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ELECTIONS IN SWEDEN AND NORWAY

In Sweden and Norway, recent election results indicate that policies of the Reagan/Thatcher/Howard variety have little support in this part of the western world. Though, in the past five years, the right wing has made significant gains in Scandinavia also, the tide may now have turned against the conservative parties.

In Norway, the conservative coalition government managed to hang on to office in the elections on September 9 with the narrowest possible margin. The opposition labour party, under the leadership of a woman, Gro Harlen Brundtland, increased its share of the vote from 37.2 percent to 40.8 percent. Welfare issues figured prominently in the campaign, with strong public pressure for increased state spending on the health system and on policies for regional equity.

Norway has very large incomes from its North Sea oil production, and living standards have been considerably improved. In the new parliament, there is likely to be a majority in favour of a Nuclear Free Zone in the Nordic countries, and the government will find it very difficult to gain support for its strongly pro-NATO stance.

In Sweden, the social democratic government was re-elected on September 15 with a reduced majority. A few seats were lost but the result is an important victory as, only a few months ago, a change of government was generally predicted. The Communist Party saw a marginal drop in its support from 5.6 to 5.4 percent, but will continue to play a significant parliamentary role with a 19-seat representation. Its policy is to give critical parliamentary support to Olof Palme's government. In the last few years, the two workers' parties have, on several occasions, entered into unprecedented formal parliamentary negotiations, giving the communists a certain influence on some aspects of government policy and boosting its public standing. Opinion polls show that there is a strong minority opinion within the Social Democratic Party favouring a Social Democratic-Communist coalition government. This is utterly unlikely within the foreseeable future, but it is an indication of the deep division in Swedish politics between the so-called "socialist" and "bourgeois" blocs.

The division on the bourgeois side of Swedish politics into three different parties has long detracted from their credibility as an alternative government. The Conservative Party (the "moderates") declined from 23.6 percent to 21.4 percent while the "small-l" Liberal Party (the "people's party") jumped from 5.9 to 14.3 percent. The flow of votes from the Conservative to the Liberal party show that even non-socialist voters rejected the "change of system" which the conservatives confidently advocated.

The depth and strength of popular support for the welfare programs created by social democratic governments was seriously misjudged by rightwing commentators and strategists. The high level of taxation in Sweden is undoubtedly a cause for discontent among sections of the electorate but, when it comes to the crunch, only a small minority opts for the dismantling of the welfare state.

Unemployment in Sweden is currently three percent (inherited from the bourgeois governments 1976-1982) but without cuts in welfare programs. Exactly how this is to be accomplished is unclear. Unemployment in Sweden is currently three percent of the workforce (6.6 percent in the 16-24 age group). Prime Minister Olof Palme argues that the Swedish social democrats successfully pursued an alternative course to that of other Western countries: a policy of economic stability without mass unemployment or cutbacks to the welfare state. Whether there still exists a "Swedish model" is, however, a matter of dispute.

The left of the Swedish trade union movement and the communists are unimpressed by aspects of current government economic policy. In particular, the emphasis on the need for a high level of profitability in the export industry coupled with falling or stagnating real wages has caused criticism and discontent. On the other hand, Palme and his government have gained considerable credibility within the business community as competent "economic managers".

Today, little of the resurgent social democratic radicalism of the early 1970s remains. The controversial "wage earners' funds" proposed then - optimistically believed by some observers to be a key component of a reformist strategy - are today operational on a small scale but in a form and with an official rationale completely different from that put forward by leftwing social democrats ten years ago. Now, they make up a minor part of a "social contract" allowing for very low wage increases. Palme declared during the election campaign that the current fund system is not to be
expanded beyond 1990, and the issue has virtually disappeared from the political agenda.

The importance of the elections is that they demonstrate the strength and resilience of the labour movement in Scandinavia, and that the welfare state has very strong popular support. The right wing's offensive aimed at a "change of system" has been rejected in this part of Europe.

Hans Lotgren.

"WHAT ROUGH BEAST...

The National Disarmament Conference

In some ways, the recent National Disarmament Conference, sponsored by the ACDP (Australian Coalition for Disarmament and Peace) and hosted by PND Victoria, was reminiscent of the fable about the blind men given the collaborative task of describing an elephant, where each was assigned a portion of the animal and reported first impressions. One's view of the conference — and of the state of health of the disarmament movement itself — very much depended on which part of the Beast you were attached to.

Those embracing the local groups and local actions workshops probably found themselves still very solidly attached to the ground. Yet those attempting to make head or tail of the strategy and the overall shape of the New Wave Disarmament movement, four years since its inception, would have been

forgiven if they misread their respective parts. Nevertheless, all would have agreed that, whatever this Beast is nowadays, it moves cautiously and reacts slowly.

This blurring of the two, the conference and the movement, is intentional. Both display the extraordinary diversity and complexity of anti-nuclear activity, in its various political forms, strategies and levels of sophistication. Neither shows an immediate overall coherence which can give confidence that the new challenges being presented to the movement will be met in the concerted fashion they require.

The conference itself lasted four days and was the site of over one hundred workshops and panel discussions for nearly six hundred delegate participants from around the nation and the Pacific region. It presented a wide variety of options from which people could choose and structurally reflected the openness of the movement by encouraging participants to make connections between areas of concern which may not have previously been juxtaposed by either individual activists or their organisations. The conference's breadth of perspective was perhaps best exemplified by its platform of overseas speakers (which included retired Admiral Gene la Rocque, Ferenc Koszegi from the Hungarian Independent Peace Movement, Rosalie Bertell, and Maria Villariba from the Philippines).

This openness to issues which had previously generally been rejected or regarded as "subsidiary" to the disarmament project — alongside the more usual debates around future campaign strategies, the nature and shape of a national movement, ANZUS, the Soviet question and so on — "naturally" led to the outcome of the final plenaries. The highly consensual atmosphere of these plenaries produced a strong affirmation of the role of this broader perspective in the definition of future anti-nuclear activity. This expansion of the movement's human-istic universe probably underlines both the strengths and weaknesses of the conference's overall achievement.

The strengths should not be minimized. Few who attended expressed anything but satisfaction at the informed way in which they were able to broaden their field of vision and make the links. Simultaneously, the energy and high spirits of those present showed — if the conference was an accurate indicator — that the movement seems to have developed a sense of endurance, and has moved away from a breathless

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Summer 1985
expectation of immediate success and settled in for the long haul.

The strengths should also include the lead up to the actual conference. The dialogue it initiated in several states, where potential conference topics were canvassed among local groups and affiliates in state-level forums prior to the conference itself, was at least as valuable as the event itself.

welcome and rare event. It liberates a space for creative endeavour usually closed off by internal and external pressures on the disarmament movement as a whole. But it also lends itself to all-embracing universal statements rather than the harder work of determining what is politically feasible both within and beyond the movement.

I, for one, am strongly in support of the broad(er) platform for the movement, and believe that it is only through an increased emphasis on connections with our comrades around the Pacific, with a renewed and strengthened emphasis on related local issues like land rights and uranium mining, and inclusion of other concerns — such as economic and conservation issues — that the disarmament movement will be able to develop a coherent and attractive alternative to pose against the nuclear realpolitik which confronts us all.

Nevertheless, the conference (as viewed from my part of the elephant) was singularly unable to grapple seriously, or in a sustained fashion, with either internal (movement-related) problems or external issues which could lead to the realisation of these connections in a coherent and concerted campaign which would be accessible to those within the movement and popular and attractive to those “unconverted”.

The forums which attempted to present an overall strategy for this, the next stage of the movement’s development, did not gain the sort of overall exposure which they required.

By way of example, discussion of the “Nuclear Lake Strategy” — the ways in which we, nationally, could make the idea of a Nuclear Free Pacific/Indian Oceans campaign the point of coherence and focus for our actions against ships/N.W. Cape/ n-weapons testing and transit — seemed to occur around the perimeters of the conference rather than at its “centre”.

Similarly, any honest and direct discussion of the real state of the movement, on a state by state basis, was avoided — one imagines for the usual reasons of interstate political rivalry and the difficulty of drawing such into perspective. The tension between autonomous anti-nuclear actions and groups (including local groups, to some extent) on the one hand, and the nature/structure/role of any centralised (e.g. national) co-ordinating body or process for the movement on the other, also remained subterranean and unexplored, though this too is a central issue which now needs to be addressed. Clearly, a process of frank collective self-assessment is vital to the creation of a viable national disarmament movement/project. So is a clear assessment of the state of political play in the larger sand pit. Yet I heard no broad discussion of the implications of the last federal election, of the achievement or the fate of the NDP, of the coherent strategies which might be adopted by the movement in relation to the formal political sphere over the next two or more years.

Perhaps this is merely a comment on the sociology of conferences. Yet, if this conference was substantially democratic, “it” also “used” this democracy to avoid the hard discussions which need to occur if a national movement is to meet the opposition from the Right which it has encouraged.

Shortly after the conference, PND Victoria held its annual general meeting. This meeting, as all who attended it will attest, was one of the smallest general meetings to date — and the one least representative of local activists. This is, in part, attributed to the high level of involvement and satisfaction in the conference of local groups and activists. If it will now take the various state PNDs and other components of the movement twelve months to digest and ruminate over its outcome, not only did this conference take place two years too late, but it will have further distracted us from the need to make real strategies and decisions — by making people believe that it actually produced something concrete, rather than being ephemeral, suggestive and indicative only.

Peter Christoff

Australian Left Review
FOR RADICAL TAX

Laurie Aarons takes issue with Peter Groenewegen's views on tax reform as expressed in ALR 93, Spring 1985.

Peter Groenewegen may still yearn for Option C, buried despite his praise for it at the Tax Summit, but the labour movement and community groups are correct to regard its defeat as an important victory.

Option C depended upon a broad-based consumption tax which could only be regressive and it evaded the central issue of genuine tax reform, as Professor Groenewegen continues to do in his comment (ALR, Spring 1985).

That issue is to make the wealthy corporations and individuals pay a more equitable share of taxation than they now do, returning this share to workers and the poor at least the level of 1953/54. In that year, the wealthiest six percent of taxpayers paid 54 percent of income tax paid by individuals, and company taxpayers paid 54 percent of income tax.

In fact, most of those opposing the consumption tax do seek a larger tax share of GDP while most of those favouring the consumption tax bitterly demand a lower tax share of GDP.

The professor found himself in strange company at the Summit, since only the big business councils, the National Farmers Federation, and some of Australia's most powerful corporations supported the BBCT (so long as it didn't apply to their "business"). The roll call of those for and against the consumption tax reads like a battle plan of the haves versus the have-nots, and of those supporting and opposing the public sector.

Surely not even an economics professor could believe that the wealthy don't possess huge "cargoes" and go to extreme lengths to evade tax on them. The truth is so massively clear: tax evasion by the rich is a way of life which helps explain the mushrooming of huge fortunes in recent years.

The Business Review Weekly of August 1985 lists 300 fortunes totalling over $10 billion between them, including Robert Holmes a'Court, whose personal fortune rose by $150 million last year, it says. Avoidance of tax contributes greatly; his Bell Group paid only $5.68 million in tax on its profits of $49.9 million for the five years 1979 to 1983.

Alusuisse is one multinational corporation which could afford to raise its tax contribution to the Australian government. This Swiss-owned aluminium corporation has paid precisely no tax at all on its profitable operations in this country.

Some may argue that these are merely exceptional cases which are not typical of either the corporations or the wealthy owner-controllers who run them. Alas, this cannot be sustained, as revealed by a Taxation Office minute prepared for the working party which drafted the White Paper for the Tax Summit.

Obtained under the Freedom of Information Act, this minute summarises a random spot check done on 74 anonymous superwealthy individual "taxpayers" and on four of the richest Australians picked from the Business Review Weekly list. The information is a sensational exposure of the brazen extent of evasion which should surprise even those already cynical about it.

Four fabulously rich "taxpayers", with a net worth between them of $200 million, filed returns showing a total taxable income of only $100,000 in the 1982/83 financial year. One paid no tax at all, claiming income of less than $4595!

These are only the most glaring of the cases cited in the Tax Office minute. Whose heading "Taxpayer Profiles/Horror Stories" is certainly no hyperbole. It contains other case histories including the following:

"A leading developer residing in a very fashionable residential suburb..."
returns a gross income of less than $5000."

"A millionaire industrialist residing in an exclusive suburb returns a salary of less than $50,000."

"A managing director earns income in excess of $200,000 ... he paid no tax."

These are only brief extracts from the Tax Office check but they make the essential point that the "cargo" is certainly no myth. (A longer account of the confidential minute appeared in Tribune of October 16.)

The full extent of tax evasion could be measured roughly by multiplying the tax evaded by the four multimillionaires by the 300 listed in the BRW article and then adding the amount "saved" by the estimated 25,000 other Australian multimillionaires.

But what about the need for capital accumulation to provide investment for job creation? Unfortunately for this argument, the heyday of tax evasion just happens to coincide with the decline of investment, a decline which continues apace.

Fixed capital expenditure in 1984/85, at average 1979/80 prices, was $18.8 billion compared with $22.5 billion in 1981/82, although total GDP rose from $122 billion that year, to $134 billion last year.

The figure is even worse if spending on dwelling construction is deducted. But 1984/85 was a year of "recovery" and of record profits! Record profits and record tax evasion have not produced that promised capital investment for job creation.

The big capitalists prefer to use their tax-free capital gains for takeovers and other speculation rather than invest in job creation.

Laurie Aarons

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Laurie Aarons

The Life and Times of Wilfred Burchett

For daring to tell the story of Hiroshima, the Korean and Viet Nam wars from the "other side", Wilfred Burchett was often the centre of public abuse. But time has not lessened the controversy regarding his reputation as one of Australia's most distinguished journalists. In reply to Robert Manne's virulent attack in Quadrant, Laurie Aarons writes about the man and the allegations.

Quadrant and Robert Manne certainly don't believe in spoiling the ship for a ha'porth of tar. Quadrant published Manne's 15,000-word article, "The Fortunes of Wilfred Burchett: A New Assessment" in its August 1985 issue, and followed up with the trivial reminiscences of a certain Edwin Morrisby in its October issue. Both articles are vicious assaults on Burchett's memory, as could be expected from Quadrant which has been honoured by financial subsidies from the CIA for its commitment to far-right ideology and vigorous pursuit of the Cold War.

"Unable to hang a dead man, Manne wants to exhume the bones of Burchett's reputation as Cromwell's skeleton was exhumed and hung on the gibbet to satisfy Restoration avengers of his 'treason' and regicide."

This pursuit of Burchett, two years after his death, is a sort of left-handed tribute to the man whose work is in itself an effective answer to the calumnies. It would scarcely merit a reply were the attacks confined to Quadrant, but they were blazoned much more widely. The Sydney Morning Herald, for example, reported the appearance of Manne's article, sensationalising it on a billboard which asserted bluntly "Burchett a KGB Agent", although its article added a question mark to the headline. Murdoch's Australian jumped on the bandwagon by publishing Morrisby's meanderings, headlined "Wilfred Burchett and the Question of the KGB".

Mr. Morrisby's contribution adds little but malicious gossip to Manne's longer piece and therefore merits little attention, since its substantive "evidence" boils down to what the author calls a "gut feeling". This turns out to be based on some alleged pillow talk with an unnamed Bulgarian woman journalist who, Morrisby claims, told him that not only was Burchett working for the Russians but his wife Vessa worked for the Bulgarian secret service.

"Manne repeats ad nauseam similar inane but malicious gossip to buttress his allegations."

This, from a man who then tells us that he sent condolences to Vessa on Wilfred's death; a fine sort of hypocrite if he really believed this tale!

Apart from this, Morrisby's article is padded out with self-advertisement, name-dropping and carefully selected anecdotes designed to put Burchett in as unfavourable a light as possible. A classic example is his claim that Burchett liked dogmeat, apparently hoping that this depraved taste which he shares with such peoples as the Chinese, Vietnamese and the Bataks of Sumatra will lend much-needed substance to his weak support for Manne's central charge.

Manne's long article throws everything, including the kitchen sink, into blackening Burchett's memory. His indiscriminate enthusiasm for throwing the book at Burchett reveals both personal venom and addiction to overkill. His ideological spleen cannot be assuaged merely by proving (to his own satisfaction) that Wilfred Burchett was a traitor who "had been giving 'aid and comfort' in Korea to the enemies of his country at time of war". (Quadrant, August 1985, p. 34: later quotes from Manne's article give only the page numbers.)

Just as the British ruling class damned Roger Casement as traitor and homosexual, so Manne condemns Burchett
for both “great crimes” and minor peccadilloes. Unable to hang a dead man, Manne wants to exhume the bones of Burchett’s reputation as Cromwell’s skeleton was exhumed and hung on the gibbet to satisfy Restoration avengers of his “treason” and regicide.

Scuttlebutt and Dossiers

This posthumous character assassination, masquerading as a reply to Gavan McCormack’s article, “An Australian Dreyfus: A re-examination of the strange case of Wilfred Burchett, journalist” (Australian Society, August 1984), uses every adverse comment the author can dredge up. He draws avidly on the recollections of Burchett’s enemies and critics, whether this be mean-spirited scuttlebutt garnered from envious journalistic colleagues, “evidence” from sworn ideological foes, or the “objective” dossiers gathered by ASIO and its predecessors on the Burchett family for over 40 years. As well, Manne rummages through the Burchett Papers in the National Library to select a few quotes from letters which, he claims, sustain his accusations.

Mr. Manne’s objectivity may be judged by those whose help he acknowledges: Jack Kane of the Democratic Labor Party, who appears later in this article; Peter Samuel, who attacked Burchett in May 1985 in The Australian; Richard Krygier of the Association for Cultural Freedom; Peter Coleman, the Liberal MHR who tried to procure the services of journalist Robert Mayne to write articles against the left, based on ASIO dossiers to be supplied (illegally) by Ernest O. Redford of that organisation. But his main helper is Denis Warner, longtime rival and bitter political enemy of Wilfred Burchett. With such helpers, Manne is not short of accusations to hurl indiscriminately at Burchett and his family.

Manne begins at the beginning, with Wilfred’s father, “a progressive minded lay preacher and auto-didact who raised a leftwing family at Poowong in Southern Gippsland. One local gossip reported to the authorities during the war that on Anzac Day 1934 George and son Wilfred had appealed to the local Methodist congregation to ‘show tolerance of that great country Russia’.” (p. 27)

“Manne’s list of Burchett’s sins ranges beyond politics, cataloguing personal failings and alleged moral defects.”

Having begun with tittle-tattle passed to ASIO’s predecessor, strongly reminiscent of Senator Joseph McCarthy’s later method of dredging “evidence” from the past to condemn the “traitors” who “lost us China”, Manne repeats ad nauseam similar inane but malicious gossip to buttress his allegations. From this sensible appeal, proven correct soon after it was reported, as the Soviet Union turned the tide of war, Manne moves on to sterner stuff.

He informs us that Burchett was strongly influenced by Egon Kisch’s defiance of Menzies’ effort to keep him out of Australia by jumping from his ship at Melbourne (not Fremantle, as Manne asserts). Then we find Burchett listening “.... with great attention as Robeson told a huge rally at Albert Hall in 1937 of racial persecution in the United States and racial equality in the Soviet Union” (p. 28). The point of this is unclear: is Manne suggesting that Robeson was lying when he spoke of racial persecution in the United States? After all, Robeson experienced plenty of it then and later; it continues to this day as the Ku Klux Klan still rides and Blacks are still persecuted, along with even anti-communist Vietnamese.

Manne’s list of Burchett’s sins ranges beyond politics, cataloguing personal failings and alleged moral defects.

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Second-hand Scandals

Burchett was, for example, “unscrupulous”: “Stories circulated of the tricks he played on colleagues to advance his career, of Don Juan sexual adventures and of occasional blackmarketeering” (p. 28). Much of this scandalmongering comes from Denis Warner, who suffers from a disease endemic among journalists, the retailing of scandalous stories about colleagues, whether true or false.
Warner differs from others so infected only in his willingness to relay his second- and third-hand scandals to ASIO and other intelligence services. He is the source of one such story, stupidly irrelevant even were it true, that “Soviet officials were also aware that Burchett was drinking like a fish” (p. 40), sourced as “Private information from Denis Warner who spoke with a Novosti official in the early 1960s when passing through Moscow” (p. 45). The point of this scandalising is hard to see but, having repeated it gleefully, one wonders why Manne refrains from quoting the more damning Paul Kniss, former American POW in Korea, whose blasts against Burchett he repeats enthusiastically on other issues.

Kniss swore to the US authorities that

Burchett was drunk every time I saw him. I believe he is a chronic alcoholic. He always sat and drank glass after glass of straight cognac, vodka and wine. He could have been a drug addict because the pupils of his eyes dilated and looked like pinpoints. (ASIO papers A6119 XRI, item 15.)

Possibly not even Mr Manne risked retailing this absurd allegation, realising that too many well-known people, from Harrison Salisbury to Henry Kissinger, knew Burchett well and noticed neither alcoholism nor drug addiction.

".... he concedes that Burchett was a 'talented journalist' but a 'journalist without the power of social observation and an ideologue without the saving grace of imagination'.”

Warner’s more restrained but second-hand evidence seems more respectable, given as it was in “most co-operative fashion” to ASIO’s “Principal Section Officer B1” on 2 November 1953, during which he promised to “dig out the most incriminating examples” of Burchett’s reports and send them back to ASIO from Singapore (ASIO papers A6119 XRI, item 13).

This interview produced another prize piece of gossip concerning an American correspondent who, according to Warner, “consistently annoyed Burchett and Winnington by accusing them of an unnatural relationship” (ibid). Shades of Casement! Of course, Mr Manne is unworried at a minor contradiction or two: “Don Juan sexual adventures” sit alongside “unnatural relationships” just as Burchett allegedly performed the remarkable feat of being a double agent paid by the KGB and the Chinese when the two were at ideological loggerheads.

Warner’s charges are detailed in ASIO’s bulky Burchett dossier, which includes material refuting Manne’s major accusations against Burchett, as we shall see. Before dealing with these, let us document Manne’s other repetitions of scandalous scuttlebutt, beginning with “blackmarketteering”. We are solemnly treated to 1943 reminiscences from Ronald Monson retailed to ASIO, that he noticed that Burchett was carrying with him a full case of cosmetics and other luxury articles which were in short supply in Asia and made no secret of the fact that he intended to trade them for personal profit” (page 43 from ASIO document dated 26 October 1953). This is reinforced by gossip from an unnamed source who told the Christian Science Monitor that “during his Berlin period he (Burchett) engaged in selling automobiles to Soviet officials” (p. 28). Manne at least admits he cannot vouch for the accuracy of this piece of scandal but then triumphantly asserts “but certainly he was involved in the German automobile trade, sending home to Melbourne a 1930s Mercedes Benz registered in the British zone”. Such moral turpitude is obviously only a step from treason.

**Damning with Faint Praise**

Aware of, though not practising academic objectivity, Mr Manne occasionally makes obeisance to impartiality by grudging admissions that Burchett had a few good qualities, but hastily adds a bitter qualification each time. Thus, he concedes that Burchett was a “talented journalist” (p. 29) but “a journalist without the power of social observation and an ideologue without the saving grace of imagination” (p. 27). Famous American correspondent, Harrison Salisbury, whose reputation towers above Burchett’s detractors, answers such damnation in his foreword to Burchett’s book *At the Barricades*:

Burchett .... had done epochal reporting from China, had survived and written about an incredible ‘long march’ with the British fleeing Burma into India ahead of the Japanese, and had scored a sensational scoop by being the first correspondent to enter Hiroshima and bring to the world the story of the A-bomb and the horrors it left in its wake — the first details of radiation
illness (denied for a long time by official US sources). It was the best of a lifetime, and Burchett's almost laconic account of how he achieved it by boarding a train jam-packed with hysterical Japanese is a classic. (At the Barricades, p. vi.)

"Yet the available ASIO material, despite this paranoid self-censorship, still provides ample evidence to make nonsense of Manne's most serious charges against Burchett."

I believe that no impartial observer reading Burchett's prophetic account of the meaning of Hiroshima, written from the site, could possibly accept Manne's accusation that he lacked imagination, nor that his report could have been written by someone 'lacking imagination'. (The report can be read in Burchett's book Democracy with a Tommygun.)

Similarly, Salisbury effectively answers Manne's earlier charge of "unscrupulous behaviour" towards colleagues:

Burchett's conventional journalistic companions have found him a well-informed, useful source and a warm and decent friend. They almost always could check out a report or a rumour regardless of whether it fitted Communist ideology or party propaganda. On most occasions they got a straightforward answer, one which was trustworthy and which stood the test of time.

All of which goes to show that not only beauty lies in the eye of the beholder. However, Salisbury has the advantage over Manne since he knew and worked with Burchett. Manne, instead, relies solely on biased witnesses handpicked for their prejudices.

**Courageous — but a Coward**

The case is similar when Manne grudgingly admits that Burchett had "a reputation among his peers for physical courage", only to go on to suggest that, nevertheless, he was a bit of a coward. It is hard for Manne to ignore Burchett's reputation, for even Warner told ASIO that he was very courageous, having been "Machine-gunned 'as full of holes as a sieve' when crossing the Irrawaddy on a raft, and was the first newspaperman in Hiroshima .... He had also taken great risks when he was a correspondent in Germany before the war, when he worked with an underground movement to assist Jews to escape from Hitler's persecution." (ASIO dossier A6119, X R 1., item 13.)

Having admitted Burchett's reputation for courage, Manne then draws on ASIO's questioning of a New Zealand correspondent who knew Burchett in Korea to show the opposite, as a lead-in to his central charge that Burchett was a traitor, in the following manner:

MacDonald .... told him (Burchett) of a conversation he had had with a RAAF captain who had expressed a desire to drop Burchett from his aircraft .... Burchett made light of all this but apparently took it seriously. Six months later ASIO was told that Burchett was contemplatimg returning to Australia but is somewhat afraid of members of 77 Air Squadron' (p. 36)

Manne then continues:

Burchett had, of course, much more to worry about, in regard to his homecoming, than defamatory articles or air force heavies. He knew that for two years he had — in the classic words of the English treason law — been giving 'aid and comfort' to the enemies of his country at the time of war. Perhaps his conscience was clear .... but nothing in his nature equipped him for the role of martyr in a treason trial. Having crossed the Rubicon, Burchett now tried to find some means of crossing back. (p. 36)

Manne thus comes to perhaps the most bizarre of his absurd charges: that Wilfred Burchett was prepared in September 1953 to "redefect" and "buy his way back to the
West" by supplying "useful information to American intelligence" (page 36). Manne admits that this is a "strange and hitherto unknown episode in the life of Wilfred Burchett" which he "stumbled upon in the ASIO files on Burchett released in early 1985 under the thirty-year rule".

This writer also came across ASIO's Burchett dossiers when examining, for quite other reasons, newly-released ASIO materials (which are still full of great gaps because of ASIO censorship). In a querulous footnote (78 on p.44), Manne writes "For reasons best known to the Australian Archives access to the first part of this telegram (about the alleged redelection) has been withheld." But it is ASIO, not the Archives, which withheld this page of the telegram, as it has withheld many thousands of its dossiers and thousands of pages from what material it has released.

".... his prolific output of books which often sold well in the West precisely because they dealt with issues of world concern, presenting new insights into events often clouded by partisan pro-American reporting which only too often proved to be wishful thinking."

Yet the available ASIO material, despite this paranoid self-censorship, still provides ample evidence to make nonsense of Manne's most serious charges against Burchett. Manne did not see these, apparently; he was too intent on picking up only those pieces of gossip or information which suit his case. This methodology is very apparent in his treatment of accusations made by some US prisoners of war against Burchett, retailing every allegation possible while completely ignoring the warm praise for Burchett coming from the highest-ranking American captured in Korea, General William Dean.

Soon after his release, Dean wrote an article for the Saturday Evening Post in which he says: "For nearly two years he (Burchett) made my life bearable by treating me as a human being. So I don't think it can be surprising that I like him and am grateful to him", adding that he "liked Burchett more each time although the Australian remained a mystery" (quotes from Dean's article are taken from the Melbourne Herald of 26 February 1954).

Dean devoted a whole chapter to his relationship with Burchett in the book he wrote about his Korean experience, expressing warm regard for the Australian, but Manne mentions not a word of this. Perhaps he did not know of Dean's book and its praise? Unfortunately not; he refers to Dean's book in a footnote (78 on p.44): "The reference to Burchett's Czech wife is an error. The same error occurs in the book on Korea by the highest-ranking American POW, General William Dean, who refers to Burchett's wife as Bohemian". But not a word of Dean's attitude to Burchett; that would weaken Manne's case.

**Dollars and Defection**

We now examine Manne's bizarre redelection claim, absurd because Burchett had never "defected" from the Americans who wanted to get him back.

Manne does not name the source of this report, probably because ASIO suppressed it; there is nothing but the US Military Intelligence assertion that Burchett wanted to redeffect. But there is hard evidence to the contrary, showing that the American authorities sought to get him to defect to them and that they placed a very high value on winning him over.

The New York Times published a long and detailed report of its investigation into the Central Intelligence Agency's links with and use of the American media. The report includes details of the CIA's effort to buy Burchett's defection during the Korean Armistice talks, the same period in which we are told that Burchett wanted to buy his way back with some information!

The reporters wrote in the Times:

"At least once, the agency even used an American reporter in an unsuccessful attempt to induce another reporter to 'defect'. During the Armistice talks in Korea, sources said, the CIA persuaded Eddie Hyoff, then a correspondent for International News Service, to offer $100,000 to Wilfred Burchett, the Australian journalist who had formed a close relationship with the North Korean Communists.

Mr Hyoff said that he argued with CIA officials that Mr. Burchett could not be won over, and that proved to be the case."

Putting this never-denied report into today's terms, the CIA wanted Burchett's defection badly enough to pay him a sum worth at least a million dollars today. But the unscrupulous Australian blackmarketeer and used car dealer, according to Manne, now appears as a foolish idealist who turns down a fortune offered for his defection, only to then allegedly seek a "way back" by giving information!

Burchett was never mercenary; indeed, money meant less to him than to most, as even Mr. Manne admits grudgingly:

"I do not wish to be misunderstood here. Burchett obviously did not decide to work for the Chinese Communist Party for monetary gain. As a talented journalist he could have fared far better financially if he had remained in the West (page 29)."

"Putting this never-denied report into today's terms, the CIA wanted Burchett's defection badly enough to pay him a sum worth at least a million dollars today."

It is hard not to misunderstand Manne, despite his earnest protestations, when he makes accusations of blackmailing, being a paid agent living in comfort in Peking, Moscow and Hanoi, raking over idle scandalising to blacken Burchett's name. The only way to understand his indiscriminate mixing of trivia with baseless charges of crimes like treason and redeffect is that he seeks to buttress the latter, for which his evidence is so thin, by throwing in malicious trivia to build up his own case.

I met Burchett in his allegedly luxurious Moscow apartment in Vissotny Dom, in 1956, and at two domiciles in Paris, in 1972 and 1977, staying at his home on the latter occasion. His lifestyle was scarcely sybaritic; he was certainly not rich, though not poverty-stricken either. He earned his living through reporting (for both the orthodox Western press and for leftwing papers) and his prolific
output of books. These often sold well in the West, precisely because they dealt with issues of world concern, presenting new insights into events often clouded by partisan pro-American reporting. Burchett's choice of life work was motivated by his beliefs, by a lifelong commitment to reporting events he saw as decisive to world history, from on the spot. He was never concerned with money-grubbing or even the search for fame, still less or plaudits from Establishments anywhere, whether in Washington, Moscow, Peking or Canberra.

Burchett's life shows that neither economic well-being for his own safety took precedence over his lifelong passion for reporting great world events with a proudly asserted bias to the cause of peoples fighting for national liberation from colonial oppression. He demonstrated this by his second journey, in his late fifties, deep behind the US-South Vietnamese lines to report progress of the liberation war at an age when few people would try to squeeze through even one of the many small tunnels he traversed to within sight and sound of an enemy who would prize his capture or death as a great victory.

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The Major Charges

Having examined most of Manne's minor allegations, we turn to his more serious charges and the evidence he produces for them. His major witness is Yuri Krotkov, alias George Karlin, a Soviet defector who appeared before a sub-committee of the US Senate in 1969 and mentioned Burchett. Krotkov met Burchett in 1947 when he (Krotkov) was "formally a representative in Berlin of the Soviet Information Bureau but actually working with Soviet Intelligence" (p. 38).

Krotkov says he next saw Burchett in Moscow in mid-1956 when Burchett phoned him and sought his help in becoming a paid agent of the KGB while working as a journalist in the USSR. This unlikely story was certainly elicited from Krotkov by his CIA "debriefers" who had long pursued Burchett and, as we saw, tried even to buy him over, unsuccessfully. In fact, Burchett had decided that Moscow was a most interesting place to observe world events after the CPSU's 20th Congress and he sought help to establish himself there. What more logical step than to contact a journalist he had known in Berlin, working for the Soviet Information Bureau, for such help?

Krotkov claimed, 22 years after he first met Burchett, that he knew him as a man "very experienced in espionage", another unlikely story considering Burchett's action-packed life as a war correspondent spent solely in Asia and the Pacific and always with British and American forces, never with Soviet armies. But Krotkov's unreliability as a witness is best illustrated by the so far unpublished outcome of a libel action launched by Australian communist, Alec Robertson, against the Democratic Labor Party's NSW secretary, Jack Kane.

The action arose from an article in the November 1971 issue of the DLP newspaper Focus, which retailed Krotkov's testimony before the US Senate hearing in 1969 much as it appears in Manne's article 14 years later, with one crucial exception. This exception follows Krotkov's statement that the KGB hesitated about putting Burchett on the payroll, which Manne reports as "a hitch; Krotkov's KGB chief had changed .... and details of the agreed arrangement misplaced" (p. 38).

"... neither economic well-being nor his own safety took precedence over his lifelong passion for reporting great world events with a proudly asserted bias to the cause of peoples fighting for national liberation from colonial oppression."

Manne then writes that "From what Krotkov could make out, Burchett went in high dudgeon to see a representative of the Australian Communist Party then in Moscow" (page 38). The Focus version was much more specific: "Finally, the deal was clinched by some visiting Australian Communist Party delegates understood to be Alex Robertson and none other than Ted Hill" (Focus, November 1971).

Kane settled Robertson's action out of court, paying the damages of $10,000 because this statement was demonstrably false. Alex Robertson had never been a member of a Communist Party delegation to Moscow, with or without Ted Hill, and could prove that he had not been in Moscow at any of the times that Krotkov alleged he had discussed the matter with the KGB.

Either Mr Kane omitted to tell Manne that he had been forced to make a costly climbdown and settle out of court, when helping with his Quadrant article, or the latter deemed it prudent to leave out this piece of the Krotkov story which includes a crucial falsehood that could not possibly be a mistake.

The Treason Trial That Never Was
We come now to the allegations of Burchett's "treason" and his cowardice when faced with the threat of a trial for that alleged offence. The central fact of this matter is that two Liberal governments, Menzies' and Gorton's, far from seeking to get hold of Burchett to charge him with treason, were desperate to keep him out of Australia. Mr Manne could have discovered this when researching ASIO's records, which contain many proofs of this concern by the Menzies government in 1953 and 1954. One is stated clearly in a cable from the External Affairs Department to the Tokyo Embassy which includes the following statements:

Personal for Walker from Watt
Your telegram 443 Burchett

Matter has been considered at highest level here. For your background information, Thornton's recent return to Australia raised storm as to why Government allowed him to return....If a second and even more notorious Communist sympathiser returned ... there would be public outcry ....

2. Specific answers to questions in our paragraph 5 are as follows: a) Government has not the least desire that Burchett should return, may have no legal power to exclude him; but will do what it can ....

The same viewpoint was put even more clearly in a letter which ASIO's Director General, Colonel C.C.F. Spry, wrote to Attorney-General Spicer on 17 December 1953 canvassing the whole issue. The final paragraph of this eight-page letter reveals his thinking:

I may say that I feel that some advantage would be served if a public pronouncement were made to the effect that criminal proceedings will be instituted against Burchett if he comes within the jurisdiction. I do not know whether he intends to return to Australia, but I believe that it is his boast that it is open to him to do so. On the other hand, I understand that he becomes disturbed when it is suggested that he would be unwelcome in this country. There is considerable speculation among those who have had recent dealings with him as to whether or not he desires to get away from the Communists — but it is all speculation. My own guess is that Burchett does not know himself. It may well be that an announcement that he will be prosecuted if he returns to Australia, backed up, perhaps, by the issue of a warrant for his arrest, would effectively deter him from returning. Furthermore, such an announcement would assure the world of the disapproval with which the Australian government views him and his activities. However, I realise that there are other considerations requiring to be weighed in this connection, and I shall hope to have the advantage of discussing the problem with you. (ASIO dossier A6119/XRI, Item 14. p. 8, emphasis added.)

While admitting that it was "all speculation" about the alleged wish to "redefect", adding his own penn'orth of guesswork, the hawkish colonel nevertheless finds the main merit in announcing prosecution is that this "would effectively deter him from returning". Further, there was never any possibility of an effective treason charge, for the existing Crimes Act made no provision for alleged acts of treason outside Australian territory, while a prosecution under the 1351 English Treason Act presented insuperable difficulties. Both these points were clearly stated in letters from ASIO's own principal legal officer, "B.G.T." to Colonel Spry, as we shall see later.

"The central fact of the matter is that two Liberal governments, Menzies' and Gorton's, far from seeking to get hold of Burchett to charge him with treason, were desperate to keep him out of Australia."

In the event, there was not even an announcement of intention to prosecute Burchett in order to deter him from returning home, although the Gorton government did its damnedest to keep him out 16 years later. But neither Liberal government had the stomach to prosecute him, and not mainly because of deficiencies in the law. That distinguished arch-conservative jurist, Sir Garfield Barwick, tidied up the law to make sure future "traitors" would be caught when he introduced draconian amendments to the Crimes Act in 1960, including the principle of "extra-territoriality". But when Burchett returned to Australia in 1970, having compounded what Manne claims were his "crimes" in Korea by doing the same things in Viet Nam — condemning American aggression against that country and the Liberal government's complicity in that aggression — the Gorton government did all it could to keep him out. And when he defied them and came back, the Gorton government had no more stomach for trying him than did Menzies in 1954.

Gorton threatened to fine the French airline UTA $1,000 should it carry Burchett from New Caledonia to Sydney without a passport. Defying this ban, flying back by chartered plane, Burchett told The Age (20 February 1970): "I wouldn't welcome a treason trial but I'd gladly face one". So much for Manne's assertion that nothing in ".... there was never any possibility of an effective treason charge, for the existing Crimes Act made no provision for alleged acts of treason outside Australian territory."

Burchett's "nature equipped him for the role of martyr in a treason trial". Indeed, Burchett went further, suggesting to the Gorton government that it set up a special court of inquiry into the allegations made against him, as Gorton admitted in answering a question from Labor MP, Les Johnson, on 4 March 1970. "Mr. Burchett has asked for a court of inquiry into some charges against him", Gorton said (Hansard p. 25), but he rejected Burchett's offer. Attorney-General Tom Hughes later that day spelled out why the Gorton government was more interested in
keeping Burchett out than trying him for treason.

Answering a question from Opposition leader Whitlam, who asked whether Burchett had broken any laws of the Commonwealth or whether any investigation was under way now Burchett was in Australia, Hughes replied:

"I do not propose to give any opinion as to whether Mr. Burchett has broken any laws of the Commonwealth. What I will say, however, is that I, as principal law officer of the Crown, do not propose, as at present advised, to bring any charge against him."

(Hansard, 4 March 1970, p. 31.)

"Attorney-General Hughes made it clear that Burchett could not even be charged because the Menzies government had sent Australian forces into America's war against the Vietnamese people without declaring war."

Hughes amplified that statement in speaking to the adjournment later that night, revealing the reason why no charge would be brought: "The answer is that under the law as it presently stands — that is, the Crimes Act which now has an extra-territorial operation — a prosecution for the offence of treachery or for the offence of treason cannot be mounted unless the war is a proclaimed war and there is a proclaimed enemy." (Hansard, p. 193, emphasis added.)

This is much more than a legal quibble, going to the heart of the political issues arising from both the Korean and Viet Nam wars waged by the United States which dragged its unwilling allies into both conflicts, using the United Nations in the first one. The knotty legal problems reflected the basic political reality which led the Menzies and Gorton governments to deprive Mr. Manne of what he claims would have been "the most important Australian 'political' trial of the century" (page 37). Attorney-General Hughes made it clear that Burchett could not even be charged because the Menzies government had sent Australian forces against the Vietnamese people without declaring war, without "proclaiming" it a war and without proclaiming either the Democratic Republic of Viet Nam or the National Liberation Front as "enemies".

Undeclared, Unwinnable, Unnecessary

This was no oversight, of course; the Menzies government failed to make these proclamations by deliberate intent, just as it sheltered behind the alleged request from the puppet government of South Viet Nam for Australian troops in 1965. The alleged letter was never produced, despite repeated requests, historians must wait until 1995 to find out the truth. But whatever remains hidden in the archives, the fact remains that Australian troops were sent into action long before 1965, as advisers and instructors under Brigadier Serong, that proud exponent of going down into the gutter to light a dirty war which included formation of assassination squads. Viet Nam was a disaster as well as a dirty war, for the United States and Australia, incalculably more so for the Vietnamese. The tragedy of it all was that it was an unnecessary and unwinnable war, as many people had warned. Prominent among these was Wilfred Burchett, who never tired of warning against foreign intervention and publicising the unshakeable determination of the Vietnamese to fight for their national liberation, as shown in his despatch of April 1954 describing the hopeless position of the French Army besieged at Dien Bien Phu:

"The two serious lessons for the French to learn from the actions at Dien Bien Phu and the Red River Delta, if they do not draw the correct conclusions from these lessons it is only because of their slavish obedience to the American interventionists: the VPA has now grown into a modern army, equipped with modern weapons and troops which have mastered the technique of handling these weapons. The type of desperate action which the French troops are forced to fight at Dien Bien Phu because of Navarre's folly is one which they will have to fight repeatedly at their isolated outposts throughout Vietnam and the rest of Indochina.

History records that the French did learn these lessons, however reluctantly. But the "American interventionists" did not, unfortunately for millions of Vietnamese, many thousands of Americans and hundreds of Australians who died in an unwinnable war which ended only in the US defeat and hasty withdrawal in April 1975. The Australian government, in similar "slavish obedience" to the Americans, joined in the war they never proclaimed. Naturally, they ignored the Burchett warning although it was available to them, having been "monitored" by the US military and passed to ASIO and can be read in their Burchett dossier (A6119XR1, item 15, folio 36) along with others just as spot-on!

"Burchett reported most effectively and prophetically on both the Korean and Viet Nam wars, which inflicted deep traumas on United States imperialism and some of its most powerful leaders, from Macarthur to Johnson and Nixon and beyond."

The Korean War also presented similar problems for ASIO and the Attorney-General in considering the Burchett issue. It would be very difficult to prosecute under the ancient English Treason Act, as the Attorney-General's Department told ASIO: "I therefore imagine that the Solicitor-General will first devote his mind to the question whether the Communist forces are the Queen's enemies. If they are not, there is an end to the matter from the point of view of any prosecution" (letter from "B.G.T." to Colonel Spry, Burchett dossier A6119XR1, item 14, p. 3). This was doubtless a major reason for Attorney-General Hughes to rule out a prosecution under the Treason act of 1351 during the debate in the House of Representatives in March 1970, in these words: "The Leader of the Opposition asked me about the common law of treason .... I have formed the view that the hurdles, obstacles and legal difficulties are of such a character as to make that particular form of procedure quite impracticable in the circumstances" (Hansard, 4 March 1970, p. 194).

The problem arose because the US war in Korea masqueraded as a United Nations "policing" operation; the United States did not declare war and neither did Britain.
Potential Threat

The Menzies Cabinet, in considering the possibility of prosecuting Burchett, adopted this view expressed by Spry and decided there was no basis for such a charge. Its main concern remained to keep Burchett out of Australia because they saw him as a potential threat to their fulsome support for the US war in Korea.

That this was the basic motive driving the authorities is again confirmed by ASIO's legal officer, "B.G.T.", who sent Colonel Spry a memo suggesting that the Menzies government should announce its intention to prosecute Burchett for treason. The memo, dated 8 January 1954, after suggesting such an announcement, explains why:

2. The advantages which may be served by such a pronouncement are —
   (a) to deter Burchett from returning to Australia; and
   (b) to indicate the disapprobation with which the government regards him ....

He then discusses the possibility that the pronouncement would fail to deter Burchett:

Tentative views that it would not be so effective are — (1) that he might regard it as a challenge to be accepted (he has a modicum of vanity and some sense of confidence in his make-up); and (2) that the Communist leaders in China might direct him to accept the challenge (assuming they regard him as expendable) .... (A6119 XR 1, item 14).

"Manne may believe that he can dismiss McCormack's work by hurling an emotive but really meaningless phrase like 'neo-Stalinist reading of post-war Asian history' at him."

This rather idle speculation seems futile since successive Liberal governments went to great lengths to keep Burchett out of his homeland and deprived him of his passport until Labor won office in 1972, precisely because they were so sensitive to the nature of the wars in Korea and Viet Nam.

This determination to keep Burchett out, not let him in to face a treason trial which would make them a laughing stock, which Mr. Manne ignores in the ASIO dossiers, raises the issue of why he pursues some clues to possible reasons for flogging a horse that was already dead 31 years ago.

Burchett reported most effectively and prophetically on both the Korean and Viet Nam wars, which inflicted deep traumas on United States imperialism and some of its most powerful leaders, from Macarthur to Johnson and Nixon and beyond. Viet Nam was a crushing and humiliating defeat of the United States and for all those who believe it is the capitalist super-power which must be supported because it is the bastion of the "Free World" as amply demonstrated in Nicaragua, El Salvador, Argentina, Uruguay, Haiti, South Africa, not to mention Grenada and a dozen other such examples.

This is the position taken by many Quadrant writers, expressed by Peter Coleman and Frank Knopfelmacher in the issue carrying the Manne diatribe against Burchett. Coleman asks rhetorically: "But the point remains: we want America to be a great and powerful friend. What else have we got?" (Quadrant, August 1985, p. 7). Knopfelmacher echoes this: "America is the only great power we have" (p. 75). The best of good luck to them in having Ronald Reagan as intellectual and political inspiration; as the shade of Ngo Dinh Diem could tell them, they'll need it.

This attitude of "all the way" with LBJ, or Nixon, or Reagan, or whoever heads the great and powerful friend is the point of Manne's bitter attack on Burchett, as it is of his other target, Gavan McCormack, whom he attacks on general grounds of political ideology, interpretation of history and gratuitous bitter personal hostility. Manne makes this hostility obvious very early in his article, for example in this extract: "To remain silent in the face of various efforts to lionise Wilfred Burchett .... is to accede, without quarrel, to the caricature of the history of the Cold War and to a neo-Stalinist reading of post-war Asian history being taught in our universities by academics like Dr. McCormack" (p. 27).

Continued page 41.
David McKnight

John Howard and the Reborn Right

The election of John Howard as Liberal leader symbolised, in a dramatic way, the inroads which the New Right has been making within traditional conservatism, as well as Australian political life. Is the New Right a passing phenomenon, "reactionary chic", as Bill Hayden calls it, or are deeper forces at work?

Introducing 'reactionary chic'

A new force is shaping the political agenda in Australia. It is radical, uncompromising and scorns parliament. Though it has support in parliament, it primarily aims to win hearts and minds, not just numbers in party committees.

It values being in touch with The People, often speaks in their name, takes demonstrative dramatic action, and makes attention-grabbing statements. Even from those suspicious of this new force, it sometimes wins a sneaking admiration for its boldness, brazenness and preparedness to risk unpopularity in the short term, in order to stand on principle.

Ten years ago, the preceding statement could have referred to the radical left. Today, it refers to the New Right — or rather, the image they try to project.

These days, it is the New Right which is using the language of "overthrowing oppression", of "liberation and freedom" from the state and of opposition to conformism.

"Though it has support in parliament, it primarily aims to win hearts and minds, not just numbers in party committees."

What's so new?

What is the New Right? Is it really new? If so, why?

It could be argued that there is really nothing new about conservatives trying to shackle unions, promoting racism and greedy, individualistic values; nothing new in wanting to privatise the public sector, nothing new in praising the mean and narrow-minded "virtues" of small business; nothing new in wanting to solve the crisis on the backs of the workers. At various times, nearly all the things articulated by John Howard have been said by Sir Robert Menzies.

Indeed, if the above list was the sum of what the New Right is all about, there would be little new. But it would be a dangerous mistake to ignore several key differences between the New Right and traditional conservatism. To take two of their best known positions: the privatising of profitable public sector enterprises, and the so-called deregulation of the labour market.

Mainstream conservatism has always scorned the "wasteful", "inefficient" public sector just as the New Right does. But, in fact, a large part of the regulatory and welfare functions of the modern state were created or nurtured by a series of conservative governments, regardless of their rhetoric.

The labour market is another case in point. Not so long ago, the whole Left regularly denounced the system of conciliation and arbitration which was (rightly for the most part) seen as a thin veil covering the employers' interests. It was "a bosses' court", pure and simple.

But today it is the New Right and a growing number of employers who support the New Right who call for the abolition or the emasculation of the arbitration system.
John Howard and the Reborn Right

These changes in attitude stem from a number of sources, but one of the long-term reasons has been the gradually increasing strength of trade unionism, particularly in the conditions of the long boom. Unionism has become a force which employers, and particularly governments, have had to come to terms with in the long term, even though there might be day-to-day skirmishes. (In the New Right's language, "coming to terms with" means capitulation.)

"These days, it is the New Right which is using the language of 'overthrowing oppression', of 'liberation and freedom' from the state and of opposition to conformism."

The highest expression of this has been the Accord and the greatest sin of the arbitration system, in the eyes of the New Right, was to fall in with the Accord and its principle of inflation-adjusted wages.

Another element of "newness" in the New Right is their carefully cultivated populism. This means both a "rabblerousing" style, with extravagant emotional appeals, and a more carefully planned campaign to win hearts and minds.

Of the latter, most prominent have been the right-wing think-tanks which attempt to "theorise" the ideas of the New Right, make an impact in the media and shape the political agenda. As they themselves admit, the need for such think-tanks arises because the universities, the traditional conservative think-tanks, have been "taken over" by the left.

Think-tanks such as the Institute of Public Affairs (IPA) have played this role for decades, but a new element of populism is shown for example by the IPA's revamping of its magazine, IPA Review, which four months ago went on sale in newsagents around Australia. Quadrant, probably the main public organ of the traditional intellectual right, is already distributed in this way.

The populist style is conveyed well in an article by Jim Carlton in The Bulletin (7 May). (In retrospect, this article was an important part of the dry take-over of the Liberal Party which culminated in Howard's election. The selection of Carlton as Shadow Treasurer shows what store is set on his ideas.)

"The market is the ultimate in democracy and every consumer votes with their dollars (if they have them) for what they want."

In answer to his own question: "How do we recast the political agenda?" Carlton says:

The answer to this question is bold and simple. We paint a vivid picture of a more competitive open economy and free society we want to achieve. We describe its benefits for ordinary people. We create a sense of excitement and expectation about this better world — not only its material benefits but also its humane and civilised aspects, its fairness and effective redress of wrongs.

That kind of talk naturally leaves most of the Left cold and leads political commentators to talk of the "revival style of the market is the centrepiece of the New Right philosophy. (These markets are usually economic, but the idea is extended to the "market in ideas", and fields of education and health being regarded merely as markets in which the public sector competes with the private.)

The market will determine whether this factory succeeds or fails, the New Right argues; the market will decide whether this industry is efficient or not, whether this person is employed or not, whether these goods and services are priced at one dollar or one thousand dollars.

Thus, the market is distorted by job creation projects, state subsidies to the arts, or to research, or to industry; by state intervention in wage determination, or in job atmosphere" inside the Liberal Party. But the significance of this populist style is that the Right-Left battle is now going to be fought publicly in a more ideological way as a battle between different philosophies.

I chose the word "philosophies" because what is at stake, and what can motivate and mobilise ordinary people on the right or left, is much more than policies. What motivates people is an appeal to their deeply held beliefs about the nature of the world, of a better world (utopias), of their place in the world, of notions of right and wrong — all of which crystallises around certain questions and policies. In this respect, Carlton's article is instructive, protection or equal opportunity laws. The market must be allowed to decide whether public schools and hospitals or public enterprises like Telecom and Australia Post, succeed or fail. The market is the ultimate in democracy and every consumer votes with their dollars (if they have them) for what they want.3

In short, by constant reference to the market, the world
is made simple again — it provides a benchmark against which to measure everything from endangered rainforests to the value of tariff protection. The hard decisions in balancing questions of morality against economic "efficiency" fly out the window once this sure-fire philosophy is applied.4

The inequality which exists when a millionaire businessman and a coke oven worker from BHP stand together in the marketplace is either explained as a natural result of "meritocracy" or not explained at all, questions of equality and ethics simply not existing in the pure market world.

This philosophical renewal of the Right springs from a number of factors which, incidentally, also affect the Left in advanced capitalist countries. First, the growth in the power and importance of the state and public sector since the great depression, to the extent that it plays a far more important role in the economy and in shaping social conditions than ever before (thus "distorting" the market).

Second, the economic crisis of the mid-seventies in the face of which the ruling class has not been able to impose its preferred solutions, because of the above factor and one other: the unbroken power of organised unionism.

Third, the challenge to the hegemony of traditional conservatism begun by the anti-Viet Nam war movement and involving the new contradictions between women and patriarchal power, and between humanity as a whole and the biosphere (the environment).

The sum total of these factors and others is forcing a break with the old conservatism which could comfortably live with rising public expenditure, organised unionism and which had no answer to the critiques of the new social movements.5

To answer the question then, the New Right is recasting classical economic liberalism as a response to deep social changes which caused a political crisis for conservatism. Within the Liberal Party, it had a false start in the seventies when Malcolm Fraser came to office. The emergence of John Howard, personifying the grass roots strength of the New Right with conservatism, stems directly from Fraser's failure to 'go far enough'.

"The emergence of John Howard, personifying the grass roots strength of the New Right with conservatism, stems directly from Fraser's failure to 'go far enough'."

Greiner, NSW Opposition leader, and Western Mining's Hugh Morgan after the NSW conference of the Liberal Party last August, Greiner warned the party that: Preoccupation with increasing profits, blind commitment to balancing the books, ideological dedication to deregulation for its own sake — ordinary men and women are chilled by such a message. Such are the hallmarks of a political platform that is dry and cold.

I do not believe the Liberal Party can succeed with such a platform. There is a third position which I characterise as dry and warm.

(The reference to a "third position" evidently alludes to the more usual division of Liberals into wets and dries.)

"At various times, nearly all the things articulated by John Howard have been said by Robert Menzies."

Greiner went on to add that the Liberals must not be seen as union bashers nor as anti-public servant.

"Our beef is not with the unionists, it is not with unionism itself, but with the leaders of those trade unions which have shown themselves to be undisciplined .... " Greiner told the Herald on 12 August. (Just how he reconciles this with blanket bans on strikes in essential services and the arrest of pickets to overshadowed by his industrial relations spokesperson, Peter Collins, is hard to fathom.)

This kind of approach parallels that made by British PM Margaret Thatcher in her attempts to appeal to trade union members over the heads of their officials. In her case, such appeals have been successful to some degree, since she has been elected twice, the last time with a large majority that included a substantial vote from blue collar workers.7

In NSW politics, this strategy was also successful for Robin Askin in 1965 when he successfully appealed to traditional ALP voters.

Such a position of being "dry and warm" and striving not to appear as blindly anti-union and anti-public servant is certainly sophisticated and is also a swipe at hard-line ideologues within the New Right. Though he is not a member of the Liberal Party, Hugh Morgan must have been stung by this view. In mid-October, he took the occasion of a public speech to attack those who talk in terms of being "dry and warm".

Morgan's views on politicians generally are often scornful, as he made clear in a significant interview with the Herald's Paul Sheehan (2 March): "You won't get change through politicians," Hugh Morgan says. "I can't think of a major political leader in the last 20 years who hasn't been crucified. Politicians can only accept what is accepted in public opinion polls. So you have to change public opinion!"

The area of social issues (the family, women, civil liberties, etc.) has also been divisive for the Right. At the federal council of the Liberal Party in July, a move by two reactionary West Australian Senators, Wilson Tuckey and Sue Knowles, to commit the Liberals to repeal the Sex Discrimination Act was defeated by a large majority which included (again) Nick Greiner, who argued strongly against "neanderthal thinking" on
women's issues.

For some on the New Right, usually a loony minority, there is no natural or necessary link between free-market ideas and social conservatism, because one of the ideological sources of the New Right is libertarianism, which has included notions of sexual freedom and individualism, and which has led to an "anti-family" position.

In the case of Liberal leader John Howard, social conservatism goes hand-in-hand with his New Right economics, as he confirmed just after his election. In particular, Howard aims to jump on the bandwagon of the widespread male backlash against the Family Law Act to promote himself. Other measures Howard supports are income splitting for taxation purposes (which, in effect, discourages women from working); taxation deductions for child care (which could well have widespread support though it creates no more child care places and favours the rich disproportionately); and a maintenance enforcement bureau (to allow a decrease in payments to single mothers).

Even on that touchstone of the New Right, privatisation of profitable public sector enterprises, there is no unanimity. When Howard first floated this seriously in a public way, South Australian Liberal Steele Hall said he would refuse to vote for such legislation. Even heavier guns have been aimed at it, such as Queensland Racing Minister Russ Hinze, who pointed to the cross-subsidisation policy of Telecom which benefited his constituents in the bush. His views have been echoed by the nondescript leader of the NSW Nationals, Wal Murray, who called it a "mad stampede to sell off everything".

Divisions between the Liberal and National (Country) parties have always existed and there is contradictory evidence about which way the Nationals and their country constituency will jump on the free market New Right economic policies. Hinze and Murray (above) are not about to jump on the privatisation bandwagon but, by the same token, represent extreme right views on unionism and social issues. Objectively, there are many reasons why farmers and other country people should support fairly extensive government intervention, but what part rational self-interest plays, as opposed to a rag bag of racism and union-bashing in the small business/country mentality is not always straightforward.

But perhaps the most damaging division, or disagreement, is on the key issue of trade unionism and the Accord. A number of political commentators have been disappointed by the performance of the new industrial relations spokesperson Neil Brown, a Howard man.

".... the significance of this populist style is that the Right-Left battle is now going to be fought publicly in a more ideological way as a battle between different philosophies."

More significantly, business is not wholly behind the Liberals' policies. No doubt they would like a much more compliant labour force, but achieving it involves a gamble which may prove expensive.

Again, Greiner pointed this out at the NSW Liberal conference: "Big business, despite a lot of what you hear, is really fairly comfortable with the present (wages) system." This was contrasted to the attitude of small business, for whom the Liberals have held out the possibility of their employees "opting out" of the present system. (That is, so the boss can say, "opt out of unionism and your award, or face the sack".)
The attitude of big business to the Accord was reported in a major study by Professors John Niland and Dennis Turner from the University of NSW.

According to the Financial Review's Michael Stutchbury: "The study of 219 top executives concludes that Australian corporate leaders prefer the predictability and stability of the co-operative approach to industrial relations adopted by the Hawke government rather than the confrontationism of the Fraser years."

"... the left, by default, has conceded ground to the New Right and to the Hawke-Keating forces by hardly ever talking in terms of market rationality. Thus, the left is more easily portrayed, with some justice, as airy-fairy idealists unable to project an alternative."

Many business leaders are "unenthusiastic about experimenting with alternatives (to the arbitration system) such as collective bargaining", even though they are critical of the arbitration system. As against this, there is the response of big business leaders like Robert Holmes a'Court who was "lavish in his praise" of Howard (The Australian) and Westpac's Sir Noel Foley who threatened to withdraw finance from the Liberal Party if Howard was rebuffed in the crucial deputy leadership ballot. (The Australian, 6.9.85.) It would be foolish, however, to become complacent about the Liberals' inability to win immediate support on their Thatcherite industrial relations policy. They have potent allies in their struggle: small business, which represents a numerically large section of employers, and part of big business, appear fully behind them and have a great deal to benefit. As well, there is a growing and deeply rooted cynicism and dislike of unionism among a great many people, including union members. This is fed not only by a constant biased barrage from the mass media, but also from actions of sections of the union movement itself, the most notorious being the BLF and its corrupt leader Norm Gallagher.

With these allies, and with the certain support of all business as soon as they see that the Hawke government and/or the Accord is crumbling, it would be foolish to expect the short-term setbacks of Howard and Brown to become the pattern for the next two years.

Labor, the Left and the New Right

While the origins of the New Right spring from long-term pressures mentioned earlier, their current ascendancy in the Liberal Party is also related to the direction of the ALP under Hawke and Keating.

Briefly, the Hawke-Keating faction, though their economic policies are nowhere as severe as Howard's, talk the same language of spending restraint, deregulation and the supremacy of market forces as the New Right. In the short-term electoral sense, they have been very clever, capturing ground from the Liberals in a style reminiscent of the heyday of NSW's Neville Wran. This has helped shift the Liberals to the right. Not in the simplistic sense often assumed in the press, but by shifting the whole basis of "debate, and the political agenda, to the Right. In this more profound sense, the Hawke-Keating forces have outsmarted themselves and helped pave the way for the New Right resurgence. (By the same token, but with less impact, the left, by default, has conceded ground to the New Right and to the Hawke-Keating forces by hardly ever talking in terms of market rationality. Thus the left is more easily portrayed, with some justice, as airy-fairy idealists unable to project an alternative, and as defenders of inefficiencies in the public sector.)

Secondly, the pragmatism of the Hawke-Keating forces, in blithely breaking ALP policy, has increased the overall level of cynicism about politicians. This atmosphere provides part of the basis of support for the New Right who can more easily portray themselves as principled, rather than pragmatic, and as radical challengers to the status quo.

Third, by discrediting policies which are deeply imbued in Laborism, such as redistribution of wealth, the Hawke-Keating forces are slowly undermining the distinct identity of Laborism and thus the core of their own support. Underlying all these attitudes is a belief that ideology can never play a role in hard-nosed politics and that people are easily conned by appeals to the "hip pocket nerve" (hence the Fraser-style pre-election tax cuts).

The hard-headed election strategists behind Hawke and Keating have reacted with glee to the new "ideological turn" in the Liberal Party. In their eyes, Howard is breaking every rule in the political book.

He is, for example, on record as saying that, in politics, "it is more important to be right than popular", and that the key to winning office is not in tailoring policies to suit the middle ground, but in winning the middle ground to your policies.

In many ways, Howard wants to develop the same kind of strategy as the Left, in form, though obviously not in content: realising he is in a minority, he sees his best chance for office coming from an extra-parliamentary campaign which aims to turn the political agenda around to the concerns of the New Right. (This sets Howard apart from other politicians because he seems to be consciously planning things this way. But, even in Australia's recent past, parties have been brought to office as part of a tidal change in politics and culture — the 1972 and 1974 elections being examples.)

"To defend such institutions as they are, without acknowledging the need for improvements, simply means that the left will become a stationary target for the Right."

But Labor, especially the Hawke-Keating right wing, rarely think consciously in terms of extra-parliamentary activity as part of their strategy. In this, we can measure how far the Labor Party and its leaders have travelled from the Labor Party which saw itself as part of a labour movement, in fact, as only its political wing.

It's not easy to envisage how a left Labor Party might begin to build stronger links with the unions and social
movements in a way that would benefit both. (One "example" is the bold support which leading Liberals gave to the NSW surgeons who tried to wreck Medicare.)

A refreshing view on this question came in a recent speech, the 1985 Arthur Calwell Memorial Lecture, by Brian Howe, the Minister for Social Security. He argued:

"Mobilisation of the broad labour movement is essential if we are to keep reforming Labor governments in power. Governments have to be kept honest. We cannot allow our Government to fall into static responses which lead to the inevitable decline and defeat of socialist governments around the world.

A Labor government needs the underlying tension between pressure and support from its constituency. Pressure to continue to involve and reform society. Support to protect those reforms against the attack from vested interests."

Partly, this mobilisation fails to occur because, even among the Labor left and Left-supporting trade unionists, there is simply not an agreed strategy for achieving major social changes in this country. When one considers that the forces for social change extend far beyond these two categories, there is even less agreement on strategy.

For this reason, the forthcoming broad left conference next Easter could play a crucial role if it simply began a real debate across the left spectrum about these questions.

The New Right itself is also forcing the left to examine its philosophy, goal and methods. This is occurring partly at an ideological level, since it is plain that the New Right is having far greater impact now than ever before, i.e. it is undermining left gains made in the progressive upsurge in the 'seventies.

But it is also happening in the field of practice, the most ominous warning being the success of Bjelke-Petersen's sacking of the SEQEB linesmen and the inability of the union movement to force their reinstatement. The debate which was recently opened by the Building Workers Industrial Union\textsuperscript{10} is painful but necessary. Faced with defeat on the SEQEB issue, a BWIU delegates meeting urged:

\textit{There is an urgent need for the unions to stop, think, regroup and plan a long term strategy based on a scientific analysis of the political and industrial situation rather than on gut reactions which we believe have influenced past strategies and tactics.}

This view was backed by a statement of Communist Party activists meeting in Brisbane in response to the BWIU's statement. The CPA meeting said: "Any understanding of the SEQEB struggle must be seen in the light of Queensland as a testing ground for the New Right in Australia. The results of this struggle will have profound effects nationally in the future. In this context, the retreat by many state unions to federal awards should be seen as, at best, the attainment of a temporary sanctuary — as buying time to prepare for the continuing onslaught."

The ascendancy of the New Right within the Liberal Party and the strengthening mobilisation of the "Broad Right" in society at large must be met by a Left which is also prepared to transform itself.

This means, for instance, trying to understand why the ideas of the New Right strike a chord in the experience of ordinary people. It's just not good enough, in my view, to argue that essentially this boils down to lies and/or manipulation by the media. When the New Right rails against the bureaucracy of the state, this can accord with the experience of many people through their schooling, their travel on public transport, dealing with government departments. Something similar exists with trade unions.

"This means .... trying to understand \textit{why} the ideas of the New Right strike a chord in the experience of ordinary people. It's just not good enough .... to argue that essentially this boils down to lies and/or manipulation by the media."

To defend such institutions as they are, without acknowledging the need for improvements, simply means that the left will become a stationary target for the Right.

I argued previously that the changing nature of the state and of the trade union movement and the emergence of the social movements caused a crisis, then forced a renewal for the Right.

The same changing reality is presently causing a crisis for the Left.\textsuperscript{11}

The renewal of the Right has seen them reach for the classic eighteenth century liberalism of Adam Smith. But the left cannot solve its crisis by a similar retreat to dogmatic "fundamentals" of marxism, but by doing what Marx, in his day, did. That is, drawing from the existing movement of utopian socialism and fashioning a new scientific socialism appropriate for his times."

That, in the end, is one of the major long term tasks of the Left in fighting the New Right.

\footnotes on page 41.
Job Protection in the Manufacturing Sector: Union Strategies for the Tasmanian Food Processing Industry

"Tasmania cannot afford to allow manufacturing industry to disappear from the state." In this edited version of a paper presented to the E.T.U. Employment Development Seminar held in August 1985, Keith Thompson stresses the need for greater trade union activity around the issues of creating jobs in the Tasmanian manufacturing industry.

The importance of the processed food industry to the Tasmanian economy can be seen from a brief analysis of its size and value, and its relationship to Tasmanian manufacturing industry as a whole.

In 1982-83, the food, beverages and tobacco industries employed 5,882 workers, or 24.1 percent of all workers employed in the manufacturing sector.

It is interesting to note that, in 1971-72, food, beverages and tobacco employed 5,986 workers, which represented 19.3 percent of the total of 30,936 workers employed by manufacturing as a whole.

Thus, it can be seen that employment in the food, beverages and tobacco sector fell by 104, or 1.7 percent over this eleven-year period, while employment in manufacturing generally fell by 6,531, or 21 percent.

The number of food processing factories fell from 168 to 119, or 29.2 percent, over the same period, while in manufacturing generally, the number of factories operating fell from 931 to 535, or 42.5 percent.

Turnover in the food, beverages and tobacco sector rose from $150m. in 1971-72 to $596m. in 1981-83, a rise of 397 percent. In manufacturing generally, the rise was from $595m. to $1963m. or 330 percent.

A significant indicator of the importance of the food processing industry is the value of the purchases it makes from other industries. Such purchases include raw materials — principally agricultural products — and other items such as containers and packaging, fuel and power, freight, maintenance, contract services and so on.

The value of purchases by the industry has risen from $99m. in 1971-72, which represented 27.6 percent of all purchases made by manufacturing industry, to $443m. in 1982-83, which represented 35.2 percent of total purchases by manufacturing industry.

This figure, possibly more than any other, indicates that a healthy food processing industry is vital to the Tasmanian economy.

The value of new and secondhand fixed tangible assets purchased by the food sector increased from $5m. in 1971-72 to $12m. in 1982-83. In manufacturing generally, fixed capital expenditure rose from $26m. to $45m.

"... the food processing industry has been one of the last manufacturing industries to introduce new labour-replacing technologies."

These figures have not been adjusted to reflect inflationary increases, and therefore it can be seen that investment in manufacturing as a whole in Tasmania has fallen dramatically, and that investment in the food processing sector has also fallen dramatically, although to a lesser extent than manufacturing generally. The low level of capital investment is a very disturbing indication that the manufacturing industry is set to continue to decline.

The Changing Structure of the Food Industry

The processed food industry has survived the last ten years of recession better than manufacturing industry generally, for a number of reasons.

Firstly — food production is a fairly stable industry — people will spend money on food during an economic recession while they will cut down on other forms of...
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spending. In addition, demand for food products has grown steadily with population increases.

Secondly — the food industry has been one of the last manufacturing industries to introduce new labour-replacing technologies. Food processing is a labour-intensive industry, and so its share of employment has not declined to the same extent as other manufacturing industries.

Thirdly — the food industry has traditionally been based on small to medium-sized family companies and co-operatives, which are again relatively high users of labour. The food industry has been one of the last industries to be targeted for takeovers and rationalisation programs by the big Australian and foreign-owned multinational companies.

Finally — food industries have, until very recently, enjoyed a natural protection from import competition. Food products have low value to weight ratios, which means freight costs tend to prohibit distant countries from exporting food products to Australia. In addition, the need for food products to be fresh when sold has also formed a natural barrier against imports for the local industry.

"The processed food industry is beginning to experience the same problems which have devastated many of Australia's other manufacturing industries over the last decade or more."

All these factors are now changing — with the end result that the processed food industry is beginning to experience the same problems which have devastated many of Australia's other manufacturing industries over the last decade or more.

Population growth has slowed, and changed dietary habits have shifted demand away from more traditional processed food products towards the fresh and convenience food markets.

Technological change is now occurring in the industry at a much faster rate than it has over the past ten years. Many of the labour-intensive processes of the industry — those of inspection, grading, handling and packaging of food products — are now being performed by advanced electronic technologies.

The increased use of technology has been made possible through a concentration of ownership in the industry. The small to medium-sized family and co-operative enterprises have been fairly rapidly taken over by the large Australian and foreign-owned corporations. In Tasmania, only three apple processors now operate in the Huon Valley, and the vegetable industry is now completely dominated by Edgell Birds-Eye and McCains.

The processed food industry is also becoming increasingly open to import competition. New "long life" technologies allow food products to be stored for longer periods and hence freighted more easily. The massive subsidisation of food products by the European Economic Community has resulted in their equally massive surpluses being dumped at less than cost of production on world markets — depressing Australia's export markets and increasing import competition on our domestic market.

Industry Development and Trade Unions

The object of trade union intervention in the industry policies of government and the corporate plans of employers is to increase employment opportunities for our members, for the unemployed and for future generations of workers.

There is a larger dimension to the problems of manufacturing. Large Australian and foreign-owned multinational corporations continue to engage in takeover and rationalisation operations, and borrow money offshore to finance these activities; exports of high value-added manufactured goods continue to decline and low value-added resource exports continue to represent an increasing proportion of our exports; imports continue to grow and threaten domestic producers; manufacturers continue to operate offshore in low-wage third world countries and then import their finished products into Australia; Australia's financial system continues to be deregulated to the benefit of foreign capital; increasing unemployment and a declining manufacturing sector produces less taxation revenue for governments — such that governments are forced to borrow offshore just to meet their current commitments.

Meanwhile, Australia's foreign debt continues to grow at a horrendous rate. Our foreign debt has increased from $3.5 billion in 1970 to $45 billion in 1984. Current estimates are for a foreign debt of $54 billion in 1985 growing to $100 billion in 1990. On current trends, "... a healthy food processing industry is vital to the Tasmanian economy."

Australia as a nation will be paying $15 billion per year in foreign interest payments in less than five years' time.

If this trend is to be reversed, trade unions will have to change the basic direction of government and employer policy towards Australia's manufacturing industry. Most particularly, we must take a greater interest in the production side of the economy in addition to the interest we traditionally and rightfully have taken in the distribution side of the economy.
Some trade unions — such as the A.M.W.U. — have been addressing this issue for a longer time than other sections of the movement, and therefore there are ideas and campaign strategies which can be learnt from their experiences. This is a relatively new area of activity for the trade union movement as a whole, and there is a lot more which we will all have to learn if we are going to develop and implement a successful strategy to defend and create more jobs in manufacturing industry.

The trade union movement needs a comprehensive strategy which has international, national, state, regional, industry and employer specific elements.

International Issues

Australia’s manufacturing industry cannot be analysed separately from an analysis of the economic and social changes which have taken place in the Third World over the past twenty years or so. It is to the Third World countries, especially those of Asia and the Pacific, that many of Australia’s labour intensive manufacturing industries have gone, as a result of the desire of Australian and foreign owned companies to exploit the cheap labour and low tax conditions which exist in those countries.

Australian trade unions need to support the genuine militant trade unions of the oppressed and exploited Third World countries. By assisting trade unions in these countries to raise their living standards, we will achieve a number of things. We will reduce the incentive for our own industries to move offshore, and we will increase the ability of those peoples to buy goods from Australia. This is especially so in relation to the food industry. This is, of course, in addition to the solidarity which we should show in any event to workers and their unions struggling against military dictatorships.

While the policies of the multinational corporations and cartels are to divide up the world for their maximum profit, workers in all countries suffer. Clearly, there is a need for trade unions to co-operate wherever they can to attempt to bring about more rational economic planning to benefit all workers.

In relation to the food industry, I believe that it is important for Australian and New Zealand trade unions to discuss the impact of the Closer Economic Relations (C.E.R.) agreement and other elements of trans-Tasman trade and, if possible, to develop joint campaigns. Consultation should also take place with European trade unions to find out what their attitudes are to the policies of the E.E.C., and to see what agreements may be reached.

National Strategy: The Accord and Industry Councils

The national strategy of the trade union movement with respect to industry policy is expressed in A.C.T.U. Congress policies and the A.C.T.U A.L.P. Prices and Incomes Accord. The key elements of these policies are:

- The paramount economic objective being the attainment of full employment.
- The need for industry development policy to be integrated with macro-economic policy.
- The need for co-ordinated planning and consultation mechanisms.
- A commitment to a diversified manufacturing sector (both regionally and industrially) as a means of achieving basic economic objectives and as a means of minimising the adverse effects of fluctuations in value and volumes of Australia’s mineral, energy and rural production.
- The need for interventionist policies to bring about employment growth.
- Recognition that there is no economic sense in the reduction of protection levels in the midst of high levels of unemployment.

".... we must take a greater interest in the production side of the economy in addition to the interest we traditionally and rightfully have taken in the distribution side of the economy."

- The need for the regulation of, and increasing availability of, finance necessary for investment purposes.

The Food Preservers Union believes that it is obvious that the federal government has delivered on very few if any of these commitments given in the Accord. The deregulation of the finance sector through the admission of the foreign banks and the floating of the dollar, the continued dominance of Treasury over the government on economic issues, the refusal of the government to support union requests for assistance to industry and the continued dominance of the hard line “free traders” in the Industries Assistance Commission over protection issues are all clear examples of the ways in which the federal government has failed to fulfil the commitments it made to the trade union movement in the Accord.

It is therefore necessary for the trade unions to put pressure on the government to ensure that it does deliver on these promises. Clearly, it is only the trade union
movement which has the commitment and the political will to demand that these policies be put in place.

The Australian Manufacturing Council and the Processed Food Industry Council

The main focus for trade union activity in industry policy development at a national level is the Australian Manufacturing Council (A.M.C.) and the industry councils. The Processed Food Industry Council (P.F.I.C.) is one of the eleven industry councils established within the framework of the A.M.C.

The P.F.I.C. has been appointed for a period of two years, and is charged with the responsibility of recommending policies designed to encourage the growth and development of the Australian processed food industry. It is comprised of four trade union, one grower, five employer and two public service representatives, with a co-opted independent consultant. The council is serviced by an executive officer and assistant executive officer.

Like the other industry councils, the P.F.I.C. was required to prepare a “stocktake” report on the current status and future prospects of the industry, and to form recommendations to encourage growth in the industry.

The council's “stocktake” report was forwarded to the Minister for Industry and Commerce, Senator Button, in November 1984, and made the following observations about the main characteristics of the processed food industry:

- The food industry is the largest single manufacturing sector, composed of individual sectors, often unrelated and with disparate problems and prospects.
- The industry is dominated by large corporate conglomerates with a significant multinational presence, whose interests generally extend over a wide range of food industry sectors and often encompass other industries outside of food processing.
- The industry, while primarily oriented towards supplying domestic markets, has a high incidence of exports of primary processed products but a low incidence of exports of further processed food products.
- Domestic demand is dependent on population levels and industry growth in excess of population growth will have to come through exports. Import substitution is a lesser but important prospect.
- The industry is generally profitable and competitive internationally with important competition pressures generally confined to few sectors but with the prospect in the near future of a rapid expansion of import competition.
- Assistance levels are low on average and, furthermore, there is a cost to the processed food industry of assistance provided to agricultural production.
- Significant changes are occurring in the pattern of retail and wholesale marketing. These are due to:
  a. increased concentration of ownership (both manufacturing and retailing) with a few large groups dominating the local market
  b. bulk containerised transport
  c. increased consumer acceptance of “plain label”, generic products. Not only does this encourage imports of basic products produced down to a price, it also compels local

food processors themselves towards fewer and more heavily advertised brands. The consequences are therefore higher imports and greater concentration of domestic producers.

These developments are likely to bring pressure to bear on domestic producers as import opportunities become more commercially attractive.

The “stocktake”, which has the status of a preliminary report to the minister, contained a number of recommendations to encourage growth in the industry. Council believes that it is the industry's choice whether it will compete vigorously on world markets or not. It is government's choice whether it will remove barriers, provide incentives and support the vision of industry towards a successful drive in this direction.

"Despite the government's establishment of the A.M.C. and Industry Councils, however, the overwhelming attitude of the federal government and the bureaucracy is one of support for 'free trade', anti-protectionist economic ideas."

Therefore Council recommends, as a matter of national urgency, the introduction of appropriate mechanisms in order to bring about uniform legislation and regulation and to ensure that products imported into this country meet the standards insisted on for local producers. Council feels that uniformity of food law in Australia and its implementation would best be achieved by the establishment of a Federal Food Authority.

The council also recommended that the government take steps to avoid penalising the industry, particularly where, inadvertently, local products may be disadvantaged against imports by allowing full rebates on taxes and imposts on the costs of goods exported and, if necessary, replacing them with taxes at retail level which will encompass imported items as well.

The government should also ensure that, where appropriate, Australian processed foods become a greater share of Australian foreign aid.

Unions and the Industry Councils

There are major problems for unions attempting to make objective gains for their members from the Industry Council process.

First is the lack of resources provided to the unionists on the councils to enable them to come to terms with the issues on the agenda, and to then make the information they gain relevant to the membership.

This issue is being addressed by the Business-Union Consultation Unit of the Department of Trade and also by the A.C.T.U. A week-long seminar for processed food industry unionists was held at the Clyde Cameron College in Wodonga at the beginning of August 1985. The seminar produced a list of issues for food industry unions to campaign around, and a strategy for their achievement.

The key issues identified included:

- The urgent need for the implementation of uniform national food legislation, together with inspection of food...
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"There are major problems for unions attempting to make objective gains for their members from the Industry Council process."

Federal Government Policies

Despite the government's establishment of the A.M.C. and industry councils, however, the overwhelming attitude of the federal government and the bureaucracy is one of support for "free trade", anti-protectionist, economic ideas. It could quite reasonably be said that the current federal government is the most "free trade" that has ever existed in Australia.

There is a need then for unions to campaign against the ideas of the so-called "economic rationalists" who believe that if anything can be bought cheaper from overseas, then we shouldn't have an industry producing those goods in Australia.

The A.C.T.U. has set up a small committee of manufacturing industry unionists to recommend ways of establishing a national advertising campaign in support of Australian manufacturing industry, with the aim of convincing the public of the need for a strong manufacturing industry in Australia. This type of campaign is desperately needed. Unions must work to change the political climate so that specific campaigns for assistance to individual industries have a greater chance of succeeding. Manufacturing employers are being approached to support the campaign, and hopefully we will see some progress in this area over the next few months.

State Strategies

State governments have an important part to play in the development of industry, through the provision of incentives, infrastructure, research and development assistance and other forms of assistance.

In Tasmania, of course, we have the problem of the Gray government. This government is, however, very sensitive to the pressure that can be exerted over the jobs issue, and it is the task of the trade unions and other progressive forces to exert that pressure when we believe that action by the state government could assist us to protect the jobs of our members.

An important issue for this state is, of course, the Tasmanian Freight Equalisation Scheme (T.F.E.S.). With the freight cost disadvantages experienced by Tasmanian manufacturing industry, the loss of this scheme or a reduction in its benefits would severely disadvantage our members. It should be an aim of the Tasmanian trade union movement to ensure that the trade union movement nationally supports the retention of the scheme and that this support is translated into action by the federal...
government. Food products, which are expensive to freight, would be particularly hurt by a reduction in the benefits of the T.F.E.S.

Regional Strategies

For industries centred on particular provincial regions, regional alliances offer the potential to increase political support available to manufacturing industry. In the food industry, there is a clear common interest between farmers who want their products processed, trade unions, local small business interests and local government. These points of common interest need to be developed and used in campaigns over industry development issues.

The South Australian branch of the Food Preservers Union, for example, developed such an alliance not only to save their Riverland fruit canning factories from closure by exerting pressure on the state government for redevelopment funds, but also to lobby successfully for the establishment of a properly funded Area Redevelopment Authority — known as the Riverland Development Council.

The Riverland Development Council has a full-time staff of four, including a director and two economic research and project officers. It is able to make grants and loans to organisations and companies wishing to develop business and other plans for the benefit of the region and its economic growth.

The council is run by a board comprising fruitgrower, trade union, small business, co-operative processor and community representatives. The state government has provided it with a budget of $300,000 for the coming financial year, provided adequate establishment funds, and is also allowing it access to general government rural development funds.

I believe that this sort of initiative, which is similar to the Local Enterprise Boards set up in recent years by Labour-controlled councils in Britain, should be supported by the Tasmanian trade union movement.

Enterprise Strategies

Industry policies are only of use to the trade unions if they have an impact on individual employers and enterprises. Trade unions need to analyse what the employers in their industry are doing, what their plans are, and to consider the likely impact of the company plans on future employment.

Issues which require attention include company plans for research and development, marketing, export development, use of imported materials or machinery and new technology.

Unions should campaign over jobs in the same way they campaign over any other issue. The development of logs of claims for more jobs is an area which needs more consideration by unions.

Governments have resources to offer to companies wishing to expand, either into new products or into new markets, especially export markets. Most employers would not be aware of half of these schemes. Employers generally are not directed towards planning for increased employment, and therefore it is up to the unions to make employers become directed in this way. Clearly, if the unions do not move in this direction, no one else will.

Conclusions

If we, as a trade union movement, believe that we have to look more seriously at ways to increase employment, then we will need to make both short and long-term plans to enable us to do so, and to set priorities so that they are implemented.

Some of the issues we need to consider include:
- Research and analysis of our industries — and the resources we will need to carry out this research.
- The training of union members so that they can understand the issues involved and take a leading part in the campaigns around them. Most importantly, our members should understand the close relationship between the winding down of manufacturing industry and the attacks being made on their living standards and trade unions and democratic rights.
- The issue of industry development must be on the agendas of our union and state and federal peak councils.
- We must ensure that our concern over these issues is understood by the Labor Party and the general public.

Keith Thompson is the Tasmanian Branch Secretary of the Food Preservers Union of Australia.
The conference of about 80 women from 18 countries was organised by the Feminist International Network of Resistance to Reproductive and Genetic Engineering (FINRAGE), and aimed to share information about the development and application of New Reproductive Technologies around the world, to discuss the implications for women, and to define some strategies for resistance.

The presence of women from Bangladesh and Brazil broadened the issues to include more traditional forms of reproductive technology (contraception and sterilisation) which were used to carry out reproductive abuses in the form of population control.

Ms. Sultana Kamal spoke of the experiences of Bangladesh women who were coerced into having sterilisations with promises of one month's salary and a sari. The operations are carried out in makeshift camps with little antiseptic or anaesthetic support. The US aid agency for which she worked did not supply money for post-operative care — only for the sterilisations — and she pointed out the obvious lack of concern for the women, treated like animals to be sterilised, and not as patients in the US might be treated.

She also criticised the use of injectable contraceptives like Depo-Provera and Norplant, an experimental hormone implant sewn under the skin. Drug companies did not ask for side-effect reports — they were only interested in how to make the drugs more marketable. She criticised the aid programs which tied food aid to population control programs.

Several women were pessimistic about the possibility of controlling the technologies which they regarded as part of the general thrust of science which viewed organisms as technological devices to be controlled in the same way as machines. The thrust towards new reproductive technologies was part of the world-wide contest between privatised and individualised expensive medical care which concentrates power and profits in the hands of a few experts, and the more widely effective, but less sophisticated economic and health measures which could meet the needs of many more people.

Commercialisation of new reproductive technologies was an issue, with reports from Australia on the "IVF-Australia" case, and from Gena Corea of the United States (author of The Mother Machine) on US IVF Clinics which advertise "success rates" of over 20 percent, even though half of them had never produced a baby.

When "success rates" are based on pregnancies (some of which do not even reach the two week old stage), others miscarry later) rather than live births, infertile people are enticed into paying $US4,000 per treatment cycle.

Ms. Corea reported suggestions that women use IVF technology and donor eggs if they work in hazardous workplaces, rather than risk conceiving; to avoid engineering the risk out of the working environment, they would engineer the risk out of women's biology.

Dr. Maria Mies, a social science professor at Koln University, emphasised the need on the part of governments and industries to produce new consumer goods in order to boost flagging economies. Genetic and reproductive technologies are accelerated and financed by international chemical and pharmaceutical companies that recognised potential new markets.

She listed the usual arguments made in favour of these technologies by some supporters as:

1) technologies are not bad per se, but only if they are in patriarchal/capitalist hands — that all women need is "control", and

2) that "we must get more women into science and technology in order to oversee these new developments".

She countered these statements by pointing out that technology is never neutral and women scientists working within the same "machine-logic" mind would not render these developments safe. She said that, even if women were in power, their "success" would be based on the same scientific values as before, where life is seen as something to manipulate at the biological level instead of acknowledging the economic and social basis of disadvantage.

West German women traced links between contemporary German practitioners of reproductive and genetic engineering and the academic underpinnings of Nazi racial policies, and argued that such techniques open the door to sexist and racist manipulation, as well as undermining the already difficult position of disabled women.

Ramona Koval is a lecturer in the Environment and Technology Policy Unit, R.M.I.T.
We know that technology cannot solve problems created by exploitative conditions. We do not need to transform our biology, we need to abolish patriarchal social, political and economic conditions.

We shall resist the development and application of genetic and reproductive engineering.

We want to maintain the integrity and embodiment of women's procreativity. Externalisation of conception and gestation facilitates manipulation and eugenic control. The division, fragmentation and separation of the female body into distinct parts for its scientific recombination disrupts historical continuity and identity. The individual becomes the dividual, the divided one.

There is no right to a child as property. Neither infertile nor fertile women, neither lesbian nor heterosexual women require permission to have a child from authorities like the state or the medical profession.

We call on women to resist the take-over of our bodies for male use, for profit-making, population control, medical experimentation, and misogynous science. Life for us always means risk. It cannot be programmed or perfected. Living demands courage. We shall not surrender ourselves to the technocrats. We shall hold fast to the collective responsibility for ourselves and our lives.

We resolutely oppose all attempts through genetic and reproductive engineering to bring about a racist and fascist division of women into "valuable" women in the industrial world, who should have children, and "inferior" women in exploited countries, who are forbidden to have children. In our own countries, we oppose differential treatment of poor, disabled, lesbian, black and foreign women by patriarchal medicine. We resolutely oppose eugenic population policies, in particular the fabrication of "perfect babies".

We condemn all governments that allow genetic and reproductive engineering.

We condemn the international traffic in women, specifically for purposes of reproductive prostitution.

We condemn the use of women from exploited countries and poor women by men and international conglomerates in the interests of global capital and patriarchy.

We condemn men and their institutions that inflict infertility on women by violence, forced sterilisation, medical maltreatment, and industrial pollution and repeat the damage through violent "repair" technologies. We oppose coercive prenatal diagnosis.

We support the exclusive rights of all women to decide whether or not to bear children, without coercion from any man, medical practitioner, government or religion. Recognising that infertility is often determined by political, social and economic conditions, we support compassionate treatment of infertile women and intensive study into the prevention of infertility.

We support the recovery by women of knowledge, skill, and power that gives childbirth, fertility and all women's health care back into the hands of women.

We seek a different kind of science and technology that respects the dignity of womankind and of all life on earth. We call upon women and men to break the fatal link between mechanistic science and vested industrial interests and to take part with us in the development of a new unity of knowledge and life.
Sheril Berkovitch

Bhopal: One Year On

The tragic disaster at Bhopal last year raised some important questions about the role of transnational corporations in developing countries. While Union Carbide has attempted to cover up their responsibility, the local unions have launched a number of initiatives in association with the communities affected.

It is now one year since the industrial disaster at the Union Carbide pesticide plant in Bhopal, India, where, on the night of December 2/3, methyl isocyanate (MIC) gas erupted into the atmosphere, leaving thousands dead and countless others affected in numerous ways. Reports ranging from 1,500 to 2,500 deaths filled the newspapers, but by April this year, the union at the factory had estimated at least 8,000 deaths, and still rising.

What happened at Union Carbide’s Bhopal factory?

Union Carbide have claimed that safety standards at Bhopal were the same as those in the US. This is untrue. The US plant has a computerised system which would detect even small rises in temperature or pressure. In their French and West German plants, effective safety back-up systems stop leaks. At Bhopal, however, there was no plant-wide warning system, no means of rapidly cooling the tanks, and none of the safety devices actually worked. (In any event, an accident at Carbide’s plant at Institute, West Virginia, which also manufactures MIC, further shattered Carbide’s credibility. One hundred and thirty-five people required medical attention after toxic gas leaked from the plant. Carbide have blamed this on “employee error”.)

Workers at Bhopal were not aware of the precautions to take in the event of a leak. For example, they were not advised to keep still to reduce hyperventilation and, therefore, intake of gas, or to wrap wet cloths around their nose and mouth to help neutralise the gas.

The diagram below shows each step in the “fail safe” safety system, which resulted in the escape of MIC gas into the surrounding area.
MIC should not have been stored unless at least two of the fail-safe devices were working. If the refrigeration unit, scrubber and flare tower had been operating, 40 percent of the stored MIC would not have escaped. Water sprinklers intended to neutralise any toxic gas leakage were not capable of reaching the height at which the leak occurred. There was no gas detection system on site; operators were told to "use their noses" as detectors!

"At Bhopal, however, there was no plant-wide warning system, no means of rapidly cooling the tanks, and none of the safety devices actually worked."

Union Carbide's cost-cutting drive — profit before safety

As well as the deficiencies in the fail-safe devices, the Union Carbide plant at Bhopal has had a long history of malfunction. A gradual and sustained erosion of good maintenance practices had occurred, including:

- neglect of safety standards
- a decline in the quality of technical training of plant workers, especially supervisory staff
- a depletion in the supply of vital spare parts
- the implementation of an indiscriminate economy drive which starved the plant of capital replacement and produced general staff demoralisation
- the depletion in the number of experienced engineers and operators from the plant
- increased understaffing of important work stations in many areas.

Most of these practices can be traced back to the period 1981-82, when a new, large-scale project at Carbide's MIC factories resulted in failure, delivering a blow to expansion plans. This failure, coupled with a sagging market for Union Carbide's two pesticide products, Sevin and Sevinol, formed the basis for the ensuing rundown of the Bhopal plant.

The failure of the project, as well as driving away any hopes for profitable expansion at Bhopal, also brought about the onset of demoralisation among workers. It triggered the economy drive, whereby routine operations were increasingly sacrificed.

Union Carbide has, however, continually neglected many aspects of the plant's wellbeing over the seven years of its operations. Only one safety audit had been carried out during that period. The check, in 1982, exposed widespread hazardous conditions. However, the cost-cutting drive had increased since then.

The disaster was not the first accident with casualty at Bhopal.
- In October 1982, MIC escaped, seriously affecting four workers, and several people living nearby experienced burning eyes and breathing trouble.
- Two similar incidents were reported in 1983.
- In January 1984, a worker died of a "chemical allergy".
- The drop in staff levels included a reduction of 25 percent in trained engineers with diplomas or science degrees. Operator strength was cut to one half of the original levels in many areas. In 1983, operators on three rotating shifts were reduced from eleven to six; maintenance staff was also drastically chopped. This resulted in workers not being able to fulfil completely the necessary tasks.

"Union Carbide has consistently shifted the blame for the failure of the safety devices onto the Indian Management .... and has .... even claimed that Bhopal plant may have been sabotaged, possibly by Sikh terrorists!"

Union Carbide has consistently shifted the blame for the failure of the safety devices onto Indian management, claiming that the report from the 1982 audit was passed to them. They say there have been no managers, in India for years and that, therefore, the Indians must accept responsibility for the failure.

However, as the parent company, Carbide holds over 50 percent of the shares of the Indian branch, retaining the power to bend the Indian management to its will. Union Carbide attached far more importance to production and profits than to maintenance and safety. Bud Holman, Carbide's lawyer, has even claimed that the Bhopal plant may have been sabotaged, possibly by Sikh terrorists!
Methyl Isocyanate (MIC) — its effects

As well as immediate deaths, many thousands more suffered and still suffer the consequences of exposure to MIC. Deaths are still occurring and the long-term effects on humans and the environment are not yet known.

"Prior to the disaster, the workers had not been silent about the worsening situation at the plant, especially in regard to the cost-cutting measures which violated operating procedures."

There is a range of health risks associated with exposure to MIC, including:
- Irritation of the lungs, coughing, shortness of breath and tightness in the chest. Some people become allergic and experience severe asthma attacks from exposure to a small amount. Massive exposure to MIC causes severe irritation of the lung tissue, leading to fluid on the lungs and severe asthma-type illness. Many deaths at Bhopal were caused by "drowning".
- Dermatitis, irritation of the eyes and peeling off of the front layer of the eye cells (corneal ulceration), which has led to scarring and blindness. Some people have regained their sight, but others are still blind and will remain so.
- Massive exposure can lead to brain damage, kidney and liver complaints due to lack of oxygen from the lungs.
- There is evidence that isocyanates are potential carcinogens.
- Long-term exposure can lead to headaches and nausea, as well as asthma.

Many people have experienced these symptoms but the long-term implications are unknown. As well, a higher than usual number of birth problems and defects, such as miscarriages and stillbirths, has been recorded in women victims of the MIC leak.

Worker and Community response at Bhopal

Prior to the disaster, the workers had not been silent about the worsening situation at the plant, especially in regard to the cost-cutting measures which violated operating procedures. When workers protested, however, they were threatened with pay cuts and charge sheets. Their demands for the implementation of the safety procedures outlined in the 1982 report were unsuccessful.

Since the disaster, the factory union has reacted strongly to the closure notice issued by Union Carbide, believing that this would allow Carbide to get out of the situation with a minimum of loss and embarrassment to themselves.

The Union Research Group (URG) in Bombay, an organisation which works on education programs with workers, assisted the workers to create a perspective for the future; the idea of alternative, non-hazardous, socially-useful production has emerged.

Initially, the most urgent need was for treatment for the gas victims. As a result of a campaign carried out by the URG and the factory union, fifteen unions joined together and opened a relief centre run by doctors, URG volunteers, and union volunteers, especially from the Union Carbide India Employees Union (UCIEU).

The work at the centre includes regular outpatient treatment with a daily attendance of between sixty and 100 people; respiratory physiotherapy; treatment of women's health problems including the monitoring of pregnant women; a nutritional program for children; a health education program for unionists and others who visit the basics (huts), which explains the effects of MIC and promotes self-help health care.

The relief centre has also been instrumental in uniting the Union Carbide workers and others in the community. Because many of the workers escaped the MIC leak, they were worried that people in the gas affected areas would see them as responsible for the disaster. Although this was initially the case, through working together in the relief centre, the two groups have been brought together and this has fostered a strong community network, working for improvements for the whole community, as well as strong political development.

Workers and others were initially worried about the threat of unemployment if the plant closed as a consequence of the disaster. However, it was soon discovered that a vast number of families had already lost their incomes due to the death of the wage earner. Hence, the need for suitable employment for surviving gas victims was as crucial to their rehabilitation as the need for medical treatment. They need lighter work which does not expose them to chemicals because of the allergies they have or may develop.

The workers went to the Chief Minister of the region, Vora, requesting the blocking of the closure notice and an assurance that they would retain their salaries until alternative production was set up. They found that, on the contrary, the government was planning to buy the factory from Union Carbide and sell it to Hindustan Insecticides Ltd, who would continue to produce pesticides there.

The workers' response to this was to form a Committee for Planning Alternative Production, and to set up a Centre for Relief and Production. The workers are demanding that control of the factory be handed over to them. (Currently, the factory has an armed guard around it to "protect" it from the community.)

The union's plan for alternative production of non-hazardous, cheap and useful products includes production of nutritional soya bean products (milk, oil, biscuits), respirators for lung damage, and safety and pollution control equipment to help prevent future disasters elsewhere.

They have pointed to Union Carbide as having caused the disaster, and the Indian government for having allowed it to happen, and have demanded compensation from Carbide to help begin alternative production."
Carbide to help begin alternative production. This includes a lump sum payment and the premises, as well as payment of wages until the settlement is reached. The government has been asked for technical assistance and help with marketing, as well as financial support for welfare services in the form of community kitchens, creches, nutrition schemes and community health schemes.

Although the Bhopal disaster has taken an enormous toll on the lives of the people working in and living around the plant, the workers have seen a great deal of positive activity stemming from it. Perhaps the best way to sum this up is by looking at a statement released by the Centre for Relief and Production:

*The Bhopal MIC disaster began in tragedy but it need not end in tragedy. Even today, there are many positive features in the situation — for example, the way in which people of all communities are helping one another and working hand-in-hand to build a better future. With communal violence and bloodshed going on all around us, we feel this is something to be proud of. We, workers and gas victims, are united.*

**Lessons from Bhopal**

The incident raises a number of questions regarding the use of technology and its long-term consequences. Firstly, there is the link between technology and (supposed) development. Lawrence Surendra of the Asian Regional Exchange for New Alternative states:

*The blind belief in technology and the unholy haste on the part of decision makers in developing countries to 'modernise' their countries leads to the importation of quite often useless and obsolete technology. This was the case of the Union Carbide pesticide plant at Bhopal.... The people of Bhopal have of course paid very dearly and will perhaps suffer the consequences for a long time to come.*

Secondly, it is obvious that transnational corporations (TNCs) have different attitudes towards their use of technology in developing countries and, more particularly, their use and codes of conduct in rich and poor countries. TNCs all over the world are shifting ecologically harmful forms of production which pollute the environment to third world countries. They plunder resources from developing countries without giving any thought to environmental and conservation issues. This, of course, is partly due to the strength of unions and environment movements in countries like the US, UK and Australia. Companies move to the third world to escape environmental restrictions in much the same way that they move to escape hard fought for wages and conditions.

Thirdly, knowledge about the health effects of chemicals and machinery used in factories is rarely disseminated among workers (and not only in the third world). Workers are, therefore, generally unable to formulate safety demands for their use and are easily out-manoeuvred by the companies when accidents, large- and small-scale, occur. Communities often do not link specific health problems to the pollution from factories close by.

These trends involving TNCs world-wide force us to question our strategies for dealing with them. The workers at Union Carbide have clearly developed an orientation which has both short-term and long-term benefits for practical relief and political development. However, it is necessary for unions and community organisations to form international solidarity links to exchange information and resources on common issues (car workers, for example, often hold international trade union conferences among specific companies, such as Ford, discussing common problems and international organisation).

Although Australia has been sadly (and embarrassingly) lacking in its solidarity with the Bhopal workers, other international actions have taken place, providing support in terms of publicity, fundraising, and moral support for the people of Bhopal, and have ensured that the issue of the disaster has remained on the international political agenda.

**Footnote**


**Further reading:**

A large number of reports, letters, books and pamphlets from India and other parts of Asia are available in photocopy form for those interested in further reading on Bhopal. For information, write, enclosing a stamped addressed envelope, to Sheril Berkovitch, PO Box 334, Fitzroy, Victoria 3065.

Sheril Berkovitch is Education Officer for Australia Asia Worker Links, and has been researching the Bhopal disaster for eight months. She is a member of the Communist Party of Australia.
Rumblings in the Rural Sector

The recent upsurge in farmer militancy has focused public attention on the plight of the rural sector. Adrian Shackley examines the causes of this rural crisis and argues that the new farmer politics of deregulation would only benefit a small, wealthy elite. Will farmers follow these new policies or can they avoid such dead-end conservatism?

Recent media comment on the rural sector has emphasised words such as "crisis" and "depression". Previously, rural problems have generally been perceived in terms of particular commodities — wool crisis, beef crisis, milk crisis and so on. The image now is that the problems are of a general nature and are both social and economic. This article aims to give some background to present farmer militancy, its origins and future directions.

Agricultural commentators use various information from the Bureau of Agricultural Economics and Bureau of Statistics to paint a picture of the farm situation. For example, prices of farm inputs have risen 41 percent in the last four years compared with only a 14 percent rise in farm output prices. Average farm incomes in the last four years have been $11,000, with some $20,000 in the previous few years. Several thousand farmers leave the industry every year. More than half the farming land in Australia is suffering some serious environmental degradation.

Behind the Figures

The use of total and average figures presents a distorted view of the situation and needs some analysis. As a rough generalisation, most rural industries have a skewed distribution of ownership and production, such that the 20 percent of producers who are "better off" own half the capital resources and produce half the commodities in their industry. Translated into figures — if the average farm income is $10,000, 80 percent of farmers will average $6,300 and 20 percent of farmers will average $25,000. When the average was $25,000, 80 percent averaged $15,800 while 20 percent averaged $63,000.

Income figures for farmers are not comparable with those of wage earners. Farm costs will include the cost of a home and part of the cost of motor vehicles, telephone, insurance and other items of dual enterprise/household use. The net income figure would cover work of the farm owners, allowance for superannuation, and return on farm capital. Thus it is possible for many farmers to "survive" with a regular zero income with small increases in debt for household consumption balanced against nominal dollar rises in farm value.

Income figures do not include figures for capital gain. Comparing farm and non-farm small business shows a difference. During the 1970s, non-farm businesses returned, on average, 7-9 percent per annum on capital investment (inflation accounted) mostly in the form of income. Farms averaged about the same, but this consisted of less than two percent of income and the rest as capital gain. Again, the capital gain figure should be looked at with many factors in mind — for example, inflated land values around expanding urban centres and transfer of income to capital by development of tree crops and buildup of farm resources including equipment, sheds and soil fertility.

".... most rural industries have a skewed distribution of ownership and production, such that the 29 percent of producers who are 'better off' own half the capital resources and produce half the commodities in their industry."

The Food Chain Gets Longer

Massive changes have occurred in the composition of farm costs over the last 30 years. Inputs from outside the farm, such as fertilisers, chemicals, machinery and fuel have risen, replacing the previous reliance on paid farm workers. Other service industries such as equipment repair and parts and insurance have also become more important as the complexity of farming has increased. The level of borrowings has increased rapidly in the last few years from the previous low levels of the 1950s, '60s and '70s, but is still nowhere near the high debt levels of the two decades prior to that.

Handling and processing of raw food leaving the farm has increased. While the price of food going more directly
to the consumer, such as meat, fruit and vegetables has fallen well behind inflation rates, products which are extensively processed and packaged have become relatively dearer, e.g. biscuits and breakfast cereals. While the percentage of GDP has fallen consistently for farm products, the whole agribusiness and processing and marketing sector has remained much more stable.

Corporate Agriculture

Corporate involvement in agriculture attracts attention from many angles. As a generalisation, over recent years direct corporate involvement in agriculture has not increased greatly. Corporate control over agriculture and farmers has, however, increased rapidly. Whereas previously, corporate involvement was extensive in the pastoral industries, recent areas of activity have become more "industrialised" - for example, poultry, pigs and cotton. Generally, corporations have been happy to allow farmers to take the risks associated with climate, disease and price fluctuations - the corporations have concentrated on control of inputs and products leaving the farm.

For example, a broiler farmer often puts up the capital cost of land and buildings. The broiler company provides all the chickens, feed, veterinary advice, and so on, and pays farmers a fixed price for each bird delivered to the required standard. The farmer has become a de facto piece rate worker, albeit with considerable capital investment (and no inclination to go on strike).

The corporations active in agribusiness — the best known being Elders IXL, Dalgetys, CSR, Industrial Equity, Amatil and Adelaide Steamship — have all been restricting their involvement in farming to relatively low levels, sufficient to give them some continuity of supply and an insight into production economics. Most of the resources being sold by smaller farmers quitting agriculture are, in fact, being bought by expanding family farms. The success of corporations in squeezing the returns of farmers by control of inputs and outputs also acts as a disincentive to them expanding in farming enterprises.

Finance Internationalism

Many farmers have benefited from the devaluation of the Australian dollar, but the long-term effect of deregulation of the finance sector is a topic of considerable speculation. Farmers are often advised to use the futures market to try to stabilise their income. The fact that over 90 percent of farmers who use futures for hedging lose money seems to be ignored. Both the Queensland Grain Growers Association and the NSW Sorghum Marketing Board have been almost bankrupted recently by losses on futures markets. Easier access to Chicago and London futures markets would seem more likely to fill speculators' pockets than assist farmers, given that often ten lots of goods are sold on the futures market for every one produced on farms.

"While the percentage of GDP has fallen consistently for farm products, the whole agribusiness and processing and marketing sector has remained much more stable."

Environmental Issues

Not since the eroded fields of the 1930s have environment issues been of so much interest to farmers. Chemicals are particularly worrying for many farmers concerned about their own health as well as
Rumblings in the Rural Sector

that of their land and animals. The interest in use of "organic" farming methods has been increasing steadily. However, the chemical companies' well-funded promotion of their products, backed up by state Departments of Agriculture research, is still winning because of the short-term gains which farmers can make. Farmers and consumers are increasingly asking what the long-term costs will be.

"The farmer has become a de facto piece rate worker, albeit with considerable capital investment, and no inclination to go on strike."

Soil conservation and restoration is an issue facing farmers as pressure, particularly for intensification of cropping, is increasing. This is not a new problem — our heritage of over-cleared land, over-grazing and inappropriate tillage methods means that over 50 percent of farming and grazing land is reduced in productivity already. Changes to different technology, particularly stubble retention cropping, have been rapid over the last ten years. The fight over vegetation clearance in South Australia has looked like a fight between all farmers and conservationists. In fact, the majority of SA farmers favour retention and regeneration of vegetation for environmental and economic reasons. The failure of agricultural research to integrate environmental, production and economic factors is an ongoing problem for farmers under pressure from many directions. Many farmers, of course, still have an exploitative attitude to land use, and are easily stirred up against perceived threats from "greenies".

Farmer Politics

Traditionally, there has been a clear distinction between the "graziers" and the "farmers". Graziers — descended from the old squatters, producing primarily wool, beef and mutton for export overseas, closely linked to stock and station agents and urban businesses, often educated at private city schools, with laissez faire anti-tariff economic policies, often with close links with the Liberal Party and its predecessors. Farmers — many in number but small in capital, primarily producing products for consumption in Australia, in favour of government and farmer co-operative activity to mitigate the effects of market changes, and traditionally inclined to the Country Party; in periods of great land settlement (late 19th Century and the immediate years after World Wars I and II) having links with organised labour and populist and socialist politics, but losing this after the attrition of time.

The perceived need for unity and the partial breakdown of some of the differences led to the formation of the National Farmers Federation (NFF) in 1979. In SA, Victoria and NSW, amalgamations have also taken place at state level. Despite much smaller numbers, the old Graziers Association leaders have, through a combination of better education, more political experience and more freedom from economic restraints of farm work, generally come out on top in the ongoing leadership struggles which have occurred.

Millionaire grazier Ian McLaughlin, the NFF president, fits the mould exactly: former vice-president of SA Stockowners Association, educated at St. Peter's College and Cambridge University, family involved over many generations in SA and NSW grazing industry, director of Elders-GM and now Elders IXL, and closely associated with the Liberal Party; a thoroughly professional rightwing agitator with the ability and knowledge of business, law and politics to look as though he can win and inspire confidence in others to back him up. Others in the same mould are Michael Davidson and Michael Tooth from NSW.

Farmers and Political Parties

The claims of the NFF and farmer marches to be non-political need some examination. Marches have been organised in WA, SA, Victoria, and Canberra/NSW — all in states with ALP governments. None yet in Queensland and Tasmania, despite the huge problems in Queensland, particularly among the sugar farmers. With respect to the ALP, the NFF wants to be seen to be supporting a "farmer log of claims" — not anti-ALP as such, only anti-ALP policies it doesn't agree with. In fact, the NFF has been active in supporting the ALP...
government in financial deregulation and would be aware of ALP governments' record in implementing long-term successful marketing authorities such as the Australian Wheat Board and the Australian Wool Corporation.

The major battleground is in the National Party/Liberal Party arena. The National Party has traditionally had the allegiance of most Australian farmers — it appeals to their generally conservative pro-religion, pro-family, anti-urban, anti-union attitudes. Its attitude to the "free market" is very flexible. Claims of agrarian socialism are misleading, but it has supported farmers wanting government intervention on input subsidies and marketing schemes which protect higher commodity prices in Australia. The free traders, however, have opposed its support of tariffs, its failure to get on the deregulation bandwagon and its failure to ensure the efficient working of many statutory marketing boards through incompetent political appointments.

"Intervention by progressive farmers, workers, conservationists and others can be a significant factor in directing farmer militancy away from dead end conservatism."

The clash between McLaughlin and Sinclair is not a matter of personalities; it reflects political differences and an attempt to use the NFF as a means of reorienting conservative politics in Australia. Australian farmers are very active politically — the National Party has the best grass roots political involvement of any of the parties in Australia. One in six of people voting for the National Party are paid-up members and one in every three Australians in a political party is in the National Party. (Not all NP members are farmers, of course). Clearly, the battle for the hearts and cheque books of Australian farmers is important behind the smokescreen of talk about new political parties.

In fact, most smaller farmers stand to lose from the McLaughlin recipe. During the Fraser years, farmer leaders argued for reduction in protection — they got it in rural industries but protection of secondary industries remained the same. ALP government proposals for the dairy industry could see another dose of the same medicine. Similarly, most farmers would benefit from steep progressive capital and capital gains taxation — only the wealthy elite gain from the present free-for-all.

Farmer Militancy — What Direction?

The diversity of Australian rural industry makes for a variety of responses to social and economic pressures. Farmers' interests will be pitted against various economic and political forces — some recent examples illustrate this.

Grape producers selling to the Langwarra Winery in SA's Riverland last season found no payments for their grapes, and possible company collapse. Some 150 growers were owed an average of $20-30,000. The producers, including Greek, Italian and Turkish as well as Anglo-Saxon growers, united to picket the winery to stop removal of all wine. The end result was that the growers took over the winery as the "Eureka Co-operative", with their grapes as equity and a state government-backed ANZ bank loan.

Broiler growers contracted to Manos Chickens are not being paid for their chickens until 20 weeks after delivery. The growers have united to try to force Manos Chickens to stop expansion of broiler production facilities until this is reduced to six weeks. Egg producers have a very profitable industry because of restrictive government legislation and quotas — they are antagonistic to any deregulatory moves.

Pork producers are attempting to maintain a viable "free market" for their pigs in the face of various attempts by processors to tie them up with contracts. They are also at loggerheads with stock agents over who will control a market" for their pigs in the face of various attempts by processors to tie them up with contracts. They are also at loggerheads with stock agents over who will control a

Wage workers in the rural sector are mainly in the Australian Workers' Union (AWU), Australasian Meat Industry Employees Union (AMIEU) and the Food Preservers Union (FPU), but many other workers are involved through processing and transport. Union intervention can assist the political development of farmers. A recent example was the FPU-sponsored action, supported by the waterfront unions, in stopping imports of cheap dried grapes. These imports were making life even more difficult for embattled growers in the Sunraysia.

Many farmers are reacting to a combination of poor economic conditions and various perceived threats to their image of independent individualists. The present collective response will need to be expanded into more collective production and marketing if living with the free market is not to continue to mean dying with the free market. Intervention by progressive farmers, workers, conservationists and others can be a significant factor in directing farmer militancy away from dead end conservatism.

Adrian Shuckley is a South Australian farmer.
Stuart Rosewarne

The High Price of Retail Takeovers

The Australian retail industry has recently experienced another spate of takeovers, when Coles took over Myer and Woolworths took over Safeway, giving us the dubious honour of having the highest level of concentration of retail sales in the hands of two companies. Economist Stuart Rosewarne, from Sydney University, looks at the implications and challenges the go-ahead given to them by the Trade Practices Commission.

When Coles announced that it was to take over Myer, another retail giant, early in August, the Trade Practices Commission (TPC) declared that it would not block the move. The commission held that the take-over would enhance efficiency within the industry and that competition would not be impaired because of the presence of other retail giants and small, independent retailers. This declaration more or less gave the go-ahead for a subsequent take-over of Safeways by Woolworths.

The consequence has been a dramatic increase in concentration in the ownership of sales outlets in the Australian retail industry. The Coles-Myer consortium will control some 20 percent of all retail sales in Australia. Woolworths will enjoy a further 10 percent of all retail sales. In particular segments of the market, the concentration is even more significant. Coles-Myer will hold 76 percent of all discount department store business through its K-Mart, Target and Fossey’s stores. Woolworths will hold 17 percent of this business.

“This level of concentration of retail sales in the stores of two retail companies is the highest in the world.”

Coles-Myer will dominate shoe retailing through its discount stores and footwear chain stores, Fays Shoes and Ezzywalkin, holding 30 percent of the market. The company will also be the leading liquor retailer. The retail giant will sell 26 percent of all groceries through its supermarkets. Woolworths will enjoy a larger share of this market, controlling some 30 percent of the grocery trade.

This level of concentration of retail sales in the stores of two retail companies is the highest in the western world. It provides the basis for unparalleled market power which can be exercised at the expense of other retailers, workers in the industry, manufacturers and consumers.

Ongoing rationalisation

The Coles take-over of Myer and the Woolworths take-over of Safeway are the latest developments in the ongoing rationalisation of the retailing industry which has gathered pace over the last few years. They follow the substantial rationalisation that has occurred in the department store trade. Less than two years ago, Myer secured control of Grace Bros. In the interim, Myer has taken over the leading Western Australian department store retailer, Boans, and its subsidiary, J.B. Young, has begun to extend its hold on rural retailing by buying a number of independent country department stores. Also, in 1984, the prominent South Australian department store retailer, John Martin, was acquired by David Jones, the Adelaide Steamship subsidiary.

The major retailers have also extended their market control in other areas such as specialty chain stores. Coles acquired Katies in 1984, and Woolworths purchased the interests of Chandlers, an electrical goods retail chain operating 59 stores in New South Wales and Queensland.

The desire by the large retail companies to increase their turnover and market share by taking over other retailers has largely been a response to the static retail market consequent upon the economic crisis of the past decade.

Internationalisation

Internationalisation, or concentration of Australian retailing, has coincided with the Australian companies becoming more international in outlook in other respects. Both Coles-Myer and Woolworths have an American shareholder holding 20 percent of capital. Coles’ shareholder being the K-Mart Corporation and Woolworths’ being Safeway. All of the major companies have made concerted efforts to establish links with overseas suppliers and manufacturers with a view to buying in the cheapest markets and thereby gaining a competitive advantage over other retailers. Their position has been further strengthened by a growing interest with banking and other financial concerns.

Opposition

In the context of these developments, it is difficult to see how the claims of the Trade Practices Commission can be justified. Not only the Consumers’ Federation, but also other retailers, developers, manufacturers, farmers
and workers employed both within and outside the industry, have been critical of the increased concentration of ownership.

In New South Wales and Queensland, independent retailers and smaller retail companies have been forced to follow the lead of the large companies in extending the hours they open their stores following the deregulation of shopping hours. This has often been against their wishes: many are required to conduct their operations in large shopping centres on terms that are more or less determined by the retail companies. Other grievances have arisen because of the terms and conditions of their leases, including the charging of higher rents when shopping centre proprietors endeavour to make up lost revenue in the wake of the large retailers demanding rent relief.

A number of state governments have moved to set up tribunals to settle some of these disputes, but there is evidence that the independent retailers and small chains have been forced to withdraw complaints or face "certain consequences". Some of the costs of the retail companies' market power are obviously being borne by the small retailers. As for competition not being eroded, it is also clear that the retail companies have used their bargaining muscle to ensure that certain competitors are not allowed to open stores in shopping centres. They are physically prevented from competing.

Manufacturers have accused Coles of "becoming more and more dictatorial in its buying". Newspapers have reported the eruption of a "civil war" between the retail giants and manufacturers. Because the retail companies have such massive buying power they are increasingly able to, and do, determine the terms on which they contract with the manufacturers for the production of goods.

A recent *Countrywide* program documented the plight of farmers facing increased imports. Woolworths, in search of cheaper vegetables, began contracting with New Zealand producers and, in the process, placed the future of a substantial part of the Australian pea growing industry in jeopardy.

David Jones is a significant importer of overseas food despite the fact that another company in the Adelaide Steamship stable, Petersville, is a leading food processor in Australia. But, rather than disadvantage that conglomerate, this diversity of interests can complement the bargaining power of the retailer.

The Transnational Co-operative's *Anti-Union*
Efficiency and competition? 

because of increased efficiency and continuing competition. It is hard to see how efficiency will be enhanced since the reorganisation of the management structure of Coles-Myer is not going to radically alter the pre-takeover structures of the companies. The Coles-Myer enterprise is somewhat of a conglomerate organisation covering not only all sections of retailing, which do not always fit neatly together, but finance as well.

If increased efficiency is a euphemism for an increased ability to reap economic advantage as a bulk buyer, then it is increased market power and not efficiency which should be the more correct consideration in judging the merits of the takeover. As far as consumers are concerned there is no guarantee that the gains from the takeovers will be passed on to them. For a start, margins in that area of retailing, where the two retail giants are most likely to be competing, namely the grocery or supermarket trade, are already low. In fact, the low profit margins in this trade was a key factor in Coles' decision to diversify and expand into other areas of the retail trade.

The increased concentration in the supermarket trade could well be the means by which profit margins are increased. As well, the advantage that Coles-Myer and Woolworths have as large buyers, locally and overseas, will increase their ability to raise margins.

The Metalworkers' Union's survey of grocery prices appears to bear this out, that growing market power is being used to advantage retailers rather than consumers. Despite all the rhetoric about the intense competition within the supermarket trade, the metalworkers' surveys indicated that prices were climbing much faster than all the official estimates, including CPI figures, suggest. And, if one examines the companies' pricing policies there is a good explanation for this.

Coles, for instance, employs a price system called "zone pricing". Essentially, goods are priced according to what the market will bear, so if a Coles' store has a competitor close at hand, then prices, and especially prices of leading sales items, might be lower than in another store. To give one example to demonstrate this point, I have recently observed the board game Trivial Pursuit selling in most stores for around $40 while in one store facing intense competition it was selling for $28.

The computerisation of the retail industry, and especially the introduction of scanners (which read barcodes on packaging), has increased the capacity of the retail companies to monitor turnover and, for instance, to determine which "specials" attract custom and the extent to which profits can be recouped from sales of other items.

"Retailers have been at the forefront of the argument that teenagers are priced out of the market and that teenage wages should be reduced."

on to them. For a start, margins in that area of retailing, where the two retail giants are most likely to be competing, namely the grocery or supermarket trade, are already low. In fact, the low profit margins in this trade was a key factor in Coles' decision to diversify and expand into other areas of the retail trade.

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TPC impotence

The decision by the Trade Practices Commission to ratify the more recent retail company takeovers reflects not so much an appreciation of the effects that the takeovers will have on the community's well-being (it does not appear to have given much thought to this) as the complete impotence of the commission to act to prevent such large takeovers. A recent decision rejecting the commission's right to rule out restrictive trade practices in the transport industry has forced the commission to continue to pursue its long-established policy of seeking to negotiate adherence to the Act. Labor government moves to strengthen the Act have not been followed through, with the result that the status quo remains.

"If there is increased efficiency in retailing consequent upon the increased concentration, then it is the increased efficiency to price for profit."

For consumers, workers and others adversely affected by the growing concentration in retailing, it would seem that the most appropriate course of action would be to demand a strengthening of the Restrictive Trade Practices Act and a more rigorous policing of its conditions. For the time being, industrial action and the policing of retailers by community groups and trade unionists, following the example set by the Metalworkers Union and others, appear to be the only actions which will forestall the erosion of our standard of living.

Stuart Rosewarne teaches economics at the University of Sydney.
Wilfred Burchett continued from page 15.

Mr. Manne may believe that he can dismiss McCormack's work by hurling at him the pejorative but meaningless phrase "neo-Stalinist reading of post-war Asian history". I have never met Gavan McCormack and know only of his book Cold War Hot War and his co-authorship of a book on Japan, but even this small acquaintance with his work suggests that the task of demolishing his historical work is far beyond Mr. Manne's capacities. That is obviously why he shirks the task of trying to demolish McCormack's historical work by making, for example, a serious critique of his opponent's most impressive book about the Korean War, instead choosing to spend months on a futile attempt to blacken Wilfred Burchett's name, using the same weapons of character assassination and abuse against McCormack in the process.

The choice of such ignoble means in controversy is forced by his abject inability to make such a critique of McCormack's interpretation. This would require an explanation of why American policy has failed so lamentably in Asia ever since the original decision to support the corrupt Chiang Kai Shek regime in China. It would require explanation for the absurdities of America's China policy in keeping that country out of the United Nations for almost a quarter-century, for its reverses in Korea and Viet Nam. Equally, it would be necessary to explain some of the US "successes" in Asia; for example, its CIA-inspired overthrow of Sihanouk in Cambodia and the million or more victims of the Suharto coup in Indonesia.

Above all, it would require rationalisation of the irrational. Australia's slavish support for American policies throughout the barren years of foreign policy under Menzies, Holt, Gorton and McMahon. Manne found this task too daunting; it seemed easier to attack a dead man.

But he fails miserably in this also. It is safe to say that Wilfred Burchett will be remembered long after Manne's diatribe against him is forgotten. It is not necessary to claim that Burchett was invariably correct in his reportage on every occasion or from every place to prove that his body of work, including both on-the-spot reportage and his many books, will prove invaluable for future historians and for those who seek to understand Asia's role in the second half of the 20th Century, especially those historical events in Asia which the Quadrant school finds impossible to explain and galling to accept.

FOOTNOTES

1. Had Mr. Manne not been so one-eyed in perusing ASIO's records to snuff out the traitor Burchett, he could have read the Australian Security Report detailing the bitter conflict between Black and white American servicemen during the Second World War, precisely because of racial persecution. This appears in the ASIO papers (e.g., A373, item 2837).
2. Alan Winnington was a British left-wing journalist also covering Korea. Winnington and Burchett jointly wrote several pamphlets at this time.

Laurie Aarons is a former national secretary of the Communist Party of Australia who has concentrated on research and writing since retiring from that position in 1976.

Footnotes for John Howard and the Reborn Right.

1. Of course, if the New Right was not basically different from traditional conservatism, it would be hard to explain why its emergence in Australia (and Britain) has been preceded by savage fights within the Liberal (and Tory) parties.
2. The question of a parallel development, the growth of narrow self-interest based on locality, craft, grading and so on, which profoundly subverts class solidarity is a related phenomenon given too little attention on the left. The days when the words "left" and "militant" were synonymous in the trade union movement are long gone, and this is an indication of this shift.
3. A market obviously has a kind of (ruthless) efficiency and few would want to completely shield public enterprises from its operation. Such a shield can mean that, to a degree, ordinary consumers' views and freedom to choose can easily be disregarded. This is most obvious in the economies of the USSR and Eastern Europe in which the market plays no appreciable role (except in Hungary and Yugoslavia) and its place is taken by bureaucratic planning.
4. A "wet" Liberal, Senator Chris Puplick, who replied to Carlton, characterised the debate as that between "mechanists and moralists" too much of Jim Carlton's analysis is preoccupied with a commitment to systems: systems management and systems efficiency. There is a belief that, provided we have the mechanics of the system right, then the outcomes, whatever they are, will be satisfactory and acceptable. Libertarians to me requires a far higher moral content and purpose."
5. The market is not an end in itself," he argues. "At all times the ultimate test must be whether or not systems, policies or practices actually contribute or restrict the development of individual growth and freedom." (Bulletin, 4 June.) Economic growth and increasing personal deprivation can occur at the same time, he argues, despite the free marketeers' stabile assertions to the contrary.
6. The alternative to the New Right renewal is, of course, the clearer emergence of a liberal-democratic strand within the establishment, on social issues at least. In a neat way this is symbolised by the politics of the Australian, which consciously propagandises for the New Right day after day; and The Age/Sydney Morning Herald axis which represents a more liberal, relaxed attitude.
7. See Quadrant, March 1985 for an example of the clashes within the Right. Robert Manne virtually accuses Blaine of racism; another Quadrant writer, Patrick O'Brien, challenges some of the looser attitudes of "Mad Dog" Morgan to Australian history and to the environment. John Stone attacks traditionalist economist Colin Clark for being soft on wage cutting and deficit slashing.
8. Marxism Today (Britain, July 1983) gives the following breakdown of Thatcher's vote

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<th>Group</th>
<th>Tory</th>
<th>Alliance</th>
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<td>Semi-skilled and unskilled manual</td>
<td>29</td>
<td>28</td>
<td>44</td>
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<tr>
<td>Skilled manual</td>
<td>39</td>
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<td>Unemployed</td>
<td>30</td>
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<td>45</td>
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(The most recent poll at the time of writing shows that 65% of blue collar workers support the Hawke Labor government, with just over a quarter (28%) supporting Howard and the Nationals.)
9. Craig McGregor had this to say in the SMH (7 September): "Extremist positions are not generally popular in the pragmatic desert of Aussie politics. But what the Hawke-Keating axis has done, for all its electoral success, has been to detach the ALP somewhat from its traditional union-reformist-Left base. In the United States a similar process has been the emergence of a hardhat, working-class conservatism which has detached itself from its traditional party (the Democrats) and swung over to the Reagan brand of the New Right."
10. See Tribune, 23 October, 1985 for the BWIU delegates statement; see 6 November for interview with John Devereaux, ETU president, taking a different view, and also the CPA activists statement.
11. For a fuller development, see my recent booklet Socialism in Australia — Toward Renewal? (From PO Box A716, Sydney South 2000 for $3.)

David McKnight is a Sydney journalist and a former co-ordinator of Tribune.
Lloyd Churchward, former reader in Political Science at Melbourne University, and author of a number of books on the Soviet Union, discusses the Soviet Union with Henry Zimmerman. They cover the relevance of the Soviet experience to the socialist movements in the capitalist world, prospects for economic reform, likely democratisation of the workplace and the use of increased discipline, the impact of the new leadership and the crucial questions of war and peace.

A common question in leftwing circles is whether the Soviet experience has any lessons for the left today. This was illustrated by the Italian Communist Party's statement that the October Revolution is no longer the inspiration it used to be in communist circles.

Well, I can appreciate the reason why the Italian Communist Party made such a statement, but I don't altogether accept it. I think that the historical experience of the Russian Revolution is still of fundamental importance to working class movements throughout the world and, more generally, to peoples' revolutionary struggles in Third World countries. The Russian Revolution has to be studied closely because it was the first attempt at a socialist revolution: according to some people it went off the rails and didn't lead to socialism which, by the way, is not my opinion. It's not "developed socialism" as officially described in the Soviet Union; for instance, it has not led to the development of socialist democracy as most people in the west understand it. But, having said that, the revolution is to be understood as a successful revolt against a very autocratic system. It has led to the establishment of a new system which, to my mind, is a form of state socialism and not state capitalism because the property has been transferred from the former private owners to the state authorities. This state ownership is one of the main reasons for the central bureaucratic power which has developed in the Soviet Union.

The mere fact that the industrial base, in the years after the revolution, was so small and so inadequate, required accelerated industrial development. The way this was done in the early five year plans, and is still being done today, means that the bulk of industry is controlled by about three dozen industrial ministries, some of which are thoroughly centralised, and others partly decentralised.

But aren't you describing a successful revolt against autocracy and perhaps an example to undeveloped countries, but one which has little to offer the advanced capitalist countries?

I'm glad you brought me back to the crux of the question. The advanced capitalist countries can learn a number of things from the Soviet experience. Firstly, they can learn from the mistakes of the Soviet Union. This is one thing that has been done by various socialist movements in Europe and, to some extent, even in Australia. There are fewer socialists now in western Europe who believe, as communists did in the 1920s, '30s and even later, that the historical experience of the Russian revolution was the way to a socialist future. Now, it took a long time but I think this belief has been destroyed, to my mind a good thing, because the experiences and the particular strategy and tactics followed in Russia are related to the circumstances in which the revolution in Russia was carried out. They related also to the type of revolutionary organisations that functioned, to the perspectives of the leaders, and to the struggles that went on within the leadership of the Bolshevik Party and, eventually, to the idiosyncrasies of the dictator Stalin, and this obviously can't be transferred to the experience of western countries.

The old, simplistic belief was that all the revolutionary party needed to do was to come to power and smash the bourgeois state and institute the dictatorship of the proletariat and that that would guarantee democracy. This just isn't so. The preservation of the democratic elements in capitalist society, and the strengthening of democracy is a major task for revolutionaries. I think that the Russian revolutionaries — mainly because there wasn't much experience of democracy in Czarist Russia — just underestimated the importance of this task, and it is only in
recent years that they have been beginning to see the interdependence between the development of socialism and the development of democracy.

Well, to complete this section of the questions, both Lenin and Stalin repeatedly referred to the fact that while there were certain specific Russian lessons of the October revolution, there were also several universally valid lessons, international lessons, of the Russian revolution. Are there any today that would be universally valid?

Well, I'm very doubtful about that, unless by universal validity you mean the fact that it was the first successful proletarian revolution in world history and that in itself is a certain universal validity. But I don't accept that the peculiarities of the Russian revolution, which were written into the doctrines of the Comintern after 1920, principles about democratic centralism and the revolutionary party, about the dictatorship of the proletariat, overthrowing, smashing the bourgeois state and so on — a whole series of them — I don't accept that these are universal at all.

Economic Reform

You have mentioned that what makes the Soviet Union a socialist country is the fact that the basic forms of industries and so on are owned, not by private owners, but by the state. There have been changes, or discussions of changes, in the economic sphere in recent years. Can you see any changes which would lead, as some western commentators say, to imitating the Hungarian model of Kadar, where they allow a certain amount of private enterprise to grow and so on?

I think that changing the Soviet economy is much more difficult than changing the Hungarian economy, or the Polish or Czech economies, or even changing the Chinese economy. The reason for this is the establishment of the command economy, as it's often called, with centralised industrial ministries and one or two central planning organs supposedly directing the whole course of economic development. This has a history in the Soviet Union now of well over fifty years and in that lies one of the great difficulties of making economic reforms.

Since the death of Stalin a whole series of attempts has been made to decentralise the Soviet economy, particularly in the Khrushchev period. Under Brezhnev, various other attempts were made. First of all, the industrial ministries which had been largely dismantled in the later years of the Khrushchev period were restored in 1965. Since then, no attempt has been made to build up the power of the managers at the plant level. In 1973, a major reorganisation was announced when they proposed rationalising the industrial structure and making possible a combination of individual plants and larger establishments and building up industrial combines. A lot was pinned on this reform but it hasn’t become all that universal. In fact, what happened was that, in many cases, the ministries simply rechristened their existing branch divisions as combines. In more recent years they have, I think, strengthened the combines, certainly in some ministries, but this hasn’t led to the weakening of the power
of the central ministry. At the time when the present constitution was under discussion there was a lot of sharp criticism of this tendency, but nothing was done to rectify it. For any real economic reform in the Soviet Union, you have to get more independent decisions being taken by the management of the individual factories and beyond that, more control over the production of these plants by local Soviet authorities. But this hasn’t happened.

As for the other side of this, the attempt at encouraging some elements of market socialism, as it is sometimes termed — this can possibly occur in the Soviet Union. To my way of thinking, it hasn’t really occurred yet; I only wish that they did copy the example of Hungary a bit more closely. Soviet retailing and catering, for example, would benefit a lot through allowing co-operatives and even private enterprise in this area. Now that this has happened in Hungary, it could happen in the Soviet Union, but there isn’t any drive to produce this at the moment. What they have done is rather different. They have attempted to overcome the deficiencies, particularly in the supply of fresh fruit and vegetables, and meat and other food products, deficiencies in the state distribution system, by building up the markets. These are nominally collective farm markets but, in fact, they are not exactly collective farm markets any more. All the large cities now have a network of these markets. You can get almost anything there if you are prepared to pay the money because the prices are often two or three, or even four, times the state price. The quality of the foodstuffs sold is much better and better off people in the Soviet Union go increasingly to these places to get their supplies, and they just don’t bother about getting the rather run-down apples, onions, potatoes or whatever on sale in the state stores.

Now, outside of this, another thing has happened: the large industrial establishments are branching out into farming in order to be able to supply their canteens, and also to supply their workers with foodstuffs. People can buy quite a lot of their food, like chickens, for example, not only at the canteen, but through the supply system controlled by the large firm. To my mind, it’s a form of privileged market. It’s analagous to what you have in the Kremlin. If you buy in the Kremlin, or in Kremlin shops, you can get a much better range but, of course, buying in the Kremlin shops is reserved for the central officials, party or state. Increasingly, you get this sort of development in the more organised sectors of the Soviet population. Workers in the large factories, probably not in the small factories, get advantages through working in a well-organised factory and often you find it in medical institutions and hospitals: people come and buy supplies through the buffet. This seems to me a strange way to overcome the shortcomings of a too greatly centralised retail system.

**Democracy or Discipline on the Job?**

*About two years ago the Soviet Union introduced a new law which gave more power to the work collectives, to the workers on the job. Yet, ever since then, the various leaders of the Soviet Union, up to and including Gorbachev, have stressed discipline as the way forward. This seems to indicate that democratization, which the previous law suggested would be introduced, has in fact not worked and that they are going back to a rather tough attitude towards the workforce.*

I wouldn’t be quite as pessimistic as that. In my evaluation, the statute on workers’ collectives which was passed in 1983 came directly out of an article in the new constitution. In the debates on the constitution, there was a great deal of discussion about the rights of workers’ collectives. In the original draft of the constitution there was an article which covered workers’ collectives, but it was recognised in the discussions as too limited, and was then entirely rewritten. If you study article 16 of the draft constitution and compare it with the final text of article 8, you can see the difference between the two. The point I am trying to make is simply that there was obviously tremendously broad demand for extending the rights of workers’ collectives and all types of collectives.

**In a workers’ state?**

In a workers’ state as understood, yes, as understood by the people in the Soviet Union. The demand coming to the fore throughout the public discussion was for a more emphatic recognition of these rights in the constitution, and this led to the legislation of two years back. The legislation itself was subject to massive popular debate and, in fact, almost all of the articles in the legislation were amended, some of them quite substantially, in the process of the debate.

But I think that the leadership has not fully implemented the new legislation. One thing which the legislation recognises is the right of the collective of workers in the plant to elect the management. Now, the management in the Soviet system is tied into the various nomenclature systems which operate meaning that the managers are appointed by higher party committees or, in some cases by the higher state body, which has to be endorsed by a higher party body. And it is not, in fact, the workers who are selecting the management. This process of self-
The Soviet Experience

management which has been talked about quite a lot in Eastern Europe has influenced the Soviet workers and they are, I think, putting increasing pressure on the Soviet leadership to get a fuller recognition of their rights to self-management. But there is a contradiction here. The whole system of appointment in the Soviet Union, appointment to all leading posts, which is justified in communist theory and is enshrined now in the party rules and in the constitution, is inherently undemocratic and this is not recognised in the Soviet Union. There are people in the Soviet Union who can see this, and who will voice this opinion, but at the moment the possibilities of getting very far with a real effective expansion of democracy in the workplace is fairly limited.

The objectives of the present leadership for improved productivity, for instance, will not be realised unless they are prepared to give more powers to the ordinary workers both in terms of the election of people holding positions in the factory, but also in terms of what is produced. In other words, there must be more involvement of the workers in the whole process of production to make these targets realisable.

Now, the emphasis on discipline, anti-alcohol campaigns and so on is undoubtedly needed in the workplace, just as much as it is needed in the higher echelons of the party.

The anti-alcoholism campaign existed more than twenty years ago when I was in the Soviet Union. Now we still have this campaign. Is this a reflection that there is something wrong with the morale of the Soviet people — disappointment in their achievements?

I think there is an element of that, but it is very difficult to analyse the roots of alcoholism. I'm not convinced that alcoholism is a bigger problem in the Soviet Union than it is in Australia. The worst aspect of alcoholism is when factory workers, and often young people when they get into the workforce, get onto what would be called hard liquor here, on to vodka. For many years, the Soviet regime has been encouraging the consumption of low-alcohol beer and wine. But the consumption of spirits is very much part of the traditional way of life, particularly of the rural communities in the severe winters.

The New Leadership

In the media recently there has been a lot of discussion about the new leadership — the fact that they are younger, the fact that they are better P.R. people and so on. Do you think that the change in leadership makes a significant change in the position of the Soviet Union in all areas — politics, economics and so on?

Well, this is the 64 dollar question. The change in leadership, I think, does make a difference, if only because the health and age of the new leader is such that he is likely to be there over a considerable period. The later years of Brezhnev's leadership were marked by ill-health and increasing inability to develop new policies. Andropov began very effectively, but after a few months his ill-health caught up with him. Chernenko was obviously not healthy and virile when he was put into the top office. These stop-gap arrangements have meant a period of more than a decade in which decisions were not taken on very many domestic and probably foreign policy matters. Now, with a younger leader, and quite a number of younger leaders who have been moved into important positions in the party and the state, you have got something like a new team which should be more capable of facing up to the problems and more likely to produce some partial solutions. I don't know that they are going to produce complete solutions to any of the underlying problems because the problems are too complex.

But I would also want to say that you can easily exaggerate the effect of leadership changes. So much happens in the Soviet Union which is really not in the control of the leader; this was true even in the Stalin period, and certainly true since the fall of Khrushchev in October 1964. More and more of the decisions are taken by various state and party bodies. Take the party ones: the Politbureau, the Secretariat, the various committees of the central committee; now that involves thousands of people.
If you look at the state agencies, there is the Council of Ministers, which has a membership of approximately 110, the Presidium of the Supreme Soviet, various commissions of the Supreme Soviet and so on. The point I am making is that many thousands of people are now involved in the taking of decisions. And, in the implementing of decisions, the same process goes on. Although, in theory, the principle of one-man management still operates, in actual fact this has given way, in many areas, to collectives taking the decisions. The decisions are being implemented at the different levels of government: the USSR level and then the Union Republic level, and the local level, down to the village and the town. These decisions are being reinterpreted to suit the needs of the people at different levels.

What I am trying to say is that the USSR is a very large complex society which covers about a sixth of the world’s land surface. Even though you have effective new leaders operating and enunciating new policies in Moscow, what goes on in Eastern Siberia is something different. I know from spending a few days in Eastern Siberia and talking to people that they are not all that sensitive to demands coming from Moscow. They know they are on the border of a long way from Moscow. They seem to think of things more as reasonable problems which they have to solve and I don’t think that’s a bad thing. I think the idea of having everything centrally controlled and centrally planned and centrally directed is not an ideal which socialists should take pride in.

**War and Peace**

**To what extent do you think the key question of relations between the Great Powers, of war and peace, will be affected by the change of leadership? Are there any signs of changes there, or what can we expect?**

Well, the one thing that Gorbachev has announced since he became general secretary of the Communist Party is, of course, the cessation of underground testing of nuclear weapons from 6 August until the end of this year. That moratorium will be extended, provided the United States joins it. Now, that type of initiative is not really new. The Soviet Union has suspended, at various times, the testing of nuclear weapons in earlier years. The first point I want to make is continuity. The Soviet Union has a vested interest in peace, as, in a sense, all countries do, except that the Soviet Union’s vested interest is so much greater than that of the United States, greater than that of Western Europe, because the Soviet Union, along with other parts of Eastern Europe, suffered so much more from the last world war. And this is something which affects the leadership just as much as it affects the ordinary people. That being so, the leadership is always, I think, looking for ways of getting beyond the stalemating of negotiations on disarmament and limitation of armaments and so on. A lot of the initiatives that have been taken, by Andropov in December 1982 and later on by Chernenko and now by Gorbachev, are all to my mind, just minor additions or modifications to well-established policy initiatives that have been hanging around for years. And they don’t look like getting very far, because they are not getting the response from the United States that they perhaps deserve.

*A lot of people in the west fear the Soviet Union. They say, alright, they talk peace, but they really mean something else. Isn’t there some justification in that view?*

I don’t think the Soviet Union constitutes a threat to Western Europe — short of a global war. The Soviet Union has used military force only in countries bordering on itself. Now, I wouldn’t justify those. I condemn all uses of military force by the Soviet Union outside of its own territory. But I think it is important to remember the countries where Soviet forces have been directly involved. They have been influential in Poland, but not directly involved in recent years. They were involved in Hungary and they were involved in Czechoslovakia in 1968, and are still present there. They are in Afghanistan, which also has a long border with the Soviet Union. But the Soviet Union has never used military force globally in the way in which the United States has, and I don’t think it is likely to. It has never used atomic weapons anywhere and would be unlikely to use them. It has, in fact, given a unilateral pledge not to be the first to use nuclear weapons. And that stands, irrespective of what the United States does.

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P.O. Box 18, North Carlton, 3054, Australia.
CONFRONTING THE PAINFUL DILEMMAS OF THE MODERN AGE

Reviewed by Eric Aarons


This is an important but difficult book. It is important because it is a serious effort to grapple theoretically with the nature of the societies now existing in Eastern Europe and the Soviet Union. It is difficult because it is dense, very European in style, and assumes that the reader is familiar with European theoretical traditions and with the works of individual scholars such as Max Weber.

The emotional undertones which the book has, despite its academic style, are understandable because of the experiences of the writers in Hungary, and of the persecution they suffered as prominent members of the "Budapest School". (ALR, incidentally, spoke out against their persecution, provoking a minor but revealing discussion in its pages about the "Dictatorship of the Proletariat"; see ALR, Nos. 42, 43, 44 — 1973 and 1974.)

The authors now teach at various universities in Australia.

The strength of the book is that it takes as its starting point the fact that the Soviet Union (as the "prototype" of the countries it examines) is a mature society. This means that its characteristics cannot be explained (or downplayed) as due to its supposed "transitional" nature. It also examines and effectively demolishes other "explanations" such as that the Soviet Union is "state capitalist" or a sort of modern "Asiatic mode of Production".

What, then, are the inherent (or, at least, now irrevocably established characteristics) of Soviet-type societies, according to the authors? Let them speak in their own words:

"The working majority of the population in Eastern European societies has no control over the conditions, process or results of its own labour. Not only the technical organisation of the process of production, but also all the social-economic decisions concerning what to produce and how to employ the gross product socially are actually established and made by a distinct and separate social group (the bureaucracy) whose corpus is continuously replenished through mechanisms of a selective co-optation and which is essentially self-appointed. (p. 45)

But what is the nature of this separate social group? What is its social role (if any) and its motivation?

"... the actual power and social position of a member of the economic bureaucracy in Eastern Europe much more closely resembles that of a manager in the West than of a private owner-capitalist. The lack of entitlement to the surplus produced and the inability to appropriate any definite part of it ... makes it impossible to characterise the Eastern European bureaucrat as the individual proprietor or owner of those factors of production which he manages. His real social powers emanating from and realising his economic function are derivative — he acts as a trustee for somebody else. But for whom? (p. 49)

Access to, and advancement (in the bureaucratic apparatus) always ultimately depends on one principle: acceptance of the given individual by the apparatus itself. (p. 113) [and consequently it is not a completely closed group.]

And the main criterion used by that apparatus in determining whether to accept an individual into itself? It is that individual's recognition of the right of that apparatus to decide what are the general interests of the state, the enforcement of which (it) posits as the main requirement in regard to each of its members .... (P. 55)

... all officials of these regimes are in principle posited and aware of themselves only as the representatives of general interests .... this very factor gives rise to a strong and unifying consciousness, like that of a traditional conservative officialdom: 'they' — those who are directed, managed and controlled — are a lazy, egotistical, irrational mass who never understand the superior reasons of the state and do not appreciate 'our' hard and difficult labor. Naturally this ideology is most widespread and explicit where this system of power has the longest-standing tradition and has become most ossified: in the Soviet Union. (p. 114)

(This reviewer can personally testify to having repeatedly encountered this attitude among Soviet economic and Party officials.)

In short, the book says that the "public property" in these countries is a kind of "corporate property".

Naturally, Eastern European bureaucracies share with all ruling strata an interest in seeing their power secured and expanded. (pp. 60-1) But: A collective interest .... is not only historically unspecific, but also economically void — it simply leaves open the question of what kind of economic policy would secure this aim. (p. 61)

And the answer to that question? It is .... the maximisation of the volume of the material means (as use values) under the global disposition of the apparatus of power as a whole (which) constitutes the goal-function governing the economic activities of the state. (p. 65) ... the preferences of the economic policy are dictated not by considerations of profitability, but
by the criterion of how far the apparatus of power retains a direct control over the means invested (for example, preferring very big co-operatives over smaller ones, even if the latter are more efficient).

The bureaucracy is not homogenous, of course:

The managerial apparatus of the enterprises stands in variously articulated relations of dependence (of various degrees) in a number of administrative hierarchies: departmental and ministerial, municipal and territorial, etc. ...and the higher one ascends within the hierarchy, the more economic decisions will be influenced by factors and considerations of a definitely non-economic type, whether military, internal and foreign political, social and cultural... it is only the pinnacle that is identical for all the differently articulated functional hierarchies: the small circle of the political elite, the Party leadership, where all the basic-orientative decisions concerning the overall distribution of social surplus are made, or at least ratified. (p. 51)

(Thus) The basic principle of the Soviet type of domination and at the same time the only one which has been realised in practice consequently in all periods of Soviet history is the leading role of the Party. (p. 157)

But, the authors perceptively note, however hateful domination of the population by the apparatus may be, the fact that its domination rests upon the absence of any right or avenue for any other social group to attempt to realise its own particular interests makes the existence and functioning of such a separated organisation of power, uncontrolled by the population, within the given conditions, a social necessity as well.

As long as the various and partially clashing group interests, structurally determined by the existing system of division of labor, are suppressed and unarticulated, there is no other way to achieve the necessary balancing and reconciliation between them except through the self-imposed representative and mediative function of the apparatus itself. (p. 131)

This "necessity", the authors affirm, means that, after initial outbreaks of the oppressed in which they are suddenly united by enthusiasm, but without any vision of an alternative future and autonomous organisations, re-establishing the domination of the apparatus in an unchanged form is a relatively easy task: This is, in our opinion, the key to both the specific vulnerability and the enormous resilience of that type of social domination which Eastern European societies exemplify. (p. 132)

I believe that there is essential truth in the above account, and I agree with the authors that western socialists — and especially those seeking a socialist renewal — must face up to these issues more than they have (though I could pick a small bone with them in not even mentioning the Communist Party of Australia when they make their strictures).

I also think that there is a sound characterisation of Solzhenitsyn-type dissidents and good theoretical discussion of 'economic relations of property' (pp. 46-47), of "class" in relation to the bureaucracy (pp. 114-125), and particularly of the inadequacies of the project of socialism as a marketless economy (pp. 90-95).

But the book has considerable defects. The authors' ultimate condensation of their views is embodied in the title, which is more than the usual journalistic catchphrase (it's hardly catchy anyway).

They are saying that the deepest essence of the system is that the bureaucracy dictates to the working population what needs they are allowed to have, or, rather, which of those needs they will permit to be satisfied, and to what extent. At one stage they justify this summing up by correctly pointing out that consumer feedback is lacking in the absence of a market, or where chronic shortages force people to take whatever they can get.

But when the living standard is rising and people have money, which they may retain till what they want turns up in the shops, this is far from an absolute "dictatorship over needs". Material shortages may certainly "dictate" what needs are to be satisfied at a given time. But so do high prices in a market economy.

It is stated in one quotation above that the bureaucracy is interested only in the sum of use values under its command — that is, that it is indifferent to exchange value. But warehouses full of products which the population will not buy hardly benefit the bureaucracy or enhance their power (the only "benefit" is to the particular enterprise which has fulfilled its plan by producing useless goods).

Khrushchev's attack on the production of 'tasteless traditional lampshades' is taken as proof that the bureaucracy wants to dictate even the details of everyday life (p. 268), whereas the remark was an attack on precisely those enterprises!

Elsewhere, it is acknowledged that the bureaucracy often, sectionally, reflects to some degree the needs of the people in that sector.

In another place, it is acknowledged that the post-Stalin compromise included recognition that the living standards of the people should be continuously raised. (This has happened, though it is now rather threatened by the economic slowdown and the leadership is worried because people's expectations may not be met).

Yet, we are then told that the true aim of the bureaucracy is to stem the tide, to defer the satisfaction of the population's needs. (p. 178)

This sort of exaggeration lends no credence to a thesis which otherwise deserves close study. In similar throwaway lines to the Khrushchev one above, we are told that:

We have no doubt that Cuba... has become a particularly nasty police State which, in addition, turns its younger generation into a kind of Foreign Legion in the service of Soviet superpower politics, and that Vietnam is full of 'reeducation camps'. (p. x)

Are the authors equating the Castro and Batista regimes? Do they doubt that the Angolan government asked for and appreciates Soviet aid and the services of Cuban troops?
without which the forces supported by the South African apartheid regime and the US could well prevail? Do they accept that Cuba itself could hardly have survived against US aggression without massive Soviet aid? Even if this aid is not entirely disinterested or without internal consequences for Cuba, surely the fact that it is available is a welcome element in a world which might otherwise see Reagan rampant throughout the world (a prospect they say they specifically reject — p. 298).

There are re-education camps in Viet Nam, but the country is not "full" of them. And it is not whitewashing a section of anti-Communist Vietnamese.

At a more theoretical level the book also has its disappointments because it fails to examine some of the assumptions and categories basic to its project ("mode of production", for example). We meet in its pages once again those notorious theory-fudging words, in the last instance:

... since formally and abstractly speaking the political apparatus and its pinnacle hold all the power to change this institutional framework itself, the very political will of the ruling elite (this embodiment and explication of the general interests of the state) is in the last instance determined by the established economic structure of this society. (p. 59)

Is it so anyway? How come Yugoslavia and then China could, by political will, change radically the economy in self-management and market directions?

And earlier, we are told that the attempt to characterise positively this mode of production, and, more specifically, the economic property relations involved ... is not so much a dogmatic requirement growing out of the pre-established structure and presuppositions of a Marx-oriented theory, as a requirement of common sense. (p. 46)

Recognition that economy and politics are intimately connected is indeed simply common sense, but it is the ultimate determining connection between the two which poses the real theoretical question.

However that may be, we proceed to this. Soviet-type societies (are) well able to reproduce (themselves) in all (their) contradictions and (demonstrate) a rare power of resurrection after apparent collapse and thus represent a specific social-economic formation. (p. 105)

But are they socialist?

The new society, the "dictatorship over needs", is neither a novel, modified form of (state) capitalism, nor is it socialism — it is "something else". It is a social formation completely different from any that has existed in European or world history to date and it is equally different from any relevant conception in terms of which socialism, either "scientifically" or in a utopian manner, has ever been conceived. (p. 221)

I agree with this ... but. I would like to agree without the 'but'! I would like to give the unequivocal answer 'they are nothing to do with socialism', and to be relieved of the problem. (And I wonder whether, in the authors' view, Yugoslavia and China represent yet another one or two "specific social-economic formations"?)

But the connection of these countries with socialism won't go away. They pose the challenge to socialists today to avoid a path of development which, from a socialist starting point, produce something we reject. And, in fact the authors themselves modify their categorical "no" by a good account of the strands in socialist thought which have helped to bring into existence what now exists.

These are:
- The "Jacobin legacy" — public optimism but private pessimism about humanity, leading to the use of terror to effect "moral improvement"
- Setting the goal of the abolition of the state, on the one hand, and accepting (even pursuing) the idea of dictatorship, in the other.
- Promotion of the technocratic-statist spirit, deriving especially from Saint-Simon. This absorbs other socialist values in the growth of social material wealth and sets a technologically trained elite against the alleged incompetence of civil society.
- Egalitarianism of the Babouvian kind — a violent homogenisation of human needs.
- Backwardness as something superior, as against the 'embourgeoisment' of the developed countries.

Marx warned against 'crude communism', but Marxism (and socialist theories in general) were too subjectively valued; in the positivistic sense typical of the nineteenth century theories, to make unambiguously clear the conditions, the fulfilment of which would constitute socialism. (p. 229)

Such issues, and the lessons of the experiences of the Soviet Union and other countries must figure prominently in the renewal of socialism which, hopefully, is now gathering some momentum. It requires still more hope to expect that this renewal may also impact the countries under discussion, but even the authors' extremely pessimistic account does not completely exclude the possibility.

In this project of renewal of the vision and practice of socialism I, for one, fully agree with the authors when they say:

Firstly, we cannot accept any value-free definition of socialism. Without the valid existence of certain fundamental socialist values, socialism, however it is interpreted, is inconceivable as a social state of affairs.

Secondly, ... we do not conceive of socialism as the ‘resolved riddle of all history’, but rather, and more modestly, as a response, an ideology and a movement confronting the painful dilemmas of the modern age. (p. 223)

Eric Aarons has been secretary of the Communist Party of Australia and spends his spare time sculpting.
The last decade has seen increasing attacks on the working class and its major protective organisation, the trade union movement, by the managers of the capitalist system in most parts of the world. One aspect of this was noticed by Bill Kelty, secretary of the ACTU, in his address to the NSW Labor Council, in which he said that conservative governments had used unemployment to try to destroy the labour movement:

The Reagan and Thatcher governments had shown that the destruction of the union movement was now a practical proposition. We have to appreciate that while we are not the United States and not the United Kingdom, and while we have a better organised trade union movement, the alternative will nevertheless be tried by conservative governments in Australia. It is being tried now by the conservative government in Queensland. (Sydney Morning Herald, 1/2/85)

The USA is the home of union-busting (where the term "meltdown" is used, meaning the slow and gradual melting away of organised labour and its political influence). The heat for this "meltdown" is applied on four major fronts, according to Bertram Gross (Friendly Fascism: The New Face of Power in America, New York, 1980, pp. 242-5).

1. Containing existing unionism and preventing it from spreading to new areas of economic development such as the deep South (in our case, the deep North), and to new industries such as those involving white collar and technical workers.

2. The dissolution of unions already in operation, by such methods as dividing construction companies into two parts, one operating on a union contract, the other part employing non-union labour. Our equivalent is the extension of "contract" labour. Other manifestations of this attack include the use of management consultants, especially in the USA, which specialise in strike-breaking and union destruction, and spread their expertise to other countries; the operations of the media, most of which is big business, and orchestrates anti-union ideologies in the press, and on radio and television, including the undermining of wage regulation by the arbitration system; and a growing ideological management industry, sponsored by corporations in various shapes and forms, financed by tax-deductible dollars in the guise of education and research, which pours out propaganda for deregulation and market forces, portraying trade unions and wage fixation systems as the main obstacle to capitalist progress.

3. Labour legislation which makes closed shops illegal, imposes severe restrictions on peaceful picketing, and repeals laws requiring union wage rates on government sponsored construction works.

4. The most generalised heat for the "meltdown" is that which Bill Kelty referred to — the austerity squeeze of general economic policies which not only creates high and long term unemployment in the private sector, but also denies funds to the public sector, thereby creating problems for the newer white collar unions of teachers, nurses, air traffic controllers, and other public service unions.

This excellent study provides for the first time in Australia a detailed analysis of the nature, extent, effect and implications of employment practices that seek to defeat or undermine the operation of awards, which constitute part of the second front of the "meltdown" process noted above. It captures the essence of one of the most important transformations of world capitalism, the process by which the larger corporate firm is able to control the smaller, not by ownership, but by various contractual relationships which also elevate the worker to the false status of a "contractor", in order to avoid tax, and throw on to the worker the costs of maintaining and reproducing his or her class, costs which successful unionism had made the employer bear, at least in part.

The authors must be congratulated on a clearly written analysis of how...
the small firm in Australia is increasingly being tied into the strategies of the larger corporation. The situation has overtones of the Japanese so-called two-tier system in which the employees of small business bear the brunt of the vagaries of the system in the form of lower real wages, fewer benefits, variable hours of work, fluctuating employment and minimal social security benefits. Others have called it “a new feudal system” in which the retainers of the big barons benefit more than those of the smaller, but in which the big barons themselves benefit most (James Bellini, Rule Britannia, London, 1984). The increasing use of “outwork”, well-documented in this study, is, in a sense, a return to mediaeval practices.

The foundations for these anti-union employment practices were laid by legislation under the Fraser government, including especially the creation of loopholes and incentives in the taxation area for people to change from P.A.Y.E. employee status to that of contractor. The objective is to create flexible, disposable, non-unionised employment; to reduce union presence on the shop floor; and eventually to eradicate the role of unions by eliminating the legal category of employee they represent. This is a mechanism for deregulating the labour force by stealth, as the legal categories of employer and employee become less definable. There is no need for an attack on the arbitration system if the legal entities it deals with are spirited away.

Case studies of the clothing industry, the housing industry, and franchising in the instant printing and contract cleaning industries, show clearly that Australia is well on the way to the creation of a large and permanent pool of workers who are outside the jurisdiction of the trade union movement and the arbitration system. Increasingly, such workers are prepared to accept pay and conditions lower than those awarded by arbitration, and also forms of offering their labour which involve tax evasion for both themselves and their employers, body hire and pyramid contracting, which can only be described as anti-social, degrading to labour, and a regression to some of the worst practices of the 19th century.

All this is bad for the union movement at any time; it is particularly bad at the present time of high long-term unemployment, in which a generation of workers is arising which is less unionised and is, in fact, being indoctrinated with the view that they are irrelevant to them and their future. Nothing could be further from the truth; in the present crisis of world capitalism, organised workers are being made the scapegoats of the system and only a strong union movement can prevent further degradation of all those Australians who have only their labour to sell in the marketplace.

This study is an example of what can be done; evolving out of a resolution of the ACTU, the project was sponsored by twenty-one unions and funded by the Community Employment Programme. If Labor governments are sincere in their desire to act on behalf of all Australians, it should not be necessary to point out:

1. That the vast majority have only their labour to sell;

2. That the terms and conditions on which they sell it are crucial to their standard of living and their dignity as human beings;

3. That the designation of “contractor” as currently used in many employment situations is a legal subterfuge designed to allow society to escape its social and moral obligations in the interests of a greedy, vociferous and powerful minority which increasingly controls capital, the media and job opportunities.

4. That to help redress the balance, Labor governments and publicly-owned institutions, instead of helping to finance research centres in academic institutions which are heavily oriented towards market forces and the owners of capital, should finance studies such as this which are oriented towards collective solutions to society’s problems and the owners of labour, irrespective of whether the legal system, by sleight of hand, categorises them as employees or “contractors”.

The Great Australian Meltdown must be stopped. This publication shows why and how it can be done.

Ted Wheelwright is associate professor of economics at the University of Sydney.
THE DILEMMAS OF FEMINISM AND SOCIAL THEORY

Reviewed by Joyce Stevens

SUBORDINATION Feminism and Social Theory by Clare Burton. George Allen & Unwin, 1985. $8.95 paperback, 168 pages.

In Subordination Clare Burton attempts a very difficult project—a summary of the main socialist feminist theoretical debates which took place during the 'seventies, while adding some insights of her own. Inevitably, Subordination also raises issues still troubling socialist feminists and, as well as extending the theoretical discussion, suggests areas for women's political concentration and struggle today.

There are, of course, limitations to what a short book can do in summarising such debates, and it is also evidence of the volatile nature of these issues that some of the frameworks have altered since the end of the 'seventies.

Burton's main thesis about the nature of subordination is linked to studies of anthropology and the search for the origins of women's oppression as well as to theories on the family and domestic labour, psychoanalysis, the state and educational practices and feminist policies.

The central element to her thesis is that "the situation of women is not to be accounted for simply in terms of the immediate economic requirements of a particular system. Shifting attention from modes of production to processes of social reproduction makes possible a more comprehensive study of the processes of gender reconstruction."

She also draws conclusions about a number of other contentious issues among socialist feminists. For example, she asserts that "differences between women of different classes and within different parts of the working class are more significant than their common gender identity". She gives primacy neither to the family nor to the labour process in investigating women's oppression, and argues that gender and class are so inextricably linked that neither can assume a determining or primary place.

She also states that while the "intersections of marxist and feminist concerns have been extremely fruitful", it has also revealed the need for lines of inquiry that are more broadly conceived than either tradition has allowed in the past.

While warning against those who hope to find the ultimate answer to all problems of subordination in past societies, Burton nevertheless draws on the work of anthropologists and engages in a discussion on the differing ways Engels' Origin of the Family has been understood or interpreted by feminists.

These chapters are very important to the central themes of the book and occupy an important relationship to the basic theoretical assumptions.

In one sense, it is difficult to engage this particular section of the book unless one is also well versed in anthropological theories. This reviewer, for example, is unable to discuss whether the works chosen for discussion are an adequate representation of conflicting theories or whether a more detailed reading of the researchers chosen would lead me to the same conclusions that the author has reached.

While acknowledging my own inadequacies in this area, I must also confess that I was unconvinced on the evidence provided that "the male-female relationship can now be released from a determining position in relationship to social production."

The main reason Burton gives for this conclusion is that "it has not been convincingly demonstrated that men's control over biological reproduction, or the allocation of children to groups, is indispensable for the reproduction of society in the general sense ... ."

Conversely, one might well ask whether it has been convincingly demonstrated that such control is not connected to social reproduction, and whether we should not maintain some elements of uncertainty.

This question is strengthened by the slight attention devoted to male control over female sexuality and whether there is any necessary connection between this control and modes of production or economic factors. In some ways, this question lies at the heart of radical feminist challenges to traditional marxist and socialist ways of explaining the world and must at least be convincingly dealt with when suggesting ways of understanding women's subordination.

As it is, Burton refutes the suggestion that women's oppression has been universal and considers that the basis of subordination is, as Engels indicated; "the existence of categories of people in different relationships to 'private property'."

In advancing our understanding of this, she suggests that we must adopt a complex method of analysis for which neither feminism nor marxism has, so far, provided the framework.

She suggests a critical need to shift attention "from production to social reproduction". The crucial role of ideology is acknowledged and the argument advanced that "occupational segregation and the social sexual division of labour with its
accompanying constructions of masculinity and femininity are deeply embedded in the process of capital accumulation, but also in the legitimation of capitalism as an economic and social form.”

The family, domestic labour, psychoanalysis, education and the functions of the state are discussed in order to broaden the framework for looking at subordination.

Barton suggests that we must move beyond the feminist theory that has been uncritical in assuming “that the male necessarily benefits from the family institution”. “The link between family and work must be explored,” she states, “using research methods which assume a complex, even contradictory and ambivalent response to the social world.” Some of this, at least, has been done since Subordination was conceived in the debate in the United States around “Bringing it all back home” (See ALR, No. 80, 1982) and in Barrett and McIntosh’s The Anti-Social Family.

In discussing the state, Barton suggests that we must look beyond policies and strategies that are directly related to women because women’s interests are often bound up with more general policies and legal processes. The state is seen as a social process which is, to some extent, shaped by struggle and demands which require a broader feminist input.

The undoubted additional power enjoyed by some middle class women is referred to, and feminist struggles, it is suggested, do not necessarily represent the interests of working class women.

This is, in my view, a controversial way of attempting to discuss the class differences among women (even to attempt to establish what is middle class and what working class is not easy). But to pose the problem in the way suggested above may obscure rather than clarify.

It is difficult to know which of the feminist struggles did/do not necessarily represent the interests of the working class women — opposition to rape, for women’s refuges and health centres, for fertility control and abortion, the development of public awareness of incest, for child care or equal pay, improvements in the legal and social rights of lesbians, for the right to work and in all occupations?

It could well be argued that some of these, or others, did not represent the immediate priorities of working class women and that women benefited from achievements in an unequal way.

For example, there are some (probably a small minority of) tertiary-educated women who have accrued additional advantages from the feminist movement — jobs in high places, relatively well-paid positions in and out of the bureaucracy, greater access to educational benefits, improved health, etc. For women who are black or migrant, the gaps are even wider.

But feminism has also had some awareness of these differences, which from that amalgam of sex, class and race, the exact nature of which keeps eluding us. There have also been occasions on which the interests of middle class women have been rejected by feminist campaigns, for example, when the child care movement opted for a demand for greater federal finance and more complex forms of child care rather than for tax deductions which benefit the more advantaged women.

The final sections of Burton’s book take up a range of necessary priorities for feminists to pursue, including the importance of various forms of social legislation and the need to attack the sexual division of labour through the involvement of men in child nurturing.

“It is not childbearing,” Burton concludes, “physical weakness, or any other presumed biologically determined differences that are the basis of women’s subordination within capitalist societies. It is the social allocation to women of responsibilities for children. The obstacles to changing this connection lie within the capitalist system of production, the vicious circle of sex-segregated work and the division of labour within the household.”

Subordination is a useful addition to the debates engaging socialist feminists. The complexity of the issues confronting us are duly acknowledged and it will help to fuel, in a constructive way, the ongoing debate.

Joyce Stevens is an activist and writer in the women’s movement and is a member of the CPA national executive.

Parallel Paths from page 55.

community development in rural areas. Peron, then, must be understood as a response to the social conflict in Argentina and not exclusively as the outcome of a nationalist desire for economic independence.

One of the lessons I learned from reading this book is that Australians must continue to confront and manage the problems of equity and distribution with as much ingenuity as they have those of production. Failure to do so will render even stronger economic growth useless to prevent social conflict.

James Levy teaches Latin American history, with a specialisation in Argentina, in the School of Spanish & Latin American Studies at UNSW.

Australia and Argentina. On Parallel Paths, by Tim Duncan and John Fogarty, deserves a very careful read. If what follows here does not agree with all the authors say in their book, it should not deflect us from an open and direct confrontation with the major issue and the many subsidiary and provocative points they raise. Is Australia presently on an economic course which will some day yield economic stagnation like that in Argentina? Some would argue that the question itself is invalid. The problem of establishing what should and what should not be compared makes comparative history a difficult exercise. Duncan and Fogarty believe, however, that it is a rewarding approach, and that careful scholarship and commonsense can avoid serious errors. "When they work, comparisons can provide not only imaginative breakthroughs that pose new historical questions, but also a framework for the empirical investigation of those questions." (p. xii). I agree.

Fogarty and Duncan begin their comparison with an analysis of the development of very similar export economies during the latter half of the nineteenth century. In no uncertain terms, the authors point out how rapidly the Argentine economy grew, how "successful" it was in generating wealth and how, by comparison, Australians had nothing to brag about. By adopting a fundamentally laissez-faire policy, the Argentine government allowed an efficient and rational use of resources which, in turn, yielded an impressive economic achievement superior to that of Australia by 1914. Things began to deteriorate in the 1920s and 1930s although Argentina weathered the depression (1929-39) with far less suffering than did Australia. The causes of Argentine difficulties are not to be found in economic policies but, instead, in the political culture which failed to reconcile conflicts over income distribution and which developed a strong case of nationalism bordering upon xenophobia.

The crisis of contemporary Argentina deepened with the simultaneous attempt to industrialise and to redistribute income under President Juan Peron (1946-1955). Whereas Australia's industry benefited tremendously from World War II, Argentina, which remained neutral until very near the end of the war, actually suffered for lack of spare parts, capital equipment and adequate investment. When after the war, Peron embarked on a program of developing heavy industry, he followed a policy of autarchy, severely restricting foreign investment, establishing high tariffs, diverting capital from the rural sector to the industrial sector, increasing the real wage of urban workers and nationalising many enterprises. In effect, Argentine industries grew behind a wall of nationalism, their efficiency and competitiveness in a post-war world of increasing international trade being of little issue. It was the wrong way. And in the process, Peron nearly destroyed the export sector on which he depended for foreign exchange to pay for necessary imports of industrial raw materials and capital goods.

Peronist strategy had failed several years before the military, in coalition with many other Argentines, overthrew him in 1955. But the post-Peronist regimes continued with the nationalist economic policies he had begun. The conflict over income shares, at the centre of Argentina's difficulties since the 1940s (if not before), deepened over the next two decades to the point where, by 1975, Argentina faced civil war. In the meantime, the Argentines lost opportunities to take advantage of the international economic boom of the 1960s because of the irreconcilable conflicts. The second Peron administration (1973-75) attempted to put Humpty Dumpty back together again and, like Whitlam in Australia, concentrated on internal reform while ignoring the international environment. Both countries found themselves on a "slippery slide".

Obviously, Australia did not land in the same bucket that Argentina did. The latter, in its economic stagnation, became more inward looking while failing to resolve the basic struggle over who got what. Argentina simply did not develop political institutions capable of settling internal conflicts, like, for example, the Arbitration and Conciliation Commission. Nevertheless, Australia cannot rest easily because its own economic future is threatened by stagnation. Australian industries are also over-protected, inefficient and unable to compete in the international markets.

What are the lessons to be drawn by the comparison? Duncan and Fogarty argue that to allow nationalism to isolate one's country from the international economy is to chart an extremely perilous course leading towards the rocks of stagnation. Trading nations must not
neglect their export industries; as for manufacturing, both countries have neglected possible "comparative or even commercial advantages" while focusing upon other reasons for developing and maintaining their relatively weak but protected manufacturing sectors. These must be forced to make their way. How is this to be done? Obviously, Argentine politics is not the way. Indeed, "Political tolerance, benign nationalism, a distrust of unfamiliarly grand principles, a remarkable talent for imposing formidable sectional checks...have been as influential as Australia's fantastic resource endowment in sustaining the population" (p. 170).

Should this summary of the argument not stimulate thoughts, then I urge you immediately to read the book. The thoughts it stimulated in me are those of a student of Argentine history who claims no knowledge of the Australian past (much less "expertise"). The book has forced me to sharpen many ideas about the Argentine past, however, and, in the process, deepened my fascination with Australia.

As noted above, one of the difficulties with comparisons is that of establishing the parameters of comparability. Human behaviour, alas, puts great constraints on comparisons — and no, history does not repeat itself. Here is one of the problems: Argentina's European past begins more than 200 years before Australia's and a lot of institutional structures — social, economic and political — were already established when the ships landed at Sydney Cove. Precisely how those extra years determined different structures in Argentina is very difficult to measure and not the point here. But I think I would have begun my story somewhat earlier than did Duncan and Fogarty. By the 1850s, in Argentina, a small and powerful group of landholders had firmly established themselves as a ruling class in alliance with wealthy merchants and a few lawyers, intellectuals and generals. The hegemony established by the landowners — their control of the state, their dominance of the working class, their possession of fantastic stretches of fertile land — was not effectively challenged until Peron came to power in 1945.

It is true that this landholding class divided, with important political consequences, in the 1850s, in the 1890s, and in the 1930s, but the class never forgot that it held land, and a lot of it. Moreover, although the landed oligarchy proved adaptable to the various commercial opportunities presented to it, and admitted new wealth from time to time, it never shed its seignorial attitudes and made only minimal concessions to social equality, a reasonable distribution of wealth and broad political participation.

Thus, in the nineteenth century, the independent, small agriculturalist in possession of his own land lost out on a fairly grand scale to the huge estancias (stations). No land grant universities were established in Argentina; no proliferation of the 160 square acre farm. The most common form of exploitation of the land was either tenant farming, sharecropping or wage labour. This is not the stuff of social equality. Nor did the various factions of the ruling class who controlled the government devote much of their effort or state revenues to the issue.

A long and sad tale can be told of the sins of omission and commission: the sanitary and housing conditions of the Buenos Aires working class were atrocious; welfare was limited to charity; when a labour movement organised to protect and advance the workers' interests, it was met with savage repression; decent educational and other government services reached the rural areas only haphazardly; even a moderately broad franchise was not achieved until 1912. Argentine history is littered with moments when these sins might have been atoned — in the 1860s, 1890s, and 1916 to name but three. Perhaps the most tragic was that of 1916 when a government assumed power with an overwhelming mandate to reform.

It soon lapsed into the distribution of patronage sustained by the rhetoric of reform until 1919, when it helped to precipitate a week of slaughter of the Buenos Aires working class. "The Tragic Week", as it became known, consumed perhaps 8,000 Argentines and proved what was already fairly obvious — there would be very few concessions to demands for an equitable distribution of income.

What then, did the ruling class do with its accumulated capital? This is the crucial question in any further comparison between Australia and Argentina. As Duncan and Fogarty point out, Australian history contains none of the violence and political instability that is so evident in the Argentine past. Why? While they explore the differences in political culture, I would concentrate on the formation of class, a process which goes deep into the histories of both communities. Such a study would yield, I suspect, a portrait of an upper class in Argentina which not only conceded nothing (or very little) to reform and equity, but also withdrew much of its profits and refused to reinvest them.

Without adequate data, one can only guess where the profits went: into conspicuous consumption, speculative ventures, or perhaps overseas banks. But, obviously, they did not end up as state revenues to be used to redress the economic inequalities not only between workers and employers, but also between regions.

Consequently, it was left to Peron between 1945 and 1955 to organise the labour movement (and to capture it); to tell the workers for the first time in Argentine history that the state had responsibilities for them: to redistribute wealth; and to attempt

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First of the South Australian Jubilee 150 publications, Jim Moss’s Sound of Trumpets: history of the labour movement in South Australia merits Brian Dickey’s comment “the first fully developed account of working class experience in South Australia”, an area which has received scant attention from the general historians. Packed with recordings of telling facts, with recurring flashes of shrewd analysis, the book examines the process of class formation from English settlement, class consolidation, Labor in politics and the unions, reformism and socialism up to the present day.

“The socialists,” Moss concludes, “face a challenge to unite their ranks ... the aim .... to create a new society without a new bureaucracy, to end class divisions and combine political and social liberation with economic democracy.”

— Joan Goodwin.


Two hundred and fifty major entries, and 21 pages of index, from Abstract Labour to Working Class Movements, covering a veritable galaxy of subjects and individuals. The Dictionary itself has been assembled by a bevy of contemporary marxist intellectuals from Alavi to Sweezy (and including Eugene Kamenka??). And, finally, the suggested readings after each entry are listed into a 32-page bibliography at the end of the book which features the best of contemporary western marxist thought.

This book is a must as a handy crib for students who still have teachers in the academy who have not yet totally succumbed to flabby social democracy or to creeping right-wingism; for the lazy academics who teach them; for leftwingers who have been wanting for years to slip “pauperisation” into their apres ski conversation; for communists who get their Internationals mixed up and for that enterprising (‘I’m only doing it for the cause’) entrepreneur who will turn it into a Marxist Trivial Pursuit.

— Mike Donaldson.


The tide of deregulation has risen and swamped many of the most familiar landmarks of the old financial system.

The ability of the left to resist and to counterpose its own alternatives to the changes in the financial system proved to be poor.

This special issue of the Journal of Australian Political Economy seeks to examine the background to the current changes in the finance sector. In particular, it is concerned to assist in sparking off a more serious discussion of these changes within the labour movement and to lay the foundations for a more concerted socialist analysis of the likely developments and possibilities for intervention in the finance sector.

— Mike Donaldson.
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