IN THIS ISSUE....

Janna Thompson writes on the crisis currently afflicting the big cities in the US. She examines some of the underlying socio-economic causes of the decay of the cities. While Australian cities have not yet experienced these problems to the same degree, they do face many of the same difficulties and are subject to similar 'free enterprise' logic. Thompson's article is therefore of more than academic interest to those concerned with Australia's own urban problems.

In the second of a series of articles on aspects of Vietnamese life and policy (the first was Malcolm Salmon's article two issues ago), Elizabeth Windschuttle writes about the life and position of Vietnamese women today. Her article is the result of a visit to Vietnam as a member of an Australian women's delegation after the liberation of the South last year.

We are pleased to publish for the first time the report of a conversation between Lenin and two Australian delegates to the Comintern. The report, by early communist leader, Bill Earsman, is over fifty years old and has lain unknown in files for several years. It has historical importance for the Australian socialist movement also because it is one of the few records of comments by Lenin about Australia.

We print an article by Roger East, the Australian journalist believed to have died on the first day of the Indonesian invasion of East Timor in December last year.

Book reviews and our regular Comment and Economic Notes complete the issue.
Apart from handouts to business, the one item of expenditure that is certain to rise in the Fraser government's first budget is spending on arms.

The increase is substantial, and the subject merits more attention than the left has so far given it.

Last year's "defence" estimate was $1.8 billion, and in the coming year it will be about $2.2 billion. This will increase, according to Defence Minister Killen's projections, to about $2.9 billion (at constant prices) in 1980, to make up the total of $12 billion over five years - if it is not further increased in the meantime.

This increase in annual expenditure from 1976 to 1980 is steeper than the increase from the beginning of our Vietnam involvement to its peak in 1969-70.

Not only the amount, but the purpose of this expenditure should be examined. All expenditure is linked in someway or other with political aims, but in the case of arms spending, the link is particularly direct and intimate.

Everyone is in favor of defending the country against external aggression (a few Quislings excepted), but not everything labelled "defence expenditure" has that objective.

Lenin, in his denunciations of imperialism and its wars, was fond of quoting the famous German military theorist, Karl von Clausewitz to the effect that "war is the continuation of politics by other (that is, forcible) means."

Dr. Kevin Foley, Liberal member of the Victorian upper house and part-time consultant to the Defence Department is hardly a Clausewitz, but he expressed the same thought when he told a summer school at the University of Western Australia last January that the "... single reason for our non-rational, ad hoc, disjointed and almost certainly less than desirable defence force, is the failure of governments to provide defence planners with a clear unequivocal statement of defence objectives", resulting in "serious cases of waste, goldplating, the selection of inappropriate weapons and such like .... we are buying performance we don't need, and in the process, pricing ourselves out of the market."

"There is nothing in logic nor in common sense to suggest that irrespective of the way in which threats might change over time, they will always be most appropriately deterred or defeated by weapons from higher levels of technology.

"Such an approach is absurd in the extreme for it suggests there is no need to monitor the international environment - all one needs to do is start with 'enough' of everything and then merely buy the new models.

... "The recent and tragic Vietnam war has clearly illustrated that high technology is not always the answer."

(Financial Review, July 26.)

One wonders whether BHP's chairman, Sir lan McLennan, who is also chairman of the Defence (industrial) Committee, and vice-chairman Sir Charles McGrath of Repco Ltd. and Mr. N.F. Stevens of Blue Circle Southern Cement, Patrick Corporation and other companies have the disinterestedness to reject the "high technology" approach should that be indicated by a realistic assessment of Australia's position.

Dr. Foley does not spell out his scenario of "real requirements". Nor does the flood of colorful inanities from Defence Minister Killen help much in clarifying the actual "international environment" of Australia when he can solemnly proclaim a direct "Russian threat" and then deny it ("amplify" was the word he used) all in the space of a few hours.

Prime Minister Fraser has been more explicit, spelling out a foreign and defence policy which goes right against the analysis of the experts of the bureaucracy. They, in discounting external threats in the foreseeable future are not "progressives", but realists.

Their 1975 Defence Report recognised that "... a threat to be real requires a combination of military capability, motive and opportunity .... No regional power has, or is likely to, acquire for a number of years the capability that might
require a substantial Australian defence response”.

The same thoughts were repeated after the Fraser government took over, with defence chief Sir Arthur Tange saying in February that it was highly improbable” that Australian forces would be engaged with allies overseas in the foreseeable future.

It is no news that Fraser is reactionary. But he is also “ideological” in a way that leads him away from realism. He sees himself, according to reports, as a kind of new Churchill from the antipodes, sounding the tocsin to rally the faithful against the “Russian menace”.

Had he the “gift to see himself as others see him”, he might admit to being a kind of Edna Everage or, perhaps, Bazza McKenzie of foreign and defence policies, chundering forth his spleen, the while indulging in delusions of grandeur.

He says bluntly that the judgments of his Chiefs of Staff and Departmental heads in Defence and Foreign Affairs “do not represent the present assessments of this Government”.

And suits his deeds to his words.

Hence the build-up of naval facilities at Cockburn Sound (WA) and the opening of these and other facilities to US nuclear and nuclear-armed ships; retention of US bases and the addition of an Omega base; support for the US build-up at Diego Garcia and through the Indian Ocean (among other things buttressing the South African apartheid regime); accelerated betrayal of East Timor and support for butcher Suharto; the declaration that Australia is “back on the track” with the US, ready for new adventures against the advances of national liberation and socialism; eagerness for export of minerals, especially uranium with its war potential.

In all, an exceedingly dangerous policy. Expensive too in money terms, and potentially in Australian lives.

Every cent of “defence” expenditure in support of such a policy should be opposed, in the interests both of social welfare and the economy, and the long term security of Australia.

Such opposition should be matched by development of support for an independent foreign policy for Australia, which in today’s conditions means a policy of non-alignment, and specifically:

- No foreign bases
- The Pacific and Indian Oceans to be zones of peace
- Support for the self-determination of other nations - especially East Timor
- Opposition to the mining and export of uranium

The government’s final Medibank deal also serves political and social aims as well as directly economic ones.

At great administrative cost, it maintains the private funds. It imposes a steep levy which most will find more than matches their tax indexation “gains” (and which workers will continue to resist, for example by demands that the bosses pay it). It will result in the rundown of “public sector” health care, the hospitals and doctor training. It will give full scope to the greed of the majority of private doctors, whose fees will continue to escalate way beyond inflation rates, requiring higher levies in the future.

The Sydney Morning Herald, deservedly not noted for its rapport with workers and unions, concluded an editorial on the subject with these words:

“In a few months’ time, Medibank will almost certainly be half-dismantled and replaced by a hybrid administrative monstrosity. The Government deserves the unpopularity it will reap.” (July 23).

Granny’s concern is that the government, in pursuing its philosophy and ideology of promoting private enterprise and profit by ditching the idea of social responsibility, even in the welfare field, is carrying things to lengths which could prove politically dangerous to the government itself, and by spin-off to the system as a whole.

Social responsibility in the field of health insurance became well-established in the few months in which the old Medibank operated (with no levy, financed out of general taxation). The ABC’s public opinion poll revealed that 56 per cent of people (including 48 per cent of Liberal voters and 66 per cent of Labor voters) were satisfied with the old Medibank, while only 21 per cent (33 per cent of Liberal voters and only 8 per cent of Labor voters) thought the new Fraser Medibank was better.
Medibank is not, of course, a “socialist” measure. Nor is it even a health scheme. It does not tackle the failures of modern medicine which result largely from the idea that there is a “magic bullet” drug or smart operation for every illness and a disregard of the social factors. Modern medicine is curative (and not very good at that) instead of preventive. It reinforces the idea so many doctors have that they can play god and treat patients as broken down machines and/or morons, and receive exorbitant fees.

But the fact that Medibank, in its short life, established the idea of social responsibility, is an important starting point for development of socialist ideas and of a coalition of action against Fraser. The coming budget, indeed, may see new attacks on the principle of social responsibility even in a field like education in which it is so well established. It will certainly continue the assault in areas such as child care where acceptance of at least a measure of social responsibility is crucial for the liberation and equality of women.

Similarly, the cuts in funds for the ABC are not just for the sake of “elimination of waste” and to promote “efficiency” as proclaimed by new Chair(hatchet)man Bland, of penal powers and national service (conscription) fame. It is closely related to the Libs’ hatred of a news, information and entertainment source at least partially independent of them and of the privately owned media which shares the Libs’ social philosophy and has its profits eroded by ABC competition.

Then, on the revenue side, the decision to phase out, over three years, the export levy on coal ($6 a tonne on coking coal and $2 a tonne on steaming coal - worth up to $140 million a year) will increase the deficit which the government says it wants to reduce, requiring further cuts in welfare to achieve). But no matter, it enriches their multinational friends and rivets their “rip, tear and drag” philosophy onto our resources and the environment.

The export trade reaps the coal companies $2,000 million a year, while the wages paid in the industry are only $250 million and the capital expenditure and equipment is relatively less than in many other industries. Particularly is this so in the open cuts, where the Miners’ Federation says the levy should be higher so the easily won coal does not all finish up in Japan, leaving us with the less accessible and more expensive.

And the lifting of the levy can’t be just a response to immediate trading difficulties due to the recession - or does the government expect the recession will still be with us in three years’ time?

The above economic issues (there are plenty more) show that economics is not a “neutral” subject, like, say, mathematics. It is true that liars can figure, and that many figures are used for dubious purposes. But three children are still three, whether they come from a rich or a poor family. Four workers are still four, whether they have a job or are unemployed.

Economics, however, has a great deal indeed to do with whether children are rich or poor, workers employed or unemployed.

As the economic crisis has developed, more and more students of economics at universities have become aware that their subject is intensely political and social, whatever front of “impartiality” is put on by some of their professors, and however much the discipline is squeezed into apparently neutral mathematical equations (“econometrics”).

The demand, therefore, particularly at Sydney University, for a political economy unit or department, is another welcome expression of concern at what the capitalist economy does to people, a concern which is burning deeply into the consciousness of workers and social movements in the harsher world outside.

It is an important reinforcement for the wide debate about the economy which is going on in all classes and which will find a focus in the coming budget.

But, as the discussion above shows, it is a political and social, as well as an economic, debate.

More from necessity than choice, perhaps, many workers who previously saw no further than their wage packet are now confronting and sometimes taking action about other and wider issues. This greatly worries the ruling class, as seen in their persistent efforts to rubbish the national Medibank strike.

One criticism from this quarter, however ill-intentioned, should be accepted: the need for far more preparation and consultation with the
rank and file - who themselves rightly demand this.

But on the issue of the strike being "political", their criticism should be treated with the contempt they deserve. The way they talk, one would think they would support a national strike in favor of full indexation adjustment for wages, for example, because it would be "industrial", not "political", and therefore legitimate.

Not bloody likely.

When unions pursue industrial claims, better wages and conditions, they are told "Don't be selfish, be responsible, think of society as a whole". When they take action on matters of social responsibility such as Medibank, the export of uranium or (in earlier times) BHP's export of pig iron to Japan, they are told "Mind your own business, which is the wages and conditions of your members".

They want it both ways.

And they should get it both ways.

The "leading role of the working class" in social change, which is undisputed theoretically among Marxists, can only gain practical expression when the workers and their organisations show not only that they are bonny fighters in their own interests, but also that they, rather than the present rulers represent the interests of the nation and society as a whole.

The budget, which raises basic political and social, as well as economic issues is an arena of struggle, embracing both debate and action, which can help formation of such a social vision.

E.A. - 29.7.76.
1. A TALE OF THREE CITIES

In the summer and autumn of 1975, the government of New York City struggled with a serious fiscal crisis which led it to the verge of declaring bankruptcy. Like many third world countries, New York City in the '60s and '70s had been spiralling deeper and deeper into a hopeless morass of debt: borrowing money to pay off interest on money previously borrowed, using money earmarked for capital investment on day to day running expenses, issuing bonds on assets which turned out not to exist, juggling funds and deficits from one department to another. Finally, the banks which underwrite New York's debt asked for an accounting, and gradually the awful truth emerged. New York owed over 10 billion dollars.

At the eleventh hour, Ford reluctantly approved a $2.3 billion loan; he was pressured into this decision by Vice-President Nelson Rockefeller and President of the Reserve Bank, Paul Volcker - both closely connected with the Chase Manhattan Bank, New York's principal creditor. New York carries on, ruled, in effect, by the bankers and corporation heads on the Emergency Finance Control Board, who have final say over the city's spending. The cuts have already begun: the City University will no longer be tuition free (so far there have been no protests from staff and students); welfare agencies have all been given a reduced budget; most of the city-run maternity clinics have been closed; one and a half thousand city employees have been laid off and thousands more may follow. A cost of living increase in wages granted by the city council was recently vetoed by the Control Board, and the city employees, who gained a reputation for militancy in the '60s, acquiesced. Says the city's deputy mayor: "The city's credit problems and the wage freeze make public employee protests academic". (1)

Mayor Mascone of San Francisco has been warning residents recently that San Francisco is likely to go the way of New York if the city doesn't trim its expenses drastically.

San Francisco has been described as "the Wall Street of the West", a title which indicates
its role in the US's westward marching economy. On the other hand, its port is not as prosperous as it used to be and some of its more important industries have moved away. San Francisco is also known as a "union town", which means simply that the leaders of a few city employees and industrial unions have had some pull at city hall. These labor bosses and big business have co-operated to push extensive development schemes - freeways, high rises, convention halls, recreation centres. The pay-off for labor has been higher wages, at least for the white male workers, in the construction industry, and in skilled city jobs, but the bill for projects and wages has been picked up primarily by the payers of property taxes (i.e. rates). The residents of San Francisco also pay for welfare and education - expenses which have been mounting in recent years.

Increasing expenses, decrease in the ability, or inclination, of city residents to meet these expenses - this is the problem that plagues San Francisco, and a large number of other cities in the US. San Francisco's fiscal difficulties are not on the same scale as New York's, but they are real enough. Despite cuts in hospital services, mental health programs, recreation services, the city's budget deficit will be as high as $70 million this year - bad enough for city supervisors (councillors) to use the lesson of New York as a justification for freezing welfare funds, eliminating one thousand city jobs and taking a tougher line with city unions.

San Francisco may be a city on the decline. Oakland across the bay is assuredly not. Its port is modern and is quickly superseding San Francisco's in importance. Industry is attracted to the area, though many plants have located in nearby Hayward, beyond the reach of Oakland's taxing powers. Labor bureaucrats have never had much to do with running the city; the government has always been the preserve of a clique of top businessmen who have a "What's-good-for-business-is-good-for-Oakland" philosophy. City workers, many of whom are black, have comparatively small wages. But for the first time in years, Oakland's administration is spending more than it is taking in. The supervisors are talking about a fiscal crisis, and threatening to freeze wages and reduce pensions of city workers and cut down on parks, and library and other city services. (2)

"Crisis" is too strong a term to describe the state Oakland is in, but the city does have problems. As in many cities its police and firefighters pensions are under-financed. (3) And like San Francisco and New York, its expenses are climbing while its tax base declines. By and large, industries escape city tax; the prosperous port of Oakland pays almost nothing to the city; the wealthier people have moved to the suburbs. So the tax burden falls predominantly on lower middle class and working class home owners who are already hard-pressed by inflation and recession.

II. EXPLANATIONS AND THEORIES

As the news about New York City spread around the country, banks began to demand an accounting from local governments who had been heavy borrowers; local politicians inspected their government's financial situation and often found it wanting. Severe fiscal problems surfaced in other cities: most seriously in San Francisco, Cleveland, Detroit and Boston. And the problem is not confined to city governments. The entire state of Massachusetts has been on the brink of default, the state of New York is faltering, and county governments all over the country are taking steps to pull themselves out of growing debt.

There's a surprising amount of agreement among people with different politics on the causes of the fiscal problems of local government. The differences show up in what people put at the top of their list. Business leaders and conservative politicians put most of the blame on mismanagement or "irresponsible" demands of city employees and welfare clients. The left usually stress the role of corporations, particularly the banks. Liberal academics tend to say that the problem is mostly due to structured changes in the US economy - something for which no one can be blamed. Each of these explanations is correct, but inadequate.

Mismanagement by local government officials, unintended or deliberate, has made a significant contribution to fiscal crises. For instance, auditors recently discovered that the San Francisco Department of Social Services has been overpaying some of the private firms it does business with to the tune of $217,000 annually. (4) There is probably a lot of this sort of thing going on, undoubtedly there is plenty of inefficiency and waste, but hardly enough to cause debts of $3 billion plus.
City outlays for wages and welfare benefits, hospitals and schools have gone up dramatically in the past 15 years. In New York between 1960 and 1970, city employment jumped from 246,000 to 371,000. Expenses more than doubled, key increases going to health services, education and welfare. (5) This rise was, in part, a response to political agitation by blacks and other minorities in city ghettos for jobs and services. Once the poor began benefiting from city spending, city workers - teachers, police, social workers, firemen, sanitation workers - made demands of their own, and since these workers were unionised and militant, they usually got what they wanted.

In San Francisco, where some unions have benefited from their contacts in city hall, $17,000 a year street sweepers have become a city joke. But here, as in New York, to put the blame for the city’s problems on the workers and the poor shows a distorted perspective. For money spent by local government has always been spent with the needs of business in mind. Far from insignificant are the sums spent by most major cities on “manhattanisation” projects meant to improve business climate: convention centres, shopping plazas, baseball parks. Most have lost a considerable sum for the cities which funded them. And even payments for welfare and education are not primarily for the good of the poor. These outlays are designed to ensure that enough people are trained for the needs of industry, and that the rest remain dependent and just well enough off so that they don’t cause trouble.

Are the banks the chief villains? Of all the institutions involved in local government crises, the big banks stand out as the ones who benefit the most. One of the problems New York and now other cities face is the necessity of paying off short term loans at high interest rates. The reason the loans are short term and expensive is because it is more profitable for the banks to have it this way in a time of inflation: they benefit from a faster turnover of money and an ability to charge more with each renewal. And once a government has reached the point of crisis, the banks can lay down severe conditions: higher interest rates on new loans and cutbacks to ensure payment of past debts.

The banks are doing their best to look after their interests, but they are not the manipulators of events. We are not seeing finance capital in ascendancy, but something more like a response that contains a measure of panic. Default of New York during a time of general economic recession would have been a threat to the banking system. In fact, Chase Manhattan Bank’s stock reached a low point in November 1975, just before Ford was induced to come to the rescue. (6) And New York is only a small part of the problem. For the banks have been going deeper and deeper into the business of lending money to governments - not only the local governments of the US but governments of third world countries. This is a profitable enterprise, but a dangerous one. If their big customers begin defaulting on them - which is becoming a strong possibility both at home and abroad - then the banks will be dragged down into economic disaster. (7) Obviously, their only recourse is to deal with each crisis as strenuously as possible, hoping to prevent an epidemic of bankruptcy. This is easier to do at home than abroad.

Behind the immediate fiscal problems of local governments are the long-term changes in the structure of the US capitalist economy - changes which have been speeded up by recession and civic unrest.

First of all, the move of industry and wealthy people out of the metropolis into the suburbs or satellite towns - beyond the city’s jurisdiction. In New York from ’56 to ’74, departures of businesses outnumbered arrivals three to one. Of these departures, 70 per cent have stayed in the area. (8)

The second movement is country-wide - a shift of corporations from the cities of the northeast to the south and west, sometimes out of the country completely to Singapore, Taiwan and Sth. Korea. The textile industry has drifted from New York to the south where labor costs are less, and workers less militant (Texas, for example, has laws prohibiting union shops), where environmental standards are less stringent. This economic movement is reflected in a shift of political influence to the developing regions and an inflow of federal funds. Payments by the federal government to defence industries, agribusiness, for federal employees, substantially favor states like California, Texas and Florida over New York, Pennsylvania and New Jersey. (9) The change has boosted the economy of some cities of the south and west, e.g. Houston, Dallas, Atlanta, Miami, Denver. However, a boom doesn’t
necessarily bring balanced budgets to all local governments in a favored region. San Francisco is losing ground to other cities in California, and Oakland hasn’t been able to benefit from its growth.

The third change affecting the cities is a technological one. When the textile companies began leaving New York City, experts predicted that communications and service industries (like banks and insurance companies) would take up the slack in the job market. But this didn’t happen. Instead, the electronics and computer revolutions swept these corporations, doing away with many jobs. What’s more, advances in communication techniques mean that service industries have no compelling reason to remain in the big centres. They, too, can move to the suburbs or further out to provincial towns.

“A nation with no important cities?” asks Business Week. It predicts that all big cities will decline as companies do their best to escape urban problems - while hanging on to the benefits which cities still provide. (10) To an increasing extent, middle income earners and the poor will remain behind in the cities and declining regions to cope with the maintenance and welfare problems which capitalists and their upper level employees leave in their wake. But these changes are not things which simply happen. To understand them we have to look at the political struggles and economic interests which have set them in motion.

III. THE CRISIS IN PERSPECTIVE

Lindsay, mayor of New York City from 1966 to 1973, was a liberal in the tradition of the New Deal. He drew his support on one hand from corporation leaders and real estate companies, and on the other from the ghettos. Helped initially by War on Poverty money, Lindsay increased welfare services, initiated retraining schemes, opened up city jobs for people from minority groups. Lindsay years were good years for the growth of militant city workers’ unions and, to a lesser extent, for the minorities who at least got their feet in the door of the bureaucracies.

Lindsay was one of the last of a long line of city administrators, basically oriented towards big business, but holding liberal assumptions about the functions of a city government: that helping business and helping the poor are perfectly compatible aims, one being necessary to achieve the other (for people need jobs, corporations need customers, and anyway, riots aren’t good for business); that government spending and provision of jobs is the remedy for economic decline; that welfare and development programs are best planned and administered by a centralised bureaucracy insulated from political squabbles and special interest groups.

This outlook, shared by a large number of local government administrators particularly in the northeast, was the product, not only of the New Deal and Johnson’s Great Society, but of a long struggle, begun in the early years of this century by business leaders and their representatives, to wrest control of local governments from neighborhood bosses and political machines. The so-called Progressive Era in US history, was largely a creation of capitalists who saw that the corruption and inefficiency of the neighborhood political bosses were preventing the developments they wanted to see. Inspired by the new “scientific management” techniques, they began to centralise the city government functions in their hands - to build the corporate city. In cities like New York and San Francisco, the reforms couldn’t have been made without an alliance with organised labor, and in many cities it took the Depression and the bankruptcy of city governments to deal the final blow to the old order. But eventually, city bureaucracies replaced systems of patronage; appointed “city managers” took over most of the day to day affairs of the city. The dangers posed by democracy were lessened by doing away with district representation on city councils and letting each supervisor be elected by the whole voting, ensuring that the neighborhoods and the interest groups usually cancelled each other out. The purpose of these changes was to make city government into an efficient centralised mechanism for encouraging capitalism and socialising its costs.

The upsurge of community action organisations in the ’60s and early ’70s has produced a movement to go back to a more decentralised city government, one that would give neighborhoods more say over important decisions. Groups like San Franciscans for District Elections are campaigning for a return to election by district, as a first step. But these
groups are coming up against powerful forces which are moving in the opposite direction; business leaders and their representatives want more control over the city, not less. The assertion of control by banks and corporations over elected officials in New York City and Massachusetts is the most overt sign of a new capitalist offensive. The fact is that capitalists no longer find the welfare programs, the bureaucracies and the unions useful tools for ensuring business prosperity. The programs have fed minority and worker militancy; the bureaucracies have themselves become powerful interest groups. Moreover, corporations are no longer prepared to pay the expenses of the corporate city which, in their eyes, is now generating more costs than benefits. The fiscal crises are the opportunities capitalists need to get what they want without much resistance.

This offensive would have been impossible in the '60s. However, policies of the Nixon and Ford Administrations have encouraged a corporation reaction to popular movements and union militancy. The fiscal crises themselves can be seen as one of the more dramatic results of the federal government's program of retrenchment and austerity.

Lindsay's method for dealing with New York's problems wasn't radical, but what it required was back-up from the federal government. Under Nixon and Ford, the government has been less and less inclined to spend money on things like housing, welfare, education or health - a reluctance that culminated in Ford's early refusal to bail out New York. National revenue sharing programs which remain are designed to reduce the authority of city bureaucracies and particularly existing rights of neighborhoods to have a say on urban renewal projects. But, increasingly, cities are left to their own devices - that is, the money they can raise by property taxes on residents and businesses. In a recession, when businesses prefer to move rather than pay more taxes, and residents are hard pressed by job shortages and rising costs, these sources become increasingly hard to tap.

What cutbacks in federal spending has meant to cities is illustrated by the fate of the child care program in San Francisco. Voters in 1973 passed an initiative ordering the city to provide low cost quality child care to anyone needing it. But as it became increasingly unlikely that the federal government bill to aid child care programs would be passed over Ford's veto, the city government refused to comply. Instead, the supervisors put the initiative back on the ballot in the June 8 election, and this time it was defeated.

Tax payers in cities, counties and states have come to see a direct relation between more local government expense and increases in their tax bills, and the resistance against further increases is strong. This more than any other factor is aiding capitalists in their push for control of local governments.

IV. RESISTANCE

In April '76, San Francisco city supervisors wrote an agreement for city craftworkers, which in effect cut their pay by as much as $7000. Outraged by this betrayal, the union leaders called a strike which lasted over 30 days. In the settlement there were a few face saving provisions, but the unions clearly lost.

To some extent, the circumstances in San Francisco were unusual: the craft unions were accustomed to getting their way by using their influence at city hall; they had never supported less favored unions and when the crunch came, other city workers didn't feel inclined to support them. "They're men, they're white, they're old, and they make twice what I do", said a nurse's aide. "Why should I go out for them?" (11) However, local governments have not been slow to take advantage of what they see to be an anti-union sentiment among their tax payers. In San Francisco it was not only lack of solidarity among workers which broke the strike; it was the hostility of large sections of the public. The strike ended soon after the supervisors threatened to put an anti-union measure on the election ballot. It was clear to everyone that this measure would pass. The same public attitude has enabled city officials to resist most demands made by the unemployed, neighborhood groups and people on welfare.

If city workers got together to make their demands, if welfare clients united with unionists, then resistance against cuts would be much more effective. The strike of a few unions whose picket lines are ignored is one thing, a solidly observed general strike, or a massive demonstration is another. But in most cities and counties, this type of resistance is a long way from happening. The squeeze on
local government finance tends to pit one group against the others: privileged city workers against the less privileged, city workers against welfare recipients, workers as taxpayers against workers on strike. Most victims of the squeeze accept the need for cuts, and are caught up in a fight of each against all to retain as much as they can for themselves.

Some radical and community groups have tried to change the direction of the resistance by stressing inequalities in the tax burdens of residents and businesses. Corporations contribute comparatively little to local government coffers. In California up to now, head offices of insurance companies have not been taxed by any city. In downtown San Francisco and New York, properties of corporations like Getty Oil, General Electric and Con Edison are severely under-assessed compared to charges levied on private residences.

While property taxes for homes in New York and San Francisco have gone up as much as 300 per cent in the last five years, taxes on corporation property have actually decreased. (12)

A movement to make corporations pay their share of local expenses may catch on in some areas. The businessmen who run the port of Oakland are worried enough about the possibility of a campaign to make the port pay more to the city to hire a public relations official. But the problem is that corporations can usually counter such movements by threatening to leave the locality. This threat has had its effect in New York. As far as the Finance Committee is concerned, further taxes on business are not on the agenda, and people's fears of unemployment and further economic decline make it difficult for radicals to put it there.

Up to now, few unions or radical organisations have been prepared to take action against corporations which threaten to run away rather than pay - for instance, national strikes, consumer boycotts, occupations, boycotts on handling products and moving equipment, nationwide demonstrations, unionisation drives in the south, demands for compensation, demands that cities take over industries and run them for the public benefit. But this may change. Recent figures show that profits for business are up as much as 40 per cent from the same time the year before. Recently, the state of California announced a "startling" budget surplus. If this recovery continues, it's going to get harder for corporations and state and federal governments to argue convincingly that they can't afford to pay more to their workers and to local governments. The real victims of the recession are going to be less patient.

But what is the future of the big cities? One view is that now that corporations need big cities less and less, these centres will become increasingly less pleasant to live in and city governments will spend their shrinking budgets on measures of repression rather than welfare. (13) Spending for police equipment is one thing that has not been cut in most cities. However, this shift will only happen on a large scale if massive repression is less costly than welfare. So far the mayors, financial committees, the White House, have not been able to make as many cuts as they would like. Interest groups, bureaucrats and unions are still strong despite erosion of their power. These groups are not going to give up the gains they have made without a fight, and no one wants to provoke massive civic disturbances.

The erosion of the quality of life in the cities is probably not going to be dramatic. If capitalists have their way - and so far they have succeeded - more will be spent on services directly related to their own prosperity and comparatively less will be spent on welfare, wages and pensions, and the bill will be paid largely by the middle and low income earners who have to remain in the city. To what extent capitalists get away with this will depend on the nature and unity of the resistance they meet - on a local and a national level.
INTERVIEW WITH LENIN

INTRODUCTION:

This document purports to be an account of a meeting between Lenin and two representatives of the Communist Party of Australia in Moscow on December 1, 1922 during the Fourth Congress of the Communist International. As far as is known it is the only report of the discussion and it therefore has considerable significance. A member of the Tribune collective sorting through the papers of the late Alec Robertson, (Tribune editor 1964-74), discovered it more or less by chance.

Nothing is known about how the original document came to be written or its history between 1922 and 1976 when it was discovered. However, W.P. Earsman’s name is typed at the end and some corrections have been made with a fountain pen. In 1922 W.P. Earsman was a member of the Executive Committee (ECCI) and Australian representative at the Comintern. There seems no strong reason to doubt its authenticity.

Of the three participants in the discussion, Lenin hardly needs any introduction. However, it is worth noting that, at the time of the discussion, he was a very sick man. After a period of ill-health Lenin suffered the first of several strokes in May 1922. He was partially incapacitated and lost the power of speech. Nevertheless, he made a great effort to recover and, after convalescing in Gorki, returned to Moscow in October 1922, was able to work part-time, and participated briefly in the Fourth Congress of the Comintern. Unfortunately, the illness (arterio-sclerosis) was progressive and Lenin’s health deteriorated. Thus on November 25 his physicians prescribed absolute rest.

Shortly after the meeting with the Australians, Lenin had a second more severe stroke, but he was able, at the end of December and in early January to dictate his famous Testament. His health continued to deteriorate and he died on January 21, 1924.

W.P. (Bill) Earsman, the author of the report, was a major figure in the formation of the Communist Party of Australia and its first secretary. He was a delegate to the Third Congress of the Comintern in 1921. After returning briefly to Australia he became the Australian representative at the Comintern and a member of the ECCI.(1)

The third person mentioned was J.S (Jock) Garden, secretary of the New South Wales Labor Council, 1918-37, first chairman of the Communist Party, delegate to the Fourth Congress of the Comintern and Australian delegate to the Second Congress of the Red International of Trade Unions (RITU-Prointern).

As to the substance of the report, perhaps the first thing to note is the passage of time. There seems now to be a funny mixture of realism and naiveté about the discussion. Some of the views expressed may seem quaint, even exaggerated. But there is also much of interest and topical relevance.

The most pertinent question is why Lenin, supposedly under doctors’ orders to have a complete rest, should have sought out two fairly obscure people to talk about the political situation in a country which remained a self-governing colony. There is no completely satisfactory answer to this question and to a
large extent one is guessing, but a probability (which tends to be confirmed by the internal evidence) is the significance which the Communist International leadership, and Lenin in particular, had come to attach to the united front.

Proceeding both from Russian internal affairs and international events in the first half of 1921 - Kronstadt, NEP, the March action in Germany, the Anglo-Soviet Treaty, etc., - the Comintern, first at the Third Congress but very explicitly at the ECCI meeting at the end of 1921, launched a new united front policy which emphasised the need to develop the unity of the working class, in both political and trade union action. Already Trotsky, at the Third Congress, had sought out Earsman to offer help in negotiations on which Earsman was engaged. Earsman's accounts of the radicalisation in Australia and the leftward swing of the unions had surprised Comintern leaders.

One major strand in the Communist Party in Australia developed from the trade unionists who had formed the leftwing of the Labor Party. Earsman and Garden, in their persons, represented the merging of the two closest trends; both were unionists, Earsman - half-socialist half-syndicalist, non-Labor Party; Garden - Labor Party and industrial unionist. They shared a good deal of common ground distinct, on the one hand, from the doctrinaire socialists, on the other, from the ex-IWWs. In the early struggles inside the CPA, the Earsman-Garden trend had formed an alliance with the ex-IWWs to defeat the doctrinaire socialists.

Lenin's approach is evident from his preoccupation with the Labor Party, his surprise at the adoption of the Socialist Objective, his emphasis on work with the Labor Party masses, his behest not to make "the mistake of attacking the Labor Party in general" and his stress on the trade unions as "the most important organisation of the working class".

As for the Communist Party his points are still topical; the need for a mass party winning the confidence of the workers; and the danger of empty revolutionary rhetoric. Perhaps Earsman attributed more to Lenin than his actual words. As an Australian revolutionary, Earsman probably over-stated Lenin's view about Australia's importance, although social reforms in Australia and Labor governments in the early twentieth century did provoke the interests of socialists from many countries, including the Bolsheviks.

- Roger Coates.

FOOTNOTES


3. This is apparently a reference to the Socialist Objective adopted at the Commonwealth Conference of the Australian Labor Party in October 1921.

THE INTERVIEW WITH LENIN

It was in the evening of Dec. 1 1922, it was a very cold day with 9 inches of snow and freezing 20 degrees below zero when I saw Comrade Lenin.

It had been a very hard and weary day at the Conference and after dinner I laid down to have a rest before going to the Profintern [sic] Conference.(2) I had just got settled and was beginning to fall off to sleep, when the telephone rang. I rose to answer it, cursing every body in general and wishing all the telephones were abolished from the rooms. On lifting the receiver however I was soon all attention, because it was Comrade Lenin requesting me to go to him at 7 o'clock that evening. Comrade Garden was lying down and
I asked permission for him to accompany me; this was granted.

At 7 that evening we were at the Kremlin and went right upstairs to "The Old man's" room, this is the pet name Lenin is known by in official circles. He came forward and welcomed us, we drew our chairs close up to him and immediately got to business. On our inquiring as to his health Lenin replied "That he was alright now and was beginning to feel quite himself again, but still felt a little weak and soon got tired after he had done any work. I cannot go on for more than 4 hours at a time and then I must have a rest, and not even read anything, I am longing to go back to my work again and see things for myself."

To look at him, he appeared to me to be the old Lenin that I had met last year, except that I am meeting him on this occasion under different circumstances which were that I was not in the office but in his own room, which gave the atmosphere more of a friendly talk than a business one. In fact it was an opportunity that few people had given to them, and I can assure you that I fully appreciated it, because I saw Lenin in another role which I have not seen described by others.

Lenin set off by saying "Tell me all about Australia its development, internally and its connections with other countries, you know I have read nothing for nearly a year, and seen very few people and this tonight is a real feast for me."

I briefly outlined the development during the war, its influence and its effects on the country, I told him of the political parties and particularly the A.L.P. He was very surprised at its programme and asked many questions how the situation had been brought about. When it had been examined, he smiled and said "I am very certain that if our party got to work with the masses in the Labor Party they will find very, very good material suitable for membership of the Communist Party, but do not make the mistake of attacking the Labor Party in general. Remember the masses make up the Labor Party and they are always good. You must be sure to divide the Bourgeois Labor Leaders from the masses and your criticism should be aimed at isolating those leaders from the masses. The Communist Party has to work with the masses and mould their political opinions, and at no time should we antagonize the masses. If we are the real leaders, we must prove it by always being with them in all their struggles."

Again Lenin was surprised at the rapid economic development, particularly the mass production in agriculture, he thought was wonderful. Then he asked about the Trade Unions and Comrade Garden gave him all the information and facts. He was pleased at the high percentage of workers organised and the development of Industrial Unionism, but the best piece of news was the fact that the N.S.W. Labor Council was affiliated to the R.I.L.U. Lenin thought that this was a real achievement for so small a party as ours and told Comrade Garden that it was magnificent. "Keep your eyes on the Unions, they are the most important organisation of the working class, great care is required in this work because one is very apt to become a Trade Unionist and not a Communist." His next inquiries were about the navy, the army and the police, we gave him as much information as we could, (without giving away any government secrets).

Then I proceeded to tell him of the recent developments, and the attention the country was receiving from the American capitalists. How they were investing money in many industries, such as Meat, Mining and Coal; buying up land and securing leases of all lands. I also told him of Theodore's experiences attempting to borrow money, how he went to the American financiers and secured some millions after the London financiers had refused him. For two minutes Lenin sat looking at me with absolute astonishment on his face, then bending forward and looking hard at me, he said "This is the most startling thing I have ever heard of. All my life and in all my experience I have only known one consistent thing and that is the absolute solidarity of the capitalist class, and here in far away Australia you have even broken down that for a minute. Hah! We must find some means of expropriating these kind benevolent American capitalists."

The next question we dealt with was the All Australian Congress of Trades Unions and its work, especially the resolution dealing with the Pan Pacific Congress. Lenin said, "That is a very fine idea but you have set yourselves a much bigger task than you recognise. It will take a great deal of work to accomplish this successfully, and it will take longer than you realise. The opposition of the Labor Party combined with the prejudice of the workers in the far East, arising out of your policy of
“WHITE AUSTRALIA” will be some of the difficulties you will have to contend with. Nevertheless it is something worth setting out to accomplish and will have a very big influence amongst the workers of all countries.”(6)

The next problem was, The Relationship of Australia to the “Mother Country”, and whether Australia must wait the success of the workers in Britain, before our time of Revolution would arrive. Lenin replied “That is a very big question and very many things will have to be taken into consideration, the army, the navy and the police and what chance there is of having them with us. Next your chance of getting control of the Air Service, and remember that is more important than the other departments. Then there is poisonous gas which must be kept in mind. After taking all this into consideration, you must turn your attention to the question of attacks from the outside. The chances of sending a British army from India, or one from Japan acting in conjunction with Britain.

That must be fully considered and your chances against holding out in the face of such a development. This of course is taking for granted that you have a majority of the workers in sympathy with you. Your food supplies must be borne in mind because this is the first step towards real success. With this well in hand you will be able to handle the masses and prevent them from becoming a mob, once you lose control then all is lost. Have no mercy for the bourgeoisie if they stand in the way. Wipe them out, but not with tears in your eyes because sympathy is lost on these gentry. They must be disarmed and suppressed at all costs.

“The position in Australia is a dangerous one for such a small party and every effort must be made to become a mass party. You must get the confidence of the workers even if you have to take a step backward in your propaganda. Do not frighten the mass with empty talk about revolution and do not unnecessary arouse the bourgeoisie’s suspicions. Do not forget what happened in South Africa, there is an object lesson for you. The bourgeoisie were aroused there, and they simply provoked the workers, who fell into the trap and were slaughtered. I hope the Australian worker will learn much from this lesson.” Lenin continued “Australia is important because we all know it as the land of bourgeois political experiments if a successful socialist revolution was carried out there, that would be the last straw of the Labor Bourgeois Politician smashed. Not only this, but it would have a great significance in the Eastern and Western world, more than even the Russian Revolution I think had. But understand before any efforts are made to seize power that you have the right PSYCHOLOGICAL moment; this is paramount. If we had had acted on the 6th or the 8th of Nov. we would have been smashed but our time was right, your position is a difficult one but go ahead and convey to all our comrades in Australia and New Zealand my best wishes. You have awakened my attention to fresh problems in the Western world and Australia and I will not forget them. I will get our party to give some attention to the question and get all the information I can while I am resting.” The conversation lasted nearly 2 hours and Lenin spoke without a translator, he was very loathe to let us go but we saw he was tiring therefore it was better to go. I might add that we were among the very few whom Lenin sent for, practically no delegates saw him this year, he was only one day at the Congress and then it was only for an hour. The following day the Sunday the 2nd of Dec., before I was up the telephone rang and on going to it, I found it was the Secretary of Lenin asking when I was going away, and not to go before coming to see him again, this I tried to do but it was not possible because he had gone to the country for a few days. Lenin though not well is far from being dead, his brain is as clear as before and the only difference I saw in him was that he was a little more patient than previously, but this could be accounted for in the fact that on this occasion I was speaking to him off duty and in his own room not his office.

W.P. EARSMAN
"When the enemy comes, the women must fight"

WOMEN IN THE VIETNAM WAR

by ELIZABETH WINDSCHUTTLE

Late last year, four Australian women visited Vietnam to reciprocate an earlier Australian tour by Vietnamese women. We went via Bangkok and Vientiane to Hanoi. Before we left, we were told we would probably not go to Saigon. Few westerners had been in the South since the war ended, and we didn't think any special exception would be made in our case. There was only one plane a day from Hanoi to Saigon. It was a DC-4 which carried no more than 30 passengers. So, when our delegation of four, plus a guide and an interpreter were offered the flight, it came as a surprise. Not only were we to be among the first to visit Saigon since the end of the war, but we were taking up six coveted seats in a plane at a time when the first major conference on reunification was being held in Saigon. We were being treated in a far more privileged way than we had expected.

We were in Vietnam as guests of the Vietnamese Women's Union but we had brought with us western concepts of what such an organisation would be and had underestimated how influential it was. In our first ten days in North Vietnam, however, we had come to realise that the status of women there was far better than our own in Australia. Women had equal, and often more than equal, representation in all activities of the society. We were four civilians, but as guests of the Women's Union we were treated like important politicians or officials would be in Australia, meeting with the heads of the main government departments and armed forces. The Australian Embassy staff in Hanoi joked with us, somewhat enviously, about the privileges we were receiving.

Although we had gained some appreciation of the quite different role of Vietnamese women, we were still not prepared for the surprises of Saigon. When we arrived at the central offices of the Women's Union in South Vietnam, a beautiful cream-painted, green-shuttered French colonial building, our hosts announced off-handedly that it had been the former military command headquarters and private residence of General Westmoreland.

That day, sitting in Westmoreland's reception room, we learnt the reason for the position that women enjoy in Vietnam now. We met peasant women guerilla fighters from the provinces, women officers from the armed forces, schoolteachers turned urban revolutionaries, women from the upper classes of the "old" Saigon regime under the French.
including a Vietnamese princess who had long worked in support of the liberation forces. The status of women was tied to their crucial role in the struggle for national independence. Vietnam would not have become free from the French or the Americans were it not for its women.

Most western commentators have failed to see the significance of the role of women in the war. Hardly a news reporter had any conception of what they were doing. Journalists portrayed women as passive victims of the war, not as active agents in it.

News reports invariably assumed that all Vietnamese troops, guerillas and militia were male; that all political prisoners were men; that support services such as medicine, ammunitions and agricultural production were mobilised and run by men; that anti-aircraft gunners were male.

Even people who have studied and written about Vietnam from a sympathetic position have not considered the sex of those involved. One well-known Australian anti-war activist and author on Vietnam showed rank disbelief when, on my return home, I began talking of the wartime achievements of women.

WOMEN AS SOLDIERS

The Vietnamese did not defeat the Americans by adopting conventional methods. No agricultural society facing the greatest war machine that human history has produced could have done that. They won because they developed a successful strategy that combined military action with revolutionary politics. At our meeting at Westmoreland’s house, we were introduced to one of the originators of that strategy, Madame Nguyen Thi Dinh, Deputy Commander in Chief of the People’s Liberation Armed Forces. Her official title is General and she was second in charge of the South Vietnamese armed forces during the war.

The offensive that Madame Dinh led in Ben Tre province in 1960, and for which she had earned her military post, became the model strategy for all liberation forces throughout the South. It combined both what the Vietnamese called “armed struggle” and “political struggle”. The insurgent forces in Ben tre involved large numbers of peasants. They stormed the militia posts of the American-backed Diem, ousted Diem’s village administrators and replaced them with local peasant self-management committees.

Madame Dinh mobilised peasants who had been involved in earlier resistance against the French. Their weapons were bamboo sticks and kitchen knives. Her “army” held a tiny liberated zone in Ben Tre. Her actions provided the model for other provinces in the South to follow.

It was mainly after 1965 when the US sent troops into the South on a massive scale, that the movement to have women join the army increased.

Women became full-time members of the armed forces in the south. Many of them held leading positions. About 40 per cent of the regimental commanders of the PLAF were women. They were troops who dealt with the American mobile reserves, initiated offensive operations and attacked major US concentrations. All were volunteers who received no salary and when not in combat, helped in harvesting, building homes and schools, and administering free medical care and medical training.

Women also formed a major part of regional guerilla forces, full-time fighters who operated in the region where they lived. They engaged US forces in the same area, lay ambushes, encircled bases, and attacked posts.

Women in local self-defence units, or militia, were not full-time soldiers but fought when their area was attacked, pinning down local forces and keeping their posts permanently encircled.

A higher percentage of women were in the local militia and regional guerilla units than in the PLAF. The local militia kept villages fortified with trenches, traps and spikes. These defences were decisive in wearing down the morale of Saigon and US troops.

During the Tet Offensive in 1968, the National Liberation Front staged a military and publicity coup by taking over the US Embassy in Saigon. Blazoned across the front pages of newspapers all over the world were photographs of the NLF flag flying from the roof of the Embassy. But no newspaper mentioned that it was a women’s commando group that forced the occupation of five of the seven floors of the Embassy, killed two hundred US personnel, and compelled Ambassador Bunker to escape in a helicopter.

We learnt that the leader of this offensive at
the American Embassy was Le Thi Rieng, a former Vice President of the Women's Union, and a member of the central committee of the NLF. Within hours of the occupation, while US and Saigon officials were still reeling from the attack, Le Thi Rieng was executed.

Most of the guerilla fighters in Cu Chi province were women, and they earned for the province the nickname of the "Iron Triangle", so called because guerilla persistence in this area led to it being the most heavily bombarded and defoliated area in the south. We saw Cu Chi later. There is hardly five feet between one bomb crater and the next. The Americans have sewn a highly noxious weed, over six feet high, and as far as the eye can see, covering fifty per cent of the province and thus preventing rice production.

We met some of these women, in Cu Chi itself, forty kilometers from Saigon.

"The US and Saigon administrations realised the crucial role of women in this province", said Ms Phuoc, a middle-aged peasant woman, "because in 1968 and 1969, almost the entire female population of Cu Chi were forced into concentration camps. They knew women were acting as guerillas, liaison and infiltration forces."

"Many of the women escaped from the concentration camps at night and returned to guerilla activity in their local areas. The women destroyed most of the 42 fortresses in their area, as well as producing and providing food and medical assistance to other guerilla fighters. Our battalion was called the Iron and Steel battalion."

We drove further into the province. The road became impassable and we transferred to a jeep. It was overcrowded and the jeep lurched along a boggy track. We stopped and Ms Phuoc led an inspection of a network of tunnels and underground shelters which she had helped build and in which she had lived for months at a time. The trapdoor into the tunnels was just big enough to accommodate her slight body."

"The trapdoor was covered over with leaves. You couldn't tell it was there", said Ms Phuoc, demonstrating for us. "When they came", she said, "we could hear the American soldiers above us. Sometimes they urinated on the ground over our heads."

Almost as an after thought she added, "This was the main headquarters of the NLF in the South".

In the final push that won victory in April 1975, women were in the forefront.

Tens of thousands of women rushed to occupy the different provinces in the South. "We seized thousands of military posts, and took over administrative bases, factories and schools. We captured military stores, weapons and took prisoners. Women planted the PRG flag everywhere", said Ms Hanh of the Women's Union.

"Millions of women throughout South Vietnam called on Saigon troops to surrender". It was this strategy that caused the inner collapse of Thieu's army. "Women were directly responsible for the fall of the 25th division in the south-east, divisions 7 and 9 in the south, and division 21 in the south-west. In Saigon alone, 300,000 troops collapsed, and women guerillas headed the invasion of Thieu's Presidential Palace."

With us at the meeting were some of these women. Ms Xuan was amongst the guerilla fighters who led the army into Saigon. Pham Thi Duyen, a peasant woman, led guerilla fighters in Tu Duc province. They took over the district administration, captured Thieu troops and forced a general surrender in the province. Ms Duyen led her troops to free prisoners from the local gaol and to take over the main electrical power station serving Saigon.

Ms Hanh then turned to a young woman alongside us, perhaps 18 or 19 years old. "Sister Nguyen Thi Phuong had a baby only five months old. Early on the morning of April 30, with her baby tucked under one arm and a gun in the other, she forced two colonels and a captain of Thieu's army to surrender. Her troops captured an important US petrol and oil reserve and two hundred military lorries and trucks".

For some of the guerilla women, however, the end of the war was a bitter experience. A number of women who engaged in full-time guerilla action left their children with friends and relatives, and in many cases, in kindergartens. Though many of these kindergartens contained children who were orphans, they were not orphanages as we know them. Such fine distinctions, however, did not bother those Americans who "rescued" children they considered "orphans" from these places in the dying days of the war, flying them out in Gerald Ford's Operation Babylift to the USA, England and Australia where they were adopted out, or in one hideous case
My wish is to ride the tempest, tame the waves, kill the sharks. I want to drive the enemy away to save our people. I will not resign myself to the usual lot of women who bow their heads and become concubines.

- Thieu Thi Trinh, the woman who led insurrections against the Chinese in 248 A.D.

Taking 200 of them to their death when their "rescue" plane crashed. Many guerilla parents who had left their children in the care of such kindergartens found in the middle of the victory celebrations that their children were gone and there was no record of what happened to them.

Vietnamese women have perhaps the longest traditions of all in military action. A number of women fighters who led attacks on the Chinese during the 1,000 years that China occupied Vietnam are still remembered. The best celebrated are the Trung Sisters who, in 43 AD trained 36 women as generals to lead a peasant army of 80,000 to drive out the Chinese. For three years they held off Chinese attempts to restore themselves but in 43 AD the sisters were defeated by superior numbers and arms. They then chose the traditional Vietnamese response to defeat - suicide.

The Trung Sisters have become part of Vietnamese mythology and their story, with many embellishments, is a central part of the country's oral history, providing one of the main inspirations for resistance to foreign domination. Every spring, on the sixtieth day of the second moon, the people of Hanoi celebrate the anniversary of their death.

Another part of this oral history is the story of Trieu Thi Trinh, a 20 year old peasant woman who in 248 AD led an army of thousands and drove out the Chinese. She held them at bay during the course of 30 battles but was finally defeated and also suicided.

The idea of the woman fighter became, through such stories, identified with the very concept of Vietnamese nationalist opposition to foreign control. Chinese domination was identified as a patriarchal domination and so a rebellion led by women was the appropriate mythological response. Myth and action have sustained each other. The mythology has encouraged women to become fighters throughout Vietnamese history and their battlefield exploits have continually provided the basis for further stories.
Had the Americans been aware of the military history of Vietnamese women they may well have approached the war with different tactics.

But, of course, few generals read history. This left open the opportunity for women to conduct one of the most effective campaigns of subversion to which any army has been subjected.

Peasant women serving GIs doing washing, shining boots, selling food and drink regularly gained entrance to US bases. Inside they would chart the precise measurements of targets that, as guerilla fighters, they planned to shell that night.

Next day, inside the base once more, they would check on the accuracy of their mortar attacks, and if necessary, rechart their measurements. As they paced out the distances they would defer politely to any GI who happened to pass. Next night, they would shell the base again according to the new measurements.

Even Madame Dinh entered one US base disguised as a peasant woman.

We were also told that many prostitutes in Saigon were informers for the NLF.

For us, the attitude of Americans towards women in Vietnam was epitomised by a badge we saw on a hat of a captured American pilot, now exhibited in a war museum in Hanoi. It depicted the cartoon dog Snoopy saying "Life's a Bitch".

The attitude of men to women in North Vietnam and the achievements gained by women in that country in the twenty years since independence contrasted starkly with the unmitigated degradation and violence that women in the South endured at the hands of the US regime.

Throughout the war the North provided a constant reminder of what sort of life was possible. Women workers in the North enjoyed equality with men in all fields, and had gained child care, maternity pay allowances and other reforms that western women have still to win. In the southern cities life for women was chaotic, exploitive and devoid of any social welfare measures.

The women we met in Saigon made no secret of the fact that they suffered far more under Americans than at any time under the French.

Ms Hanh described the war experience. "While there was killing, raping, bribery, corruption, forced concentration of women and children into camps and strategic hamlets, the worst effects for women were the wholesale operations of genocide, epicide and biocide in the air war. Forty five per cent of our land in the south is now unarable. There are one million widows and 500,000 orphans. Toxic chemical devastation has left hundreds of thousands of women infertile and an indefinable number of women giving birth to malformed foetuses, not only now, but for many generations to come. It is understandable that one of the most sacred slogans of all Vietnamese people during the war was that 'when the enemy comes, the women must fight'"

WOMEN IN THE NORTH

The role of North Vietnamese women was different but no less significant. Whereas women in the South participated in the armed struggle, in the North they were in self-defence, civil defence units, anti-aircraft and militia groups for the defence of their factory or village.

While nearly all Northern women received some military training, and became experts in the use of anti-aircraft weapons and hand-to-hand combat, few were actual members of the regular army. Those who were, served in highly skilled and often dangerous jobs as bomb defusers, medical and liaison workers, as support troops and supply carriers.

Women were mainly responsible for the clearing away of devastation after the bombings. They dug shelters, rebuilt roads, bridges, houses, schools and factories. They cared for the dead and the wounded.

Rice production in the North had to be sufficient to boost supplies to PRG governed areas or liberated zones and to members of the PLAF as well as sustain food production for the north. It was necessary therefore to greatly increase agricultural production in the North during the war.

In the North seventy per cent of the food production was carried out by women and they were responsible for an increased productivity in these years.

The increased productivity was not only a result of land reforms and the collectivisation of food production. The degree of workers' control given to its main workers, women, led
them to set and fulfill their own targets.

Women workers in the North held strong political convictions about their productive contribution. A slogan of the North Vietnamese Women's Union was "Let the women of the North shed more sweat so their sisters in the South could shed less blood".

There are many well known examples where North Vietnamese women interpreted this slogan quite literally. After Le Thieng Rieng, the Vice President of the South Vietnamese Women's Union was executed for her activities in the Tet Offensive in 1968, women in one northern province alone worked 44,392 extra days to avenge her death.

Women in factories during the war had their own slogans. At Nam Dinh textile mill it was: "Every meter of cloth is a bullet against the enemy."

The women in the mills worked hard and for long hours during the war. They often walked miles to work. They did not see their children for long periods of time, particularly when the children were evacuated to the countryside to protect them from the bombing.

Women workers not only made the main contribution to food and industrial production, they also defended their workplaces.

Nam Dinh textile mill in Nam Ha province, 100 kilometers from Hanoi, was twice bombed heavily. In the Johnson bombings in 1965, the whole mill, including creches, kindergartens, workers' dining rooms and clubs were almost totally destroyed. It was devastated again in 1972 in the Nixon bombings.

At Nam Dinh women formed their own self defence units. In 1972 a women's defence unit of 15 shot down a US plane and captured the US pilot. In Nam Dinh we met two women from this unit.

Women in agricultural production in the same province formed 20 self-defence units. They used anti-aircraft weapons to defend roads and bridges, dug trenches, rescued the wounded from bombed buildings, gave medical assistance, and carried food to other fighters. After the bombings they reconstructed roads and bridges, and cleared away devastation.

We met one young mother, Thanh Nham, who earned the title of Heroine of the Armed Forces, for defusing bombs that "exploded on contact".

It is interesting to compare Vietnamese women's conditions with those of Australian women during World War II. Their work and sacrifice are very similar but the situation was actually very different. Australian women took over men's jobs but the job categories were reclassified so that women earned less than a man would have for a particular job. There was no proper child care. In North Vietnam none of this occurred.

**MIDDLE CLASS WOMEN**

It is possible to identify two different middle classes in South Vietnam, one created by the French and one by the Americans. The "old" bourgeoisie of Saigon were wealthy landlords and civil servants who had prospered under French colonial rule when France had constructed the "Paris of the Orient" in the nineteenth century. The "new" bourgeoisie were those who founded new industries to serve the Americans after 1964 and whose numbers were supplemented with wealthy, often Catholic, refugees from the North from the 1950s. While there were many families that overlapped both groups, many more remained distinct. The main difference was that the "old" bourgeoisie detested the Americans.

Amongst our Women's Union hosts in Saigon were women who belonged to "old" families.

We visited a school, Minh Khai, in Saigon, at which some of our hosts had completed their secondary studies in preparation for university, or, as was more often the case, a suitable marriage. The grandeur of the buildings and grounds make our present-day Australian private schools for girls seem pathetic imitations by comparison. The "old" bourgeoisie of Saigon was very rich.

Minh Khai school provides a classic example of the alliances forged amongst the "old" bourgeoisie against the Thieu and American regimes. Not only former pupils, daughters of the rich, but most of the teaching staff of recent years were active and outspoken opponents of the Saigon and American administrations.

"Eighty per cent of primary teachers, 45 per cent of junior secondary teachers and 30 per cent of senior secondary teachers were involved in anti-war activities," the current Vice-Principal told us. "A former principal of the school was interned for six years by Thieu. She has now been reinstated."
Women guerrilla fighters in a self-defence village sharpening stakes for traps to use against their enemy.

"Many of the school's old pupils, in spite of their bourgeois lifestyle, took part in the protest movement," she said.

The women we met at the Women's Union and the teachers at the school were part of a mass movement amongst the "old" bourgeoisie that opposed the war. They either became revolutionary supporters of the PRG or members of the Third Force - independent opponents of the Diem, Ky, Thieu and US regimes. They despised the newly ascendant nouveau riche class of merchants and profiteers who lived off these administrations.

They had seen their lifestyle, a combination of the best traditions of both Vietnamese and French cultures, replaced by a vulgar imitation of the American way of life. The strength of their resentment, as of all Vietnamese people we met in the South, is evident everywhere now.

In a war museum in Saigon, prominence is given to a display of the influence of American culture in Saigon. Row upon row of crude comics, cheap paperbacks, film posters represent the popular culture which flourished in the war years.

More overt are the photographs of Vietnamese women stripping in nightclubs, their eyes and noses reshaped, their breasts and hips inflated with silicone. One sign summed up the Saigonese view of the essence of American culture: "Car Wash and Get Screwed".

WOMEN AND THE POLITICAL STRUGGLE

The role of women in the "political struggle" (as distinct from the
armed struggle") in raising the political consciousness of people in the South, was crucial. By their example, women persuaded people to become active in the war effort. They organised protest demonstrations and rallies and mounted a mass movement to encourage Saigon soldiers to desert. The women in this movement came to be known as the Long Haired Army.

Hundreds of thousands of peasant women in the South demonstrated against the use of chemicals and defoliants. Demonstrations were often held simultaneously in thirty or forty provincial and district towns. The women piled branches and dead livestock in view of Saigon troops, to embarrass Saigon officials and to rally sympathy amongst rank and file troops, most of whom were conscripted from rural villages like their own.

The Long Haired Army was responsible for a mass defection of Saigon troops. Between 1963 and 1973 the number of defections reached nearly 450,000.

Other women, not part of this movement, formed groups protesting on individual issues. They included the Association of Mothers of Combatants, the Association of Mothers with Children in Gaol, and the Association for the Defence of War Orphans and Widows. These were mostly from the urban middle class in Saigon. Thousands of them also belonged to a mass women's movement which developed in 1970 called the Women's Committee to Defend the Right to Live.

We met in Saigon a Buddhist nun with saffron robes and shaved head the Venerable Thich Nu Huynh Lien who told us that many religious people had opposed the Thieu regime. In 1967 Nhat Chi Mai, a Buddhist teacher, immolated herself publicly in Saigon. Venerable Lien said that her religious compatriots were alluded to jokingly as the "Cropped Hair Army".

"When the Long Hairs and the Cropped Hairs fought together they always won", she said. "Sometimes we fought with weapons, sometimes we propagated amongst the Thieu troops".

"The Cropped Hair Army clashed with Thieu police often. On one occasion one of our nuns was beaten with an iron mask. We were all pleased about this, because the assault was being shot by eighty-five television units from all over the world".

In 1974 there were nearly 250,000 political prisoners in South Vietnam, and nearly half were women.

Ninety per cent of leading members of the Women's Union were imprisoned, serving sentences ranging from one to seventeen years.

In 1969, for the first time, large numbers of women were incarcerated at the notorious prison island of Con Son.

We met one of these women in Saigon. Thuyhn Ngoc Anh, a schoolteacher, who spent 12½ years in Con Son and was released before the end of the war only because she had cancer and was not expected to live. Inside, she told us, women were subjected to the most inhumane treatment, torture, starvation, infestation of rats, vermin and disease. Incurable gynaecological diseases were often the result of prison treatment specially intended to humiliate women, such as the denial of washing water during menstruation.

We asked Ms Anh how was it possible to survive this treatment for such a long period. Her answer was simply: "Solidarity amongst the women. Only this could help us survive." Prison became a school where the inmates taught each other that the only way to remain human was to join with other prisoners.

"There were small protests at first, such as not saluting Thieu's flag. Individual women were repeatedly punished until finally all the women refused to do it and the guards found it difficult of punish everyone", she said.

The confidence of Vietnamese women today is a direct result of their role in resistance over a long period, and more recently in the war effort. The experience of shooting down a B52 or F111, or learning to take control of a factory, has developed in Vietnamese women a self-sufficiency probably unequalled by women anywhere in the world. The Vietnamese call this process "tu giai phong" or self-liberation.

The politics of reunification will be very interesting. Because they have been confronted for so long with such an acutely sexist regime, women in the South talk more openly about the sort of issues Western feminists are concerned with. Northern women have lived with some of these reforms - equal employment, child care - for so so long that they appear to take them for granted. The heightened awareness of the southerners will bring the woman question to the centre of the political debates on reunification. New feminist initiatives seem the logical result.
EAST TIMOR'S BORDER WAR

AN EYE-WITNESS REPORT FROM ROGER EAST

Roger East was an Australian journalist who left a well-paid job with the Darwin Reconstruction Authority to become the head of the fledgling East Timor News Agency in November 1975. He was only allowed into East Timor by the Australian Government after many protests.

According to a message from Alarico Fernandes, East Timor's Minister for Internal Security, received in Australia on January 4, Roger East was killed by Indonesian troops at 8 a.m. on December 7 last, near the hotel in which he was staying in Dili, when the Indonesians launched a massive attack on the city.

In this article, one of the last he wrote, he tells of the border war that raged between September and December, as a prelude to the full-scale invasion. The picture he gives of the war, and how it is being fought remains true today for the whole of East Timor. It is worth noting, for example, that on May 25, this year, 127 Indonesian soldiers were killed at the village of Memo, which is right on the border, and a few kilometres west of Maliana.

Today, the Indonesians are certainly, as East says in his last line, “haemorrhaging to death”.

We print this article both in tribute to the East Timorese people, and to Roger East.

Australia's nearest neighbor, East Timor, has cast the die. In three convulsive months this tiny Portuguese colony has springboarded from passive politics into an armed camp crusading for independence. The standard-bearers are Fretilin, a loosely knit grouping of many political shades cemented together only by the beckoning beacon of freedom. It is unchallenged now, and unchallengeable. Their opponents, UDT and Apodeti, were thrashed on the battlefield of their own choice and are now despised by the Timorese for accepting the patronage of Indonesia to recoup their losses. For Australia to pretend the situation is otherwise must reflect either on their intelligence or their integrity. Canberra's studied neutrality has elevated the possibility of Indonesia embarking on all-out war against the East Timorese.

BOGONARO (on the border): The monsoonal rains are now whooshing down on these mountain passes to create a new scenario for this border war. Within days, these snaking rivulets will be fast-flowing streams. Beneath me, at this hour, on the now sodden valley, the Indonesian-led troops are marooned in Maliana.

They know they are going nowhere in the next five months except to a wider war or the comforts of home. The Fretilin soldiers viewing the foe are exuberant. In this dense low-lying cloud cover and driving rain, they are being provided with a custom-made camouflage for their hit-and-run forays.

The initiative has passed to Fretilin. The firepower which, to date, has blunted their offensives will be dramatically reduced by the weather.

Thousands of mortars and shells have rained on them in the past eight weeks, most to
explode harmlessly against the mountain face or valley bed. Fewer than 20 have died as a result. In their rock crannies, it is a weapon they treat with contempt. On the valley floor in the open countryside it wins a grudging respect.

The Indonesian firepower has been massive on occasions. Yet they are largely beleaguered in their bases at Maliana, Balibo and Batugade on the coast. Their numbers have been estimated by Fretilin commandos at around 5,000, but they admit their counting could be faulty. These Indonesian forces, which include the survivors of the East Timorese political parties, UDT and Apodeti, are now anchored along the border in a corridor about 40 kilometres long and which juts no deeper than eight kilometres into East Timor.

Earlier reports emanating from Jakarta of fighting near Bacau, Aileu and Dili were either patently untrue or the singular exploits of a phantom army.

On October 16, Indonesia's censored war began with a ship and shore bombardment of Maliana. At dawn that day, Fretilin forces were in disarray following their first real encounter with shell and mortar.

Thirty kilometres away, Balibo was falling in the same offensive. That was the morning the five Australian newsmen died. Ten kilometres towards the coast, Batugade was already occupied. Maliana was captured within hours and the Indonesian led force swept on to overrun Sabarai and the mountain strongpoint of Tapo, roughly ten kilometres from the frontier. This was their deepest penetration into East Timor.

(In the second week of September, a 100-strong force over-ran Atsabe, about 50 kilometres from Maliana, and killed 30 villagers before being repulsed. It is now believed they were largely Apodeti recruits.)

Fretilin was to re-muster and counter-attack in the mountains and offensive became a rout. By the evening of October 17, the Indonesians were back in Maliana.

One of Tapo's two military commanders, Lemos Furrill, told what happened. "They swarmed across the valley and up the mountainside. It was the first time we had seen the Indonesians. We were being shelled and mortared and we kept falling back. We backed off all that day and through the night.

We had crossed a mountain range, a valley, and were climbing another mountain. Next morning we were surprised to see the Indonesians sitting down, lying down and leaning against trees. They were completely exhausted.

We attacked and they offered little resistance. They were running and falling back the way they came. It was easy killing them." And so ended the first and only real attempt by this across-the-border force to penetrate East Timor's hinterland.

In Maliana the guns are rarely quiet. The harassed defenders are daily switching their fire to five different mountain targets in an arc of almost 270 degrees. Their 90-degree sanctuary is a road corridor to the border and a craggy hill two kilometres distant. All else is No-Man's Land, or Fretilin's.

Along the corridor, three helicopters scurry during lulls in the fighting. Two are white and display the red cross. The third is equipped with machine guns. The two Second World War bombers which stooge around each morning are largely toothless at this hour. From the safety of about 3,000 metres they machine-gun at random. To date, no bombs have been dropped and their daily targets are mainly the former Portuguese cavalry outpost at Bogonaro or Atabae to the north. One is silvery white, while the other is brown, and both are unmarked.

Casualties are few and will get fewer when soldiers and civilians learn to give up gawking and go for cover. Three times in the past four days I have been in the line of fire which reflected neither competence nor a high degree of courage on the part of these cloud-clinging warriors.

Excited soldiers occasionally ignore orders and release a fusillade from their Mausers. Stone-throwing would be equally effective.

Whither Indonesia?

It is obvious from here that it must commit its forces to a full-scale intervention or accept the verdict that its proteges, UDT and Apodeti, are a part of history. It was here in these regions that UDT had its greatest strength and this rested largely on a platform of independence and its respectability in the eyes of both the Catholic Church and the Portuguese Administration.
The church leadership is now fragmented and the Portuguese have gone. UDT is now being judged as either war criminals or quislings and they face short-lived lives if they return.

The anger is genuine and the bitterness deep.

UDT’s leadership is now split three ways. Some are languishing in Timorese jails and others in the more comfortable surrounds of Australian cities. The remaining standard-bearers are in Indonesia, hosted and promised a triumphant return, albeit in the wake of mortar bombs.

Their platform of independence which, only a year ago, saw them in a political alliance with Fretilin, is now abandoned. They are opting for Indonesia after 450 years of Portuguese domination.

Apodeti is a bad bar-room joke. Its political rallies could be staged in the proverbial ten by four room which includes a table. Founder and president is Arnaldo Araujo, 62, a respected horse thief, who is currently being detained at Fretilin’s pleasure in Aileu. The prison routine revives for him memories of former times. The Portuguese Administration jailed him for nine years for war crimes committed against the Timorese during the Japanese occupation.

This leaves only Fretilin which would embrace an offer of a UN-supervised plebiscite in the knowledge that it would win by the handsomest of margins. This “front” would appear to have struck the right note at a historical moment. It gathers in intellects, passions and aspirations of varying degrees and intensity.

The mortar that binds them is the singular and irrevocable process towards independence. East Timor will settle for nothing less. This commitment to independence is symbolised in the clenched fist and the unspoken “strength and unity” which this implies. It is the greeting at all hours and in any situation.

The fists belong to children, their parents, the elderly, the soldier, the peasant, the peddler. Young women, clutching traditional household appliances, emphasise their emotional intensity by the whiteness of their knuckles.

Moral reasons are necessary to wage an immoral war. And Djakarta has elected to win support for its nervous neighbors by attaching the Red label to Fretilin. Visions of Chinese sampans, Hanoi dhows and Russian cruisers riding at anchor in Dili harbor is sufficient for ASEAN states, countering communist insurgencies, to see the threat and applaud its removal.

Fretilin is indisputably anti-colonial which may be accounted for by the $30 per capita income it enjoys after 450 years of Portuguese rule.

Its initial planning is a blending of socialistic and co-operative policies which would again appear natural for a colony bereft of secondary industry and winning from the soil a subsistence existence.

The membership by an Australian measure would include thinkers from the centre to the extreme left, the latter a fringe grouping in the 500-strong Central Committee, Fretilin’s policy council.

Secretary of the Department of Foreign Affairs, Jose Ramos Horta, admits that the committee’s views vary on many issues, the sole exception being independence.

“I expect to see a multi-party set up in East Timor after we cross this hurdle”, he observed. “We are a tolerant people who have waited a long time for the democratic process. We’ll share it when it comes.”

The crucifixes on the chests of Fretilin’s soldiers are the trademarks of their education. Many are outspokenly anti-communist, but how the majority thinks must await events.

Refugees who fled East Timor, many under duress, have told on their return of forced labor conditions in Indonesia, primarily on building roads to the frontier.

Djakarta’s generals may now be weighing their options. Certainly the construction of tourist autobahns into East Timor is not among them. It would appear that the generals are prevailing and that an open conflict may be in the offing. If it comes, the curtain will be lowered on the censored war and raised on an aggressive one. Such an event will embarrass East Timor’s neighbors, including Australia, in the short term and shame them in the long run.

Indonesia’s 130 million has certainly the numbers and the military hardware to subdue 650,000 Timorese, but only along the coast and in the few centres of population. On present border form, its army in the hinterland will haemorrhage to death.
ECONOMIC NOTES

On July 12, Australia had its first national strike - against Fraser's plans to dismantle Medibank. Further action against government policy - particularly economic policy - is likely in the next few weeks. These actions around direct claims on the capitalist state raise important questions of working class strategy. Some of them are examined below.

But first we look at prospects for recovery from the present recession and at the recession's ugliest expression - unemployment.

A RECOVERY .... ?

"Slowly but with some confidence .... The Upturn is On!", according to the Australian Financial Review of July 22. They point to a big rise in vehicle registrations and to an Australian Chamber of Commerce survey which is optimistic about trading and profitability in the coming quarter.

June motor vehicle registrations were up 9.4 per cent on the May figures. Retail sales also seem to be up, but the trend here is still not clear.

The Chamber of Commerce survey shows that 47 per cent of respondents expect capital expenditure to increase over the next 12 months, while 16 per cent expect a decline. Some, however, have had their fingers burnt in the last three months. Fifty-six per cent expect 'satisfactory' trading results in the coming quarter, compared with 62 per cent who began the current quarter with these confident expectations. Only 47 per cent of respondents recorded 'satisfactory' results this quarter.

Unemployment - no change

One interesting response, bearing on unemployment was that a high 74 per cent of respondents expect 'no change' in employment the next three months.

Since the June national accounts figures are not available as ALR goes to press, it is difficult to get an up-to-date picture of the recovery on an economy-wide basis. The March figures show the first significant increase in gross domestic product since September 1973. Gross domestic product, seasonally adjusted at constant prices, was up 3.2 per cent on the December figures.

International picture

The international picture is clearer. According to the Organisation for Economic Co-operation and Development, the world economy is well on the path to recovery, and already new inflationary pressures are beginning to appear. This analysis is contained in the OECD's latest Economic Outlook, No. 19.

Real production accelerated from an annual rate of about 4½ per cent in the second half of 1975 to about 6½ per cent in the first half of 1976, according to the organisation.

"The rapid expansion in the US since mid-1975 has provided a considerable boost to recovery in other countries, especially Japan. OECD industrial production is now close to the peak reached in late 1973.

"With some of the temporary factors boosting demand in recent months diminishing or disappearing (they refer to the accumulation of stocks) the expansion may slow down to around 5 per cent over the 12 months to mid-1977."

Slow Australian recovery

Australia, according to the OECD, will recover more slowly than the rest of the capitalist world. They predict only a 3 per cent rate of growth of gross domestic product in real terms over this calendar year.

While production may be recovering, both unemployment and inflation persist. Unemployment in the OECD countries reached 5½ per cent of the workforce towards the end of 1975; it is now only slightly less than this - probably about 5 per cent. Inflation is about 7 per cent on average, but some countries are doing much better than others here. Many - like Australia - still have inflation rates of over 10 per cent.

The general fear is of a new bout of inflation, before the recovery has fully taken place. While the world capitalist economy will undergo future recoveries and recessions, it
seems from this experience that the parameters it operates within have shifted, with neither unemployment nor inflation being contained even in the ‘recovery’ phase of the cycle.

UNEMPLOYED .... TILL 1979

Most Australians do not think the Federal government is doing enough to control either inflation or unemployment, according to an ANOP poll conducted on two week-ends in July.

Unemployment is a bigger worry than inflation. Sixty-four per cent felt the government was not doing enough about unemployment, and only 24 per cent were satisfied with its efforts. Fifty-three per cent thought its anti-inflation efforts were inadequate, while 31 per cent approved of the policies.

Even among Liberal voters, the government’s approach to unemployment was rejected. While 17 per cent are prepared to give Fraser some benefit of the doubt - ‘he is trying but not achieving’, or ‘it is too early to tell’ - a massive 43 per cent of his own supporters felt he was not doing enough. Only 40 per cent of Liberal voters were satisfied with the government’s policies in this area.

And they have some cause to be worried.

Unemployment growing

Seasonally adjusted unemployment has been growing each month of this year and, in June, stood at 296,835 - just below the peak level of 303,715 in September 1975.

Unfilled vacancies reached a new low of 21,712, leaving 14 people out of work for every vacancy - a stark refutation to the charge that the unemployed are in any way to blame for their situation. In the Penrith-Parramatta-Liverpool triangle in Sydney’s western suburbs, there are only 519 vacancies registered with the Commonwealth Employment Service. But more than 18,000 people are listed as unemployed in the same area - 35 unemployed for every vacancy.

This situation is likely to continue, according to the Institute of Labor Studies at Flinders University. “The recession has been so protracted”, they say in the May issue of their Australian Bulletin of Labor, “that it cannot be expected that unemployment levels are rapidly going to diminish, even with a sustained recovery in production.

Restore profit levels

“As a consequence of the slow recovery in employment levels in the early phase of a continuing recovery in production (assuming it does continue), there will be substantial gains in productivity during 1976 and early 1977. These gains will serve to attenuate the impact of wage increases on price increases and to restore the share of profits to levels considered more customary in this economy”, according to the Institute.

“It is our view that it will take much longer than many people expect to reduce the unemployment rate to ‘full-employment’ levels of 1 to 2 per cent. The basic reason for this is the protracted length and depth of the recession and the effect such a recession has on the levels of ‘hidden unemployment’ in the society.”

“As a result, not only do the currently unemployed have to be absorbed, but also those who have withdrawn from the labor force temporarily (the hidden unemployed or ‘discouraged workers’), either by staying longer in full-time education, or by staying at home rather than seeking employment.”

No quick solution

The Institute of Labor Studies estimates that in February 1976 there were between 290,000 and 380,000 “unused labor resources” available in the economy. Setting themselves only the task of reducing unemployment to “normal”, “full-employment” levels of 2 per cent (leaving 120,000 out of work) they conclude a quick solution to the problem is “not on the cards”.

The Institute assumes “optimistically” (!) that a rapid economic recovery will be under way by September this year, with output growing at 8 per cent per year. They ignore structural difficulties, including likely mismatches between workers’ skills and the demands of industry that will delay employment growth, and perhaps even the recovery itself.

Even with these assumptions the Institute predicts it would reach its “target” of 2 per cent unemployed only in September 1979 - over three years away!
AFTER MEDIBANK

In the first half of 1976, workers experienced little success in wage struggles; for most, their only increases flowed from the two national wage cases. In the May national wage case, the Federal government succeeded in persuading the Conciliation and Arbitration Commission to abandon full wage indexation. The formula the Commission came up with was to grant the full 3 per cent March quarter Consumer Price Index increase only to workers on wages under $125. Workers above this got a flat $3.80.

The July national wage case is under way as ALR goes to press, and it seems likely that a similar, or even more drastic real wage cut will result, under a 'plateau indexation' formula.

"The last decision saved employers $340 million which workers lost in real purchasing power", according to Dick Scott, President of the Amalgamated Metal Workers Union. "If they do that this time, it will mean a greater ripoff for the workers."

However, during this same period, workers took unprecedented action against the government's plans to dismantle Medibank. What is the significance of this, and of other campaigns that make direct claims on the capitalist state?

Economic or political?

Much of the opposition to the Medibank strike, both from the capitalist class, the media, and from the extreme right of the trade union movement focused on its 'political' nature. Economic class struggle is OK, Murdoch and the National Civic Council were saying (though readers might cynically ask when these gentlemen last supported a good, old-fashioned strike over wages) but a 'political' strike is out.

There are two answers to this. First, workers do have the right to fight for their interests at the political level - in fact, it is only when the working class is no longer confined to economic class struggle but fights the capitalist class on the political level that revolutionary change is possible.

But the second answer is that this struggle is an economic issue for workers. Fraser's Medibank policy means a wage cut for workers - and they responded angrily for that reason while commentators - and even government spokesmen - floundered in the myriad complexities of the rival schemes.

Ian Gough, writing on "State Expenditure in Advanced Capitalism" in New Left Review No. 92, makes the point:

Part of class struggle

"The battle over the burden of taxation and the composition of state expenditure is now as much a part of the class struggle as the ongoing battle over wages."

Gough argues that the solutions to the economic crisis available to the capitalist class will mean these struggles will become even more important.

"The only solution for the capitalist class and for the state representing its political interests, is a decisive rise in the rate of exploitation. This would permit a reduction in the rate of inflation, a rise in profit expectation, and would release resources for investment and exports. To achieve this two separate strategies are identifiable, though in practice they are normally used in combination.

"The first is some form of wages freeze, which would directly achieve the three objectives above. The second is to deliberately allow unemployment to rise in order to indirectly bring down the rate of wage increases, though the unemployment level necessary would probably need to be extremely high by postwar standards.

Fuelling inflation

"To achieve this without fuelling inflation, large cuts in public expenditure would be essential. Within the total of public spending, aid to private capital would need to be maintained and cuts in military spending, through they cannot be ruled out, would not suffice.

"The burden would necessarily be borne by the social services, and this for two reasons. First, they constitute the most dynamic area of state expenditure. Second, they comprise the 'social wage' of the working class, and a cut in this would be interpreted by capitalists at home and abroad as a deliberate government decision to reduce living standards and raise the rate of exploitation.

An integral component of this second strategy would therefore be an attack on social expenditure.

"But of course", Gough concludes,
"precisely what defines the crisis is the powerful opposition of contradictory pressures: the ability and determination of the working class to resist such a rise."

**What kind of struggle?**

While the struggle over state expenditure automatically assumes a political character - which we shouldn't deny or shirk from - it does not transform economic class struggle into political class struggle. The first is a struggle over the share of the social product going to the working class, and can be pursued vigorously - and even successfully from time to time - without bringing into the question the continued existence of capitalist relations of production.

For this, class struggle must reach a new level and become a struggle to transform capitalist relations of production into socialist relations of production, to abolish the wages system: the framework within which economic class struggle takes place.

The size or nature of state expenditure does not threaten capitalist relations of production; in fact, state expenditure, including expenditure on social services has grown in such a way as to preserve these relations of production. As Lord Balfour declared in 1895: "Social legislation is not merely to be distinguished from Socialist legislation, but it is its most direct opposite and its most effective antidote".

Ian Gough outlined two approaches to analysing the interventionist state, and state expenditure, in a paper he gave at the recent Political Economy Conference held in Sydney.

**Strategic implications**

Two groups of theories have arisen, he argued, in opposition to the theory of 'State Monopoly Capitalism'. Both seek to explain the relative autonomy of the state from the capitalist class and argue against the view that a 'fusion' has occurred between the state and any section of that class. The two approaches, however, proceed from different levels of analysis, and have different strategic implications.

The first approach, which Gough calls 'capitalist-theoretical', begins its analysis at the level of the capitalist mode of production. The autonomy of the state rests on the separation of exploitation and coercion under capitalism; in fact, capitalism requires 'free exchange' of commodities, especially labor power for its mechanism of exploitation to operate. Economic inequality requires political equality. The function of the state is to resolve the contradictions of capitalism. He includes both those who see the main contradiction as under-consumption (Baran and Sweezy, O'Connor) and those who stress the role of the falling rate of profit (Yaffe).

This approach derives a history of the capitalist state from the phases of capital accumulation - from primitive accumulation, through competitive capitalism, monopoly capitalism, and 'late' capitalism.

**Class conflict**

The second group of theories, which Gough calls 'class-theoretical' begin not with the capitalist mode of production, but with the existence of social formations made up of different classes. The relative autonomy of the capitalist state rests on class conflict, both between the dominant and the subordinate classes, and between different sections of the dominant class. Its function is to politically organise the dominant class, and disorganise the subordinate classes; to do this it must be relatively autonomous both from the economy and from the dominant class itself.

These two approaches view the welfare state differently. The first sees it as a response to the needs of capital, particularly in providing labor power and 'infra structure'. The second sees it as a response to class pressure from below, and stresses the role of reforms and especially of social-democratic parties in its evolution.

According to Gough, those who hold the first view see the welfare state as repressive; the implication of this is that the working class should not oppose cuts in welfare spending. The second view, on the other hand, regards the welfare state as an achievement the working class should defend.

Both views, he argues, have limitations, but both must be used. "An adequate theory requires an intermediate level of analysis, between the capitalist mode of production and particular social formations."

This way, we avoid either abstaining from the struggle over the social wage, or, in our enthusiasm, over-estimating its significance.

- T. O'S. - 29.7.76.
BOOK REVIEWS

Ten Years of Military Terror in Indonesia, Spokesman Books, 298 pp., $6.

Published by the Bertrand Russell Peace Foundation in 1975, this book was "written and compiled to remind the world of the tenth anniversary of the coming to power on a sea of blood of the present Indonesian fascist military regime". It consists of 14 articles by 13 writers who examine the coup, the Suharto regime and its role in imperialist strategy.

Since the book was published, the Indonesian generals have invaded East Timor and are committing a second genocide to incorporate that people into their "empire". This gives the book a special topicality and relevance for Australia, since ruling class foreign policy gives a special place to friendship with Suharto's Indonesia - whether Whitlam or Fraser is Prime Minister.

This book should be read by everyone who wants to know what sort of a regime it is, what its policies are, who rules the country and the consequences for the people of Indonesia and the region. Reading this book stirred memories of several visits to Indonesia, with special reference to the events of September 1965, the results of which this book examines. Two experiences stand out with the stark clarity of hindsight.

One was in 1954, when I attended the Fifth Congress of the Communist Party of Indonesia (PKI), its first Congress under legal conditions. Even this legality was conditional; the real congress had already been held and the one I attended was only a public occasion!

After the Congress was over, the comrades asked me to stay and do a tour with some of their leaders, 'to strengthen internationalism'. That took me to Palembang and Medan in Sumatra, to Central and East Java as well as Jakarta, speaking at huge mass meetings (altogether the audiences exceeded a million). The leaders were D.N. Aidit and Njoto, both murdered in 1965, and Jusuf Adjitrup who survived.

At Malang in Central Java, we spoke at a meeting in a huge park, with about 100,000 people present. As in other such meetings, it was held in the afternoon. The speakers and leading figures of the party and mass organisations were seated on a big platform made of bamboo. One was a haji (a Muslim who has made the pilgrimage to Mecca and other holy places of Islam, and therefore a person of standing in the Muslim community).

The meeting began with enormous enthusiasm, but with organised opposition from a group of students from the Arab Muslim University in the city. This group infiltrated the crowd and surrounded the platform, armed with spears and led by a young man armed with a revolver. They were shouting and screaming with rage, brandishing their spears and shouting slogans. Turning to the comrade who was my interpreter (Bintang Suwarti, a fine comrade who later drowned), I asked what it was all about. They are calling out 'Kill the haji', he said. I laughed, probably to appear nonchalant. Bintang said urgently 'Don't laugh, it will only enrage them'. I quickly stopped.

The local comrades were inexperienced in security. The Arab students were only a small minority, perhaps 200, but they made such a row that the meeting was disrupted. After half an hour or so, the military police suddenly acted (there were hundreds present at that and all other meetings we held). They moved in through the crowd from its outskirts with weapons at the ready. As they did, the people scattered like autumn leaves before a gale. The officer in charge ordered us into a military jeep, PKI general secretary Aidit, Bintang, Gandi, security guard travelling with us, and myself. We were taken to a military police post about 20 kilometres away. We were held for a couple of hours. I didn't know what was happening, since we didn't talk much. They finally released us. We caught a train to Surabaya and 'went into smoke' in the house of a middle rank government employee, spending the hottest night I've ever experienced, sleeping two to a bed in a room with the windows shut.

We resumed our tour the next day - the PKI was very strong in Surabaya, home of the biggest concentration of industrial workers in Indonesia. In our later journeying, Aidit casually said to me 'Can you drive, comrade Aarons?' When I answered yes, he said, 'We thought so. While we were travelling in that jeep, we discussed whether we'd overpower the driver and make a break for it, but none of us could drive.'

Even then, I didn't fully understand how serious it had been. At a farewell function just before I left Indonesia, Aidit spoke and referred to the Malang incident, saying 'Comrade Aarons and I faced death together in Malang'. I thought then that this was a piece of Javanese exaggeration, although I knew that Aidit had in fact narrowly escaped death six years before, in the 1948 Madiun incident (when rightwing army officers had massacred thousands
of communists). He had been captured and escaped only with the help of friendly soldiers.

Eleven years later, it no longer seemed so exaggerated. The Malang incident showed the fanaticism of Muslim extremists who were to kill so many communists and their supporters - how the ordinary people feared the army and how unpredictable it was.

The second experience was in 1962, when I visited Indonesia for another Congress (the Seventh). Sukarno had nationalised most foreign enterprises and plantations, putting them under mainly military control. The generals and colonels were plundering these companies in the most brazen fashion, accumulating huge fortunes in a few months and living in flagrant luxury, sporting big American cars and flash houses.

The PKI paper, Harian Rakjat (People's Daily), had launched an attack on what it called 'bureaucrat capitalists', hinting broadly at military corruption. The Jakarta army commander had sent a squad to seize the edition and had closed down the paper. Aidit spoke at a public meeting just after I arrived, rebutting the bureaucratic capitalist charge and demanding lifting of the paper's closure. It was lifted later, but the Army was to take a dreadful revenge three years later, slaughtering countless thousands encouraging and protecting the Muslim fanatics in brutal murders of whole communities. The total dead is still not known; possibly a million, certainly not less than 500,000. I remember visiting a village near Den Pasar, in Bali, the home of a world-famous Hindu dance group. The whole village took part in a magnificent performance for us; they were all PKI members or supporters. That whole village was put to death in 1965. The Solo River at Surakarta, a beautiful river which I'd visited, was filled with corpses for days after the massacre. The city was a PKI stronghold.

In one of the most interesting articles in this book, Peter Dale Scott traces the United States involvement in the military seizure of power. He begins by setting its historical significance:

"The bloody suppression of the Indonesian Left in 1965 marks a new phase in the history of modern counter-revolution: the resort to mass extermination in an attempt to consolidate authoritarian power ....creating a gruesome precedent for the slaughter that accompanied the Cambodian coup of 1970, and the Chilean coup of 1973."

Scott shows that the United States developed a "new strategic concept of military-economic development". Its thesis was that "the officer corps of under-developed countries in general, and Indonesia in particular, constituted a naturally selected and morally superior elite, the only viable alternative to communist takeover, who should therefore be given 'constructive assistance' in preparation for direct responsibility over the economic development of their nation."

Ernst Utrecht and other writers dissect this 'morally superior elite', showing its incredible corruption and misuse of Indonesia's rich resources to enrich the 'bureaucratic capitalists'. Utrecht points out that Pertamina was the only state-owned oil industry in the world that almost went bankrupt - at a time when oil prices had shot up to unheard of levels! An exiled Indonesian journalist, G.W. Satyajit, quotes from the Indonesian paper Kompas:

"Corruption has become more rampant than ever. Approximately 30 per cent of the GNP, or 3,000 million of its 9,375 million dollar total, is corrupted."

The role of oil in Indonesia is immense, and Michael Morrow examines this in 'The Politics of Southeast Asian Oil'. Other essays deal with repression and political prisoners, agriculture, Islam, the Chinese as scapegoats for the regime, and other questions.

Of special interest is Ingrid Palmer's piece on the economy, which shows the tremendous hold of foreign capital in the economy. In 1974, Japan was ahead of the United States ($1,038.9 million compared with $851 million). It is particularly interesting to note that Australian companies are second to the United States in mining investment with $96 million (Japan is third with $76 million). This gives Australian capital a material as well as ideological interest in maintaining the Suharto regime.

What of the future? Ernst Utrecht, in his second piece in the book, examines the PKI since 1966. He reports continuing PKI activity in Java, South Sumatra, Sulawesi and Kalimantan, including guerrilla actions in the countryside and even occasionally in Jakarta. Although these "are still comparatively weak and do not as yet form an immediate threat .... There is no doubt that the roots of the PKI are too tenaciously embedded in Indonesian history and society ever to yield ...."

The day of reckoning may be closer than Utrecht foresaw a year ago. The generals' aggression in Timor, thought to be easy, is still meeting heroic and effective resistance. This could well sharpen all the contradictions in an essentially unstable regime which could quickly disintegrate when the Indonesian people act.

This gives a special dimension to the importance of solidarity with East Timor, second only to the duty to assist a small people in their struggle against brutal oppression. In aiding Timor, we also help the oppressed people of Indonesia against Suharto and his imperialist backers.

- Laurie Aarons.
Is self-management, as an all-embracing socio-political system within the relations of socialism, the pathway to new levels, new qualities and dimensions of democracy; to more human life-styles and to the resolution of the main contradictions leading to the alienation of man, or, at least, a reverse process of disalienation and satisfaction within the work-processes of modern society? Does the quarter-century of experience with self-management socialism in Yugoslavia provide us with most of our answers to these questions?

These are the issues raised and sometimes answered in the book *Self-Management - New Dimensions in Democracy*. The questions raised relate to the new Peru co-operative society experiments, to the experiences within some narrower frameworks of industrial democracy in five factories in Norway, in an examination and quite detailed analysis of the kibbutzim and moshavim systems in Israel and then the co-operative village systems - both for Jews and Palestinians - and those of the town and city workers of Israel, which were supposed to have transcended the bourgeois relations of production which the British firmly established and the Arabs and Jews reinforce.

The main body of material - history, description, theory, analysis, conclusions and projections on the future - relates, of course, to Yugoslavia's 25 years of development of self-management within a socialist society, developed within theoretical frameworks that say: These are the essentials of the direct democracy of socialism; the essentials that Marx, Lenin and Gramsci defined; these are the essentials that provide for not vanguard, not agents, elites or modern bureaucracies, but for the whole working class and mass of producers to transform and transcend the relations of bourgeois society and, in the process, transform themselves so that new, democratic, self-management relations seep through every pore of the body of that society.

The eight main contributors, except inferentially in the paper by Edward Kardelj (Yugoslav vice-premier), do not move into the very complex question of international relations and the praxis of the Non-Aligned nations. These are viewed by Yugoslavs as corresponding internal-external processes; one transcending the bourgeois mode of production at home, the other transcending colonialism, imperialism, the unequal exchange and the virtual "freeze" of international relations, the nuclearisation of power situations and the continuance of present levels of armaments and the threats of war.

The book is the result of a round-table conference held in the Centre for the Study of Democratic Institutions in UCLA, Santa Barbara, California, 1971.

Since 1971, world events have raced on and given a supersedeance for other developments over those of co-operatives, worker participation and self-management in Peru, Norway, Algeria or Israel. North and South Vietnam, Cambodia and Laos joined their statements on becoming part of the Non-Aligned nations with those that defined their socialist stances as for - Self-Management Socialism, which is, of course, the corresponding set of international relations to self-management within a nation. The Cuban Government, Party and leading "Fidelistas" lead the Cuban masses towards unique developments in self-management structures, first in the Matanzas Province in 1973/74 and then into plans for the similar power devolutions to organs of people's power in all the provinces of Cuba. From the very beginning of the April 1974 events in Lisbon, the development of people's power proceeded with the taking over of enterprises, land and service offices - banks, post offices, municipality offices, etc. - within structures that had to develop self-management principles. The MFA Code on self-management of industry, commerce and the agricultural establishments was an advanced concept of self-management method within a revolutionary process of change. Developing economies within the Non-Aligned nations appear to be turning increasingly to structures of self-management rather than centralised, state, bureaucratic controls and systems. It is a common experience, now, for reports of management and industrial relations conferences to deal, if one-sidedly, with questions of self-management. Some of the dilemmas facing the Dunstan government in South Australia centre on the programs decided upon by the ALP Conferences in 1974/75, the workers' and unions' demands, and the monopoly-capital pressures around Premier Dunstan not to give way to those demands. The present visit to Yugoslavia by Premier Dunstan reflects the increasing awareness of South Australians to these dilemmas. Again and again, the issues deeply imbedded in the ALP Conference - Dunstan government dilemmas came through the conflicts over content, method and the allocation of resources among theatre, music and dance groups in The Adelaide Festival of the Arts.

The same dilemma faced Premier Neville Wran immediately before the Labor Party's victory in the NSW elections. In one television interview, he appeared to say that the 35-hour week and worker-participation program from the 1974 Conference of the ALP had been traded away for ... something; a something not specified. These are the same dilemmas, again, which will face the next Labor government in Western Australia as a result of the very large program of workers' control studies soon to open in that State's union education system.

One of the conclusions of almost every participant in the Santa Barbara round-table conference was: We and every member of every other society - socialist, capitalist, under-developed - must progress to self-management structures and methods or regress to increased domination by technology, monopoly capital or state capital. Australian marxists, academics and many union
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officials have reached a stage of moribundity in their theory and practice on economic and social relations where, like Dave Allen’s hump-backed corpse at the wake, they are dead but can’t be laid down! They recognise and combat so few of these problems and nothing of the most serious ones.

The editors of the book of the round-table conference - Professor Ichak Adizes and Elizabeth Mann Borgese - show a profound grasp of Yugoslavia’s self-management socialist theory and practice. Adizes is an Assistant Professor of Management Studies and has lectured in Yugoslavia, Israel, Peru, Chile, Mexico and Sweden, whereas Borgese is a daughter of Thomas Mann and author of books on women’s questions and of the changing situations and systems of what are termed “The Ocean Regimes”.

The seven main contributions are first-class, but the one on industrial democracy in Norway has the same shortcomings that were to be seen in the inconsequential nibbles at similar issues by the Department of Labor bureaucrats under Labor Minister Clyde Cameron. The article, unintentionally, focuses a fairly harsh light on the industrial democracy experiments in Sweden and West Germany. The one corporation director included in the “round-table” appears to have thought those developments not worth his attention and moved, in his section of the Dialogue, to the consequences of self-management socialist relations for people within capitalist societies, or within society, full-stop!

The papers of the four Yugoslavs are a real delight. Vice-Premier Edward Kardelj’s paper “The Integration of Labor and Social Capital Under Workers’ Control” is an excellent introduction for the all-too-many not yet comprehending, that there is a new and important type of capital - social capital - which in self-managed socialism everyone owns and no-one owns, and which begins to throw up recognisably different social structures, as Marx forecast, on the correspondence between base and super-structure, in his brilliant formulations in the Introduction to the Critique of Political Economy. Kardelj’s paper opens typically:

“During the first years following the victory of the socialist revolution in Yugoslavia, the concept of social property was held to be identical with that of state property, both from the legal point of view and with regard to the management of social resources. The only way for the revolution to change social relations was to nationalise the means of production, expropriate the capitalist owners, turn private capital into state property, and consolidate the new state property through adequate centralisation. Most countries on the road to socialism, especially economically underdeveloped ones, still go through a longer or shorter phase of state-property relations, and are likely to do so in the future.

“Even during the first years of socialist construction in Yugoslavia, however, the state character of social property bore the seeds of basic social contradictions. These reflected themselves in the separation of the workers and their labor from the direct management of social capital and resulted in the alienation of “surplus value” which gradually fell under the control of a bureaucracy or technocracy. It became evident, not only in Yugoslavia, but also in other socialist countries, that under the centralisation of social capital, its management and control tended to be exercised in such a way that the workers were excluded from even the ordinary democratic supervision of the use of resources. In Yugoslavia it was soon recognised that this contradiction posed a socio-economic and political problem. The attempt to overcome this problem generated the idea and practice of socialist self-management in Yugoslavia. Thus self-management emerged as a natural reaction to the tendency of identifying social property with bureaucratic and technocratic monopoly exercised by the state and its economic apparatus. In other words, self-management was an attempt to prevent bureaucratic, technocratic and anti-democratic deformations in the development of socialist relations.

“The socio-historical significance of socialist self-management is that it creates forms of production-relations which are based on social property and in which appropriation is based only on labor. The worker appropriates directly on the basis of his work, freed from all forms of wage-labor relations between himself and the owner of capital, i.e. the state which acts as a collective owner of capital. The worker, however, does not do this autarchically, anarchically or as an owner in his own right, but in interdependence with, and fully responsible to, the equal rights of his fellow workers. By this fact alone social property ceases to express a relationship between the workers and the state. It articulates instead the relationship among working people themselves.”

Kardelj’s analysis of the importance placed by Marx on “surplus labor” or “surplus value” created by “living labor” and the manner of its appropriation by the capitalist owner of the means of production and, inferentially, by the state and bureaucratic owners of state capital in the other socialist systems posed the question on which there has been a lengthy silence: “Are there, under socialism no elements of economic relations and no problems of this kind at all?”

Papers by Anton Vrultusa, Deputy Prime Minister of Yugoslavia, by Dr. Najdan Paedic, of the Faculty of Political Science, Belgrade University and by Joze Pacek, Secretary of the Slovenian Parliament, all pose many questions which move well beyond the extent of a review. Pacek opened his paper with the kind of statement that can’t be repeated often enough:

“In June 1950 the first law for industrial self-
management was adopted in Yugoslavia. Accepted under the banner of 'Factories to the Workers' the law ensured the rights of workers in the administration of most industries and business enterprises. By 1956 the self-management system had passed its organisational stage and was firmly established in the economic structure of the country. By 1971 when the Second Congress of Self-Managers was held, self-management had grown to include schools, hospitals, and housing developments. Nearly two-thirds of the total labor-force have been, in the past twenty years, elected to different kinds of self-management organs. This indicates that self-management began to serve as a mechanism for worker involvement in industrial management as well as a system of citizen participation and the foundation of the Yugoslav socio-political system."

Professor Adize's analysis of the pure market economy, pure, centrally-planned economic systems, the regulated market system, the socialist market system and the ideal self-management market systems is an important contribution to the conference. His analysis of the differences between enterprise (he uses the description "enterprise" rather as we would "corporation") and community organisational types of structures results in a valid and useful table of comparisons. Elizabeth Mann Borgese's introduction on "The Promise of Self-Management" draws on her experiences in property management. It is voluminous and, of course, the real treasure-house of post World War II socialist writing by Europeans, but the American contributions do add something to what comes forward regularly in English translations from Yugoslavia's Socialist Alliance of Working People, its League of Communists, Confederation of Yugoslav Trade Unions and the newsagency Tanjug. It adds up to a real rebuke to the English school of Yugoslav experts, who still rely on the very thin pamphlets of Tony Topham, Fred Singleton, Ken Coates and the Fabian Society; pamphlets which were mainly out of date and inadequate, or just plainly wrong, when produced mainly before 1963.

If you can buy the book it will leave you uncomfortably challenged; if you borrow it, you'll probably try, also, not to return it. It's one of those books, which any serious student of socialism should read. It's a book which is likely to turn the sceptic into a serious investigator of what's new and developing.

- J.S. Baker.

**Cities for Sale** by Leonie Sandercock, Melbourne University Press, $14.40.

**Cities for Sale** is a well-researched and documented account of the failure of town planning in Australia.

Dr. Sandercock's thoughtful thesis poses questions which take town planning beyond the mere technique of guiding land use, and examines its historical growth under the influence of prevailing social, political and economic forces. She readily identifies the private sector's initiatives for development as the only ones to be considered valid and hence to receive the backing of state services in opposition to the principle of public participation; and the growth ideology versus conservation. Town planning thus becomes an essentially negative part of legitimising the development process.

Pronounced support for reform lacking, the conservative forces, using the usual tricks of land shortage, spurious advertising and speculation, have been able to have plans accepted as a fait accompli. Some juicy examples - Westernport, the Victorian Housing Commission and the Melbourne Underground railway - are classics of their blatant kind. Meantime, it was a device to allow the continuing transfer of the benefits of the wealthy at the expense of the poor.

The more fundamental questions she finds less clear; whether a marxist model provides a comprehensive explanation of the structure of Australian society; whether public involvement (and hence public support) versus more expert guidance would ensure a fairer redistribution of the benefits for human welfare from town planning, or would they still tend to serve middle class or elitist ends; and whether capitalism can be civilised.

The history of town planning is split into two clear parts, 1900-1945, and since World War II. The change which heralds the second is also fundamental. It is the period in which planning has been lifted to a national priority along with economics and resources regions, and considerations of population growth. Adelaide, Melbourne and Sydney are the cities whose developments in town planning are detailed.

In the early part, tribute is paid to the pioneers who saw the need and pressed for town planning reform which sprang from the appalling slums much as did the English town planning movements. Few saw it necessary to examine the social and political reasons for poverty. The early proposals were a pale imported version which used the additional recreational and health facilities of a garden city for background. They had no desire to change the
order; merely to make it tidier, healthier or more convenient.

During the war, the Department of Post-war Reconstruction set about producing a blueprint for a better world when the fighting ended. A great deal of discussion centred on full employment planning, decentralisation, Commonwealth-State Housing Agreements. The conservative forces claimed that while it was necessary in war time, they would fight the forces of reform when peace returned. The banks, the High Court, the oil companies, the medical profession and state upper houses resisted, wherever possible, those parts of Labor's reconstruction program.

"The re-distributive approach to city planning required changes in the system of property rights and ownership, regional and participatory planning required redistribution of power as well as resources."

All that was left when Menzies came to power was the Commonwealth-State Housing Agreement. In the opinion of Dr. Sandercock, the Housing Agreement produced more equity for the poor than any act before or since.

Yes, town planning Acts have been introduced into three cities since the war. What did they achieve? That can be gauged from a contemporary planner's remark: "A development plan must be based on what can or cannot be done in the prevailing economic, social and political situation. Planners themselves, while not often espousing social values, have attempted to regulate thorough zoning and subdivision control of the worst abuses of a free market and its consequences for urban growth".

Dr. Sandercock states: "This failure of political support stems from the politics of a property-owning democracy. The structure of political power has been and is such to protect property owners and pamper rural interests, both lower and upper houses at the direction of both powerful business and property and rural property, city councils with vested interest in protecting existing property and privileges in real estate and development, local councils in private development because of the interest in ratable value."

The return of the Labor government to political power in 1972, and the creation of the Department of Urban and Regional Development (DURD) meant a return also to the redistributive process of correcting the inequities and lack of resources which characterise the western suburbs of Sydney and Melbourne. It meant sums of money to tackle sewerage, and land for growth centres. It tried desperately to devise, through the Else-Mitchell Report, the establishment in each state of a commission to acquire and develop land, to prevent land speculation in the growth areas on the metropolitan and country fringes. But the machinations of the hostile Senate, implacable opposition from State Ministers, and the joint power of property owners working on the Liberal Party and their media connections, frustrated these objectives. The public either didn't understand, or misinterpreted, what the changes were attempting to do.

The author also feels that part of the failure is due to the fact that the public became attracted to giant office buildings on the city skyline, the freeways as an extension of the car; the consumer ethic and the bright package ethos of the supermarket which saturates the media waves without any countervailing influence.

"Reformers and large corporations do not compete on equal terms."

In an industry like the automobile industry where both bosses and workers want to sell more cars, we obviously still have a long way to go.

While Dr. Sandercock's summary minimises the hope for radical solutions, she believes that the left can demonstrate that the passive days are over by putting its energy behind practical reforms to reduce the gap between the rich and the poor - in playgrounds, better public transport, better libraries, more attractive areas, swimming pools and so on.

"We need to project, more than ever, a worked-out conception of the good society - that is, an ideological stand - if we are to discuss policies intelligently."

As a student of town planning, I believe the book will be required reading and a standard text wherever urban problems are discussed for many years to come.

- Howard Hodgens.

(Howard Hodgens is an architect/town planner working in Melbourne.)

Late Capitalism. Ernest Mandel, New Left Books, 1975, pp. 599. $27.80.

"One of the central purposes of this book", Mandel writes, "is to provide a Marxist explanation of the causes of the long post-war wave of rapid growth in the international capitalist economy, which took both non-Marxist and Marxist economists by surprise; and at the same time to establish the inherent limits of this period, which ensured that it would be followed by another wave of increasing social and economic crisis for world capitalism, characterised by a far lower rate of overall growth." To achieve this formidable aim the author criticises, refines and accounts for the notion of the Kondratieff wave, convincingly providing it for the first time with Marxist legitimacy. It will be here
argued that unlike his well-known Marxist Economic Theory (1962) which, though an ambitious attempt to bring Marx's economic analysis "up to date", presented little that was new, Late Capitalism represents a fundamental contribution to the development of Marxian economics. 

Though, as we shall show, Mandel commits his usual errors along with some new ones and presents us with several amazing (and often unacknowledged) about-turns from his previous writings, his fundamental contribution emerges unshaken earning his book a place alongside the Marxist classics of the early twentieth century.

Terminology

After years of peddling the expression "neo-capitalism", Mandel has rejected it for that of "late capitalism". In 1968, in a pamphlet "The Worker Under Neo-Capitalism", he wrote: "The German term, Spatkapitalismus, or late capitalism, seems interesting, but simply indicates a time sequence. So until somebody comes up with a better name - and this is a challenge - we will stick for the time being to 'neo-capitalism'". Now we find: "Its superiority over the term 'neo-capitalism' is obvious - given the ambiguity of the latter, which can be interpreted to imply either a radical continuity or discontinuity with traditional capitalism." In view of the fact that the author, in the past, has made adequately clear what he meant by the term "neo-capitalism" it is difficult to discern what the change in terminology accomplishes.

The same difficulty does not arise, however, with Mandel's new rejection of the term "industrial revolution" to describe major developments in productive technique such as the automation of production processes since the Second World War. The industrial revolution of which Marx and Engels spoke saw a qualitative change in every aspect of social structure. A change of this degree can hardly be said to have occurred, for instance, in the post-war period. "Accordingly, we here use the terms 'first, second and third technological revolutions' (instead of the widely used formula 'second and third industrial revolution'). In doing so, we are correcting an error which we have ourselves committed in the past.

Armed with his new terminology, Mandel proceeds to advance an extremely bold schema of the "long waves" of over- and under-accumulation in the history of capitalism, from the Napoleonic Wars to the present. This involves criticising and refining Kondratieff's famous use of this notion.

The Kondratieff Wave

The first mention made of Kondratieff waves by Mandel (or, for that matter, any Marxist since the 1920s) was in 1964 in his An Introduction to Marxist Economic Theory and The Economics of Neo-Capitalism (they are not mentioned in Marxist Economic Theory.) Here he simply accepted their reality and did little to deny the common tenet, held by Marxists and non-Marxists alike, of the exogenous character of their causation. Trotsky held, for instance, that:

"The periodic recurrence of minor cycles is conditioned by the internal dynamics of capitalist forces...As regards the large segments of the capitalist curve of development...their character and duration is determined not by the internal interplay of capitalist forces but by those external conditions through whose channel capitalist development flows." (Quoted by Mandel, pp128-9).

In Late Capitalism, Chapter 4, " 'Long Waves' in the History of Capitalism", Mandel breaks with this tendency. Recognising that external causes become operative only through internal causes he explains the "long waves" of expansion and contraction in the history of capitalism by means of the laws of motion of capital itself, without resort to exogenous factors alien to the core of Marx's analysis of capital. "As in the case of Kondratieff and Schumpeter, so in that of Dupriez, what should be the crucial connecting link in the whole argument is missing - the rate of profit".(p.144). The originality of Mandel's thesis becomes clear:

"The specific contribution of our own analysis to a solution of the problem of 'long waves' has been to relate the diverse combinations of factors that may influence the rate of profit (such as a radical fall in the cost of raw materials; a sudden expansion of the world market or of new fields of investment for capital; a rapid increase or decline in the rate of surplus-value; wars and revolutions) to the inner logic of the process of long-term accumulation and valorization of capital, based upon spurts of radical renewal or reproduction of fundamental productive technology. It explains these movements by the inner logic of the process of accumulation and self-expansion of capital itself. Even if we assume that the activity of invention and discovery is continuous, the long-term development of capital accumulation must still remain discontinuous, for conditions promoting the valorization of capital (and resulting in a rise or stabilization at a high level of the rate of profit) must in time turn into conditions determining a deterioration in this valorization (in other words, a fall in the average rate of profit). The concrete mechanisms of this conversion must be analysed by reference to the concrete historical conditions of the development of the capitalist mode of production at the time of these major turning points (that is, the start of the 20s and the 70s of the 19th century; immediately preceding the First World War; the mid-60s of the 20th century)"(p.145-our emphasis).

Mandel shatters any illusion that the Kondratieff wave is not inextricably linked to the "laws of motion of capitalist society." The revolutionary implications
are obvious. To end economic fluctuations, whether of a long-term or short-term nature, requires the abolition of the capital/labor relationship.

Mandel can now conclude:

"The history of capitalism on the international plane thus appears not only as a succession of cyclical movements every 7 or 10 years but also as a succession of longer periods of approximately 50 years, of which we have experienced four up till now...According to this scheme, which covers the successive phases of accelerated growth until 1823, of decelerated growth 1824-47, of accelerated growth 1848-73, of decelerated growth 1874-93, of accelerated growth 1894-1913, of decelerated growth 1914-1939, of accelerated growth 1940-45 and 1948-66, we should today have entered into the second phase of the 'long wave' which began with the Second World War, characterized by decelerated capital accumulation" (pp.120,122).

The author thus substantiates the claims of his earlier writings and lays the basis for achieving the central purpose of Late Capitalism.

Eclecticism

Conscious of the advances made in Late Capitalism, it is disappointing, to say the least, to find that Mandel still subscribes to his eclectic explanation of the crisis-cycle, first put forward in the disastrous chapter 11 'Periodic Crises' of Marxist Economic Theory. To simply claim that crises "are a combination of all the contradictions of the capitalist mode of production" (p.438) is to abdicate one's scientific responsibility. For instance, although the crisis outwardly manifests itself as an over-production of commodities, in essence this designates no more than an over-production of capital which can not be profitably employed. Mandel may well quote Hegel to the effect that "the truth is the whole" (p.21) but he seems to forget, with regard to his explanation of the industrial cycle, that the whole is more than the sum of the parts. Eclecticism is no substitute for dialectics.

Inflation

Though Mandel remains consistent with his Marxist Economic Theory in this respect, his explanation of the origin and nature of contemporary permanent inflation in Late Capitalism represents a new shift. For years the author churned out the thesis that military outlays constituted the principal source of permanent inflation. Now, ironically, he chides those who "stubbornly cling to the notion" (p.417). He effectively shows that in the post war period:

"... the main source of inflation became the expansion of overdrafts on current accounts granted by banks to the private sector, and covered, by central banks and governments - in other words, production credit to capitalist companies and consumer credit to households...Thus permanent inflation today is permanent inflation of credit money, or the form of money creation appropriate to late capitalism for the long-term facilitation of extended reproduction (additional means for realizing surplus-value and accumulating capital)" (p.417 - author's emphasis).

But Mandel cannot adequately account for why the rate of inflation did accelerate since he does not incorporate the distinction between profitable and non-profitable production into his analysis. He claims that State expenditures (such as arms production) can "speed up rather than slow down the accumulation of capital" (p.556). In fact, the reverse is the case. To say that arms production, for example, leads to "increased accumulation of capital" (pp.301,306) is true only if we are speaking (undialectically) of individual, rather than total social capital. The individual capitalist producing for the arms sector quite clearly receives the general rate of profit and her/his workers perform unpaid labor-time but this constitutes simply a transferral of existing surplus value. This is because her/his production costs and profits, though paid by the government, are paid out of private contributions to the government by way of taxes or loans - the latter merely implying future taxation. Looked upon from the standpoint of mass economic phenomena, of the social economy as a whole, and not from that of the individual arms producer, the arms economy subtracts from the available surplus-value destined to be turned into additional, surplus-value-producing capital.

Although State expenditures can temporarily ensure a greater degree of employment of labor and resources, they can do so only by encroaching on accumulation in the private sector. However, the expense of increasing government-induced production can, to a limited extent, be extracted from the mass of the population by way of increasing inflation. It is this, along with the factors enumerated by Mandel (pp.456-7), that account for the acceleration of the rate of inflation in the post-war period.

Yet if Late Capitalism has its shortcomings, it retreats neither into exegesis nor apologetics. It presents a concrete analysis, utilizing the analytical tools discovered by Marx, of the concrete history of 20th century capitalism. For this reason alone the book is worth buying, despite its outrageous price ($A27.80) and lack of an index. We can only look forward to Mandel's new book mentioned on page 526.

- David Wasley.
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