the labour market and, in effect, to institutionalise poverty.

In this it was aided by two features of the labour movement. The first was our unique arbitration system, which encouraged the belief that social justice could be won by regulating the distribution of income within the labour market — a belief that was profoundly blind to those outside or marginal to the labour market. The second was the general belief of the period that the cause of poverty was mass unemployment, and that all energy was to be directed to restraining this disastrous propensity of capitalism.

What we were left with was a welfare safety net which was secondary to the work of Keynesian planners as they pursued this goal. And what they completely failed to do was to give any effect to redistribution. Worse, the taxation system, which may be their real legacy, was clearly regressive when it was introduced — a tendency which has dogged it ever since.

While Watts’ critique is not new, his book is important for the insight it gives us into the unfolding of this logic in Australian political history. But what it doesn’t give us is any sense of the other parts of the story. There is a startling lack of any sense of social struggle. Reading it you would think that the Australian welfare state — the post-war settlement with capital — was a good idea of a small group of Keynesians which happened to meet the fiscal and ideological needs of governments in the immediate pre-and post-war years.

They were certainly crucial. But they rode on a current of social struggle which drew together a diverse range of social forces — forces whose demands formed the strands which comprised the fabric of this historic “settlement”. The Communist Party, the business establishment, soldiers, women workers were all caught up in its turbulence. While it was not Watts’ job to examine this, we do need to know how the work of the Canberra social planners meshed with this political practice.

And while Watts notes the genuine commitment to social justice of people like Coombs and, of course, Chifley himself, this appears as a veneer on the real architecture of the welfare state. This leaves unexamined the effect of such commitment. His concern to stress the continuity between the Conservative and Labor governments hides as much as it illuminates.

Finally, some promissory notes are left uncashed. Watts promises an account which will explain the current crisis of legitimacy for the welfare state. If the answer is there it is not made explicit, unless it is the common point that a system which depended on full employment cannot survive mass unemployment or a change in participation in paid work. Watts gestures at more than this when he points out that our welfare state was never a redistributive system.

However, he doesn’t follow through with what this means for the current crisis. That is just what we must look at; because today’s system is not only tarred with the brush of its origins. It has been forced, over the years, to become much more redistributive — at least within life cycles. The collapse of its full employment prop certainly means that there is a struggle over how the system is to be legitimated; and as Watts points out about its birth, this is an argument as much about economic belief as about equity. But it may very well be that the upshot will be a more self-consciously redistributive system. That, we must remember, is partly up to us.

ADAM FARRAR is a policy officer for the NSW Council of Social Service.

Rural Rides


This book demands a wide audience. Just as the state provided the substantial book Dairyfarming in Australia free to the 45,000 Australian dairyfarmers in 1949 to encourage their technical efficiency, so today’s 140,000 farmers would equally benefit if this book were to be made available to them. All the more so as Lawrence argues that farmers, 40 years later, are being misled by wrong advice on boosting productivity and a host of other issues from farmer organisations, the National Party, Departments of Agriculture and academic economists.

The book does more than tackle the problems of farming in a narrow sense. By placing developments in the rural sector in the context of international capitalism it suggests

the possible lines of Australian agricultural development. Its framework also embraces such issues as environmental degradation, the quality of food, the decline of rural towns, and the attacks on unions initiated by farmer organisations.

General trends in the agricultural economy will promote, over time, the concentration and centralisation of capital in agriculture, the removal of a large number of producers from agriculture, the decline of rural communities, the creation of a “reserve army” of the unemployed in rural regions and will exacerbate the problems of environmental pollution.

Each of these issues is tackled in depth. As the National Farmers Federation, with its $10 million fighting fund, has stated that its next targets include conservation and animal rights, the book has a particular relevance for activists in those movements. Lawrence is to be praised for using his analysis to take a stand on many topical issues including subsidies for farmers,
deregulation, regional unemployment, decentralisation, biotechnological research and so on. He also proposes steps “towards a socialist agriculture for Australia”. Whether you agree or disagree with particular points, he offers a basis for progressive people to come to grips with rural Australia. This is particularly important in a year when many myths about our Australian heritage, which serve to colour our perceptions of our country cousins, will be regurgitated.

The book is a big achievement for one author, but presumably because of its wide scope, it unfortunately leaves aside some key issues. Aboriginal land rights, central to any socialist discussion of rural Australia, is a topic hardly covered, though employment opportunities for Aborigines is. The large corporations that control food processing and supply of farming issues. Aboriginal land rights. central Australia. is a topic hardly covered, because of its wide scope, it grips with rural Australia. This is interesting reading, Diane Menghetti’s Red North shows how small sugar farm owners and cane workers formed a base for the election of communist FRed Patterson to the Queensland state parliament in 1945.

Lawrence is hopeful that the current crisis in agriculture may force family farmers to seek “their economic salvation through new alliances”; his book offers a terrific starting point for activists in progressive movements to make their own assessment of this, to consolidate openings already made to the rural community, and to help us move “towards a socialist agriculture for Australia”. The book refers briefly to some successes in forming alliances; for further fascinating reading, Theo Nichols and Huw Beynon’s Living with Capitalism (1978) showed how the great range of attitudes held by factory workers relates to their varied experiences, while Stuart Hall’s articles in Marxism Today have shown how Thatcherism in Britain capitalised on the negative experience of working class people with state-run services under Labour governments.

Lawrence at times portrays farmers as already totally subject to the power of capitalist firms; at others he powerfully shows current tendencies towards this. Elsewhere he argues that farmers are exploited by capital in general. The marked lack of protest by farmers directed at agribusiness suggests there is no simple relation of exploitation. In Australia, most farms are not inherited; turnover of farmers is high and most, if not hopelessly indebted, have a big nest egg when selling up. There is also great variation among family farms; many do extremely well while others, once farm or new equipment is paid off and children raised, look forward to many years of accumulating bank deposits.

The current crisis has increased the numbers in difficulty; many have been forced to leave farming, some will continue to struggle. We should watch carefully to see how many recover over the rest of 1988 — the “year of agriculture”, according to the National Farmers Federation.

JIM CROSTHWAITÉ teaches history at Melbourne University.