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Michael Brezniak analyses the economic strategy of the Fraser government in a paper on the political economy of living standards. The article is a slightly amended and abbreviated version of a paper given to the Living Standards Conference held in Sydney last November. Michael Brezniak was a leading activist in the Political Economy movement at Sydney University and is doing research work in political economy.

Seaman Russell Priest, in the second part of his article on ocean pollution, looks at the major pollutant factors which affect the oceans.

Roger Coates examines the political consequences for the left of the events of November 11, 1975, and puts forward a view about the importance of the democratic movement which has grown up in response to them.

In this month's Economic Notes, Terry O'Shaughnessy looks at the inter-relations of the top companies in Australia, bringing in research done by Game and Connell at Macquarie University.

In our reviews section, Bill Gollan, veteran CPA member and peace activist, reviews *The Last Domino* by Malcolm Booker, recent Australian ambassador to Yugoslavia. Kathe Boehringer looks at the politics of Hollywood's most recent 'sensation' movie *Network*.

For space and other reasons, this month's Comment is omitted.
Political Economy of Living Standards

Mike Brezniak

It is now over twelve months since the Labor government was thrown out of office and, since that time, this country has felt the effects of the most reactionary shift in the direction of its economy and society since the Second World War.

The Fraser government was put into power by those forces of capital which felt challenged by the rule of Labor. Labor had attempted to introduce reforms after a long period of conservative government. It introduced new policies to improve living standards by increasing government expenditure in areas of greatest social need - education, housing, social security and welfare, community development, etc. At the same time, it attempted to implement measures which would restore some national control of resources that are currently in the hands of the rich and powerful multinational corporations. In its social expenditure policies, Labor had achieved some partial successes; in its nationalist aspirations, it was defeated by those who opposed it.

The Labor experience was a profound lesson for the oppressed minority groups and the working people of this country. It showed the way in which the Australian and the international ruling classes - those who own and control the wealth in Australia - would use all the weapons available to them to mobilise against any measure they considered contrary to their own interests. The optimism of 1972, when progressive Australians welcomed a new era in Australian history, had by 1975 been translated into a deeper and more realistic understanding of the way our economic system operates.

However, the lesson that was learned from Labor did not end on November 11 or December 13. We are still learning it today from the twelve bitter months of reactionary government. For, since the coup, the forces of reaction have been strengthened by a government that is prepared to work hard to serve its masters. And what we have seen in this period is a concerted and vicious attack on the living standards of the vast majority of the Australian people - an attack which has far-reaching and horrifying consequences for the future direction of Australia's economic, political and social development.

The strategy of the Fraser government must be understood as having both short-run and long-run elements. It is the short-run dimensions which are having their effect
today and which are going to have even more of an impact in the coming year. These are the assaults on the economically deprived groups and the workers of Australia. These assaults have been through the destruction of Medibank, through the Budget and through the Arbitration system and they are an attempt to solve the economic crisis in Australia by hitting hardest those who are in most need.

The longer-run dimensions of the government's strategy are, in many respects, more dangerous. This is partly because they are least recognised and understood, but largely because they will be irreversible if carried too far. These dimensions are those policies which are forcing the more rapid integration of Australia into the international capitalist system. These policies and the forces that are backing them would reduce Australia to a neo-colonial position whereby we would provide resources and primary products to the major imperialist centres - Japan, the United States and Europe - and at the same time, rely increasingly on importing industrial products as our manufacturing sector shrinks. The beneficiaries would be the gigantic multinational corporations and sections of the Australian ruling class. For the Australian people, it would mean a reduction of real wages, increased inequality, the dismembering of our manufacturing industry, a higher level of permanent unemployment, the degradation of our environment and the loss of control of the direction of our economy and society.

THE SHORT-RUN DIMENSION:
The Current Attack on Living Standards

Throughout the November-December election campaign and since that time, the Fraser government has persistently proclaimed its commitment to reducing Australia's high rate of inflation. In pursuing this goal, it has implemented policies which have been designed to increase profits. To achieve this, the government has made every attempt possible to reduce living standards; firstly, by using its direct control of government spending, taxation, monetary policy, Federal-State relations and industrial policy to transfer resources to the private sector and, secondly, using all its influence to hold down the level of real wages. Let us consider these two aspects in turn.

The government's strategy for transferring resources from the public to the private sector has comprised several components. The most important have been the policies directed at reducing government spending in the areas of greatest social need, increasing State responsibility in important areas of social expenditure (whilst, at the same time, failing to provide enough resources necessary for discharging these responsibilities) and providing special allowances to industry.

The May 20 mini-budget and the August 17 budget were the two major steps towards cutting social expenditure and dismantling the programs initiated by the Labor government.

As a consequence of these, we have seen:

* heavy reductions in the expenditure on health. Medibank has been dismantled as part of a deliberate strategy to force people into private health funds;
* social security and welfare being cut by three per cent* (in real terms). Women, migrants, aborigines and the unemployed received the most savage cuts; AAP, women's refuges and health centres, self-help programs for Aborigines and special migrant programs are in the process of being, or likely to be, abolished;
* housing being slashed by 12 per cent (in real terms). Again, the severest cut-backs are on migrants, Aborigines and women;
* education being allowed to grow by only two per cent. This will hardly be enough to provide for new enrolments, let alone make improvements. The Labor government's projected plans for increasing spending over the next three years have been completely discarded;
* urban and regional development being slashed by 45 per cent (in real terms). Any concept of forward environmental planning has been rejected;
* the ABC experiencing the most savage cuts in its history;
* defence receiving the largest increase in government spending which is a magnificent reflection of the government's social priorities.

The dumping of social priorities has gone hand in hand with a philosophy of handing out money to industry. Here the record speaks for itself: on December 22, the government announced a 40 per cent investment allowance to business for investment in new plant. The projected cost for 1976-77 is $23 million. On December 23, the suspension of the February '76 instalment of company tax was announced. Six weeks later, on February 10, the superphosphate bounty was reintroduced at a cost of $50 million for '76-'77. In the budget, on August 17, it was promised that stock valuation adjustment which allows companies to reduce their estimated profits for company tax purposes would be introduced. Next year, this will cost at least $350 million and, when fully operative, it will cost over $700 million. The budget also contained lucrative subsidies to the mining industry. These included depreciation allowances with an estimated cost of $60 million in a full year and the removal of the export levy which will cost $33 million for '76-'77.

Turning now to the government's wages strategy, the most important point to be understood is that, today, we have in power the first government in the post-war period to abandon the long-established priority of full employment. Moreover, it has not only abandoned this priority, but the creation of unemployment has become the very centrepiece of the government's strategy to reduce real wages.

The Fraser government recognises that a high level of unemployment is a useful weapon for stopping the pressure for increased wages. Job insecurity, fear of the boss, the desperate need for a wage to support a family will all weaken the intensity of the struggle for a just wage. The government is trying to force workers to fight against one another in order to survive in this jungle. It would like to compel workers to be subservient, to accept any wage, to work under any conditions and to compete with one another for the approval of the boss.

The reality of such a strategy must be disguised and, to do this, the government has developed an elaborate publicity campaign designed to place the blame on the victims of its policies. In order to divert attention from the fact that its expenditure cutbacks have been one of the major causes of unemployment, the government has labelled the unemployed as "dole bludgers" and it has introduced measures to tighten up the rules for obtaining unemployment relief. The press has delighted in developing this "dole bludger" campaign and has provided numerous fairy tales about the luxury of living it up on the dole.

Unemployment has been the crucial weapon for holding down wages; the Arbitration Commission has been the main forum through which this strategy has been given legal support. This year, the Fraser government has intervened in every National Wage Case to argue that wages should not be allowed to catch up with inflation. The first intervention was made in February where the government was unsuccessful. After that, however, the government put enormous pressure on the Commission and in the two subsequent
hearings, it managed to ensure that there have been reductions in real wages. In its latest manoeuvrings, the government not only argued that there should be no increase in wages in wages in the September quarter, but it specially timed an announcement on monetary policy so that it could return to the Commission to emphasise its position. This is why it was so angry at the latest decision which granted full indexation.

The government is also taking an active and provocative role in pursuing direct attacks on key unions, the recent intervention in the Fairfax dispute being an example of this. So, too, is the attempt to remove selected union leaders by discrediting them in the press and forcing secret ballots by means of postal ballot legislation. This campaign has been reinforced by the conservative state governments who have been passing some of the most aggressively anti-union legislation for decades. Here again, the media monopolies who have been well looked after by the Fraser government have been willing to forcefully support their friends in parliament. Daily we read statements in the headlines and editorials which are aimed at discrediting unions. Unemployment, inflation, low productivity, the crisis of manufacturing, you name it - unions are to blame!

WHY ARE LIVING STANDARDS BEING ATTACKED?

We are all feeling the impact of the Fraser policies. It is important to understand not only what is happening, but why these measures are being taken.

The government's strategy has been based on its adherence to the economic philosophy commonly known as Monetarism or Friedmanism. The centre of this school of thought is one of the most reactionary economics departments in the United States and its chief spokesperson is Milton Friedman, a professor who is famous for his friendly advice to the fascist junta in Chile. Friedman's economic theories have been taken up by rightwing forces throughout the capitalist world. This is because they make the pretence of being scientific explanations of how the market could operate smoothly, efficiently and free of inflation.

The essence of the Monetarist argument is that too much government spending, financed by the creation of money, is the cause of the current inflationary pressures in western capitalist countries. Friedman argues that since governments, unlike any other institutions, have the capacity to print money, they are able, and generally are pressured, to print more (through deficit spending) than the economy can satisfactorily cope with. This produces a situation where too much money is chasing too few goods and where, as a consequence, prices begin to rise. The increased prices eat into the pay packets of workers who then use their industrial muscle to push for higher wages. The higher wages then begin to squeeze profits and, so the argument runs, capitalists are forced to increase their prices. This vicious circle of wages chasing prices which chase wages is reinforced when governments accommodate the spiral by printing even more money.

Friedman argues that the solution to inflation is simple - all that is required is that governments ensure that the rate of growth of the money supply is fixed at a specific level (related to the rate of growth of the economy and the rate of inflation) and that it is not allowed to fluctuate. Such a policy would mean that the government would have to throw away the objective of full employment and make cutbacks in its spending.

This is precisely the course that the Fraser government has followed. In its numerous statements on monetary policy it has strongly emphasised its determination to maintain control over the money supply. In order to reduce the deficit (and thereby reduce the rate of growth of the money supply), the Fraser government has used Friedman's arguments as a rationale for the slashing of social expenditure and for abandoning responsibility for full employment. By basing these policies on Monetarist foundations, the government has been able to present its strategy as if it is grounded on a scientific analysis of the causes of inflation.

Monetarism is, however, far from scientific. It examines only one aspect of the causes of inflation and ignores some of the most crucial dimensions of the problem. The monetarists place all the blame on governments and it is not surprising that adherents to monetarism all, without
exception, are strong believers in what they like to call 'free enterprise'. They tend to be the most outspoken opponents of government regulation of corporate behavior and are quick to deny that the dominating economic institutions of our time - the multinational corporations - have played an important role in creating inflationary pressures and transferring them across national boundaries. Moreover, in their explanations of the current economic crisis, monetarists only focus on inflation and they have very little to say about the other element, unemployment. The only arguments they do present on this question can be summed up in two points. Firstly, that governments should not pursue a full employment policy since this would create inflationary pressures and, secondly, that unions are a major cause of unemployment as they hold the level of real wages too high.

Contrary to the simplified monetarist propositions that governments cause inflation and unions cause unemployment, the causes of the economic crisis in capitalist countries are far more complex. The crisis has been the result of the situation where the changing structures of post-war capitalism have not been able to adjust to the slow down in economic growth that has taken place since the late 1960s. In the period up until this time, all capitalist countries experienced boom conditions which led to significant structural changes in world capitalism. The main aspects of these were:

1. The rapid growth of multinational corporations and the integration of national economies into the world capitalist system. Several years ago a journalist, Neil McInnes, pointed to this development: "Combine these two notions, the internationalisation of production and the dominance in it of very big companies and you get a vision of an integrated world economy dominated by a handful of giant corporations. That vision, or nightmare, has hardened into prophecy.... By the end of the century 300 firms will control three quarters of the assets of the non-communist world." For Australia, where key sections of its manufacturing sector and the vast proportion of its mineral sector have come under the control of the multinationals, McInnes’ statement has had particular importance. It has meant that overseas inflation and recession would be immediately transferred to our economy, irrespective of the policy of the government;

2. The strengthening of the labor movement and the institutionalisation of class struggle. With the increased concentration of capital, unions have grown in size and strength in order to protect real wages and to improve conditions;
3. The increasing role of the state. Since the Second World War, governments have been more active in the economy and there has been a significant growth in state expenditure.

While economic growth was taking place, these structural changes did not lead to any economic crisis. For although there was intense class conflict, the rise in national income enabled both capital and labor to gain increases in income.

However, economic growth began to slow down at the end of the last, and the beginning of this, decade. Among the main factors involved were the saturation of markets for a wide range of products (cars, and consumer durables in particular), the intensified conflict between capital and labor, the international monetary crisis caused by the inflationary expenditure of the United States in Vietnam and the increases in the prices of raw materials.

With this downturn the capitalist economies began to move out of gear. The conflict between the capitalist class and the working class became even more intense as the decline in growth meant that either one side or the other had to accept a loss in income. And the increased strength of both the corporations and the unions meant that neither were prepared to give way easily.

At the same time, governments began to discover that Keynesian prescriptions, which were useful in the boom period, were no longer effective. Inflation and unemployment both increased together and this was a combination that seemed impossible to solve. Governments were lost for a course of action and they began to look for alternative theories.

This is when monetarism became so popular. Only a few years ago, a theory that was ridiculed by almost everybody in the economics profession except ratbags of the extreme right, suddenly shot up in popularity. The reason was that it provided an economic package for the ruling class in the current crisis by setting out policies which claimed to have the key to economic recovery. This ‘solution’ was, of course, nothing less than a prescription for a concerted attack on the working class and minority groups - an attack designed to redistribute income towards capital. This is what monetarism is about and it explains why the Fraser government has jumped onto the bandwagon. Here is a theory that can be used to justify dismantling socially necessary government expenditure, creating unemployment, bashing unions and allowing the ‘captains of industry’ to steer the ship in whatever direction pleases them most.

THE LONG-RUN STRATEGY: The Path to Neo-Colonialism

When we consider the implications of the Fraser government’s long-run strategy for Australia, we are looking at the price future generations of Australians will have to pay for today’s policies. And the price is high.

Australia is a country which is dominated by the giant multinational corporations. Despite the attention that has been drawn to this by political economists and unionists like Ted Wheelwright and Laurie Carmichael, the extent of the domination is still not fully realised. Yet the statistics are available. A 1972 Treasury survey found that 88 per cent of the value of production of the motor vehicle industry, 84 per cent of non-ferrous metals, 81 per cent of oil, 78 per cent of industrial and heavy chemicals, are in foreign hands. In the manufacturing industry alone, 25 of the largest 50 companies are owned and controlled by foreign interests, while foreign control in the mineral sector is about 60 per cent of the value of production.

While in office the Labor government and, in particular, Rex Connor, attempted to slow the rapid foreign takeover, especially of natural resources. This was part of Labor’s own plan for restructuring Australian capitalism around internationally competitive industries like mining and mineral processing.

However, the enormously powerful multinational corporations, with the support of the Liberal-Country Party opposition, used every means possible to stop the government from succeeding. Through its
control of the Senate, the opposition was able to reject time and again measures to promote national ownership and control of Australia's resources and industries. The climax came with the 'loans affair': here we saw all the conservative forces combine in an intense campaign to destroy a government which was attempting to 'buy back the farm'.

Labor's failure to implement its nationalist policies revealed the power of those forces in whose interests it is to further integrate Australia into international capitalism. If successful, these forces would be responsible for the gradual destruction of the manufacturing sector and the expansion of the mineral sector under the control of a handful of multinational corporations.

Barriers to the free flow of investment funds, such as tariffs, subsidies or investment controls, will be removed and investment will flow out of low profit areas into channels of high profitability. As there are enormous profits to be reaped from the extraction of the resources of this country, these policies would lead to a boom in the mineral sector. On the other hand, the Australian manufacturing sector is suffering from a long-run structural crisis. This crisis, as the Jackson Report pointed out, developed because Australian manufacturing has always geared itself towards the small domestic market and, over the last decade, this market has gradually become satiated. As a consequence, there has been a decline in profitability and a slow down in the growth of this sector as a whole. Unable to compete on the world market, the manufacturing sector would decline even further with international integration.

The line-up of forces pressing for further integration encompass a broad spectrum. They include:

1. the large mining multinational corporations who are politically linked with the National Country Party. These corporations would gain easier access to resources and greater control of exploration. And, since economic integration implies the reduction of tariff barriers, the inputs into production - i.e. capital infrastructure - would be cheaper;
2. the major sections of primary industry. Like the mineral conglomerates, they stand to gain cheaper inputs of production, larger export markets and the relative expansion of their sector compared to other sectors of the economy;
3. Australia's largest conglomerate, BHP, which is finding it profitable to join with the multinationals in resource extraction and which is trying to move out of manufacturing areas like steel and shipbuilding;
4. some of the most powerful sections of finance capital which are becoming increasingly aligned with foreign finance capital and other multinational corporations;
5. economists in key government institutions and economic ideologues in the universities and the financial press. The Industries Assistance Commission has become representative of this powerful group who believe that the international market for goods and services is the best test of the "efficiency" of Australian industry. If Australian industries can survive without assistance in the international market, then, it is argued, they are efficient. If, however, they cannot compete internationally they are said to be inefficient and, the exponents of this view assert, they should be dismantled. This efficiency argument, which is now being taught in all economics courses in schools and universities, is based on an old economic theory, the theory of comparative advantage. This theory was developed at the beginning of the nineteenth century and used by British imperialists as an ideological justification for the destruction of the growing industries of the colonial countries (such as India) in order to make Britain the industrial centre of the world. Today, we are seeing a repeat performance. However, this time the arguments are being used to destroy Australian industry for the benefit of American, Japanese and British imperialism.

On April 1, the government made a long-awaited announcement on its foreign investment policy. The lack of precise guidelines revealed more about the policy than anything else. Although it was
stipulated that some key resource areas would require 50 per cent Australian equity, the government indicated that projects could go ahead if a local partner could not be found. Furthermore, the Board that was established to screen foreign investment was clearly market-oriented in its approach. Since the announcement, government ministers have been flying from country to country urging overseas corporations to invest in Australia where, they have been at pains to emphasise, the government's approach is 'flexible'.

The Country Party, closely linked with the mining interests, has taken the most active role in attempting to encourage the multinationals. It has only tried to minimise equity restrictions, but it has successfully sought special benefits for the mining industry in the budget which, as we have seen, provided subsidies of millions of dollars.

This handout philosophy with respect to the mining industry should be contrasted with the Fraser government’s approach to manufacturing. In dealing with the problems of this sector, the government has stressed its philosophical commitment to the 'free play' of market forces, its willingness to see the destruction of shipbuilding being an outstanding example of this. This approach has created a loud outcry from manufacturers and trade unions who see the destruction of manufacturing as the outcome of this logic. For they understand that if market forces are allowed to operate without government interference, then, in no time, the big fish eat up the little ones. They become bigger, develop a larger appetite, swallow more fish and grow even bigger. In short, the free market philosophy stands on the side of the big fish. It's a philosophy that would allow the giant international manufacturers to take over the Australian market and cause the disintegration of Australia's industrial structure.

What, then, are the consequences for the Australian people if these integrationist forces are successful? They would, as we have seen, lead to the decline of the manufacturing sector and the expansion of the foreign-owned mineral sector. This structural shift would lead to higher levels of permanent unemployment since workers, having been forced out of labor-intensive industries, would find few available employment avenues. Furthermore, the weakened industrial structure would diminish the power of the labor movement and lead to a reduction in real wages. Wages would be further reduced by the pressures for devaluation coming from the strengthened minerals-rural exporting lobby. The inequalities of income would be increased as the living standards of the majority of workers decline and those of a privileged elite in the capital intensive mineral sector improve.

By the end of the century, Australia would find itself in a position where, having had its most profitable resources taken from the ground, it had little to show for it. The country's industrial structure would be very weak, our dependence on foreign exports and investments enormous, and any chance of independent and self-reliant development shattered.

AUSTRALIAN LIVING STANDARDS: The unexplored potentials.

Before concluding, let us widen the discussion by trying to relate the Fraser government's attack on living standards to the broader features of our economic system.

The attack is more than an offensive on our material conditions of life. For living standards go beyond the amount of goods and services that our pay packets can buy. They encompass all aspects of the quality of
POLITICAL ECONOMY OF LIVING STANDARDS

life: the nature of work, the degree of control of the workplace, the security and quality of our environment, the type of leisure, the potential for creative activity.

And in all these dimensions, Australia is a country of unexplored potentials. This is a country which has the material basis - the industrial base, the resource endowments, the level of education - to provide creative outlets for social activity.

Yet we have little of this. Despite our potentials, our economic system does not even provide the essential goods and services for 10 per cent of the population who still live in poverty. Migrants, women, unemployed, Aborigines and the aged are forced to live in degraded conditions, with little or no income and often as outcasts of our society. The lives of these people are in sharp contrast to those who are well-rewarded by the system. Luxury week-end resorts, spacious homes, a speed boat for weekend leisure, two or three latest model high quality cars, regular trips overseas - there is no limit to comfort, security and freedom provided to those who comprise the wealthy classes of our society.

And then there is work. We live in a system which provides work that is boring, isolated and meaningless. People are forced to accept repetitive, uncreative jobs in which they gain no satisfaction and they have no power. They are used to a division of labor which creates hierarchical lines of authority and which excludes all but the top strata from taking part in the decisions that affect their lives in the workplace. With all the great strides in technological development which enables much greater experimentation in methods of social production, we have seen no advances in this direction. In fact, the movement towards workers' control, where workers own the means of production and collectively determine the way in which production is structured, who performs particular functions and what type of goods are produced, has not only been slow; it has been positively and forcefully resisted.

What is clear is that, as a system which is meant to be geared to human needs - as every economic system should be - ours is a dismal failure. In all major aspects it provides a quality of life that is far behind that which could be developed with different economic structures. And the reason is quite straightforward: our economic system is not, and never has been, geared to the satisfaction of human needs. It is a capitalist system which has as its driving force the expansion of profit. If profits are increasing, the system will grow and thrive. If they are in decline, it will falter. As a system, its success is not determined by its ability to provide the requirements of the majority of people who live in it.

This is a simple point but it is essential that it is fully grasped. Let us illustrate it with some examples. Consider two of the major economic problems with which we are currently faced. On the one hand we have over 350,000 unemployed people in Australia. They are forced to queue up for unemployment relief, compelled to wait for an employment outlet and subjected to the insecurity and even humiliation that is attached to being jobless. At the same time, we have another economic problem - poverty. Almost 1 in 10 Australians lives below the poverty line without access to decent housing, health, education and other facilities. For an economic system that is directed to the satisfaction of human needs, the situation where these two problems lie side by side would be an absurd one. All that is required is that the unemployed would be put to work in the construction of new homes, hospitals and schools. It makes no sense to allow resources to lie idle when there is such an urgency for facilities that these resources could be used to build. It is not only wasteful but, from a social perspective, quite irrational. Of course, 350,000 workers won't provide all the social facilities needed least it would help alleviate some of the poverty.

But what does the government tell us? It says that we cannot afford more of these social facilities. And with this logic, it is cutting social expenditure and causing an increase in unemployment and poverty at the same time. What the government really means is that it is not profitable to direct resources to social areas - and this is quite different from being unable to afford it. In our system, more profit is to be made in the production of cars, swimming pools and refrigerators than in areas of greatest need.

If ours was a socialist system where social needs were the criteria for investment, these activities could be redirected to more useful
ends. They could be used to produce a smaller number of pollution free, minimum energy consuming, safe and durable cars. The resources that are released could be channelled into the production of public transport facilities - buses, trams and trains. Our cities would be healthier to live in, transport would be more efficient and road carnage would be reduced.

FIGHTING FRASER

The full effect of the government's strategy is going to be felt in the coming year. All economic indicators point to a continuation of the current economic stagnation as the signs of increased activity which emerged earlier this year, have begun to fade. Only recently, the 24-nation Organisation for Economic Co-operation and Development (OECD) forecast a world recession with sharply increased unemployment for the second half of the year.

The Fraser government is going to do everything within its power to ensure that the crunch is felt by the workers and least well off groups within Australia. Consequently, living standards will only be protected if all groups join together to fight to defeat the government's policies. The success of this fight will depend upon two aspects. Firstly, it will depend upon the degree of unity which exists among the anti-Fraser forces. Secondly, the struggle will depend upon the ability of the anti-Fraser forces to open up and widen the contradictions which are inherent within the policies of the Fraser government.

The Australian ruling class has been strongly behind the government in the past year. However, the contradictions within its policies are gradually going to create such deep divisions that they could lead to ultimate destruction of the government. Two of these contradictions, in particular, are of crucial importance.

The first is related to the government's short-run strategy. The government, as we have seen, is attempting to apply as much pressure as possible to reduce real wages. It is doing this in order to increase profits. However, wages have two aspects to them. On the one hand, they are costs of production which means that any reduction in them will lead directly to increased profits. Yet, on the other hand, they are also incomes which are used to buy goods and services and any reduction in them will cause a decline in the revenue, and therefore the profit, of companies. And this is precisely where there is a major contradiction in the government's strategy. For what is happening in the Australian economy is that the very policies of attacking real wages are beginning to lead to a reduction in profit in particular industries because of lack of growth in demand. This is creating dissatisfaction with the government and increasingly we are hearing cries from building, manufacturing and other sectors that the government's policies are leading to the decline and even collapse of their industry. There is no doubt that these cries will get louder as the economy fails to move out of its stagnated state and as the conflicts between the government and its former business allies intensify.

The second contradiction is inherent in the government's long-run policies. This is the contradiction which is developing between the policies which represent the general interests of capital - that is, the reduction of real wages - and its policies supporting specific sections of capital - that is, the mining sector. The heart of this contradiction is felt within the manufacturing sector. On the one hand, it has a great deal to gain from the attacks on wages and it therefore aligns itself with the government's strategy; on the other hand, it is screaming with fright at the long-run prospects of the 'free trade' philosophy of the government, and it is looking for political allies such as the trade unions. As the long-run aspects begin to dominate, the manufacturers will direct more and more of their guns at the government. We are already seeing the beginning of this.

The Fraser government has managed to hold the upper hand in the past year and it has seen some significant successes in its strategy. Yet these contradictions indicate that there is no smooth path ahead of it. As they intensify, the government will find itself caught in deeper and deeper difficulties and this will set the groundwork for its destruction. However, this destruction will only finally come about if there is a general mobilisation of progressive forces against it. This is the task, and it is the first task in the struggle to lead Australia out of the grip of reaction.
A MAJOR TURNING POINT

As specific partial struggles against Fraser (Medibank, unemployment, the government's general economic policy, the media, Aboriginal rights, education, etc.) have occurred, they have pointed up what made possible the coup that brought him to office - the constitutional and political system itself. And now, debate and action are developing around the state. At no time before in Australian history has the state been brought under such sharp scrutiny, a scrutiny which is essential for the development of socialist consciousness on a significant scale.

At the present time, radical democratic demands are being put forward. A broadly based movement is developing, with some emphasis at first on obtaining Kerr's resignation, but going beyond this to initiate a people's convention to democratise the constitution. Issues commonly overlooked, for example, that the formal Australian state organisation is a monarchy, are being canvassed. The pervasive assumption that Australia is a democratic state is being questioned. 'How democratic?' is being asked.

THE DEMOCRATIC MOVEMENT

The movement cuts across class lines and conventional party allegiances but seems to have as its solid core left and progressive members of the Labor Party. But because of the movement's force, and no doubt for party tactical reasons, sections of the parliamentary Labor Party and the Labor Party right wing have been active. The communist left, too, has participated in the formation and activism of the movement. As yet it is a citizens' movement and the trade unions, as such, have not been strongly represented. Above all, the main characteristic is one of serious concern spanning a broad spectrum of outlooks and opinions.

Nor should this surprise us. Many people have spoken of their feelings after Whitlam's sacking. Not only was there revulsion and despair, but many showed the deepest concern at the blatant absolutism of Kerr's action; here was a fundamental challenge to the democratic feeling of most Australians. People were left wondering what they could do; Citizens for Democracy originating in the great Sydney Town Hall meeting last year now seems the answer. Those looking for leadership responded to the initiative of two very different writers: Donald Horne and Frank Hardy.

That movement has now moved past mere protest although protest will remain an essential ingredient. Attention is focused on the incomplete nature of Australian democracy. There is a strong feeling that the constitutional system must be democratic (what's more, be seen to be democratic) and to guarantee that the people's democratic rights cannot be annulled by the stroke of a vice-regal pen. Many believe that Australia must become truly a social democracy; some believe in socialist democracy.

Australia is a more democratic state than many other national states. Some formal, but nevertheless vital, historic advances were made in the political-electoral system -
the secret ballot, compulsory voting, electoral offices and rolls, etc. Australian women were among the first women to win the vote. The Australian state emerged from the British imperial system of which it was once just an appendage, and the modern British system itself evolved from the English Revolution - the Great Rebellion against the government of Charles I. But this democratic revolution was incomplete. (The November 11 coup has shown just how incomplete.)

There is a fairly widespread attitude among sections of the left that constitutionalism doesn't matter, that parliaments, constitutions, etc. are at best an irrelevance, and there is a view that the whole thing is a sham. These feelings are understandable because there is much that is archaic and pointless about the procedures and ritual of the political-legal framework of the state. Many ordinary citizens feel angry about structures which appear to serve no useful purpose except to frustrate their wishes.

The short answer to this is that, despite their shortcomings, the structures are important. In discussion about such things as the office of Governor-General, the existence and/or the powers of the Senate, or electoral reform, people sometimes express disdain for this or that aspect of the matter. But they may express, too, a serious and heartfelt view that there should be some sort of Head of State, with very limited powers, or they may express a view that there should be no Head of State at all. Similar considerations arise about the Senate: it is not a States' House, and never was; it shouldn't have the power to withhold supply and defer money Bills generally; it should be abolished, but perhaps it should remain as a House of Review, with very limited powers to delay legislation for an appropriately reasonable period of time, say, three months - this in order to use a part of the parliamentary institution as a safeguard against an abuse of power.

A doctrinaire view is that none of this has real meaning, that we are in a simple stimulus/response situation; the ruling class, which is some sort of permanent conspiracy, merely feeds orders in one end of the machine and parliamentary-government-judiciary, etc. issues decisions at the other end. As with many broad statements, there is some truth in this view of society. Ultimately this may be the situation, but this conception omits so much of the detail that it can become a misleading caricature of reality and a self-defeating political philosophy. If we are objective about Australian society we must acknowledge that there are already many political and constitutional checks and balances which have been established by people's action. Today's working class, a continually changing social group, is the heir to a rich tradition, shaped by many struggles in which gains have been made and new demands, as yet unrealised, expressed. In large part, any political strategy which doesn't acknowledge this is doomed to futility.

November 11 was a major turning point in Australian history. Issues which had been in the air for decades, largely unheeded, became part of political reality. Tens of thousands of people began to ask: 'What is it all about?' A remarkably broad spectrum of ideologues got into action, and it is becoming clearer that the representatives of the ruling class may not have fully appreciated the Pandora's box they were opening. They are now trying to put the genie back, launching counter proposals to divert the movement, or put themselves at its head.

Having said this, there hardly seems any need to ask whether communists should participate in such a movement or whether it is important for communist aims. Perhaps paradoxically, though, the question is necessary because the Communist Party today is itself in a fairly broad alliance of the revolutionary left, accommodating a number of contending currents each maintaining that its view is the one which holds out the most worthwhile approach to revolution: all in the context of a small party, and one which not totally unsympathetic outsiders see as probably misguided, even a hindrance, to progressive issues.

November 11, it is therefore necessary to say, was of great relevance to communist aims. The issues go straight to the heart of an Australian revolutionary strategy. The problem of which path to follow is posed. What is the importance of the democratic struggle, the completion of the democratic
A MAJOR TURNING POINT

revolution, to the struggle for socialism? How do particular forms of the democratic struggle impinge on the struggle for state power? Do the forms of state power matter, and if so, how much? What are the most likely developments which will cause the working class and progressive people to challenge the hegemony of the capitalist class? All these are critical questions which communists have been debating for several years.

HEGEMONY

Capitalist hegemony is a complex of many influences - economic, social, political, cultural and intellectual. Through an intricate pattern of pressures, the fulcrum moves constantly; the capitalist class rules and seeks to dominate all aspects of society. In striving to develop a counter-hegemony, the revolutionary workers and their allies must try to infuse all struggles, especially the most basic economic, political and social struggles with a consciousness-raising component, which demands a high degree of intellectual competence and skill in argument and organisation. Such struggles are, sometimes, conducted directly; at other times they are more subtle and indirect, but the constant aim should always be to develop some element of a counter-hegemony against the hegemony of the capitalist ruling class. This aim should never be taken lightly because the very power of the capitalist class, and its almost infinite capacity for manoeuvre, can hardly be over-estimated.

A counter-hegemony is a long term strategy. It depends on an all-round understanding of capitalism, developing an all-embracing, anti-capitalist program, affording the opportunity for effective action, eroding the capitalist hegemony at every opportunity. Because of the variety of bourgeois resources, especially the backstop of habitual thought and the extraordinarily powerful pull of personal gain, the process of developing a counter hegemony cannot but be a see-sawing, guerrilla-like struggle. But the aim must stay in sharp focus - to make gains and consolidate the inroads into capitalist-held territory.

Ideological and political debate are basic to the process. The ideological debate which surrounds every sort of issue ultimately determines the revolutionary value of the struggle around the issue. The injection of revolutionary ideas follows from well researched, well thought-out views, perhaps best developed in the context of a general program or specific policies following from an overview of the whole situation.

THE STATE

Central to developing a socialist counter-hegemony is the mounting of an attack on bourgeois state power which is the lynch-pin holding the capitalist hegemony together.
In developing struggle in which one part of the capitalist hegemony is challenged (for example, the struggle for workers' control), the way the action will impinge on state power needs to be consciously taken into account. In any considerable workers' struggle, the boss quickly invokes the political, legal and police powers of the state, and the more direct the struggle, the more likely the capitalist class is to draw on every trick in the book, especially police and court action. Workers' actions, launched without sufficient regard for the likely use of state power, ignore the need to fight consciously against the powers of the state. Ultimately, of course, individual struggles are generalised, gathered up into an overall framework, the sort of situation we saw in 1974-75 when the party struggle assumed such great significance. The ruling class went to great lengths and took great risks to prise the hands of the Labor Party from the part of the state on which they had some sort of grip.

The nature of the struggle against bourgeois state power requires a good deal of careful examination. Often, in discussions of revolution, the struggle against state power is seen as a climactic struggle, perhaps best expressed in such slogans as "Smash the state power". In a near revolutionary situation this sort of slogan may be appropriate but in just about all other conditions it is likely to do more harm than good. What such slogans, and their conceptual framework, tend to convey is that all change is sudden, that revolutionary change somehow just occurs. There is here an implication that new societies will come all at once, and that economic-social struggles are enough to bring us to this point.

The study of revolution does not readily sustain this view. Many examples are available but in one reasonably relevant case, there were some important changes in the British Parliament in the fifty or sixty years before Charles I, in August 1642, raised the Royal Standard at Nottingham against the parliamentary majority, thus formalising a state of civil war. Some of the more important of these were the change in the character of the Speakership of the House of Commons from a servant of the Crown to the mouthpiece of the Commons against the royal prerogative, the struggle for parliamentary free speech and the evolution of the Committee of the Whole House, which changed dramatically the nature of parliamentary debate, bringing more and more conflict with the crown. There were similar changes in the law (especially the Common Law) and the courts, and all these changes occurred as the formal expression of economic, social, religious and intellectual movements which were gradually bringing a fundamental shift in social and political power to the bourgeoisie, a shift capped by the civil wars (1642-47), the trial and execution of the king and the founding of the republican Commonwealth (1699).

A strategy for an attack on bourgeois state power will involve an activist involvement in constitutional and political reform, an involvement firmly based on a transitional policy. Only in this way is it possible to raise public awareness about the state and demonstrate the connection and interplay between the economic-social and the political-constitutional. Before any party can attain a really revolutionary posture, it needs to have a broad working model of its stance on a large number of questions essential to the breaking down of capitalist state power. In Australian conditions, the opportunity to accomplish this has always existed but the task has never been adequately tackled. No revolutionary group has ever really tried to come to grips with the full magnitude of such an undertaking. One difficulty has been the belief of Australians, with few exceptions, in the democratic nature of their society. A more powerful reason lies in the praxis in Australia of the revolutionary workers.

**THE PRAXIS OF THE COMMUNIST PARTY**

The Communist Party of Australia (CPA) has had the greatest influence on the development of revolutionary thought in Australia, and it continues much from the common tradition of Australian radicals and revolutionaries, dating back now nearly a century. This tradition is, broadly, a mix of three strands: doctrinaire socialism, parliamentary socialism and revolutionary/militant trade unionism. Rarely do these elements appear in a more or less pure form, but undoubtedly they can be isolated and identified to varying degrees in individuals and organisations.
Putting it very briefly, and oversimplifying, all these strands coalesced in the broad coalition of the Labor Party in the 1890s, with the parliamentarists powerful, but never completely dominant. Almost as soon as some sort of unity was established, the uneasy alliance (not well based in a comprehensive theory) fractured, with the revolutionary parliamentary socialists then the revolutionary unionists going it alone.

To a greater or lesser degree the three strands have run through the CPA too, but the doctrinaire socialist and revolutionary unionist strands have been upper-most. In particular, the CPA has been a 'trade unionist' party, the strongest influence coming from the industrial unionist/quasi-syndicalist hegemony established at the party's foundation in 1920. This doctrine had to be only a little adjusted to harmonise with a simplified Leninism (more or less in the style adopted by Stalin).

Apart from the positive, but often overemphasised results of this orientation-working class ties, strong on economic issues - the CPA's praxis has been skewed so that a critical gap between the development of the working class as an economic/social class and its development as a political class exists. (Roughly, I think, this is a way of putting Marx's well-known distinction - a class-in-itself, a class-for-itself). In the model that has dominated CPA thinking for decades no full appreciation of this gap has emerged, in spite of short periods (1937 - 44, 1965-70) when it seemed it might. Unless and until there is a full realisation of the nature of this problem, the task of redeveloping a counter-hegemony in relation to the state will remain largely in the realm of rhetoric.

THE AREA OF STRUGGLE

There is, of course, always a general many-sided oppositional struggle, and revolutionaries must at least try to keep abreast of all the issues and all the action (a counsel of perfection). Getting priorities right is one of the hardest problems to solve, but for a revolutionary political party seeking to politicise workers and others, a prime consideration must be recognition that most issues involve governments, bureaucracies, policing agencies, and other state institutions. And matters of government, political parties, constitutional and administrative affairs, demand primarily a political orientation.

Our predictive power about the evolution of political revolution must remain fairly circumscribed. It is just possible a socialist Australia may come through trade union action or workers' councils based on the workplaces, in something like the way Russian soviets developed. It is possible that development will parallel that of other countries going through a socialist revolution - China, Yugoslavia, Cuba, Vietnam - but it is more likely that in Australia, change will occur in harmony with an established democratic tradition, the existence of representative parliamentary institutions and a multi-party political system.

The political-constitutional crisis of 1975 draws our attention to the issue of political rights, changes and reforms. The collective consciousness is already partially aware at this level. Communists need to formulate and advance their ideas on the nature of the political system: federalism, upper houses, control of taxation and government finances, vice-regal institutions, fair electoral arrangements, a bill of rights, the form of the state system, etc. Opportunities abound for serious propaganda, agitation and action. The mobilisation of different forces in a broad extra-parliamentary movement for constitutional and political reform is possible. Change, outside and inside parliament, may follow. In such action it is reasonable to expect a growing awareness of the ultimate interdependence of social, economic and political objectives. But such an interdependence should not be seen as a simple mechanism in which political change is secondary. A political orientation is needed. Such an approach offers the possibility of a significant rise in public acceptance of the need for breaking-down capitalist hegemony, especially in the key area of the state. With this consciousness, and only with this consciousness, can we envisage a real advance in the direction of socialism.

- Roger Coates.
THE POLLUTED OCEAN (2)

R.A. PRIEST
THE POLLUTED OCEAN

THE MAJOR POLLUTANT FACTORS

As there are so many things that man puts into the ocean which have an adverse effect on it, I will endeavour to divide them into their different categories and describe each of them separately.

ORGANIC WASTES

The first pollution of the ocean was from organic waste during the Agricultural Revolution which brought about the establishment of permanent settlements.

As these settlements grew in size, less human and animal wastes were returned to the soil. This broke the natural cycle which maintains the productivity of the soil. Consequently, the soil began to lose its fertility and water retentive properties.

In fact, these early settlements started to pipe their wastes to the nearest body of water. It seems probable that most early civilisations felt the impact of soil infertility long before their rivers and lakes showed any signs of ecological imbalance.

CRIPPLING FAMINES

The Minoan, Roman and Greek civilisations all experienced crippling famines when their soil failed them. Likewise, the Maya civilisation of Central America was at the brink of collapse long before the Saniards did it for them.

Although their cities were surrounded by agricultural land, the fertility was robbed as food was taken into the town from where the wastes were never returned.

The Chinese civilisation is one of the few based on soil fertility conservation. They have returned their wastes to the soil for two thousand years. Few other societies have learnt from this example.

The Industrial Revolution served to heighten the problem. It centralised people into bigger and bigger cities, placing greater pressures on to agricultural land.

Eventually, man was forced to replace lost fertility by the use of inorganic fertilisers to increase or maintain the yield. The soil became addicted to inorganic fertiliser and more and more was required to keep the yield constant.

The annual consumption of inorganic nitrogen fertilisers has increased fourteen-fold in the USA in the past 25 years, while agricultural crop production has not even doubled over the same period.

As much as half of the inorganic nitrogen fertiliser which is applied to the land never reaches the plants, but is washed out into the nearest body of water. It is, therefore, not surprising that the nitrogen content of waterways in agricultural areas has increased alarmingly in the last two decades.

As well as increasing the amounts of inorganic fertiliser that he introduces into the ocean, industrial man has vastly increased his output of organic wastes. These wastes are produced by meatworks, laundries, breweries, dairies, sugar factories and other food processing plants.

SEWAGE TREATMENT

The effect of all these wastes on the ocean, which is where they eventually end, is no longer significant.

The increased quantities of organic wastes and inorganic fertilising elements produced by sewage treatment impose strong loads on water life. Both sea and fresh water ecosystems cope naturally with organic wastes by decomposing them and breaking them down to inorganic elements, but decomposition can only be achieved by the removal of oxygen from the water.

In a balanced system, the removal of oxygen is compensated by the oxygen produced by plants (photosynthesis) which are in turn fertilised by the products of decomposition.

The cycle is broken when large amounts of material ready for decomposition are introduced. Too much oxygen is removed for the animals which eat the plants to survive. Once fish and other organisms die off in large numbers they merely add to the decomposition already taking place.

The end result is nearly all life becomes extinct in areas where decomposition is rife.

This process is called over-fertilisation and leads to ecological imbalance. The complete process from over-fertilisation to excessive
decomposition is known as eutrophication and was first observed in fresh water bodies such as lakes. One of the great lakes, Lake Erie, is in a state of eutrophication and is regarded as being dangerously close to dying completely.

SEAS DYING TOO

What may come as more of a shock is that large bodies of open seawater and enclosed seas are showing the first signs of the eutrophication process.

The Baltic is one such sea and the coastal shelves of the industrialised nations are also affected.

The nursery grounds of many commercial fish species are being eliminated and highly productive ecosystems such as seaweed forests and estuaries are being relentlessly destroyed.

Forests of seaweed that are found on the continental shelves of much of the temperate zone can support many species of fish. Now they are frequently inhabited by a skeleton crew of worms and bacteria acting out their role as decomposer organisms.

Estuaries are the spawning grounds of many of the fish we eat and they form the base of the food chain of approximately 60 per cent of the food we take from the sea. It is sad that these big rivers and their estuaries are also the sites used by man to build many of his cities and industries.

“RED TIDES”

An interesting sidelight to over-fertilisation are the so-called “red tides” caused by population explosions of certain red species of phytoplankton. They pose threats to fishing stock and human health.

Records show that a “red tide” occurred off the Florida Gulf coast in 1916. The next one occurred in 1932, then again in 1948. There were tides in 1952, 1953 and 1954, and then in every year from 1957 to the present time.

Other areas where they occur are Ceylon, Brazil and Spain.

They clog the gills of fish and the filters of shell fish and produce poisons which kill or paralyse animals.

Shell fish which are not killed build up high concentrations of the poison and can kill men who eat them, while sea spray containing tide phytoplankton can harm man on contact, causing irritations of the skin, mouth and throat.

The red tide, however, is only one of the results of dumping sewage into the sea that is harmful to man.

The area around New York City has been found to be rich in micro-organisms harmful to man. More than 45 strains of virus, including those which cause polio and meningitis, have been found off the New Jersey coast.

It has been found that the organic content of sewage acts as a protective coating so that viruses live longer and are more likely to contaminate water used by humans for recreational purposes.

NO EASY ANSWER

Having understood the problems associated with the dumping of organic wastes and inorganic fertilisers into the sea, how do we deal with it?

The answer isn’t easy.

One or two enlightened localities have come to realise that wastes are indeed wastes if they are not returned to the soil and hence to the natural cycle to which they belong.

The return would be cheapest to effect in developing countries where domestic wastes are not mixed with synthetic detergents and other household items. It might pay to follow the example set by China, where most pig, sheep and human excrement is returned to fertilise the soil.

In industrial nations, it is possible to treat all animal and industrial organic wastes in this fashion, but human wastes could only be treated if toilets were redesigned. And this is unlikely to happen until fresh water shortages are sufficient to make the flushing of gallons of water an unreasonable act.

Any failure by the world’s nations to face the threat of over-fertility in the oceans is a threat to the world’s food supplies, to health and to recreational amenities.
CHLORINATED HYDROCARBONS

The next pollutant we shall deal with is chlorinated hydrocarbons, or the stuff you spray on your garden to kill weeds or bugs.

One you may have heard of is DDT. Just as the soil becomes addicted to artificial fertilisers, so does the user of these chemicals. The sustained use of biocides nearly always causes the “pest” involved to develop into resistant forms. Bigger and bigger doses have to be applied to keep it down. At the same time, those creatures which would naturally keep the pest down, are often wiped out.

Okay, let’s talk about the one we all know about - DDT. The most common method of application is spraying, from the ground or the air. Right away, only a fraction gets to the insects it is intended for; the rest is wafted away and deposited in the soil.

Scientists generally agree that, once there, it is non-biodegradable (i.e. it cannot be broken down into harmless elements by living things). Therefore, it is around for anything up to 50 years.

The important thing is that some gets to the sea by evaporation, and the rest gets there by running off into the nearest body of water.

We must remember that, in the end, the sea has to handle everything.

Recent calculations indicate that as much as a quarter of the annual production of DDT compounds (81,300 tons in 1963 in the US alone) ends up in the ocean. The overwhelming majority of this is introduced to the sea by precipitation, which means that it is not only confined to coastal waters but is distributed evenly throughout the surface layer of the world, including the polar seas.

MASSIVE DOSES

Before we progress any further, we have to break down DDT into its component parts.

Commercial DDT is nearly always a mixture comprising eighty per cent DDE compounds. So the bulk of the DDT in the environment and in living things is, in fact, DDE.

DDE takes longer than DDT to break down (possibly decades) and is not known to be broken down by any marine organism. DDE enters plankton directly through their porous cell walls. Once stored, the compounds are slow to leave and this organism gradually builds up a strong concentration of it.

Concentration increases as one looks at organisms further up the food chain. For instance, from plankton to small fish, to bigger fish, to fish eating birds and, finally, to predatory birds which eat the fish eating birds. These latter birds were found to be carrying around massive doses of DDE.

Laboratory tests have shown that the effects of DDE compounds on living organisms are adverse growth, reproduction and mortality patterns. But by far the greatest shock was to discover that DDE inhibits marine photosynthesis in phytoplankton which is essential to all other marine life.

If the manufacture and use of DDT compounds was stopped tomorrow, the quantity in the environment is so great that it could still be doing its damage a decade from now.

In fact, the damage to the oceans might well be greater in a few years’ time when residues held in lakes and other surface waters are finally released to seawater.

OIL - A VERY STICKY PROBLEM

Pollution of the ocean by oil has had more publicity focused on it than that by any other substance.

This is undoubtedly due to the number of major disasters involving super tankers that have occurred during the past decade.

But accidental spills of this nature represent less than 10 per cent of the two million metric tons of oil that man introduces directly into the ocean every year. The other 90 per cent results from the normal day-to-day operations of tankers, other ships, refineries, petrochemical plants and offshore oil wells and from the disposal of industrial oils.

In addition to the oil dumped directly into the sea, another ten million tons arrive via the rivers and the atmosphere.
Thor Heyerdahl's report that tar globules derived from dumped oil are to be found right across the Atlantic has since been confirmed by scientists trawling plankton nets in the surface waters of the ocean. Tar globules constituted, on an average, over 20 per cent of the material collected.

**VARYING EFFECTS**

The effects of oil pollution depend on whether the pollutant is crude oil or fuel oil.

In the case of crude oil, shellfish are rendered unpalatable, their growth and feeding slow down and they may slowly starve to death if their filters become sufficiently clogged.

Fish can be affected in many ways, ranging from cancers of the skin to disequilibrium.

Oil spills are also particularly dangerous to birds. Sea birds are easily killed by oil pollution because, once their plumage is oiled, they cannot fly and are doomed to drown or starve.

Most of Britain's coastal birds are in decline and reports come in from all over the world of species faced with extinction. The Cape of Good Hope receives so much regular oil pollution that the jackass penguin is faced with imminent extinction.

Carcinogens, which are cancer causing agents, have been found in crude oil. It is possible that they are passed on to man when he eats fish and other seafood contaminated with oil.

**CONTROL EFFORTS**

Attempts to control the influx of oil into the seas are being made. They are, however, mainly concentrated on preventing spillage from the routine operations of tankers and are motivated on the theory that lost oil is lost money.

The immediate post war problem of leakage through loose rivets has been solved by the advent of all welded construction. The main problem still remains with ballasting and tank cleaning.

Having never served on a tanker myself, no doubt some old tanker hands will correct me if I am wrong, but during return voyages, the tanks have to be washed out and, as their total surface area amounts to some acres, it is not surprising that these cleaning operations remove a fair weight of oil. Actually, it is approximately 0.3 per cent of the original cargo.

It has been common practice in the past to discharge this waste oil over the side. However, a real breakthrough has been achieved in the problem of tank cleaning - the load-on-top system.

In this system, the oily water resulting from tank cleaning is put into a settling tank where the oil and water separate out, and the separated water is slowly removed.

**DISPOSAL PROBLEM**

That leaves only the problem of disposing of the recovered oil. One would assume that, with the price of oil being what it is, that problem would be solved but this is not so.

The greater weight than that of a completely empty tanker means extra port dues, the customs then charge for importing the oil and the company chartering the vessel may be loath to mix the waste oil with a new load. The answer is, of course, to dump it at sea.

The majority of oil companies have facilities for receiving this waste oil at their terminals, so the culprits are really the flag-of-convenience, independently-owned tankers whose owners are solely concerned with maximising profits from each voyage.

We must bring these people into line and also ensure that every terminal has on-shore facilities for taking waste oils. Only then will the load-on-top system really prove effective.

**LITTLE RESEARCH**

As much as these measures may be welcome, the major problem still remains - the indirect influx into the sea of millions of tons of oil.

This enormously important area is disgracefully under-researched and consequently very little can be done to control it.

Any successful method of dealing with oil pollution must rapidly do one of two things -
remove the oil or break it down into harmless chemical elements.

Removing the oil is being tried by spotting slicks from planes, containing them by using booms and then pumping them into empty tankers. This method has not proven to be entirely successful due to the time factor involved. By the time the booms and the tanker get there, the slick is likely to have dispersed.

The other development is the creation of mixed cultures of micro-organisms which eat up oil and reduce it to basic organic chemical elements that can be used as nutrients by other living things in the sea.

Unfortunately, as we have already seen with the examples of eutrophication and de-oxygenation caused by organic wastes, the introduction of large quantities of nutrients into the sea is not necessarily a good idea.

The whole subject was well summarised in an editorial published by the Marine Pollution Bulletin:

"The fact is that, even after a decade of serious investigation, great publicity and much international and national legislation, we still have very incomplete ideas about oil pollution. What we have discovered is that the solution to one problem raises new problems and that changing technology constantly changes the nature of the problems. If this is true of our best known pollutant in the sea, we cannot expect that problems of pollutants we have only just discovered will be solved at the stroke of a pen. We have a long haul in front of us and the sooner that is realised the better. Let us hope there is time."
RADIOACTIVE WASTE

The radioactive wastes released so far by man into the marine environment probably amount to less than 3 per cent of the background radiation from cosmic rays, radioactive rocks and certain substances in the human body (especially potassium).

The argument put forward in some quarters is that our contribution is so small and that living organisms are somewhat accustomed to natural radiation that we should not worry too much.

However, there is a serious doubt as to the wisdom of this theory.

Marine and other organisms have adapted over a period of millions of years to a fairly narrow range of radioactive substances from a limited range of places where they are present at fairly constant levels.

Man has suddenly introduced a whole new range of radioactive materials and is releasing them at comparatively high levels in areas that have received little radiation before.

Radiation has a profound effect on living cells and marine organisms are probably among those most easily affected. Because they are sheltered by seawater from much natural radiation, they are less accustomed to it than terrestrial organisms. Marine food chains are also longer and more concentrative than land ones, so the odds on a dangerous dose are that much greater.

Problems come from 'ionising radiations'. These are invisible electromagnetic waves and sub-atomic particles which travel at very high speeds and have the ability to penetrate living tissue.

In their passage through the tissue, they knock electrons off atoms and cause the water to become charged and therefore chemically active. This activity is usually incompatible with the normal functioning of the cell in which it occurs.

The very smallest doses of radiation cause changes to cells and large doses can kill them almost instantaneously.

All radioactive substances decay, turning into stable non-radioactive forms as they lose matter or energy, in the form of ionising radiation. The rate of decay is expressed as the 'half life' of a substance - that is, the time taken for half its radiation to be released. Half-lives vary considerably from a few seconds to millions of years.

NUCLEAR WEAPONS

The first large-scale human release of radioactivity to the environment came from the use and testing of nuclear weapons.

When a nuclear device is exploded above or on the surface of the earth, large quantities of radioactive dust are blown into the upper atmosphere. The portion of that dust which slowly drifts back to earth is known as fallout.

More than 200 different radioactive materials can be released in one explosion and their distribution is difficult to predict. It is thought, however, that more fallout per unit area is deposited over the oceans than over the land masses.

Direct entrance of fallout into the ocean is irrelevant, considering that fallout which finds itself on land ends up in the ocean anyway - it is slowly leached off land surfaces into seawater.

Much of the river borne material is deposited in the sediments of estuaries, due to the chemical processes induced when seawater meets fresh water.

A technical report on an underground test carried out on the Alaskan island of Amchitka in 1970 suggested that radioactive materials would take six years (until this year) to reach the ocean. Once it has reached the ocean, the radioactive waste will remain above maximum permissible levels for as long as 66 years.

Nuclear weapons are not the sole source of radioactive releases into the sea. The increasing use of nuclear reactors to generate power, together with the wastes they produce, are an ever-growing headache.

Nearly all reactors are at present situated on the coast or on a large body of water connected to the ocean and routinely release small quantities of radioactivity to the marine environment.

Another problem associated with nuclear reactors is the disposal of the radioactive residue that cannot be processed for re-use and is extracted in solid form.
THE POLLUTED OCEAN

This solid waste is usually placed in steel and concrete containers and dumped in deep oceanic trenches in the mistaken belief that the ocean's depths are immobile. But, in fact, there are earthquake shockwaves which pass through the sea floor and the water as well as powerful sub-surface currents.

A United Nations publication, "Marine Pollution - Potential for Catastrophe," points out that "no one expects the containers to last forever, even those who make them".

An interesting side effect of nuclear reactors is the use of water in their cooling systems. This water is returned to its source after use many degrees warmer than when it entered the system. The many reactors lining the banks of the Rhine have raised the temperature of that river to a level where even the hardy fish which have survived the toxic poisons can no longer survive there. In fact, the Rhine gets the prize for being the filthiest river in the world.

MUCH TO COME

Much of the radioactivity released to the environment has yet to reach the ocean. It awaits the whims of the winds, the leaching activity of fresh water and the destruction of containers.

Marine organisms are as effective at building up high concentrations of radioactive elements as they are with chemical toxins. Oysters gathered 250 miles from any nuclear source have been found with 200,000 times more radioactive zinc than the surrounding ocean.

The major obstacle to safe controls on the release of radioactive wastes may well be that the very mentality which has led to the horrific abuse of nuclear power for military ends and to the worship of enormous centralist power generation schemes is exactly the sort of mentality that is least susceptible to subtle considerations of facts about oysters.

INDUSTRIAL WASTES - INCLUDING HEAVY METALS

As unlikely as it may seem, man is affecting the composition of seawater by his industrial activities.

The natural controls, which have kept the composition of seawater constant for millions of years, have been upset by a sudden massive input of heavy metals such as lead.

Unfortunately, as we have already seen, marine organisms have a knack of concentrating just about everything we put into the ocean - and heavy metals are no exception.

The usual disastrous results occur higher up the food chain. All heavy metals have been found, when present in high levels, to retard growth and to increase the mortality of a wide range of marine animals.

Mercury is an extremely valuable heavy metal and consequently is not thrown away haphazardly. Nonetheless, one third of the 10,000 tons produced in the world annually finds its way into the oceans.

Marine organisms can concentrate mercury much more effectively than other heavy metals and it is highly toxic in very low concentrations. These two factors together are lethal to all living matter. Incredibly low levels, well below those commonly accepted as safe for drinking water, have been found to retard the growth of marine phytoplankton and to inhibit photosynthesis. By the time it reaches man, the concentrations can be high enough to kill.

MERCURY POISONING

The worst instance of mercury poisoning occurred in 1956 at Minamata Bay, Japan. Of the 116 cases officially recorded, 43 died and the rest have still not recovered.

The poison affected the central nervous system, causing numbness of the limbs and lips, defective sight, ataxia (failure of muscular co-ordination) and slow, slurred speech.

A clue to the source of the mercury came from the local cats which had shown signs of poisoning long before the humans and were jumping into the sea to drown.

Investigation showed that the bay's fish and shellfish, eaten by both the cats and their owners, were heavily contaminated with mercury.

The source was traced to a chemical company situated on the bay which denied
any responsibility, refused to submit waste water for analysis and refused to give information about its production processes.

A court case, instigated by the families of the victims, still drags on to this day.

A similar episode occurred at the mouth of the Agamo River in 1965.

A disturbing factor is that fish protein concentrates, which were mentioned previously as a promising source of protein for third world countries, have been found to contain high levels of mercury.

It has been found in mackerel, herring, cod, alewife, Atlantic herring, Californian anchovy, gulf menhaden and ocean pout.

Although not fatal to fish, mercury is definitely fatal to man.

BIGGEST THREAT

Cadmium is the heavy metal which poses the biggest threat to marine life. Japan has once again led the world with 500 deaths so far from "itaiitai" (cadmium poisoning).

Once inside the body, cadmium builds up in the liver and kidneys. It also concentrates in the bones (replacing the chemically similar calcium) and, when this happens, the bones become so brittle that a cough will break them.

The culprits this time are zinc smelting works. Those of our comrades on Lake boats can think about it next time they visit Risdon with a load of zinc concentrate.

Zinc smelting produces cadmium wastes which are then discharged, in the case of Risdon, into the river or the harbour.

In Japan, it unfortunately finds its way into rice paddies and is incorporated into the food of the local populace.

Little research has been done to determine the extent to which cadmium has affected marine life, but fish caught in the Bristol Channel had much higher levels of cadmium than expected. The zinc smelter responsible has completely ceased production.

Copper is a heavy metal which does not often occur in high concentrations in the sea but, when it does, it can have spectacular effects.

The most dramatic case occurred in March, 1965, off the Dutch coast. Industrial copper sulphate had been poured into the sea, increasing the natural concentration of copper in seawater over a hundred times.

Instead of quickly dispersing, as the dumpers had hoped it would do, the copper-enriched water travelled in a coherent mass which wrought havoc as it moved along the coast.

One hundred thousand dead fish were found washed up and many more were observed swimming around in an uncoordinated fashion. Whole mussel beds were wiped out and some species of plankton died in large numbers.

Green oysters made unpalatable by the large concentrations of copper they contain have also been reported from various parts of the world.

ONLY A FRACTION

Other heavy metals such as zinc, nickel and silver, although as yet only found in local concentrations, are still a source of potential danger.

Heavy metals are, however, only a fraction of the half million substances dumped each year by industry.

Just to sum up, the following are some figures from the first governmental survey on the dumping of industrial wastes carried out by the US in 1968. The report showed that 48 million tons of wastes were dumped in the oceans around the US in 1968 and that $29 million was spent to achieve it.

A study of the North Sea, made in the same year, showed that the Dutch alone poured in 3,600 tons of sulphur dioxide each year. The West Germans were found to be dumping 375 tons of sulphuric acid and 750 tons of iron sulphate per day and 200,000 tons of gypsum plus 600 tons of polyethylene per year.

The American survey indicated that the dumping had increased four-fold in the previous 20 years and showed no signs of abating.

That was in 1968, eight years ago, so we can only speculate on the amounts being dumped now.
WHAT ANSWER?

In these articles, I have endeavoured to do nothing more than to encourage an awareness among our membership of what is happening to the oceanic environment.

It is incredible that so little attention has been paid to the enormous damage we have done and are doing to life in the seas.

During the research I carried out for this article, I read many books and various publications on the subject*. One thing which I noticed they all had in common was that none of them provided any long-term solutions to the problem.

In fact, my conclusion is that, apart from stop-gap measures, there probably aren't any as yet.

One of the biggest hopes is the international biological programme. Unfortunately, its work is hampered by lack of adequately trained researchers and finance.

Most governments appear to be more concerned with economic problems than environmental ones. The U.S. government, for example, spends thousands of millions of dollars on oceanographic research of a depressingly limited nature - a nature determined entirely by military needs.

The military also employs a far too great proportion of the limited number of oceanographers and marine biologists available.

You and I earn our living by the sea. We are closer to it than a vast majority of the world's people and we can do something. Next time you are about to dump that garbage over the side, just think about it first!

ECONOMIC NOTES

Syntec, a Melbourne-based private research group, has published new evidence which dramatically underlines the crucial role foreign investment is playing in the current economic recession.

These figures show foreign investment grew steadily in importance from the mid-1960s to 1972, but was suddenly withdrawn when Labor came to office.

In other words, the investment strike Australia experienced under Labor was led by foreign capital.

Table 1 shows this clearly. Foreign capital's share of net private investment grew from 23 per cent in 1966-67 to about 40 per cent in the early 1970s but in 1972-3 fell by more than two-thirds to 12.3 per cent and in the following year fell even further.

Table 1

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966/67</td>
<td>23.0</td>
<td>1971/72</td>
<td>39.7</td>
</tr>
<tr>
<td>1967/68</td>
<td>37.6</td>
<td>1972/73</td>
<td>12.3</td>
</tr>
<tr>
<td>1968/69</td>
<td>33.6</td>
<td>1973/74</td>
<td>8.0</td>
</tr>
<tr>
<td>1969/70</td>
<td>29.9</td>
<td>1974/75</td>
<td>15.2</td>
</tr>
<tr>
<td>1970/71</td>
<td>40.3</td>
<td>1975/76</td>
<td>11.0</td>
</tr>
</tbody>
</table>

However, while foreign companies cut their new investment in Australia, their share of profits grew dramatically.

Table 2

Percentage of Company Income Payable Overseas

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966/67</td>
<td>23.2</td>
<td>1971/72</td>
<td>27.3</td>
</tr>
<tr>
<td>1967/68</td>
<td>28.8</td>
<td>1972/73</td>
<td>32.5</td>
</tr>
<tr>
<td>1968/69</td>
<td>27.4</td>
<td>1973/74</td>
<td>36.5</td>
</tr>
<tr>
<td>1969/70</td>
<td>26.4</td>
<td>1974/75</td>
<td>52.7</td>
</tr>
<tr>
<td>1970/71</td>
<td>29.4</td>
<td>1975/76</td>
<td>55.2</td>
</tr>
</tbody>
</table>

For the six years up to 1971-2, the percentage of company income payable overseas averaged 27 per cent and, as Table 2 shows, didn't vary much.

However, over the last four years the share of profits going overseas has doubled, reaching 55.2 per cent in 1975-76.

These two dramatic changes - the drying up of foreign investment and the increase in the proportion of profits payable overseas - have occurred together.

Syntec concludes this will make the recession in Australia longer and more painful than anyone so far has been prepared to admit, but that's not all.

"The most dramatic message of these tables looked at together is this:"

"The fate of a large part of private enterprise productive investment in Australia now rests in board rooms in New York, Tokyo, London and elsewhere.

"Thus, too, the question of whether the Australian economy resumes growth or shrinks into a smaller entity, with less opportunity for employment and living..."
standard growth, rests in these overseas board rooms."

The government's job, Syntec believes, is not to challenge foreign capital's power to make these decisions but to find out what it wants - and to do it.

"If we want to return to an economy offering reasonable scope for growth in employment and living standards", they argue, "we have little choice but to ask: What makes overseas direct investors like or dislike an economy such as this one?

"We believe their predominant concern in determining the relative attractions of one national investment against another these days tends to be 'inflation performance'."

Their answer is to cut budgets, rein in the money supply and boost unemployment to sweat out the 'disease' of inflation.

This is obviously determining the Fraser government's policies, Syntec believes, but they also draw a longer term conclusion:

"These tables suggest that the overseas investor is now a more potent influence for the Australian Government to worry about. This would apply to a Labor government no less than to a Liberal-Country Party government."

Understanding the capitalist class: the top 50 companies

Economic Notes in ALR No 57 explored some of the divisions within Australia's capitalist class using the concept of class fraction. It examined how the interests of rural, manufacturing and mining capital have been represented at the political level, especially by successive conservative Liberal-Country governments.

This approach is limited and leaves out many of the complexities. In Australia we need to distinguish not only Marx's three class fractions - money capital, commodity capital and productive capital - but to examine how productive capital is in turn divided between manufacturing, mining and rural industry.

And within each of these we find both monopoly and non-monopoly sectors with the monopoly sector dominant, though to a different degree in each case. For example, the non-monopoly sector is much more important within commodity capital - particularly retail trade - than it is within money capital, though in both the monopolies dominate. Or again, consider the different role of the non-monopoly sector within rural and mining capital respectively.

The problem then is to fill out these categories. One way is to start at the other end - at the level of the firm - and to try to identify class fractions by examining conflicts and links between firms.

This project has been carried through most thoroughly by Anne Game and Bob Connell in a paper called "Big Business". It is available from the School of Behavioural Sciences, Macquarie University, Balaclava Road, North Ryde, NSW.

Game and Connell admit there are problems starting with firms but that "because the corporate form is the dominant form of the organisation of capital it must be the focus of any general inquiry into the ruling class."

The problems come when we try to identify firms with particular fractions of capital. "Some cases are more clear-cut than others", they point out, "for example, it can be said that banks are representative of the fraction money capital.

"However manufacturing and mining firms which are predominantly productive capital also perform functions of money capital for other companies and for themselves.

"Within productive capital a broad distinction between mining and manufacturing firms can be made; however, firms often engage in both activities - for example BHP and CSR.

Since their approach deals only with the largest companies they must focus on monopoly capital and leave aside the non-monopoly sector. Still, they obtain important results.

They begin with a list of the top 50 companies, including all the major corporations operating in Australia, whether locally owned or not, whether listed on the stock exchange or not.

The criteria they use are shareholders' funds and number of employees. All
companies that have either 7000 employees or shareholders' funds of $100 million are included; mutual insurance funds are listed if their assets exceed $1000 million.

As Game and Connell point out, these figures are arbitrary and are simply chosen to produce a list of 50 companies. One complication is that some companies on the list have subsidiaries which would also meet the criteria, but these have not been included. For example, Hamersley Holdings and Bougainville Mining have been considered part of the parent company, CRA.

However, Comalco (45 per cent CRA) and John Lysaght (50 per cent BHP) are included separately. Again, there is no particular significance in these distinctions, they warn. "This is not to suggest that, for example, Comalco's position in the CRA group is necessarily different to that of, say, Hamersley, nor that it is analogous to Lysaght's with respect to BHP."

<table>
<thead>
<tr>
<th>Company</th>
<th>Major Business</th>
<th>Employees (to nearest 500)</th>
<th>Shareholders' Funds ($m.)</th>
<th>Classified as</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcoa of Aust.</td>
<td>Alum. mining, refining</td>
<td>4,000</td>
<td>148</td>
<td>mining</td>
</tr>
<tr>
<td>AMATIL (Brit. Tobacco)</td>
<td>Tobacco, food, packaging</td>
<td>13,500</td>
<td>180</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Ampol Petroleum</td>
<td>Petrol</td>
<td>2,500</td>
<td>117</td>
<td>mining</td>
</tr>
<tr>
<td>Ansett Transp Ind.</td>
<td>Air transport</td>
<td>13,500</td>
<td>59</td>
<td>circulation</td>
</tr>
<tr>
<td>ANZ Banking Grp.</td>
<td>Banking, finance</td>
<td>20,000</td>
<td>221</td>
<td>finance</td>
</tr>
<tr>
<td>Aust. Consol. Ind.</td>
<td>Glass, plastics</td>
<td>22,500</td>
<td>299</td>
<td>manufacturing</td>
</tr>
<tr>
<td>AMP Society</td>
<td>Insurance</td>
<td>5,000</td>
<td>(3817)</td>
<td>finance</td>
</tr>
<tr>
<td>Aust. Paper Mfrs.</td>
<td>Paper, board</td>
<td>6,000</td>
<td>197</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Bank of NSW</td>
<td>Banking, finance</td>
<td>21,000</td>
<td>408</td>
<td>finance</td>
</tr>
<tr>
<td>BP Aust.</td>
<td>Petrol</td>
<td>4,000</td>
<td>497</td>
<td>mining</td>
</tr>
<tr>
<td>BHP</td>
<td>Steel, oil, mining</td>
<td>63,000</td>
<td>1610</td>
<td>mining &amp; manuf.</td>
</tr>
<tr>
<td>Burns Philp</td>
<td>Merchant, shipping</td>
<td>4,000</td>
<td>124</td>
<td>circulation</td>
</tr>
<tr>
<td>Carlton &amp; United</td>
<td>Brewing, hotels</td>
<td>38,000</td>
<td>146</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Chrysler Aust.</td>
<td>Car manufacturing</td>
<td>8,000</td>
<td>76</td>
<td>manufacturing</td>
</tr>
<tr>
<td>G J Coles &amp; Co.</td>
<td>Retailing</td>
<td>4,500</td>
<td>(1230)</td>
<td>circulation</td>
</tr>
<tr>
<td>Colonial Mutual Life</td>
<td>Insurance</td>
<td>5,500</td>
<td>178</td>
<td>mining</td>
</tr>
<tr>
<td>Comalco</td>
<td>Alum. mining, refining</td>
<td>9,000</td>
<td>96</td>
<td>finance</td>
</tr>
<tr>
<td>Commercial Bank of Aust.</td>
<td>Banking, finance</td>
<td>7,000</td>
<td>117</td>
<td>mining</td>
</tr>
<tr>
<td>Commercial Bkg. Co.</td>
<td>Mining investment</td>
<td>16,000</td>
<td>517</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Conzinc Riotinto</td>
<td>Sugar, bldg. materials, mining</td>
<td>14,000</td>
<td>365</td>
<td>circulation</td>
</tr>
<tr>
<td>CSR</td>
<td>Tobacco, footwear, textiles</td>
<td>21,000</td>
<td>155</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Dunlop Aust.</td>
<td>Wool broker, merchant</td>
<td>5,000</td>
<td>126</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Elder Smith G'brough Mort</td>
<td>Electrical goods</td>
<td>9,000</td>
<td>59</td>
<td>mining</td>
</tr>
<tr>
<td>Email Ltd</td>
<td>petrol</td>
<td>1,800</td>
<td>118</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Esso Aust.</td>
<td>Car Manufacturing</td>
<td>13,500</td>
<td>130</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Ford Motors Aust.</td>
<td>Car manufacturing</td>
<td>25,500</td>
<td>224</td>
<td>manufacturing</td>
</tr>
<tr>
<td>GM-H</td>
<td>Finance</td>
<td>1,200</td>
<td>124</td>
<td>finance</td>
</tr>
<tr>
<td>IAC</td>
<td>Chemicals</td>
<td>13,000</td>
<td>275</td>
<td>manufacturing</td>
</tr>
<tr>
<td>ICI Aust.</td>
<td>Retailing</td>
<td>13,500</td>
<td>117</td>
<td>circulation</td>
</tr>
<tr>
<td>David Jones</td>
<td>Sheet steel</td>
<td>7,000</td>
<td>183</td>
<td>manufacturing</td>
</tr>
<tr>
<td>John Lysaght</td>
<td>Engineering</td>
<td>7,000</td>
<td>37</td>
<td>manufacturing</td>
</tr>
<tr>
<td>Johns &amp; Waygood</td>
<td>Transport</td>
<td>8,000</td>
<td>44</td>
<td>circulation</td>
</tr>
<tr>
<td>Company</td>
<td>Industry</td>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------------</td>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal Mfrs.</td>
<td>Copper manufact.</td>
<td>7,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MIM Holdings</td>
<td>Mining, refining</td>
<td>7,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MLC</td>
<td>Insurance</td>
<td>4,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobil Aust.</td>
<td>Petrol</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Myers</td>
<td>Retailing</td>
<td>32,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Bank</td>
<td>Banking, finance</td>
<td>10,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nat. Mutual Life</td>
<td>Insurance</td>
<td>1,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nth. Broken Hill Mining</td>
<td>Mining, investment</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philips Industries</td>
<td>Electrical goods</td>
<td>8,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repco</td>
<td>Automotive parts</td>
<td>12,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shell Aust. Sec.</td>
<td>Petrol</td>
<td>5,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TNT</td>
<td>Transport</td>
<td>20,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tooth &amp; Co.</td>
<td>Brewer</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tubemakers of Aust.</td>
<td>Tube, pipe mfg.</td>
<td>8,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waltons</td>
<td>Retail, finance</td>
<td>8,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Mining</td>
<td>Mining</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woolworths</td>
<td>Retailing</td>
<td>34,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Despite the difficulties of identifying firms with fractions of capital, Game and Connell use the dominant activity of each firm to categorise them. On this basis, 29 of the companies are in the sphere of productive capital: 19 in manufacturing and 10 in mining.

Eleven firms represent banking or money capital and 10 commodity capital. In this category (which they call “circulation”) they include both merchants and transport companies but warn that there is controversy over the latter within marxist theory.

BHP also presents a problem. While its predominant activity is steel production, most of its (declared) profits come from mining. For this reason it has been included in both mining and manufacturing. Where the relation between mining and manufacturing is considered it has been put into mining.

One result stands out: economic ownership of at least 14 of the 50 top firms clearly lies in the hands of US or British capital. These firms are predominantly in the productive sphere. There are also a number of companies with overseas interests, and the international connections take more subtle forms than straight out ownership.

The next task is to trace the history of each of these firms. This bears both on the relations between local and overseas capital and on the relation between industrial enterprises and financial institutions.

Game and Connell distinguish four main sources of capital for companies on the list:

1. Direct import of capital from overseas (ANZ Bank, MIM, Chrysler, Comalco).
2. Consortium of local businessmen or companies (Bank of NSW, CSR, AMP, ACI).
3. Striking a profit bonanza (BHP and North Broken Hill in mining, or in the case of Coles, Repco, etc. getting in early to a rapidly growing new branch of business).
4. Growth of trade, with eventual resort to the stock market for share capital (other insurance firms, David Jones, Tooths, Mayne Nickless).

They warn though that the distinction between 3. and 4. is not clear-cut; some combination of capitalisation from retained profits and capital market raisings is typical.

This list can now be used to examine links between companies. One clue to these links is interlocking directorships.

Of course, personal links between
companies are not necessarily the **mechanism** of power, control or cooperation. They are often merely a formal recognition of real links that can only be understood through a detailed examination of each firm.

But still, precisely for this reason, interlocking directorships can serve as an index of other, deeper connections.

The method Game and Connell use is to list all common directors of the 50 top firms and then to work out the **density** of links between and within their four groups. They define density as the number of actual links divided by the total number of possible links. The results are as follows:

<table>
<thead>
<tr>
<th>Links Density</th>
<th>Links Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance v mining</td>
<td>14 .13</td>
</tr>
<tr>
<td>Finance v manufacturing</td>
<td>19 .10</td>
</tr>
<tr>
<td>Finance v circulation</td>
<td>3 .03</td>
</tr>
<tr>
<td>Manufacturing v mining</td>
<td>9 .04</td>
</tr>
<tr>
<td>Manufacturing v circulation</td>
<td>3 .01</td>
</tr>
<tr>
<td>Mining v circulation</td>
<td>2 .02</td>
</tr>
<tr>
<td>Among finance</td>
<td>8 .18</td>
</tr>
<tr>
<td>Among mining</td>
<td>5 .09</td>
</tr>
<tr>
<td>Among manufacturing</td>
<td>10 .06</td>
</tr>
<tr>
<td>Among circulation</td>
<td>1 .02</td>
</tr>
</tbody>
</table>

Two things stand out:
* the high density of links between financial institutions; and
* the close relation between finance and both categories of productive capital - manufacturing and mining.

It is a help to visualise these interconnections. First the interlocks between banks and financial institutions:

The only companies not included are the ANZ Bank which at this stage was still incorporated in London, and IAC which is majority owned by Waltons. Game and Connell conclude this suggests a tendency towards the centralisation of specifically 'Australian' money capital.

The graph for finance versus mining shows a high density of links:

The explanation lies in the vast amounts of capital required for mining ventures. The mining companies that don't appear here are Ampol, Esso, Mobil, Shell and Comalco. Esso and Mobil are wholly owned subsidiaries of Rockefeller companies. Ampol has been partly financed by a Rockefeller bank and Shell is also overseas owned. Comalco, of course, gets in indirectly through its links with CRA.

The graph for finance versus manufacturing shows a similar picture, though the links are not quite so dense:

Manufacturing firms not included are APM, C&UB, Dunlop, Ford, GMH, Lysaght, Philips, Repco and Tubemakers. The explanation for most of these again lies in their foreign affiliations. Of the others,
Lysaght links in through ICI, while Repco, Tubemakers and APM are all linked to BHP (APM indirectly through Tubemakers and Repco).

The only financial corporations not included are ANZ and IAC.

Game and Connell also list total funds employed per employee for the top mining and manufacturing companies. Averaging their figures we get a striking result: capital per worker in the mining sector comes out nearly 3½ times than that in manufacturing - $114,000 per worker versus $33,000.

This is part of the explanation of manufacturing's "inefficiency" when compared with mining. Add to this the fact that much capital equipment in the manufacturing sector is obsolete and we can begin to understand why the current restructuring of Australian capitalism is taking the form of a transfer of capital from manufacturing to mining.

Of course, these same figures tell another story about the costs of this restructuring.

For every seven jobs lost through this transfer of capital from manufacturing to mining, only two are created. This can only mean unemployment - long term, structural unemployment - for more and more workers in Australia.

To fight back the working class needs to understand the strategies various sections of capital are following; how they compete and how they are linked.

This work of Game and Connell is important as a map of this enemy territory.

T. O'S.
17.3.'77.

just off the press....
UNION BASHING AND HOW TO BEAT IT by Jack Cambourn and Eric Aarons.
This pamphlet by two communists sets out a view on the issues before unionism today and the policies needed to combat the various threats to the rights and functions of unions. In their foreword, the authors point out that 'The Australian trade union movement is in the thick of struggles over how to meet the economic crisis, how to beat inflation and unemployment, how to overcome threats to local industries, and how to prevent domination of our country by big business and big powers like Japan and the United States'.

These struggles will have to be waged against the Fraser government and its policies which are opposed to the needs of the Australian people and hostile to the independence and aspirations of the trade unions'.

They point out that the crucial battles can be won by the unions only if union members understand the nature of the threats they face, and adopt suitable policies to overcome them.
Jack Cambourn, one-time coalminer and timber worker, is State Secretary of the Federated Engine Drivers' and Firemen's Association, and a CPA member. Eric Aarons is currently one of the three joint secretaries of the CPA. Price - 30c.

"Trust between nuclear armed states is impossible."

Servility to, and dependence upon, large imperialist powers combined with arrogance towards Australia's Asian neighbors, naivete, ignorance, prejudice and, at times, downright cowardice (e.g. in East Timor - W.G.) have been the distinguishing features of Australian foreign policy.

These have been more pronounced in governments of the right but were present also with Labor governments.

In the few decades in which Australian foreign policy has been articulated, it has been bi-partisan in essentials, subordinating Australia's policies to those of "great and powerful friends" who, in practice, followed their own national interests, often to the detriment of Australia.

Past policy involved this country in military intervention in Malaya, in two aggressive wars - in Korea and Indo-China - which gave it, in Asia, the status of junior partner to an imperialist aggressor and was damaging to Australian interests in the Asian Pacific area.

The long delay under US tutelage in the recognition of the People's Republic of China harmed Australia's position.

Finally, Britain's withdrawal from Asia, and the change in US policy following its debacle in Vietnam, has left Australia in complete isolation, indefensible and subject to nuclear blackmail or devastation in a war among the great powers, a position it has brought on itself by acting as host to US nuclear facilities over which it has no control.

These ideas are not new or surprising. What does occasion some surprise is that they are publicly expressed by a senior serving officer in the Department of Foreign Affairs.

Surprising because they reject, in large part, the fundamentals on which Australian foreign policy has rested for decades, and because they expose and reject assumptions and attitudes that have existed even longer.

Foreign policy for Booker is concerned with promoting national interests and, above all, with ensuring national survival. He would agree with Palmerston's dictum that a nation has no permanent friends or permanent enemies but only permanent interests.

He evaluates the policies of all nations, capitalist and socialist alike, as being determined by their perceived political and economic needs: not by ideology, loyalty, morality or sense of mission.

In other words, he assesses the world from the viewpoint of realpolitik. Geo-political factors, he believes, are decisive in determining a nation's relations with neighbors, and a nation will continue to exist only if it evolves a foreign policy based on a realistic analysis of the facts. In this respect Australia is extremely lucky to have survived to this point without having been subjected to foreign conquest for it has signaly failed to develop a policy appropriate to its place in the world and its obvious needs.

By its own efforts alone, Australia, a continent with the population of a small European country, is militarily indefensible. It has alienated its neighbors by an arrogant and contemptuous racism towards Asia, and genocide against its own Aboriginal people.

These facts are widely known in the developed and developing countries of Asia, as also is its role as an aggressive satellite of British and American imperialism.

After elaborating this general thesis, Booker turns to a survey of the environment in which Australian foreign policy has to operate. His central argument is that the "great and powerful friends" in whose protection Australian governments relied in the past do not exist because, in today's world, no nation has a national defence strategy which includes the defence of Australia against attack.

"It is a harsh but true statement", he declares, "that allies should be no more trusted than enemies. In the Second World War, Churchill was prepared to contemplate the loss of Australia to the
Japanese rather than reduce the British effort in the Mediterranean, and Roosevelt concurred. In order to ensure that we caused no trouble, vital information was withheld from us by both the British and the Americans (similarly in Korea and Vietnam) .... The lesson to be learnt is that the value of an ally is only as great as its need for our support .... There can be no question but that nowadays the American government Congress, and defence authorities, no longer regard Australia as necessary to the security of the United States. No moral blame can be attributed to them for this. They have simply adjusted themselves to the strategic realities of the modern world. We should do likewise.” (p.232)

Booker analyses in some detail the role of the main Asian-Pacific powers - Japan, China, USA and USSR - and Australia's policies in relation to them. He demonstrates how Australia's dependence on US “information”, and its gullible acceptance of the myth of aggressive world communism threatening Australia, deprived Australian governments of any freedom of diplomatic action.

By deliberately rejecting the realities of what was happening in China, Australia became part of the diplomatic farce of recognising Taiwan and refusing recognition to the People's Republic until forced by events to reverse its policy.

On the subject of China, he takes the view of the professional diplomat that the USA, like Australia, refused to recognise the obvious conflict between Stalin and Mao Tse-tung, and the possibilities this offered the USA and its allies to intensify the division to their own advantage.

The consequence, he believes, was to force China under Mao's leadership into an unwilling partnership with the USSR which, of course, was later disrupted by the Sino-Soviet split.

The deep roots of the Sino-Soviet division are traversed in some detail - Stalin's misleading advice, his preference for Chiang Kai Shek, his support of Wang Ming, Mao's predecessor as Party secretary and his bitter opponent, who continued his polemic against Mao from his refuge in Moscow with the approval of the CPSU.

In addition, he underlines the geo-political factors and the one-sided resumption by the USSR of Czarist privileges in Manchuria after the defeat of Japan in 1945, an action intensely resented by the Chinese Communist Party, and only reversed under strong Chinese pressure.

Moreover, he believes the border question goes much more deeply than is sometimes thought as the Chinese still demand that the USSR should publicly testify that the maritime provinces including Vladivostock are historically Chinese territory, wrongfully seized by Czarist Russia, held under unequal treaties, and retained by the USSR.

Given these geo-political factors, Booker sees little likelihood of an amicable relationship, and perhaps not even a detente, between China and the USSR.

He is aware of the great significance especially to the 'Third World' of the Chinese revolution. “In China the great achievement of the new regime has been that it has been able to restore the dignity of the common man.” (p.89)

He also believes that the future of China is now clearly defined and that within decades China will become one of the world's leading economies with corresponding military power “especially in the nuclear field”.

This, together with his belief that Japan, by the end of the century, may well be one of the two richest countries in the world and that it already has the capability to develop nuclear armaments, is the starting point for his views on Asian-Pacific strategy.

"Japan has become and seems certain for many years to remain Australia's most important trading partner. Her economic influence in Asia and the Pacific will progressively overshadow that of the United States and the individual affluence of the Japanese will not only exceed that of her mainland neighbours but most western countries including Australia.”

It might be observed in passing that, according to Mr. R.J. Hawke, the latter has already been achieved, at least as far as Australia is concerned.

It is also important to observe, as Booker remarks, that the Japanese parliament in 1975 refused to ratify the nuclear non-proliferation treaty. Clearly, with its growing reliance on nuclear power stations, the day cannot be far distant when Japan "goes nuclear" in armaments as well.

The remaining element in the Asian-Pacific area is the role of the developing nations - the Indo-Chinese countries, the ASEAN block, especially Indonesia, and the nations of the Indian sub-continent.

The collapse of the Manila pact (SEATO) following the US defeat in Vietnam and the obvious irrelevance of the ANZUS Pact to Australia's security have created a situation which requires new policies. Even the parties of the right are beginning to acknowledge this.

The need was already apparent even in 1969 when the then Minister for Foreign Affairs, Freeth, attempted to shift away from the doctrine of the "communist conspiracy", supposedly aiming at world domination and "sought to encourage a realistic attitude to the Soviet Union and the role it might play in the area.” (p.199)

In the event, the chickens of the long period of anti-Soviet hysteria came home to roost. The DLP led the fanatical reaction. Freeth lost his seat and ultimately the most extreme exponents of the
“communist conspiracy” myth led by Malcolm Fraser, came to power. This put an end, temporarily at least, to any realistic assessment of Australia’s real role in the region, rendered still more difficult by Fraser’s provocative intervention in the Sino-Soviet dispute and his anti-Soviet promotion of a major US presence in the Indian Ocean.

Meanwhile, it has become clearer that the “American alliance” which had remained the core of foreign policy of both Liberal and Labor governments no longer had any credibility.

“Bases in unstable regions of the world are hostages to fortune which could inhibit the United States’ own freedom of action. It has never been plausible that the Americans would defend the territory of another country at the risk of nuclear attack on their own cities. It is unthinkable that they would allow themselves to be precipitated into a nuclear war for any other reason than to defend their home territory. After Vietnam it seems certain that they would not again fight a conventional war on behalf of any other country, certainly not outside Europe.” (pp.215-216)

Meanwhile, in Asia, the realities are that each government while seeking economic and technical aid from the developed countries is pulled in three directions: by the United States and other developed capitalist countries such as Australia which seek to maintain existing regimess by a rather parsimonious aid policy, by the Soviet Union, seeking in part to strengthen its position vis-a-vis China, and by China itself with the powerful attraction of the “Asian” type of socialist revolution.

This, of course, produces some odd contradictions at times, such as the recognition by the Soviet Union of the reactionary regime of Lon Nol in Cambodia, presumably because it appeared as an alternative to a government that would expand Chinese influence. In this instance, the direction of Soviet policy coincided with that of the US and Australia against China.

In Booker’s view, the continuance of the Sino-Soviet conflict is likely to lead to a repetition of such events in other countries, making at least theoretically possible a joint policy by Australia and the Soviet Union to maintain “stability” in the area, i.e. to maintain existing regimes in power.

However, to come to the heart of the matter, Booker does not believe that Australia should exchange its dependence on the US for entry into any other bloc. Rather, it should free itself from all blocs, follow a policy of non-alignment, recognise that there are four major powers involved in the Asian-Pacific area - the USA, Japan, China and the USSR - and keep its hands free in relations with each of them in pursuance of its own national interest.

This has a special significance in relation to the ASEAN nations and above all, to Indonesia which, in Booker’s view, whatever happens in its internal politics, will be immeasurably stronger by the end of the century or even before than, than it is today.

Policy, he believes, should be determined by realpolitik which some would dub opportunism. Because there is no real alternative, Australia’s primary aim should be to maintain workable relations with all of its South-east Asian neighbors irrespective of their political systems.

In economic terms, this would involve a major expansion of economic and technical aid and a fiscal policy designed to assist them in finding markets in Australia as well as providing markets for Australia in their expanding economies.

This is the only way, he believes, for Australia to maintain its independence and assist the smaller powers of South-east Asia to avoid being absorbed into, or dominated by, one or other of the four great powers. It can do this only by a conscious and deliberate policy of non-alignment. “It should continue to be our objective to encourage the establishment of an effective regional organisation which would also concern itself with both economic and security matters; and if this were established it would be sensible for us to supply aid at the request of, and in co-operation with, whatever collective machinery were established ... our policy to all forms of aid should be vigorously impartial whether the recipient be communist, Buddhist, Moslem or mixtures of all three.” (pp.227-228)

He comments further that such an approach would require a complete abandonment of past immigration policies and the acceptance of one free from any trace of racial discrimination.

Booker sees a diminishing role for the USA in the economies of South-east Asia and a growth in the political and economic influence of China and Japan in particular. In this situation - “In order to preserve our own political and economic freedom, we will need the greatest possible flexibility and skill - We should therefore move towards the fullest possible disengagement from our present strategic ties and towards a position of neutrality in relation to the competition between the great powers.”

How is this to be achieved with our negligible military potential in a nuclear age? To “go nuclear” in a major way is beyond our resources and would provide no security in a conflict among the great powers.

“If a nuclear war were to break out the only course for Australia would be to try to stay out of it.” (p.230). But he argues that while there are United States communication facilities in Australia this would be impossible.
"The solution, however, is not to dismantle these facilities; they should be internationalised and made available to all countries without discrimination." (p. 231)

Such facilities, according to Booker, are necessary for communication, navigation, etc. in the contemporary world, and their internationalisation would give Australia "at least the beginnings of an international status of neutrality. .... Any nuclear fuel enrichment facilities ultimately built in Australia should also be placed under international supervision and its product made available without discrimination."

Australia should not be deterred from reaching such a position by any arguments about the moral commitment to existing treaties. Both Whitlam and Fraser have affirmed their allegiance to the "American Alliance". But, in reality, the alliance as a form of safeguarding Australia’s security is a dead letter.

What is far more important is that Australia in its own interest needs to free itself from one international instrument in particular - the agreement on the North West Cape Naval station entered upon by the Menzies government with "exceptional folly" in 1963. "As the agreement now stands Australia could be a hostage in a nuclear war until 1988." (p.233)

To free Australia, Booker suggests a number of possible courses but preferably a major renegotiation to abolish the clause providing for a fixed term, and replacing it with a provision for either party to terminate the treaty as in the case of ANZUS, at one year's notice. "If this were part of a move towards the general internationalisation of communication facilities in Australia it would strengthen our role as a key element in the creation of a zone of peace and neutrality (pp.233-234)

Booker also comments on the maintenance of a small sophisticated force for local defence in such matters, for instance, as an attack on New Guinea, but this is peripheral to his main argument which is a call for an entirely new approach to Australian foreign policy based on non-alignment and neutrality.

How relevant are the substance and conclusions of Malcolm Booker to the left and the anti-war movement?

It is, of course, true that any foreign policy expresses the interests of the dominant classes. This does not mean, however, that conflicting views among the ruling classes should not be taken into account. Foreign policy reflects domestic policy but both are subject to the influences of the mass movement. It was the mass movement of the Moratorium which changed Labor Party policy on Viet Nam, and ultimately brought it to power. The fact that Booker openly attacks so many of the sacred cows of foreign policy makes it evident that, under pressure of changing circumstances, including tactical changes by the USA, a body of opinion is emerging in the Department of Foreign Affairs which conflicts with government policy and goes beyond anything the Labor Party has so far advanced as a realistic response to the new situation.

In different circumstances from Australia, Switzerland and Sweden have shown that a policy of genuine neutrality is practicable. The non-aligned movement which includes states with very different social systems may provide a setting in which Australia also could become neutral and/or non-aligned.

It would not be easy because it involves radical changes in public thinking on a whole range of issues, and a reversal of policies which have been part of the conventional Australian outlook for generations.

As a stepping stone to liberation from the demands of bloc strategy and as at least a partial alternative to domination by the multinationals, Booker’s thesis merits serious consideration.

- W.E. GOLLAN.

For anyone interested in the brand-name differentiation game as carried on among the various ideology merchants, Network will be your cup of myth. This film about the underside of the television industry not only permits that quintessential cultural whore, Hollywood, to come on all holier-than-thou about the evils of the 21-inch screen, but enables the press lords to get in a kick or two as well - witness The Australian's serialisation of Paddy Chayevsky's screenplay in February.

You may think that devoting large chunks of "your nation's newspaper" to the furtherance of film culture is merely another example of the self-sacrificing service we have come to expect and love in Uncle Rupert, but those with keener noses will smell a rat once they've got past the cheese.

Press interests, like those of film are fighting a dark and dirty game for media dominance - and the more mud they can sling at the small screen, the better. Some of it may stick, with the enhanced possibility that the populace can be pried, square-eyed, from the box and gently cantilevered back into dream palaces like Hoyt's new grounded 747 in George Street, or into their new easy chairs for a
quiet evening’s perusal of your daily newspaper’s thoughtfully provided centre fold-out on the industrial, political, social and tex-haven potential of Guatemala, Upper Volta, etc.

The surface expose in Network - that television is a nasty, brutish and short-changing medium, driven by mindless competition for audience shares, ratings and advertising revenue, hell-bent on anything seen or obscene that can deliver these goods - sits uneasily in the butterless mouths of press and film interests. However darkly revealing their portrayal of TV, you can’t help noticing the ebony hue of the pots doing the calling.

This jockeying for superior rights to ideologically jamming our frequencies is only the most obvious contradiction in capitalist democracy inherent in Network’s theme. More important is the ideology embedded in the film itself. It is a consummate example of mystification masquerading as bourgeois social criticism; a dangerous, if fascinating, film.

At a superficial level, Network reveals the background manipulations and distortions of an industry at once so power-mad and powerful that it can substitute madmen, soothsayers, vox populi and assorted illusionists for “the news” (readers may well ask themselves, what’s new about this?) and the home movies of urban guerrilla band activities for ‘entertainment’, while thumbsing its network nose at a whole host of governmental regulatory agencies, anti-subversion laws, etc. However, the total impact of Network in fact is to present us the inevitability - if not the desirability - of a medium so conducted, thus blunting and defusing any critical conclusions we might draw. The film does this in three important ways.

First, television is reified. The medium is portrayed as having laws of motion internal to itself, only tangentially connected to its historical setting in contemporary capitalism. Although there is a clear implication in the film that profitability is the criterion of programming, the emphasis is not on this ever-present, distorting relationship. What is emphasised, instead, is the power of the medium itself to distort. Television’s capability of penetrating into every living room is presented as the bait which attracts and destroys those - political activists, do-gooders, professionals, etc. - who seek to utilise that power. For instance, a black female communist (Angela Davis should sue for defamation) reluctantly and the home movies of urban guerrilla band activities for ‘entertainment’, while thumbsing its network nose at a whole host of governmental regulatory agencies, anti-subversion laws, etc. However, the total impact of Network in fact is to present us the inevitability - if not the desirability - of a medium so conducted, thus blunting and defusing any critical conclusions we might draw. The film does this in three important ways.

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Reification can be noted again in the key conflict in the film. Arthur Jensen is a corporate visionary who controls the corporation which controls the network. The network’s star show is the news, led by anchorman-turned-prophet Howard Beale who has risen to fame by confessing to his audience that his life - and probably theirs as well - is “bullshit” and urging them to shout “I’m as mad as hell and I’m not gonna take it any more”. Jensen insists that Beale preach the evangel of corporatism, that the world is a business, a vast “ecumenical holding company” in which the individual and his rage are pointless. As this end-of-the-individual message goes out, ratings plummet. The network executives despair at the decline of their leading advertising show, so they coolly arrange for Beale’s assassination.

The film leads us to one of two positions: either we are aghast at the depths of human depravity; or we reluctantly understand that the laws of daily, volatile, commercial television must triumph over abstract futuristic visions of a corporate heaven. In no way are we encouraged to see the real conflict - between national, cultural capitalists and multinational, multi-variate capitalists in which television is merely a pawn.

Second, Network’s critical content is superficial and misleading. The film’s few “decent” characters (William Holden as an antediluvian who still believes in “love” and “standards”; Peter Finch, so old-fashioned and crazy that he believes in God) seem to be criticising television as the unacceptable face of popular culture. The argument would appear to be - what else can you expect if you chase audiences, but to be dragged down to their level.

On the other hand, the portrayal of television’s ability to incorporate even outright revolutionaries seems to present a different criticism: the unacceptable face of uncontrolled commercialisation - packaged instant God, processed instant revolution.

Both positions give ammunition to the cultured elitists who despise “the masses” as uncritical voyeurs, hyped on ever-increasing doses of illusion. There is a contradictory notion here: that television both reflects and produces the crasser aspects of human nature. And Chayevsky, like other concerned liberals, obviously finds it a comforting paradox to suggest, rather than unravel. The academic woods are full of hunters stalking down this same elusive prey called “Television: Cause or Effect”. By denying an historical, materialist framework for analysis, they can’t even see the real area of analysis - Television: the Effect of Effects. Like other human
products, it is an effect of the relationships, norms and values, and institutions of a given society at a given historical time. In short, it is an effect of capitalism.

Thirdly, Network devalues the possibilities of radical social change. Not only is there a real contempt for people, the mass audience seen generally as gullible, insatiable sensation-seekers, but also there is a savage attack on political activists as a possible source of revolutionary leadership. Communists and "ultra-leftists" are portrayed either as crazies who scream rapid-fire jargon at 15,000 decibels or as this-gun-for-hire urban badmen who can't resist the notion of themselves as stars of the silver screen. Both are prepared to trade their politics for a mess of footage, and Network audiences are assured that although these politicos are perhaps crazy and certainly dangerous, they are definitely not serious.

Network's attack on television as secular religion, blindly absorbing everything, including criticism, in a mindless quest for sustenance and domination is profoundly mystifying. Television is not a science-fiction organism, bent on survival at all costs. Nor is it a media monster chewing up people, events, and causes and mechanically spitting them out devoid of humanity, significance and justice. But it is an artefact in a system which attempts to do just that. And this film is at pains to hide the existence and reality of that system from us.

-Kathe Boehringer.
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