NEO-CAPITALISM is a distinct historical stage in the evolution of capitalism, characterised by the scale of State intervention and control. Of course, State intervention has always been an essential condition of the development of capitalism, but now we find the massive entry of business into the institutions of State supervision, planning, coordination and control. This movement on the part of business is not compensated by the inclusion into these same institutions of what the British political scientist Ralph Miliband has described as "a number of generally tame and 'responsible' trade union leaders."1 The containment and ultimate incorporation of the trade union movement is an essential part of neo-capitalism. As the authors of the May Day Manifesto wrote: "In relation to labor and the unions, it is the State which draws the unions into the consensus, identifies them with the planning decisions and the fixing of norms, and thereby wins their collusion with the system."2

Neo-capitalism has not developed evenly in the advanced industrial countries of North America and Europe. France has reached a stage of what Herbert Marcuse calls "organisation capitalism" far in advance of the USA3. However, British capitalism is now beginning to undergo rapid adaptation and change. The trade unions and industry have been drawn very much closer to the machinery of the State, particularly since the Wilson Government came to power.

In one sense, the association between the trade unions and the State in Britain is nothing new, but rather a continuation of a process that began several decades ago. The Second World War in particular saw a change in the relationship between the unions and the state:

No established right of access to the Government was conceded to unions . . . until the Second World War. . . The long duration of the war and the much longer duration of post-war economic problems encouraged its establishment. Indeed, communications often moved in the opposite direction. Frequently it was the Prime Minister or one of his Ministers who wanted to meet the trade union leaders.4
After the Conservatives came to power in 1951, the union leaders showed no desire to forego their rights of access to the Government or their policy of collaboration with the State machine. Thus, the General Council of the Trade Union Congress stated in 1952:

It is our long-standing practice to seek to work amicably with whatever Government is in power and through consultation with Ministers and with the other side of industry to find practical solutions to the social and economic problems facing this country. There need be no doubt, therefore, of the attitude of the TUC towards the new Government.\(^5\)

One historian, sympathetic to the views of the union leaders, noted:

The TUC leaders . . . saw to it that the cautious and moderate policy which they had pursued under the Labor Government was maintained under the Conservatives. Among other things, they ensured that resolutions denouncing all forms of wage restraint — such as were regularly submitted to Congress by the Communist-dominated unions — were voted down by adequate majorities.\(^6\)

The number of Governmental committees on which the unions were represented rose from 60 in 1949 to 81 in 1954.\(^7\) Whatever the color of the Government, British trade union leaders enjoyed direct access to Government departments.\(^8\)

The notorious Incomes Policy of the Wilson Government has rapidly furthered the process of coming together between the trade union leaders and the State. V. L. Allen has scathingly pointed out the logic in the sequence of the responses of the Trades Union Congress to the employers and the Government:

The logic is an acceptance of, but not necessarily a belief in, the concept of the Corporate State. Firstly, by its membership of the National Economic Development Council, the Trade Union Congress accepts the organic totality of nation and state. . . The general theory of the corporate state assumed a complete conciliation of class interests with workers and employers co-operating for the sake of increasing national production in much the same way as the National Economic Development Council envisages. But there are other points of similarity. The state stands above corporations and syndicates in the theory. These notions, as in the corporate state theory, have no other ethical basis than to consolidate what already exists; that is to maintain the present distribution of income, to preserve the distributive process and to guarantee the rights of the private ownership of industry.\(^9\)

Nevertheless, the TUC is caught in a dilemma. In its "responsible" public role it is compelled to support the notion that wages should be restrained to keep pace with the role of production, but in its role as an interest organisation it has to oppose restraint and press for higher wages. The integration between the trade unions and the State has revealed that the power of the voice of the trade union leaders is small. They sit on innumerable Government committees and affect Government and business policy hardly at all. For their services to "the nation" they win knighthoods from
the Government. Of them it has been said: “Power corrupts, but lack of power corrupts absolutely.” However, there are signs of growing opposition in the British trade union movement to the wage restraint policy, which is reflected in recent Left successes in a number of key union elections.

The association between the trade unions and the machinery of the State in Australia is not as far advanced in many areas as in Britain, although Australia is one of the few capitalist countries where the unions are part of the State apparatus by virtue of their participation in the arbitration system. The key role performed by arbitration towards the smooth running of the ongoing system should be well known to readers of *Australian Left Review*. As the Industrial Workers of the World recognised sixty years ago, the overthrow of capitalism in Australia would be inhibited, by a disease of the working class itself, the disease of complacency. They divined the origins of this: ‘protective legislation’, the Arbitration Court, the existence of a Labor Party.

During the Second World War the Australian Council of Trade Unions was represented on manpower and many other committees, but in the post-war period the scale of its participation on Government committees lags far behind Britain. It has been represented on the Immigration Planning Council and the Immigration Advisory Council, and along with leading industrialists on the Business Advisory Group of the Australian Atomic Energy Commission. It also participated in the now defunct Consultative Committee on Export Policy established by the Tariff Board. The trade union representatives have invariably included Albert Monk, President of the ACTU, who was made a companion of the Most Distinguished Order of St. Michael and St. George by the Menzies Government in 1966 for “outstanding service in the field of industrial relations.”

In 1955 the ACTU accepted a place on the Ministry of Labor Advisory Council, established in the previous year and comprising representatives of Government and business. Don Rawson observed: “It showed that the ACTU was prepared to concede that, even in peacetime, employers, employees and governments could and should have common interests.” About the same time Monk testified the interest of the ACTU in the notion of productivity, in “co-operation” with Government and industry. However, the divisions within the ALP and the increased strength of the Left in the trade unions led to the ACTU withdrawing from the Ministry of Labor Advisory Council in 1958, whereupon the organisation dissolved itself. Already in 1957 the ACTU had rejected an offer by the Federal Government of a place on the Economic Advisory Committee. Nevertheless, in the absence
of the Ministry of Labor Advisory Council, there is continuous consultation with Government and business on an ad hoc basis.\textsuperscript{14}

A return to a formal form of consultation took place recently with the establishment in April 1968 by the Minister for Labor of the National Labor Advisory Council. A thirteen-member body, it comprises five representatives of the ACTU, two representatives of both the Associated Chambers of Manufactures and the Council of Employers Federations, one representative each from the public utilities and the rural industries, the Secretary of the Department of Labor, and the Minister for Labor himself. Its functions are to enable the Government, the employers and the trade unions to consult together on employment, industrial relations and matters connected with technological change and automation, and to advise the Government and the Department of Labor on these matters.

Bruce McFarlane has pointed out the dangers inherent in such a development:

Where Labor's political representatives have not held power for long periods and the strength of the trade unions has been weakened, the tendency may be for union leaders to seek a place in the administrative machine, to increasingly collaborate with Departments of Labor, to agree to a \textit{de facto} "incomes policy" and to be passive in industrial relations. . . Australia's hydra-head system of planning, the network of government regulatory agencies linked with trade union bureaucracy, evolves into an (admittedly mild and diluted) form of corporate economy.\textsuperscript{15}

There is a consensus in Australia among Government, business and the official representatives of the trade union movement. The key work which crystallises the consensus is "productivity":

The emphasis and agreement upon productivity are created by the demands of the large corporation made upon a society required to pay tribute to business; and the success of the large corporation in inflicting upon society its own self-justification is a measure of the success of the mature corporation. It is also a measure of the mindlessness of modern man, "one-dimensional" man. Both here and in USA unions have fallen prey to the fiction that the dominant aim of society is production. But it remains one of both production and distribution.\textsuperscript{16}

Nevertheless, the trade union movement has repeatedly stated that it will not cooperate with any system which controlled only the wage element in the economy. Attempts to introduce a centrally-imposed incomes policy, notably by the present Minister for Labor, Mr. Bury, and by the authors of the Vernon Report, have been abortive.\textsuperscript{17} Still, there are clear and present dangers and it must not be forgotten that in the 1950s the Menzies Government achieved some success in imposing a \textit{de facto} incomes policy, particularly through the activities of the Commonwealth Conciliation and Arbitration Commission. Moreover, the Left has failed to launch a campaign against the formation of the National Labor Advisory Council.
The growth of corporate relations between the State, the trade unions and industry threatens the existence of the trade unions as an autonomous and free force. As Perry Anderson has put it, in words whose relevance is not confined to Britain:

The threat to subordinate the trade unions to the State ultimately threatens the extinction of working-class consciousness as such. It amounts to an attempt to create a totally uncoordinated and purged social whole — the monolithic integration of Marcuse's "One-dimensional society." It must be resisted, if socialism is to retain a future in Britain.18

It would be a mistake to conclude that Marcuse's pessimistic and fatalistic picture as depicted in One-Dimensional Man is an inevitable outcome of neo-capitalism. But the system will never be decisively defeated until the producers — workers, technicians, intellectuals — become conscious of their own collective force and determine to be masters of their own production.

5 Cited in ibid., p. 23.
7 Allen, op. cit., p. 35.
14 W. P. Evans, "The Australian Council of Trade Unions", in ibid., p. 125.
17 McFarlane, op. cit., pp. 188-189.