Notes of the Month
by Brian Aarons

1975 was not only the year of the Kerr-Fraser coup and Labor's electoral defeat - it was also the year of revolutionary victory in Indochina, of final collapse of the last remaining colonial empire (Portugal's) and of turbulent struggle in Portugal itself which ended in set-back for the left. And it was the year in which the deep social malaise continued inside America - keystone of the world capitalist system - a malaise for which the US establishment can still find no lasting solution.

All these developments influence each other and have their impact on Australia. The limits and framework of Fraser's policies and actions are set by the chronic crisis of world capitalism. The crisis is all the deeper for having many aspects - economic, environmental, relations between the sexes and races, moral and ideological. The relative importance of these different aspects varies from one period to another, but there is a tendency for all to develop and grow in intensity as the system finds it impossible to solve any in a fundamental way.

The aspect which dominates at the moment is the economic. Capitalism's basic organising principle is the pursuit and making of profit, not the satisfaction of human needs - so if it cannot 'deliver the goods' on the economic front it is in serious trouble. The current economic crisis, worse than any since the war, is therefore exercising the attention of policy makers, while environmental, quality of life and social problems are neglected. The problem for bourgeois economists and politicians is that no-one knows how or when the economy can be brought back to health.

According to the most recent figures from the Bureau of Statistics there is no sign of an early recovery in industrial production. And in the world economy what signs of recovery there are point to it being slight and short-term. As a major exporter of raw materials, Australia depends on the world economy. Without a strong recovery in foreign markets, and in demand at home, there is no reason for business to invest and so we get the circular argument as to whether the recovery should be 'consumer led' or 'investment led'.

In this uncertain situation it has been capitalist policy everywhere to adopt policies which will provide funds for investment, boost profits and keep down the system's overall 'costs' - ranging from wages and salaries to social welfare programs, environment and resources protection programs etc. With this general aim, the Fraser government in its own specific conditions and with its own particular political philosophy, has mapped out a plan to revive Australian capitalism.

The outlines of this plan are already clear. Industrially, Fraser has opted for a confrontation with the workers and the union movement in the indexation case. This despite earlier signs that a sophisticated low key approach would be adopted, as seen in Fraser's willingness - after consultations with Bob Hawke - to reconsider his election 'promise' to abolish the Prices Justification Tribunal. This in itself was hardly a real concession since the PJT has long been recognised as a useful 'justifier' of price rises which takes the blame off companies. As even
the Financial Review noted, continuation of the PJT "would allow the ACTU to maintain the fiction that there is some form of price control to match wage control, while equally allowing Mr. Fraser to appease his supporters by pointing out that the promise to abolish the PJT has not been entirely dropped." (AFR, January 19). As for the real role of the PJT, the same editorial noted: "No doubt the Government, in deciding on the 'future' operations of the PJT, can turn it much more into a prices registrar, or prices notification body, than a price control agency, a function it has largely dropped in the last year anyway."

In these two actions Fraser has shown that his strategy has both its carrot and stick sides. On the one hand there will be attempts to reach 'sweetheart agreements' with union leaderships to co-opt them into the government's plans; on the other there will be a constant testing of the unions' mettle and preparedness to act as in the stand on indexation.

The most obvious economic move so far has been to resume the wholesale sellout of mineral and energy resources to capitalist interests, both local and foreign. National Country Party leader Anthony, for several years now the chief lobbyist and agent for the oil and mineral multinationals, is almost tripping over himself in his haste to turn over resources to private interests and to arrange profitable contracts for them overseas, especially in Japan. In the case of uranium not only have environmental arguments about mining it been ignored, but it has been taken out of the hands of the government's Atomic Energy Commission and given to business.

This policy will make huge profits for the corporations, but will not even help build an all round and independent economy, let alone preserve resources for future use or avoid the great dangers to earth's environment posed by the building of large numbers of nuclear reactors before the problems of waste disposal have been solved.

To provide the money to pay for the 40 percent investment tax allowance and various other revival measures Fraser has embarked on heavy cuts in government spending in vital social areas. This is just one way in which workers and other oppressed sections will be made to pay for 'economic recovery' - but they may wonder what sort of 'recovery' it is when public money is used for private good.

In foreign policy the government has lost no time in returning to the reactionary line of its Lib-CP predecessors. 'All the way with the USA' has been restored, but this time as one link in a wider policy in which Japan and the ASEAN nations, particularly Indonesia have an important role. Behind these moves lies the intention to preserve reactionary regimes against the growing threats from their own people, keep the area open to imperialist exploitation, and develop 'mutual support' amongst the anti-communist forces in South-East Asia.

Close relations with Japan have become an economic necessity, for Australia now relies very heavily on the Japanese market for its raw materials. This is one of the major flaws in the whole 'economic prosperity through raw materials exports' strategy. It depends on healthy overseas markets, now by no means a sure thing. It also leads to one-sided and uneven economic development in Australia itself. And it cannot provide watertight economic security: "A major trading nation such as Australia is hostage to forces beyond the total control of even the best equipped government." (Financial Review, January 27).

With the 'red-yellow hordes from the North' myth in disrepute with many who learned the cost of such lies in the Vietnam war, Fraser has moved to resurrect an old standby: the 'Russians are coming' myth. The theory is that the Russian naval and military presence in the Indian ocean is becoming so large as to pose a serious threat to peace and security in the region. First put forward by the US to justify its naval base at Diego Garcia this theory has now been taken up by the L-NCP government to provide the excuse for new 'defence' measures. Apart from the murky exercise of using China, the great bogey of yesterday, as almost to-day's ally against the revived Soviet bogey, the whole theory is based on fictions and misrepresentations. In the Financial Review of January 29, Geoffrey Jukes, senior fellow in the Department of International Relations at the Australian National University, debunks the 'Russian threat in the Indian ocean' myth. He points out that the USSR has only four to ten warships in the ocean - hardly a sizable threat.

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Botany Bay residents demonstrate against the proposed coal loader.

These are the main elements of the Fraser strategy which have emerged so far. Whether it can be carried through depends on how much room for manoeuvre is allowed by the objective situation, and on the response of the various mass movements to Fraser’s initiatives. The impending areas of struggle will involve continuation of ongoing campaigns or defence of the limited gains made in various areas under Labor. As the government continues with its “rolling” expenditure cuts it will increasingly come into conflict with movements which challenge the ways money (and social effort) are directed. Women’s health centres will be in jeopardy, while on the other hand one of the first actions of the new government was to give the go-ahead to urban expressways which had been held up by resident and union struggles and by Labor’s Urban and Regional Development department policy.

The impending struggle will therefore be about social priorities and a redistribution of productive and social effort as well as a redistribution of wealth between the classes. In general the two overlap since a struggle for public as opposed to private transport is also a struggle to invest in areas which benefit the poor rather than the wealthy.

The degree to which the anti-Fraser movement as a whole can see the need for this wider struggle about social priorities will decide the extent to which the struggle will take on the aspect of a class struggle for social change. If, in the fight against Fraser’s offensive, the various movements confine themselves to sectional interests alone, then the ruling class and its government will be able to divide the movement and play off one section against another. This can happen, for instance, if the bosses economic offensive is met by more powerful groups of workers going it alone, ‘getting in for their chop’ and not seeing the need for a struggle in the interests of the class as a whole. Or it can happen where an environmental struggle by residents in one area ignores the needs of other areas, or is posed against the jobs of workers in a related industry.

An example is the coming fight to save Botany Bay in Sydney from destruction by a proposed huge port and industrial development. One part of the development is a coal-loader and the companies who stand to improve profit margins if it is built have already engaged in manipulation of miners to oppose the residents’ demands for a proper enquiry before the loader and other developments go ahead. Miners have been told that their jobs will go unless the loader is built (a highly dubious claim) and were enticed into going to a residents’ meeting on company-provided buses with free beer laid on. Whatever the rights and wrongs of the case, it is impossible for a political class struggle to take place while important sections of workers can be manipulated in this way. With even rightwing unions such as the AWU becoming at least verbally militant about the wages struggle, the task of the left is to find the ways to give new forms and content to it, so that the working class can really begin to take a social view.
The continuing crisis, the new political situation and the need to combat Fraser's offensive all pose the need for a debate within the labor and radical movements on how to proceed. The ALP, as the party commanding the support of workers and most who want change, will be a focus of debate from inside and outside its own ranks. The Kerr-Fraser coup and the inability of centre-right Labor leaders to respond effectively came as a shock to many sincere left reformists and militants. The reality of the system behind the democratic facade suddenly became apparent to tens of thousands and many are now looking for new ways and answers different to those given by the ALP leaders.

Answers will only have meaning if the experience of the Labor government is analysed and its mistakes understood. The basic point was that, faced with an economic crisis, the government either had to rely on and mobilise a big mass movement on an anti-capitalist program or it had to cave in to the pressures of those who really control things - the local and multinational corporations. In a sense it was inevitable that the latter course would be chosen given the predominantly rightwing caucus and Whitlam's domination of policy. Yet matters cannot be left there. The lessons of what happens when such policies are adopted must be fully drawn, and alternatives to them explored.

It was shown once again that a government wishing to introduce even mild reforms cannot rely totally on parliament and the powers of government. If it wants to challenge in even a small way the real interests of those who control the economy, it must be prepared to call on a mass movement outside. This is all the more true of basic or large scale change - so much so that mass action and organisation outside parliament will be the determining factors in whether the resistance of ruling class and conservative forces can be overcome. Realisation of this is widespread amongst activists and militants, but few parliamentarians or other ALP leaders show much recognition of the need to grapple with the problem. If there is no debate and discussion on this point, then Labor is doomed to repeat old mistakes.

In particular the ALP left can only pose a challenge to the dominant rightwing if it becomes more clear on its own aims and ideology and develops its proclaimed adherence to socialism and an alternative platform on which to fight. It was the unwillingness and inability of the left to open up a struggle within caucus on these lines which led to its capitulation to the rightwing, pro-business line of Whitlam. The key moment in this capitulation was Cairns' performance at the Terrigal Federal ALP conference. At this conference he was used by Whitlam to push through a substantial dilution of the socialisation platform. A permanent justification of the existing state of things was written into the platform with the words 'Recognising that ours is a mixed economy...' so that the ALP no longer stands for socialisation, let alone fights for it.

Cairns justified this stand by posing a 'vicious circle' problem: there can't be a socialist society without a society of socialists. This epigram at least had the merit of putting the traditional reformist argument in very clear and succinct terms. But as an argument for the course adopted it suffers from the apparent belief that people will somehow one day become socialists without any effort by already convinced socialists and that in the meantime all the latter have to do is administer the system in the most humane and efficient way possible. The experience since Terrigal shows the deadend to which this approach leads. Had Cairns stuck to principle and fought for at least an opening towards socialist policy and practice, he would not have been so easily dumped by Whitlam and after Labor's defeat would have had high stature in the party and be in a position to exert wide influence towards socialism.

It is worth recalling these events because they have direct relevance to current debate within the ALP. The issues of policy and ideology must be tackled - party reorganisation, new shadow cabinets and a struggle for leadership between personalities will never change anything on their own.

In the meantime, those who do have a socialist perspective have more favourable conditions than for many years, though the difficulties are still very great. The objective crisis and the new political situation following the establishment coup and Labor's defeat can, with much effort and a well thought out approach, help to build a much wider consciousness about the need for fundamental change.