
The theory of imperialism has always been one of the stronger aspects of marxism, and some of the new applications of it in the context of the "development dilemma" in the contemporary world represent one of the intellectual features of the times. Many conventional scholars recognize its importance, and some have been influenced by the approach. If conservative "modernization" theory still holds sway in Western universities, it is largely due to institutional constraints rather than any theoretical vitality; indeed, it has all the appearances of being a burnt out case.

This is not to say that marxian or neo-marxian "core-periphery" theories — to give them one of the many labels they bear — are without their problems and weaknesses. But the lively controversy that marks the field (well documented in the Review of African Political Economy, which has an excellent running bibliography) is imbued with an elan that stems from a real feeling of breakthrough. Those working in the field are not afraid to tackle unresolved and contentious issues because they believe — rightly or wrongly — that they are on the right track, and they have generally set high standards of scholarship.

It is disappointing, then, that a book which opens up an Australian perspective in this field should prove on close acquaintance to fail in its aims. It is not only that the book omits to take account of the literature and methodology relevant to its undertaking, but that within its own framework it should fall too far short of clinching its arguments. It sets out to place Australia within the context of an imperialist "Pacific Rim Strategy", of which the major actors are the United States and Japan, but never quite hits the mark, perhaps because it is over the hill.

Bruce McFarlane, now Professor of Politics at Adelaide University, was the first Australian to refer to a Pacific Rim Strategy being fashioned in the United States, so far as I can recall. His comments upon it (in Australian Capitalism, edited by Playford and Kirsner, 1972) were rather cryptic, but appeared to discern moves towards the integration of the economies of the Pacific coast of the US, Canada and Latin America, Japan, Australia and New Zealand, into an imperial network strung together by multinational operations. He referred to three tiers in the system:

- "a leading tier (the US and Japan); a second tier delivering resources to the first (Australia, New Zealand and Chile); and a third tier of underdeveloped Asian countries with large potential markets (Thailand, Vietnam)." (Australian Capitalism, p. 52.)

I am not aware that McFarlane has followed up his early references to the strategy, but at any rate the present work, the avowed purpose of which is to examine Australia's role in it, gives us a somewhat different picture of the origins and character of the Pacific Strategy Rim. This is how Robert Catley and Nonie Sharp, in their introduction to Australia: The Asia Connection, present it:

The withdrawal of the United States from active and direct engagement in Asia and the Pacific following the defeat in Indochina and the elaboration of the Nixon doctrine was accompanied by a strategic reorientation of US foreign policy towards the countries of the Pacific Basin. The new policy represented an abandonment of defence-in-depth and the advancement of a policy in which the advanced capitalist countries provided capital for local compradors (p. 3). In the elaboration of the Strategy, the United States and Japan were to form the first tier, Australia, New Zealand and Canada became the second tier, acting as a springboard for investment into the lowest tier, the Third World countries of the area (p. 5).

The differences between the Pacific Rim theses of McFarlane, on the one hand, and Catley and Sharp on the other, are quite striking. In the first place, there is the timing. In McFarlane's account, the Strategy was being devised at least as early as 1968, well before US withdrawal from Asia was being seriously contemplated, and indeed his inclusion of Vietnam in the third tier makes it clear that for him the Strategy has no necessary connection with the abandonment of defence-in-depth. For Catley and Sharp, however, the Strategy is the outcome of a reorientation following military withdrawal and the enunciation of the Nixon Doctrine.

The time disjunction is connected with a differing understanding of the character of the process. McFarlane obviously views it as a stage in the rationalization of imperialist penetration — in
other words, the articulation of a structural process of a kind which flows from the very nature of capitalist exploitation. Catley and Sharp, however, see it as a response to the failure of US military intervention in Indochina — in other words, a political process of foreign policy modification. The importance of this variation is that, while McFarlane’s concept does identify something that may accurately be described as a Strategy, that of Catley and Sharp does not — it may more plausibly be regarded as an accommodation by the US to circumstances no longer amenable to more direct forms of control. After all, if the only feature of the “Strategy” is the use of investment and aid as levers of power and influence in the region, then there is nothing new in it — it is as old as neocolonialism itself.

At this point, however, Catley and Sharp do introduce something new, and once again different from the McFarlane presentation. Where he saw the role of the second tier powers, including Australia, as limited to providing raw materials to the first tier, Catley and Sharp have them “acting as a springboard for investment into the lowest tier, the Third World countries of the area”. This suggests that the new element in contemporary imperialist penetration of the Pacific Rim — and that which justifies reference to a new Strategy — is a change in the structural relationship between the first and second tier powers. Hence the point of this book, presumably, is to illustrate this structural change in the case of Australia.

What type of evidence do we need to confirm the existence of a Strategy such as that posited by Sharp, Catley and Hyde? First, we require an analysis of the strategic thinking expounded by ideologists of the dominant power, the United States, in this area. Secondly, we need an examination of the actual operations of imperialist agencies and multinationals, demonstrating the structural changes that have taken place in their relations with Australia. Thirdly, we need to observe these operations being carried out in the third world countries of the Pacific in the form prescribed.

Extraordinarily, no evidence of the first kind is presented at all. In fact, the only direct evidence adduced for the existence of a Pacific Rim Strategy, and Australia’s role in it, is a speech in Sydney by one Neil McInnes, a Wall Street journalist, in 1970 — material previously cited by McFarlane. Now it is one thing for Bruce McFarlane in 1972 to pick up some Pacific Rim noises in the US and Australia and hypothesis a strategy in the making: even if wrong, he was engaging in early and shrewd speculation. It is quite another thing for writers in 1978 to have nothing to offer in support of their thesis than this old, and less than authoritative, citation. Nobody could argue that Americans are shy about spelling out their strategies, especially in areas such as this where their ideology perceives nothing but world benefit from them. The absence of such indicators casts grave doubt on the thesis, since it suggests the US strategists do not perceive the enhancement of their interests in this particular shape.

Similarly, the book provides no systematic treatment of structural changes in the relations between US and Australian business to confirm the argument that Australia acts as a springboard for investment in Asia or the Pacific. There is some material in the book — not a lot — indicating multinational connections between the US, Japan and Australia; it would be surprising if there were not, since links of this kind are a world-wide phenomenon and part of the very character of the multinational corporation. But if there is a strategic principle behind the process here, it is certainly not identified in this book. The American radical literature I have seen on Pacific Rim (or Basin) Strategy provides no assistance. It is as lacking in precision as the Australian version, one account even swallowing the Indian Ocean for good measure; it makes little reference to Australia’s role.

Finally, Hyde does not succeed in establishing a salient role for Australia in the penetration of the Pacific, as I argue in more detail shortly, in considering his two case studies: investment in Indonesia, and influence within ASEAN. Before going into that, however, I ought to make clear that I have singled out the enunciation of the Pacific Rim thesis by Sharp and Catley for criticism not because it is the weakest formulation of the argument in the book, but because it is the only one. Hyde does not present the thesis at all, and when he comments on it, he tends to confuse matters rather than clarify them. At one point he has the seeds of the Pacific Rim Strategy being sown “well over twenty years ago” (p. 2), which suggests that he does not see any clear distinction between the general phenomenon of neocolonialism and the varying strategies by which it may be carried forward, which of course is what the book is supposed to be all about. He never gives a clear account of the content or dates of elaboration of the Nixon Doctrine, but has Whitlam at one and the same time anticipating and responding to it — in 1968! (pp. 15-16.) It may seem querulous to point out that Nixon assumed the Presidency in January 1969, but the reader needs some fixed compass points in the tangled thickets of this book’s argument.

With regard to Australia’s role in the strategy, Hyde is at pains to stress a number of times that this country’s “history as a colony and recipient of substantial amounts of foreign capital has left it relatively free of the stigma of imperialism attached to developed states which had been old colonial powers, and therefore enjoyed some advantages in investment and influence in the region”. It is on this basis that he argues for the
significance of Australia’s role in the Pacific Rim Strategy. It is never really clear whether the main effect of this is to make Australia a desirable front for American and Japanese multinationals, or to give Australian business a lever for its own self-interest within the terms of the Strategy. Hyde appears to take both positions at different points, which he may do consistently but ought to do more clearly. In any case, it is not of great moment, because I do not think the point has much to recommend it. For those in the region who cared, Australia’s reputation and record — on decolonization, racialism, interventionism — were putrid, but that does not seem to have affected investment opportunities one way or the other, though it may have set us back in some political arenas such as ASEAN. Certainly, I cannot see any evidence that either the US or Japan has been seriously discommoded in investment operations by its past record, still less that either one has benefitted from a friendly Australian helping hand. Another feature of business in Asia, commented on by many observers, is the nostalgic sympathy shown by governing elites there towards their old colonial masters: the Dutch in Indonesia and the British in Malaysia, for example.

This faulty proposition leads Hyde to exaggerate Australia’s role in respect of investment in Indonesia and influence within ASEAN. Australian companies, he tells us, invested $250 million in Indonesia between 1966 and 1973, giving them a five per cent share in total foreign investment in the country. Hyde regards this as cogent evidence of Australia’s active participation in the Pacific Rim Strategy, its favoured opportunities in the region and its role as a multinational carpet-bagger. But his figures hardly justify the claim that Australia has a special entreée to Indonesia, and indeed, given the stress laid by successive Australian governments on relations with Indonesia — especially economic relations — the thing that really needs explaining is why Australian business has proved so unable or unwilling to play the part assigned to it more effectively.

This point becomes sharper when we make two necessary corrections to Hyde’s figures. The most reliable figures for investment in Indonesia are those released by that country’s Investment Coordinating Board (BKPM), and these show that between 1967 and April 1978 total foreign investment from all sources totalled $6,636 million, of which Australian companies contributed $215.7 million. (Indonesia Development News, I, 6, June 1978, p. 6). This gives Australia a three per cent, rather than a five per cent, share in the investment market — rather a modest stake, I would have thought. However, even these figures do not tell the whole story, because they represent only approved investment proposals, not realized investment. There are no figures obtainable for realized investment, so we have no sure way of knowing if Australian companies have been as willing to put their money where their mouth is as, say, Japanese or American investors; there is some impressionistic evidence, however, to suggest that they have not.

The ASEAN chapter, designed to demonstrate the manner in which Australia has asserted a regional role within the Rim Strategy, achieves the reverse of its intention. With no preamble on the origin or significance of ASEAN, either for PRS or anything else, Hyde launches into an account of Whitlam’s efforts to have it widened into a non-ideological regional community including Japan and China. We are assured at one point that Whitlam’s proposal “must be seen as part of the wider Pacific Rim Strategy” (p. 61), but we are not told why or how. At another point, Hyde says that “it was in fact part of the government’s plan to increase Australian power within the Pacific Rim Strategy” (p. 81). Again no explanation, merely assertion. All this raises the question of whether or not it was a US-approved ploy, but unfortunately we are not enlightened. However, once again we are invited to accept the notion that Australia could press this proposal because of the goodwill which it — but not the US or Japan — enjoyed within the region.

There is an obvious snag in this argument, of which Hyde is aware — namely that Whitlam’s proposal got very short shrift in ASEAN, which continues to resist expansion of its membership, especially any expansion which will admit first tier powers. Nevertheless, Hyde feels compelled to stand by an argument which does poor justice to the complex struggle of interests within and concerning ASEAN which emerges from his own account. Contrary to the impression he is trying to create, one if left with the feeling either that the first tier powers lack leverage within ASEAN or that Australia’s much-vaunted goodwill is a myth.

These instances are set in the Whitlam era, and indeed form the crux of a theory which Hyde has about the role played by the Whitlam Government is gearing Australia for the demands of PRS. Shortly, he argues that Labor in office cleared the ASEAN chapter, designed to demonstrate the manner in which Australia has asserted a regional role within the Rim Strategy, achieves the reverse of its intention. With no preamble on the origin or significance of ASEAN, either for PRS or anything else, Hyde launches into an account of Whitlam’s efforts to have it widened into a non-ideological regional community including Japan and China. We are assured at one point that Whitlam’s proposal “must be seen as part of the wider Pacific Rim Strategy” (p. 61), but we are not told why or how. At another point, Hyde says that “it was in fact part of the government’s plan to increase Australian power within the Pacific Rim Strategy” (p. 81). Again no explanation, merely assertion. All this raises the question of whether or not it was a US-approved ploy, but unfortunately we are not enlightened. However, once again we are invited to accept the notion that Australia could press this proposal because of the goodwill which it — but not the US or Japan — enjoyed within the region.

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These instances are set in the Whitlam era, and indeed form the crux of a theory which Hyde has about the role played by the Whitlam Government is gearing Australia for the demands of PRS. Shortly, he argues that Labor in office cleared away the detritus of antiquated LCP foreign policies, devised a regional orientation for Australia, and vigorously promoted an Australian component in multinational operations in the area. However, Whitlam transgressed the operational code of PRS by seeking to push Australian interests too strongly through his minerals policy, and had to go. Fraser now implements the Strategy in a manner more befitting the demands of the first tier powers and Australia’s capacities.

Here we encounter two familiar ideological axioms of the Australian left. The first is that Labor is brought to power whenever the capitalist
system needs a bit of renovating, and gets the boot as soon as it has performed its task. There is something intriguing about this contention, because it bears at least a superficial relation to the facts, and it may be that if stated and investigated in a more sophisticated sociological formulation it will prove illuminating.

The second proposition is a non-sequitur upon the first. Since Labor is a renovating force for capitalism, it goes, then in Hyde’s words, “obviously the new government did not foresee (sic) any change in Australia’s foreign policy, only its rationalization” (p. 36). Now that I do not find intriguing or even tolerable. The slightest thought ought to persuade anyone that any attempt to rationalize LCP foreign policy of the sixties would have produced nothing but complete mental breakdown. Change was what was desperately needed, and change was what we got. We may not all have approved the changes, or their limitations, but this is poor reason for denying that they occurred.

Old axioms — and a new myth. It appears that our authors (including here Catley and Sharp as well as Hyde) are disenchanted with non-communist Southeast Asia; they seem to think it will be successfully incorporated into “the system”, and they find no signs of healthy anti-imperialism there. Some nationalism is noticeable, Hyde informs us, “but this is of a capitalist nature, orchestrated by capitalist bourgeoisie opposed to the comprador stranglehold on local industry, and one which ‘should be distinguished from that of more broadly based political movements which attempt to remove foreign domination ....’” (p. 24). So much for the Thai upsurge of 1974-75, the Jakarta riots of January 1974 and the challenge to Suharto’s succession in 1978. So much too for the largest insurgency in the region — in north and northeast Thailand — not to mention the NPA in the Philippines etc.

The writers have shifted their gaze, and their hopes, elsewhere. Catley and Sharp have discovered Melanesia and Polynesia, which according to them are not yet integrated into Pacific Rim Strategy, whose petitions are more closely those of non-alignment, which boast dominant people’s movements and a relative absence of bourgeoisie and comprador classes. Consequently, “the growth of people’s movements in opposition to neo-imperial domination which has already come from the peoples of East Timor and West Irian and more recently from the New Hebrides (Vanuaku) are likely to increase their impact. This may be expected to develop through increasing mutual support with the growing strata of people within Australia itself — intellectuals and sections of the working class — who look to a future outside the framework of capitalism” (pp. 10-11).

It is hard to know where to begin to untangle this skein of self-delusion. One can point out that the conditions in Melanesia and Polynesia remarked by Catley and Sharp were also present in much of sub-Saharan Africa in the early 1960s, and did not prevent the emergence of regimes like those in Ghana, Zaire, Uganda, Malawi, The Central African Republic etc. etc. One can demonstrate that Papua New Guinea and Fiji at any rate are well and truly enmeshed in the world capitalist network, call it Pacific Rim or what you will. One can point out that the people’s movements referred to only exist in colonial and colonial-type situations, and are notably absent in the politically independent states of the Pacific. One can argue that Asian countries have long and tenacious traditions of rebellion and nationalist assertion which are hardly likely to prove less significant for the future than those of the Pacific islands. One can express some skepticism about the strength of anti-capitalist elements in Australia as a force for radical change in the region. But in the end, I guess, the Australian left sorely needs romances to feed on: real red-blooded revolutionary meat is in very short supply.

Reluctantly, I am obliged to point out that, although published in 1978, the book is constructed upon data up to 1975, with an occasional footnote to July 1976. In some cases, the information (e.g., on US military aid to Southeast Asia, Japanese export prospects in 1980) is so outdated as to be positively misleading. The chapter on Indonesia contains a number of errors, one of which — that there has been “a general rise in the standard of living” under Suharto — is rather curious in a book of this tendency.

I am loath to conclude this review without some clarification of my position with regard to its theme. Insofar as its aim is to explore Australia’s role in core-periphery relations within the Pacific area, I started off with a bias in its favour. I do not find the Pacific Rim thesis very helpful in this regard, however, partly because the evidence for it is so thin, and partly because it appears to me to oversimplify grossly both the present state of inter-imperialist collaboration and rivalry within the region, and the complex web of national tendencies and alignments in Southeast Asia. But most of all I feel obliged to object when any case is presented so sloppily and with so little regard to empirical verification as this one is. I finished the book with the impression that without the encumbrance of the PRS thesis, Hyde may have produced a much better account of Australia’s role in the Southeast Asian region, but that he would still need to assemble his facts and argument with a good deal more rigour.

— Rex Mortimer
This book is a useful contribution to the development of socialist feminist theory, though also reflecting some of its dilemmas. It is a collection of essays from individuals and groups based mainly in the United States of America — Jean Gardner from Leeds on “Women’s Domestic Labor” and Margaret Randall living in Cuba being the exceptions.

Zillah Eisenstein acknowledges that socialist feminism “both as theory and in practice is very much in the process of developing” and has chosen contributions which attempt to make a synthesis between feminism and marxism and which reject the notion of simply adding one to the other. In this respect the contributors are neither hostile to radical feminism nor classical marxism, but critical of both, while acknowledging their differing contributions to an understanding of women’s oppression.

The book is divided into six broad headings: developing a theory of capitalist patriarchy; motherhood and reproduction; socialist feminist historical analysis; female work; patriarchy in revolutionary society (China and Cuba); and some experiences of socialist feminist groups in America.

In the first article “Developing a Theory of Capitalist Patriarchy and Socialist Feminism” Zillah Eisenstein defines the concerns of socialist feminists as being a commitment “to understanding the system of power deriving from capitalist patriarchy” ... “the mutually reinforcing dialectical relationship between capitalist class structures and hierarchical sexual structuring ... Although patriarchy (as male supremacy) existed before capitalism, and continues in postcapitalist societies, it is their present relationship that must be understood if the structures of oppression is to be changed. In this sense socialist feminism moves beyond singular marxist analysis and isolated radical feminist theory” (p. 5).

Eisenstein sets out to extract Marx’s analytical method and apply it to “some dimensions of power relations to which he was not sensitive”. She discusses Marx’s theory of alienation and women as a potential revolutionary force, the contributions made to understanding women’s oppression by liberal and radical feminists, and examines the sexual division of labor.

She makes a connection between patriarchy and capitalism through the sexual division of labor and suggests some inadequacies in traditional marxist class analysis. However she points to new directions and complexities without providing us with a new analysis.

In notes on strategy at the end of her article she makes a distinction between theory and strategy... “although I think the development of theory and strategy should be interrelated, I see them as somewhat separate activities. Theory allows you to think about new possibilities. Strategy grows out of the possibilities... Existing formulations of strategy tend to limit and distort new possibilities for organising for revolutionary change”.

In this as in other contributions, the connections between the writer and the actual experience of women is evident and is one of the positive features of this work.

In “Some Notes on the Relations of Capitalist Patriarchy” Eisenstein discusses briefly the importance of the question “why does women’s oppression happen?”, stating that even if it’s impossible to explain how it originated at least we must explore why it continues to happen now. She shows how no activity, including that of women, can be understood outside of their social context i.e. capitalism and patriarchy and that an examination of the relationship between what happens in the family and what happens in society generally is essential to attempt to bring about basic social changes.

In “Feminist Theory and the Development of Revolutionary Strategy”, Nancy Hartsock sees theory as a “force for change” and not just something done by academics but “is always implicit in our activity and goes so deep as to include our very understanding of reality”. Therefore “we can either accept the categories given to us by capitalist society or we can begin to develop a critical understanding of our world”.

Based on this view of theory she stresses the importance of the personal in political change and that “everyday life must be the basis for our political work”. She adds to the traditional marxist concept of the masses learning from
engagement in action, the feminist method that “human activities also change us. A fundamental redefinition of the self is an integral part of action for political change”.

She recognises the need for collective action and sees that the formation and strength of this collective is dependent on the ability of the individuals within it being able to change capitalist concepts of the individual. In this way she makes a connection between personal change and social practice. Further she says that “we can only transform ourselves by struggling to transform the social relations which define us: changing selves and changing social institutions are simply two aspects of the same process”.

In discussing the importance of feminism for revolutionary change she suggests three factors of particular importance: “(1) The focus on everyday life and experience makes action a necessity, not a moral choice or an option. We are not fighting other people’s battles but our own. (2) The nature of our understanding of theory is altered and theory is brought into an integral and everyday relation with practice. (3) Theory leads directly to a transformation of social relations both in consciousness and in reality because of its close connections to real needs (p. 64).”

She also points to the importance for feminists to develop new forms of organisation that correspond with their political experiences, that rejection of hierarchies and domination does not mean the rejection of all structure.

Unfortunately Hartsock does not confront the problems which now arise from large numbers of women being brought into political actions by the processes she describes. The development of political action and consciousness brings with it a realisation of other people’s oppression and the need for common actions against common enemies. The dilemma for revolutionary feminists as with other revolutionaries is how to act on this developed revolutionary consciousness without losing the strength and vitality of grass roots responses and priorities.

In the section on “Motherhood, Reproduction and Male Supremacy” Nancy Chodorow discusses the importance of mothering and motherhood in the reproduction of social relations, including that of motherhood as an institution. Linda Gordon discusses the centrality of control over reproduction in the struggle for women’s liberation.

“In all societies there is a mutually determining relationship between women’s mothering and the organisation of production”, says Chodorow. She discusses how motherhood and mothering are women’s realm, the connection between the two made to appear “natural”, and the family seen as a natural rather than a social creation. She then discusses mothering as “pivotal to the reproduction of the capitalist mode of production”.

Post-Freudian psychology and sociology has provided new rationales for the idealisation and endorsement of women’s maternal role, as it has emphasised the crucial importance of the mother-child relationship ..., she states, while pointing out that as women have had less children their exclusive responsibility for child care has increased.

She concludes that “women will still be responsible for child care, unless we make the reorganising of parenting a central political goal”. This is evident even in countries where women have entered the paid work force and alternate child care has been provided.

Linda Gordon continues her examination, started in “Woman’s Body, Woman’s Right” of women’s struggle for control of reproduction and its theoretical implications. She begins by telling us to reject “the myth of a prehistorical epoch of sexual freedom. In every known human society sexual activity has been controlled and limited... We must also reject the notion that birth control was introduced at a particular moment and thereafter began to affect sexual practice... The suppression of birth control seems to have been coincident with the development of agriculture”.

The suppression of birth control, she says, was both a matter of male supremacy and economics.

She makes an historical examination of feminist campaigns and attitudes about birth control and the two periods 1920-45 when birth control campaigns became part of the eugenics movement to “help” the poor and 1945-60 when it became part of an international population control movement...

She criticises the notion that if women have less children they will automatically have more rewarding lives and shows that despite the drop in the birthrate most women spend as many hours on housework and mothering as some years ago.

In making a critical assessment of “sexual liberation” which dehumanises sexual relations, replaces child bearing with highly questionable alternatives and turns birth control and sex into commodities Gordon shows that while control of reproduction is central and essential it cannot be isolated from the rest of social practice and ideology.

She refers to the birth control struggle as a battle rather than the whole war in the fight to change sexual relationships. “Every one of the conditions that would make reproductive freedom possible — the elimination of hereditary class and privilege, sexual equality and sexual liberation — is a radical program in itself.”

She shows how capitalism and patriarchy is able to adjust to accommodate and absorb change, to produce right to life backlashes and government population control programs which force women to be sterilised or to have unwanted abortions.
She concludes: “Involuntary child bearing has burdened all women but poor women most, and the sexual inequality that resulted has helped perpetuate other forms of inequality and weakened struggle against them. Reproductive self-determination is a basic condition for sexual equality and for women to assume full membership in all other human groups, especially the working class.”

In the history section Ellen Dubois examines the 19th century suffragist movement and Mary Ryan traces the development of “femininity” in the years of rapid industrialisation during 1920 to 1860. Both are based on American experiences but are part of the difficult job of constructing women’s history which gives important insights into the actual conditions and ways that patriarchy has developed under capitalism and the relationships that exist between the two.

In the section on work Eisenstein sets the framework for the discussion by describing some of the contradictory views among socialists, i.e. domestic work is private, does not contribute to surplus value, is not productive etc. However, she states, “the question of whether women are oppressed as proletarians does not hinge on whether domestic labor can be squeezed into the pre-existing categories ....”

“Domestic labor is indispensable to the operation of capitalist patriarchal society as it now exists... One then only sees half of reality if one examines workers outside the home, as wage slaves. The other half is the domestic slave...” (p. 170)

Jean Gardiner’s article enters into critical discussion with “The Housewife and Her Labour under Capitalism” by Wally Secombe in New Left Review, which she welcomes as an indication of growing awareness among marxists of the importance of the issues involved.

However she challenges Secombe’s attempts to show that women help to create surplus value when he says that the worker’s wage can be divided into two components, one of which represents the full value created by the domestic laborer. If this were true then capital would neither gain nor lose from domestic labor, giving them no apparent economic reason to retain domestic labor, states Gardiner.

Apart from leading to empirically ridiculous conclusions “Secombe’s theoretical approach denies any validity in their own rights of questions being raised by the feminist movement and is based instead on concern over whether housewives can make a ‘contribution to the class struggle’.”

Gardiner argues that Marx’s definition of value cannot be used to show that women create surplus value but that they do in fact produce surplus value by holding down “necessary labor, or the value of labor power, to a level that is lower than the actual subsistence level of the working class”.

She goes on to draw some conclusions for struggle from this, such as that in times of economic crisis any increase in the socialisation of child care or housework would be detrimental from the capitalist point of view. While there is undoubtedly some truth in this conclusion it does not adequately take account of the fact that many women are now permanent and necessary parts of the workforce even during times of widespread unemployment.

Other contributions by Batya Weinbaum, Amy Bridges, Heidi Hartmann and Margery Davies discuss the sexual division of labor in the paid workforce and the work that is involved in being a “consumer” in this society. In “Woman’s Place is at the Typewriter”, Margery Davies attempts to redress a little of the imbalance which comes from an overemphasis on women as industrial workers when over 40 per cent of women in the US labor force are clerical workers.

In the final two sections of the book, experiences in Cuba and China are examined and some lessons from socialist feminist organisations in the United States recounted.

The examination of societies where capitalist relations of production no longer exist helps to show that while patriarchy is supported by and essential to capitalism, it does not automatically disappear when capitalist production is ended. Specific studies also help us to see the results of some of the reforms and changes advocated by socialist feminists in capitalist countries, and to ensure that we embody in our revolutionary struggle now the seeds of the new society. While many important changes are noted in Cuba and China, a successful challenge to patriarchy is yet to be observed in any society.

The papers on socialist feminist organisation indicate a need to find organisational forms that better represent our political perspectives and the many difficulties that these attempts have run into. Faced with a fragmented and divided left and the conflicts which arise from efforts to reconcile feminism and socialism, socialist feminist organisation did not fulfil its original promise. An additional problem seems to have been that in some groups at least socialist feminist organisation was regarded as an alternative to the women’s movement rather than an important but integral part of it.

There are many important concerns of socialist feminists not touched on or only mentioned by implication in this volume, but then it is only one small contribution to a very large area of discussion.

— Joyce Stevens.
INTRODUCING CHRISTOPHER CAUDWELL

Graham Rowlands

Very little marxist literary and cultural criticism has been written in English. It is presumptuous to speak of a tradition. Two different kinds of radical books published in the 1970s show the absence of an English language tradition.

Alan Swingewood in his and Diana Laurenson's *The Sociology of Literature* analysed marxist cultural critique. By selecting high points of debate, however, he succeeded in depersonalizing the labor of the various contributors. No matter how useful as a concise handbook, Swingewood's argument sounded as if writers and other intellectuals had only submitted their manuscripts to him for editorial commentary. There was no sense of their being alive in their own right.

Editor Lee Baxandall's *Radical Perspectives in the Arts* was oriented to Continental Europe and the Third World. The first chapter consisted of Meredith Tax's argument that culture is not neutral. An American, she acknowledged that her case was largely based on the works of the Englishman, Christopher Caudwell. It was extraordinary, however, that in her discussion of popular culture (via Caudwell) she did not even mention the Englishman, Richard Hoggart's *The Uses of Literacy*. There was, in fact, no recognition on her part that Caudwell was an Englishman who based his work primarily on English literature, at least in terms of his specifically literary criticism.

It is not necessary to devalue Swingewood's analytical progression in order to assert that some sense of the contributors to marxist literary and cultural criticism would have been beneficial. Although the cult of personality or the cult of the pop star must be avoided, the concentration on a particular marxist critic can be a humanizing experience. Such emphasis can serve to minimize the emotional reaction often encountered when discussing literature with readers who claim that marxists ignore the individuality of the literature by only looking for generalized forces at work through the poems, plays, novels and much non-fictional prose. The lives of critics, including marxist critics, have been no less arduous than those of many writers.

In stressing the English language, Britain and British literary and cultural criticism, it is necessary to add that no special claim is made for the importance of those small islands now part of the E.E.C. It is enriching to read Continental and Third World criticism. It cannot be avoided, however, that Australia is an English speaking federation based on British law and the Westminster system. Despite differences, Australia is more like Britain, the United States and New Zealand than any other nations. If marxists are to understand Australia, it is still relevant to understand Britain. The important advantage is that some of the understanding will be experiential. It will not all have to come from books, magazines and newspapers in the print medium. While a biographical study of Caudwell and his criticism is not possible here, the following is an introduction that tries to at least look at the whole methodological perspective of this Englishman. If it can be seen how inevitably English is Caudwell's marxist literary and cultural criticism, particularly in his examples, it follows that Australian marxist criticism needs to be Australian to stand any chance of contributing to marxist thought generally. Nothing is inevitably Australian in Australia — except its geography. All else is inevitably derivative.

It is very common for Australian marxist literary critics and reviewers to dismiss Caudwell as crude, simplistic and outdated. Marxist should not, however, be so defensive that they fear standing in the same line or dole queue with the earlier exemplars of what may in time become a tradition. Indeed, there is no longer the need for such distancing as in the recent past.

Raymond Williams is without question the best British marxist literary sociologist to date. His own influential strictures about Caudwell need to be seen in their historical context. By 1971 Williams admitted that one of the intellectual trends against which he had reacted was the crude, simplistic, reductionist marxist theory of the 1930s. His *Culture and Society* has singled out Caudwell as a typical example of everything that New Left theory should avoid. It is an understandable view for 1958 when the Cold War was at a low ebulius. It is not, however, a justified view by 1978. In fact, anyone familiar with Williams' attacks on the false dualism between individual and society will find a close similarity with Caudwell. Again, by drawing attention to Caudwell's general theory of history and then his specific opinions about the effect of industrial capitalism on British poetry, it can be seen that he is close to Williams' own view.

It is best to mention Caudwell's limitations first. He wrote in the 1930s, his thinking being deeply influenced by the Great Depression. At least partly because he knew the misery caused by capitalism in Britain, he refused to believe that there was any truth in stories of stalinist horrors in Russia. He said that Russian workers were their masters,
actually believing that the Soviet state was in the
process of withering away. This was, of course,
anything but an isolated view on the British left.

Caudwell dismissed the whole of popular
culture, a type of thinking that Richard Hoggart
later showed to be a gross distortion of its
complexity, to say nothing of the opportunity lost
for historical and sociological study of mass art.
Caudwell was particularly antagonistic to modern
arts. Surrealism, expressionist drama and jazz all
exemplified the dying capitalist culture of the
West. Rather than explicate G.B. Shaw, H.G.
Wells, T.E. and D.H. Lawrence, his chapters used
them as bouncing boards for the further
development of his own ideas.

When one or two of his often florid phrases such
as Shakespeare's Ariel being the "apotheosis of
the free wage-labourer" was added to the above
limitations, it was quite easy for commentators to
write off Caudwell as a crank or for Western
academics to use his comments on The Tempest
as a standard common room joke. But the text of
his books Illusion and Reality and Studies and
Further Studies in a Dying Culture requires
scrutiny and consideration. He was denied an
opportunity of writing books of greater stylistic
felicity by being killed by Franco's fascists during
the Spanish Civil War, aged 29.

Read structurally, however, he can not be
dismissed by ritualistic regurgitation of the odd
phrase from one of his books. Like the European
marxist literary and social commentators Ernst
Fischer, George Lukacs and Lucien Goldmann, he
is best when analysing a wide sweep of history or
range of societies. His bibliographies list reading
in a dozen disciplines. He tries to say something
that sums up a century. The approach remains
more useful than all the apparatus of formal
scholarship brought to bear on a topic such as
"Death by Spontaneous Combustion in the 19th
century Novel".

Caudwell's cultural theory repeatedly attacks
the bourgeois capitalist concept of freedom. He
demolishes the liberal notion of individualism. He
elaborates on Marx's dialectic between thought
and action, refusing to reduce that dynamic
interplay to economic determinism with no
possibility of ideas reaching back on the rest of
society. His view of art as social action is a
concomitant of the dialectic. Moreover, his
devastating attacks on psychology and religion
correlate with his theory of history.

The bourgeois illusion is that men and women
are naturally free. Their free instincts are
naturally good. But all the organizations of society
limit and cripple these free instincts. Caudwell
argues that this notion is a false dichotomy.
Freedom is not a product of instincts but of societal
relationships as they have emerged via the human
race's struggle to master nature. People do not
remain people if social relations in all their
complexity are removed.

Bourgeois freedom ignores real societal
relationships. Caudwell believes in fact that the
bourgeoisie has either consciously or
unconsciously disguised them as relations among
commodities, impersonal markets, cash and
capital. When economically powerful groups or
classes of people dominate things they do not
realize that the things dominated are disguised
human relationships. The dominant groups or
classes themselves relate to other groups or classes
only as things. People have enslaved themselves
to forces that grew beyond them because they did
not acknowledge their existence.

For Caudwell, as for Engels, freedom is the
consciousness of necessity. For the bourgeois
freedom is the ignorance of necessity. People
become free not by realizing themselves in
opposition to society (which would entail rebellion
against even their own language) but by realizing
themselves through society. The character of the
association in itself imposes certain forms and
conventions which are the badge of freedom. The
more people understand the correlation between
consciousness and productive relations, the more
they can control society's impact on themselves
and nature. As soon as one has knowledge of
necessity one has some power.

The bourgeois, who awoke free only to find the
self in feudal chains, broke the chains but retained
one societal restraint — private property. He or she
did not consider this a restraint but a natural right.
What the bourgeois sees as a natural right
Caudwell sees as private property protected in the
long run by coercion. The have-nots have to be
coerced by the haves. The dominance of one class
over another is expressed in police, laws and
armies. The have-nots are working people from
whose labor the bourgeoisie have extracted profits
for purchase of private property if they have not
inherited it. Caudwell expresses the power
relationship ironically: "The free labourer, owning
nothing, was free to sell his labour to any market".

Caudwell does not believe that all ideas are
determined by economic forces of production. He
says that thought flows from how people find
themselves in the world. He accepts that people
change their consciousness by changing their
social and economic relations. Although thought
learns how to guide people from action, it is equally
ture that thought guides action. The
superstructure of ideas and customs is not a mirror
image of economic productive processes. It
interacts with the foundations. They alter each
other.

People never consciously form a society; society
forms people. Consequently people are active
centres for fresh transformations. In turn they
form society. This social process, for Caudwell, is
history. People are affected by animals and nature
and in turn they affect animals and nature by
interaction for economic production which is also social organization. History is the law of motion among people as societally organized animals.

Language is a particularly important part of the historical process. Words represent existing formulations of consciousness. When people wish to speak out in a new way the desire arises from new life experience. On a vast scale this process can produce revolutions. When people are dissatisfied with inherited societal formulations of reality (governments, institutions, laws) they want to remake them nearer to their new and as yet unformulated experiences.

This is also how art is produced. It is the product of tension between changing socio-economic relations and outmoded consciousness. Art expresses in a virtual world the changes that are only starting to occur in the actual world. The artist does not express him or herself in art form. The artist finds the self expressed in them. Self-expression is not adulterated to make it fashionable. Self-expression is found only in the social relations embodied in art. Caudwell says that art is a social function. He claims that this is not a marxist prescription. It arises from the way in which art forms are defined. Only those processes with conscious social function are recognized as art forms. Caudwell believes that art is filled with ideas, social theory and prophecy.

He does not think, however, that propaganda is a substitute for art. He feels only contempt for H.G. Wells because he believes that Wells sold out art, science and action for his pathetic illusion that only propaganda changes the world.

Caudwell links science and art (by art he usually means literature). Both are generated as part of the social process. They are social products, whether material or ideological. They can have only the goal of freedom. People seek freedom in their struggle with nature. It follows that freedom has a price, the need for action and labor. Both science and art are guides to action. They are more than guides. Since they are opposite poles of language, and the main function of language is persuasion, science and art are persuasion to action, to be and do differently. Poetry, according to Caudwell, is “clotted social history”.

Over the past decade the notion that value free scientism in science and social science can solve all social problems via faultless diagnosis and social engineering has suffered a demise in prestige in the West. There is more frank acknowledgement that the choice of an area of research is a value judgement as to its usefulness and that approaches are usually circumscribed by the institution financing the project and one's own or employer's perspectives. None of this would have surprised Caudwell. He said that the functionalist school of anthropology was not really functional. It did not include as functions of the society studied the “civilised” equipment that the observers themselves brought to their survey of primitive society.

Thirty years before R.D. Laing exposed a system of psychiatric care oriented to adjusting people to their society without challenging the normality of the society, Caudwell brought into question the premises of 20th century psychology. He noted that Adler recognized brutal struggles for existence in industrial civilization but lamented the inadequacy of Adler’s remedy — a chair of curative pedagogy. Caudwell claimed that Jung had betrayed science. The psychologist believed that behind mythology are primeval structures inherent in the mind. They interact with the patient’s ideology, thus generating myths. Jung’s approach was idealistic, concerned only with the mind. It ignored the environmental causes of mental disease. It failed to see that the problem is incurable if left only to the sphere of consciousness divorced from action.

If Caudwell is perceptive in his dismissal of Adler and Jung, he is ferocious in his attack on Freud because Freud’s view is marred not only by the limited affluent social group of patients who could afford to pay him but also because Freud’s view is premised on “natural” freedoms and the liberal individual — the classic Western dualism. Freud saw all social activity as the product of the free will and dynamic urge of the individual (albeit a dark urge) as it emerges in its own consciousness that grappled directly with nature. Since its instinctive centre is the source of its freedom, restrictions placed on it by social relations cripple and distort the range of action. Consequently the individual is seen as ranged against society. He or she is seen as separated from society as if by magic.

Freud’s view ignores that consciousness is a social outcome. It is not just that consciousness has a social component. The construction of consciousness is the socializing of the psyche. Caudwell spoke of the “social ego”. There is no other. The organism does not enter consciously or of its own will into societal and environmental relations. The latter are prior to and they determine consciousness and will. In Caudwell’s view it is impossible to study psychology removed from sociology. Freud approached his psychological study with the assumptions of a bourgeois idealist to whom nothing existed of reality but an unchanging backcloth in front of which ideas perform their parts.

Consistent with his view of interaction between base and superstructure, Caudwell says that criticism of concrete religion becomes a criticism of societal relations that engendered it. Caudwell’s nationality has much to do with the fact that he progresses from primitive religions to Christianity. It was the religion that he knew best. Magic was the origin of religion, resulting from a dialectical relation between elemental natural powers and
societal production process. Primitive people made magic wish-fulfilment propositions about reality. In acting according to these propositions they imperceptibly found a determined pattern imposed on them by interaction with reality. So they prayed for rain at the start of the rainy season. Fertility rites were performed in spring. Because of its association with economic production, magic contained the correct operations for sowing and reaping or hunting. Consequently it crystallized the family and tribal social relations. It was a compendious calendar and tribal guide. It could be shared and handed down as tradition. Later it became either science or art.

Caudwell looks at Christianity in the same way. No matter how diverse its causes, Christianity once embodied the aspirations of an exploited class. It was initially a religion of revolution, having a tough this-worldly content. The kingdom of heaven was to be realized on earth. But Christianity was subverted into reformism. It never converted wide popular support into a program of action directed towards seizure of power. By ignoring the vital question of workers' power, Jesus Christ ensured defeat for his communist program. His execution should have been seen as the first defeat in a long revolutionary war rather than as an other-worldly triumph, a wish-fulfilment victory.

Constantine discovered the emergence of a class of leaders who were willing to sell out in return for powerful administrative positions in his empire. All the revolutionary content of the christian program — the kingdom of heaven and the millenium — was shifted to the next world. The love-feast at which material food was shared in common became the ideal sacrifice of the mass where only token food was shared. The misery of the exploited classes of the Roman Empire that engendered a revolutionary program became a compensatory wish-fulfilment. It became a fantastic salvation criticizing and yet stabilising real misery on earth. Eventually the theoretical apparatus of Christianity was one side of a dynamic relationship with the economic and political organization of feudal Europe.

Caudwell's literary commentary is not the microscopic dissection of texts that has become standard practice in today's Western academic world. There are questions that one wants to ask of Caudwell, particularly about the place of novels. Despite this, it is a deeply interesting and suggestive study of the relationship between literature and other aspects of society. Illusion and Reality is subtitled “A study of the sources of poetry”.

Caudwell claims that industrial capitalism had several major effects on British poetry. Like everything else, poetry became a commodity. Separated from patrons and private incomes, poets had to sell their goods in the market place. Poetry ceased being produced for particular audiences as in earlier oral art. It began to be turned out for an anonymous mass market via printing and publishing.

Although the poet did not have to worry about an income from poems, he knew that his art was treated by others as so many cheese products. The writer saw the self as an individualist striving to express the inner self against all the outward crippling structures of society. He was Faust, Milton's Satan and Robinson Crusoe. (And in nearly every case, it was he rather than she.)

The individual Romantic such as Shelley, Byron or Wordsworth found in himself the source of literature. Ultimately all he could write about was his own creative process. His only heroes became poets or other extreme individualists. Keats said that his own creative process was so crucial that it would not matter if all his poems were burned as he wrote them. Art became art for art's sake. Artists turned their lives into works of art. They became artists without needing to produce art. Far from being a social process, art became a form of anarchy. Caudwell instances dadaism.

The individualistic poet proposed an individualistic program. He had to be free from everything but himself. He did not see that his retreat from society was caused by human relationships reduced to commodities and impersonality. This correlates with Caudwell's view of the businessman who finds free competition impeded by price-cutting, cartels and trusts. He revolts by demanding keener competition. He does not realize that these ills are created by the free market. He demands an intensification of the process that dominates him. Similarly, the poet's triumphant proclamation of liberty marked the very moment when liberty completely vanished from his hands. It is difficult to understand, then, how someone who subscribes to Raymond Williams' views could find Caudwell simplistic. On Romantic poetry they are almost identical.

It would take many years to discover whether or not Caudwell has been just to each and every British writer and many more to research the numerous disciplines employed in his writings. Meanwhile it appears likely that his comprehensive marxist methodology requires careful reading; for those who glibly dismiss it as crude and outdated, it requires careful re-reading.

— Graham Rowlands.
In capitalist societies the school, with its artificial, depersonalized and hierarchical social relations, is a fertile breeding ground for the maintenance and reproduction of wider class divisions. For embedded deep within the school's fabric, are the meritocratic concepts of sorting, streaming, grading and examining. All of this is often quite at variance with the public rhetoric of education ministers, school principals, academics, teachers and others who forlornly plead for altruism, selflessness, and cooperation. The reality of schooling, as every student realizes, lies elsewhere. Moreover, in times of acute economic crisis like the present, cutbacks, restrictions and other financial stringencies in education, health and welfare only serve to focus more sharply the bitter class struggle which lies at the heart of all capitalist societies.

Although it is currently re-emerging in a particularly stark and frightening form, meritocratic elitism has long underpinned the practice, if not always the theory, of schooling under capitalism. The principal rationale for such practices has been the lingering infatuation with the notion of intelligence testing. It is a point worth emphasizing that the genesis of intelligence testing corresponded historically with the expansion of both industrial capitalism in Europe and the United States, and the rise of compulsory schooling. From its beginnings in England with the work of Francis Galton, whose book *Hereditary Genius* (1869) first postulated the idea that intelligence was genetically determined, the drive to measure, assess and account for human intelligence has formed an integral part of psychological and educational practice.

Mental measurement and intelligence testing have had a colorful and controversial career. Its adherents include some of the most revered, and reviled names in educational psychology. In England its champions have been Karl Pearson, a student of Galton's and founder of eugenics; Cyril Burt, a student of Pearson's and staunch believer in the heritability of intelligence, whose findings are now under serious doubt arising from charges of fraud and deception in his statistical data; and Philip Vernon and Hans Eysenck, both close followers of Burt. Eysenck, possibly the most notorious of the current meritocrats, supports the heritability of intelligence on genetic grounds, adding that there is a statistically significant superiority for whites over blacks in test scores for intelligence.

Across the Atlantic in America the furore over IQ, heredity and eugenics has had a similarly long and dismal history. Lewis M. Terman, of Stanford University, developed a modification of Alfred Binet's original intelligence test, which became widely known as the Stanford-Binet test. Terman was a thoroughgoing eugenicist and elitist, who believed that social stratification was founded on hereditary differences for whites over blacks in test scores for intelligence.

Fortunately, the nefarious and often scandalous history of intelligence testing has been subjected to close and rigorous examination in recent years. Notable contributors to the critique of ideological quackery masquerading as scientific intelligence testing include: Brian Simon's *Intelligence, Psychology and Education* (1971); Gartner, Greer and Riessman, *The New Assault on Equality* (1974); Leon Kamin, *The Science and Politics of IQ* (1974); Clarence Karier, *Shaping the American Educational State* (1975); and Hilary and Steven Rose, *The Political Economy of Science* (1976). Each of these publications amply demonstrates the ways educational psychology has been enlisted as a prop for the prevailing capitalist order. Furthermore, that discipline has provided a veneer of respectability for concepts tailor made for a society based on technological efficiency and profit.

Jeffrey Blum's *Pseudoscience and Mental Ability* is a welcome and useful addition to a growing body of critical work on the ideological function of much that passes for educational psychology. Blum's study perceptively unravels the origins and fallacies of the IQ controversy. In a clear, direct manner Blum scrutinizes six key hypotheses which underly the whole debate on IQ.

These are:

i) that there are genetically determined differences in mental capacity;

ii) that there is significant genetic determination of variations in mental ability;

iii) that IQ tests measure mental ability;
iv) that IQ tests measure abilities needed for success in high-level occupations:

v) that blacks are intellectually inferior;

vi) that blacks are innately intellectually inferior (pp. 13-22).

In each case Blum finds the evidence adduced by psychologists in support of such claims to be dubious in the extreme. Blum charges those who have strenuously espoused psychometrics and eugenics with practicising pseudoscience. He defines this as a sustained process of false persuasion transacted by simulation or distortion of scientific enquiry and hypothesis testing (p. 145). In effect it is a process of false persuasion by scientific pretense, where the leaders in this field are those who manage to swallow the necessary corruption of scientific practices, and then to delude themselves, their benefactors, and the public. This, Blum suggests, is precisely what the meritocrats and intelligence testers have done.

But it is principally in the context of schooling that the testing movement has had its major impact. Blum notes, when this movement reached full force after World War I, universal schooling was already a reality. Accompanying this development was the implementation of grading on standardized tests which meant that children were tracked into different curricula on the basis of their performance. Hence schools came to be avowedly meritocratic institutions. Yet for this to be successful teachers, students, parents, and above all the testers themselves, must adopt attitudes traditionally espoused by the upper classes. In this way testing and measurement in schools facilitated the emergence of what Marx called bourgeois ideologiocal hegemony. Where the bourgeoisie controls the most important cultural institutions it is able to generate a consensus around ideas congenial to it. This occurs all the more readily when the working class is weak politically and unable to assert itself (pp. 170-181).

What, then, should be done? Blum suggests a thorough revision of the image of mental ability is of paramount importance. Continued adherence to the notion of levels of intelligence serves only to perpetuate a divisive and foolish myth, since test scores can only describe performance: they do not explain it. A useful step forward would be the abolition of intelligence testing in schools and the concept of IQ along with it. This was done, in fact, in the USSR in 1936. The result was that psychologists consciously and productively turned their attention to investigating the learning process and facilitating it. In essence this is Blum's solution too. It is a solution which we ignore at our peril.

— Robert Mackie

DISCUSSION

AN INVESTMENT LED RECOVERY?

"But to the extent that the productive power develops, it finds itself at variance with the narrow basis on which the conditions of consumption rest." (1)

In the ALR No. 64 Economic Notes use simplifying assumptions in order to present valuable diagrams that show essential aspects of how a capitalist economy works. The product is shown as made up of capital goods such as machinery and consumption goods such as food and clothing. Profit is shown as purchasing the capital goods produced. Wages are shown as purchasing the consumer goods produced.

But then Economic Notes use this "simple approach" to conclude that "capital accumulation can proceed at any rate within limits ultimately determined by the rate of exploitation". "Cutting working class living standards is not an impossibility for the capitalist class; it will not drive the system into a crisis of under consumption. On the contrary, it is highly desirable from the capitalists' point of view; all it requires is an adjustment in the composition of output, by a shift away from producing consumption goods to producing more capital goods."

Thus, if profit rises relative to wages, all that is required is a shift in the composition of the product from consumer goods to capital goods. Then the higher profit levels that result from increased exploitation will be matched by a higher output of capital goods, and the relative fall in wages will be matched by a decline in the output of consumer goods relative to the output of capital goods. The accumulation of capital as a whole will proceed unchecked by this change in the composition of the product.

Economic Notes are correct in saying that this is the thinking behind Fraser's "investment led" recovery. Thus the 40 per cent investment allowance, and the attempts to reduce real wages, aimed to promote the capital goods and mining sectors relative to the consumer goods industries, and profit relative to wages.

In Volumes 2 & 3 of Capital, Marx had already criticised these conclusions in Economic Notes. Thus in Volume 2 he shows that the capital goods and the consumer goods industries are interdependent. Much of the output of the capital