration).

It will be no less a breakthrough if a Hawke government can convince companies like BHP, CSR and the AMP to sit down and openly discuss their financial positions and corporate strategies. BHP's directors didn't even tell the Fraser government of their plans to buy Utah until after the deal was clinched. (They also didn't tell the local management of Utah until after they'd told Fraser.)

In the smaller levels of the capitalist economy it also seems unlikely that competitors in a depressed economy will 'come clean' to their unions and their opposition who have a wary eye out for likely mergers or takeovers.

It is difficult, for example, to see how International Harvester — facing global collapse — would sit down and openly discuss its workforce and government and disgorge its parlous economic position.

It's not clear what Hawke will do if private enterprise refuses to come to the party. The Confederation of Australian Unions have decided to risk it.

If effective consultation is to be achieved, workers must become involved. The potential for such rank-and-file participation is wide open. But it would have to be achieved, firstly, for the unions to ensure rank-and-file workers were involved and, secondly, to ensure such involvement is effective by giving whatever technical and expert assistance is necessary to ensure the workers to understand and intervene in the processes. Allowing a worker or two on a planning council can be an empty gesture if the worker or union official is not trained to analyse the way the company works.

Unfortunately, the low level of participation by rank-and-file workers in the formulation of the agreement does not give rise to optimism that workers will be involved in the agreement's operation.
To reject such an agreement on purely ideological grounds would have meant an impotent isolation for those unions.

However, as the recent statements from the Prime Minister have indicated, the agreement is open to very wide interpretation and much of its value will be decided when the actual mechanics of the accord’s operation are developed.

— Martin Peers.

In an election campaign almost exclusively dominated by the issues of unemployment and the economy, the campaign to save the Franklin River in Tasmania proved a remarkable exception, managing successfully to intrude into the policies of all major parties and impose the dams issue on the platforms of those parties.

Undeniably, the success of the Tasmanian Wilderness Society’s campaign is a direct result of its highly professional and sophisticated strategy and the dedication of many individuals to the particular issue. However, the issue has also succeeded in mobilising very large numbers of people (particularly young people) who have had little previous political involvement and would not identify themselves as “politically-motivated”.

It is all the more remarkable, then, that the extremely volatile Franklin issue emerged despite Labor’s emphasis on conciliation and consensus and its deliberate efforts to avoid “divisive” issues and polarising confrontations.

While many on the left have criticised the Franklin campaign as a “middle class” or “trendy” issue — or point to the “class composition” of its supporters and their relatively weak links with progressive labor movement organisations, it is also undeniable that the campaign has largely succeeded while many more “politically correct” causes have not.

As such, the left has a direct interest in studying the campaign, its organisation and political methods.

Equally importantly, the left should also not ignore the fact that, while the mass response to the crisis and depression has been far more muted than we might have anticipated, this admittedly remote and singular issue has succeeded in mobilising a large movement of young people — many for the first time.

Certainly there are indications that the issue has provided a watershed for the Australian conservation movement. This election saw a major national campaign waged by a national coalition of environmental organisations in which — for the first time — the movement’s leading and most respected organisations intervened directly in support of particular parties and policies.

The fact that these organisations can boast a total membership in excess of 400,000 people provides them with considerable political clout. But, far more significantly, the decision to direct their activities to key marginal seats played a crucial role in influencing the outcome of the poll.

However, this both the campaign and its influence in the election indicate a growing support for environmental issues that might not normally be expected in conditions of economic crisis.

For example, veteran conservationist Milo Dunphy, standing in John Howard’s blue-ribbon Liberal seat of Bennelong, polled 13.4 percent of the vote on a strong No dams campaign. For some, this could be excused as “further evidence” of the bourgeois nature of the No dams issue. However, Dunphy’s campaign, while based solidly on environmental and ecological concern, was certainly not limited in its scope or its political radius.

Asked why he was standing against the Treasurer, Dunphy replied that he, and a growing number of environmentalists, were coming to recognise that a bad environmental policy and a bad economic policy were two sides of the one coin.

Dunphy’s campaign touched on ascore of “values questions”, “social issues” call them what you like — that have traditionally been the concern of the left and the socialist minority in the labor movement.

For example, he raised the issue of tax avoidance, urging that, while personal tax liabilities should be strictly enforced, the real tax fraud occurred in the dealings of corporations like those in the aluminium industry where transfer pricing and tax concessions allow them to escape taxes while raping the environment and trampling on national independence and land rights.

Such a campaign can hardly be described as a “single issue” campaign. Rather, I believe it indicates and shifting consciousness in the environment movement in which direct political action and a more thorough and consistent politicisation and understanding are the most salient features.

While the national decision not to stand candidates in the recent poll meant that it is difficult to gain a clear idea of the impact of the Franklin campaign, the evidence of an emerging political cohesion within the conservation movement would indicate that the process precedes the Franklin issue and will hopefully continue to mature after the issue is resolved.

Recent debates within the Australian Conservation Foundation on questions of uranium mining and nuclear weapons, unemployment, economic policy and ascore of other issues have extended the horizons of environmental concerns and indicate a clarification of broader political alues within the movement.

While it’s very true that the movement will adopt positions on these issues with which the left may differ (for example: supporting the Democrats in the Senate over the Franklin issue), the real significance for me lies in the fact that such decisions are being taken at all.

However, it would be foolish and unwarranted to try to interpret the embryonic changes as an “emerging coalition” or anything like it. In fact, I believe that a critical appraisal of such concepts is long overdue, particularly in the light of the experiences with the Franklin campaign which has been a textbook case of a mass movement.

Certainly, the left must reassess its role in relation to such movements and how it can best assist such campaigns to win their markedly limited immediate objectives.

Undoubtedly there will be new tensions and pressures arising from the development of a more politically sophisticated and independent movement. However, it indicates some very exciting potentials in a political climate not over-endowed with dynamic and creative expressions of popular concern.

— Peter Ormonde.