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 transference 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 ($27.80) and lack of an index. We can only look forward to Mandel's new book mentioned on page 526.

- David Wasley.