International Socialist 10

CLASS STRUGGLE IN THE PUBLIC SERVICE

HEALTH CARE *The Issues for Today*   **AUST. NATIONALISM** *Progressive or Reactionary?*

International Socialist 10

Contents

Editorial

In the trade union struggles of the seventies, nothing has been so remarkable as the growing militancy of "white collar" public employees. The first part of the past decade was marked by repeated strike action from teachers in New South Wales and Victoria. And the second part of the decade has seen a mounting level of struggle in the public service.

In our first article in this issue, Rick Kuhn looks at the roots of the new militancy among the "thin cats", and at some of the implications for revolutionary work in the public service unions. Himself an activist at the rank and file level in the ACOA, Rick is well qualified to look at militant rank and file organisations in the industry and point both to problems and to possibilities for building the small groupings that exist now.

One development which could be an obstacle to effective working class struggle, in the public service as much as in any other industry, is the pervasive Australian nationalism throughout the workforce. Everyone from Maoists to the ALP right wing has been eager to substitute the Eureka flag for the red flag. It has been left to a small number of revolutionaries with a real Marxist approach to consistently fight national chauvinism.

Tom O'Lincoln's article looks at this question in a new light. Marxists who fight nationalism, he argues, have been doing it on the basis of a crude theory which fails to take up the strongest arguments of the nationalists. If we are going to win the battle against national chauvinism, we need to look at the specific features of Australia's role as a springboard for the imperialism of the big powers.

Janey Stone, in the second part of her article on capitalism and health care, looks at the historic development of health care systems, their role in capitalism as a whole, and prospects for class struggle in the industry. At a time when massive books and specialised pamphlets in the area are pouring onto the market faster than most people can read them, Janey's article provides a readable and authoritative overview, written by a worker and active trade unionist in the industry.

In a period of deepening social and economic crisis, a serious and sustained attempt to analyse the world around us in some depth is absolutely essential. At the same time, the growing urgency of building a revolutionary current among the working class makes it essential to produce that theoretical work in a style accessible to more than a few specialists, and relevant and useful for activists.

We believe that in the first three issues of the revamped *International Socialist* we have gone some way toward meeting that double requirement. But there is a long way to go. Why not join us in the task?

Due to an Industrial Dispute the staff of this office are NOT BEING PAID. The office will remain OPEN so that you the public will not be inconvenienced.

CLASS STRUGGLE WITHIN THE STATE

Thin Cats and Socialism

by Rick Kuhn

SINCE World War II, more and more workers have been employed in clerical jobs. While blue collar workers remain central to revolutionary strategy, the level of organisation and class consciousness of clerical workers is becoming increasingly important.

Public Servants in particular have burst into the news. Not only are their unions more active, but within the unions organisations of militants have emerged, committed to radicalising their fellow workers. This article examines the increasing militancy of public servants, the changes in their unions, and the development of rank and file organisation.[1]

In looking at public service bureaucracies, I have used the same tools to examine the organisation of work in the public sector as a marxist would use for private sector bureaucracies. This approach assumes that in both cases, the objectives of the organisation and its leadership are the same: to get the most work out of the labour power they buy for the least outlay in wages.

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IN most of the private sector and part of the public service (Qantas, electricity authorities and other bodies which actually provide commodities for sale) this means maximising the extraction of surplus value. In most of the public sector, and "unproductive" parts of the private sector (banking, insurance, retailing, etc.) it means minimising expenditure out of the fund of surplus value.

That is, the laws of motion of the capitalist system apply to the state sector when it is viewed as a labour process.[2]

The basic orientation of top bureaucrats is similar to that of controllers of capitalist organisations: insuring continuing investment, expansion and profit. The criteria on which their performance is judged are essentially the "economy and efficiency" of their organisations and compliance with standard practices — analogous to the maximisation of profit within the constraints of the law. Instead of the stock-exchange, and large or institutional shareholders, the performance of senior bureaucrats is judged by the Public Service Board, the Auditor General and Cabinet.

For capital, the expansion of state activity is a (sometimes unavoidable) drain on surplus value. Capital and its representatives try to limit this drain; this brings them into conflict with the working class, which attempts to improve its wages and conditions. This class struggle is the impetus for change in the public service labour process.[3]

In normal times the public service hierarchy, known as the "career service", is maintained by recruitment at base grade (at the bottom of one of the three or four job ladders). Theoretically it is possible to rise from the very lowest position to the very highest. Internal labour markets or hierarchies are useful to employers because they help to create an identification by workers with "their" firm and may make it difficult for workers with specific skills to find jobs elsewhere.[4]

Further, attenuated hierarchies make it difficult to identify who the class enemy is, who actually "gives the orders". In the Public Service, related ideology of state neutrality and subservience to elected government makes it even harder for workers to see power relationships clearly. The benefits of long service, in terms of super-annuation, and the ability of the employer to legislate specific conditions of employment, reinforces the public service career hierarchy.[5]

The Growth of White Collar Work and the Evolution of the Unions

SINCE World War II the proportion of the workforce engaged in clerical jobs has grown dramatically, from 13.7% to 17.1%.[6] This was already an important area of employment for women as early as 1946, but by 1976 over one third of working women were employed there.[7] One significant reason for the relatively rapid growth of clerical employment until recently, has been the much lower rate of technological change in the office, as compared to the water front, shop floor or pit face.[8]

The growth of the government sector of the job market has made a large contribution to the expansion of clerical work. World War II led to a leap in the proportion of the workforce employed by the government. Since the early 1950's about 20% of all workers have been public servants.[9] This expansion in employment laid the preconditions for a growth in white collar militancy.

Postwar

DURING World War II the internal labour market of the Commonwealth public service was severely disrupted by the recruitment of large numbers of workers at all levels.

After the war (as before it) the leaders of public service associations saw them as professional organisations, with an underlying common interest with the employer in virtually all matters. They happily participated with management in the Joint Classification Committees, Promotions Appeals Committees and Joint Council, set up by the Labor government. The Classification Committees re-established the structure of the Public Service hierarchy disorganised during the war; their procedures, established by the Public Service Board, were never challenged by the associations. Joint Council was made up of senior representatives of associations and senior manager, and worked along consensus lines.

When disputes arose, the principal arguments from the associations were on the basis of the superior professional status of their members. One of the major issues of the period was the recruitment of outsiders to senior positions.

The Commonwealth Public Service Clerical Association (now the ACOA) used to reprint articles from the Institute of Public Affairs, a policy analysis group which played a significant part in the formation of the Liberal Party.[10] The committment of the associations to the "national interest" is shown by resolutions which two of them carried in 1948 and 1949, prohibiting Communists from holding any union office — it is doubtful that there were any secret, let alone open Communists holding office in any case.

The major factional groupings before World War II were along sectarian lines. Catholic and Masonic cliques were represented inside the unions. The sectarian groups were essentially a means of advancing one's career, rather than being political organisations. Neither the Masonic nor the Catholic secret societies were committed to changing the way in which the unions operated. The advent of the Promotions Appeals Committees soon after the war largely rendered their sectarian politics irrelevant.[11]

Ruling Class Offensive

DURING the late 1940's and early 1950's a series of attacks on the working class laid the preconditions for Australia's participation in the global post-war boom.[12] The ruling class offensive included: the start of the "cold war"; the disruption of union organisation by the Industrial Groups; the defeat of the coal strike by Chifley; the fall of the Labor government later in 1949; and the Labor split of 1954. Taken together, the attacks put workers on the defensive, allowing employers to force up the rate of surplus value. For an entire period until the late 1960's, workers' ability to respond to ruling class initiatives was reduced.

The introduction of "scientific management" into the Commonwealth and State public services during this period can be seen in the context of the ruling class offensive.[13] The massive growth in the Commonwealth public service required a new approach to labour management. The old ideologies of upward mobility (embodied in the "Career Service"), responsibility to the government of the day, and time honoured practices of intimidation and victimisation were no longer sufficient to control the mass of employees or restrict a wage bill much greater than before the war.

The first steps in introducing scientific management into the Commonwealth service were taken under Chifley.[14] (Such techniques were, in principle, hardly new. Since its inception, capitalism has survived by undermining workers' control of the labour process by simplifying jobs and arrogating decision making powers to management.)

Initially scientific management was only the province of so-called "Section 17" teams, named after the part of the Public Service Act which sanctioned their activity. They operated under the label of "Organisation and Methods (O & M)". These teams were concerned with the "measurement" and simplification of work, the introduction of new office machinery and the organisation of functions within Departments.[15] By 1955, 15 out of 25 Commonwealth departments had O & M branches or sections. By the 1960's all departments had them. At present these functions go under the name of Management Advisory Services.

The fall of the Labor government saw far more direct attempts to increase productivity and weaken union organisation both in the private and public sector. The recession of the early 1950's was the most severe between the end of the war and the 1970's. It was in large part a government-induced phenomenon. The resultant unemployment, when coupled with the activities of the Industrial Groups, weakened union organisation and made the long boom possible.

In the public service, the incoming Menzies government imposed a staff ceiling which entailed a cut of 10,000 jobs. This cut was proportionally far more severe than retrenchments in other areas, and aggravated the
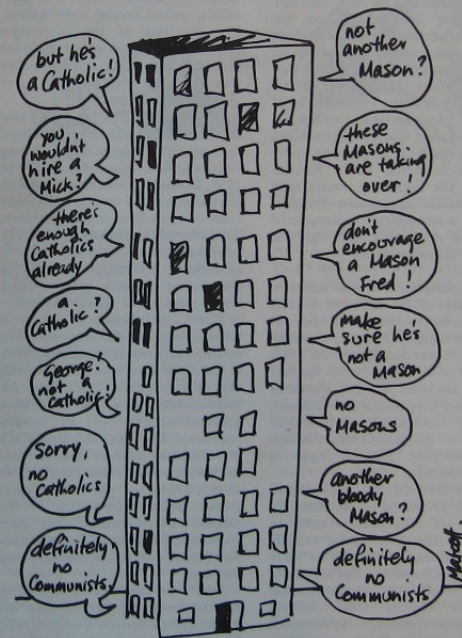
Ruling Class
Offensive: Cont.

overall level of unemployment. The cut mainly affected temporaries and helped to re-establish the public service's internal labour market.

The predecessor of the Australian Public Service Association, covering temporary and permanent Fourth Division staff, suffered a dramatic down turn in membership; the cuts were an excellent opportunity to weed active unionists out of the Fourth Division. 1948 levels of membership were not recovered until the mid-1960's. The predecessor of the Administrative and Clerical Officers' Association (ACOA), which covered mainly permanent staff in the Third Division, was not much affected. The Commonwealth service only returned to previous levels of employment in 1958.

Neither union came near to mounting an effective campaign against the ceilings. The ACOA, together with other blue and white collar public employee unions, did mount large rallies in capital cities. But it also continued to participate in Joint Council and Promotions Appeals Committees.

The 1950's saw the emergence of the factions which still dominate the ACOA and a number of other public service unions. They were specifically related to the split in the ALP and the activities of the industrial groups. The development of the factions associated with the Labor Party and the National Civic Council itself indicated a trend toward militancy in the unions. Conflicts now tended to be over the implications of the factions' political orientations rather than religious affiliation. Politics, rather than patronage, came to the fore.

The differences between the factions should not be seen as a conflict between a program of effective militant unionism and one of class collaboration. Both have placed uncritical faith in Arbitration,

secret negotiation with management and the neutrality of the whole state apparatus. Moreover the primary aim of both factions is to gain and hold onto official union positions; neither have baulked at disguising their political beliefs nor taking inconsistent positions in order to gain votes. In practice the main differences have been a somewhat greater preparedness on the part of the ALP aligned groups to make concessions to the rank and file of the ACOA rather than to management. And of the two, the NCC factions usually operate in a more clandestine fashion.

There has been some continuity between the old "professionalist" union leaders and the NCC factions. The latter have drawn on the conservatism and professional ethos of the old leaders, and added an explicit political orientation and more effective organisation. At this very moment in the Victorian Public Service Association (VPSA) a professionalist leadership is moving towards the NCC as it comes under pressure from the VPSA Reform Group. The leadership, encouraged by a NCC "Association Support Group" is attempting to use tactics of expelling opponents, and legalistic evasion of responsibility.

The factions have had different influences in the different ACOA branches and coalesced in them at different times. In Victoria, where the ALP split was deepest, the NCC'ers have been strongest. Since the late 1950's members of the Victorian leadership have been identified with the DLP and NCC. From 1968 their control of the branch was virtually total and they faced no organised opposition until 1976.

While the NCC was beginning to organise its control of the Victorian branch, an ALP faction came to dominate the next largest branch, NSW. The leading figure in the NSW branch, ALP member Ned McGrath, had moved the anti-communist motion at the 1947 ACOA conference. The current NSW branch secretary, Barry Cotter, is a direct

successor of McGrath, via Don Thompson who became secretary due to McGrath's influence, and Wattie Peck who followed him. The ALP split meant that the dominant cliques in NSW and Victoria, which initially had similar political orientations, developed in different directions. The NSW leadership faced sporadic, but ineffectual NCC challenges from the 1960's.

The Boom
Years

FROM the late 1950's to the mid-1970's, public service employment, like the rest of the Australian economy, expanded quite rapidly. In response, the public service moved toward the introduction of computing facilities.

The Cabinet "instructed departments to reduce expenditure through such methods as introducing electronic data procession . . ."[16] in 1958. Previously machinery used in clerical work had merely been hand tools — typewriters, ledger machines, dictaphones. Computer technology provided a means, not only for speeding up production, but also for eliminating human labour from whole steps of the labour process.

The introduction of new technologies and the new means for controlling work embodied in them, is one of the most important methods that the capitalist class has for maintaining its hold on the labour process, in the face of worker resistance. That is, accumulation is a direct consequence of class struggle (as well as being a mediated effect via competition between capitalist firms). Since World War II the clerical labour process has been increasingly subject to accumulation and the substitution of dead for living labour.

The first large scale computer facilities were introduced into the bigger Departments (Tax, PMG, Defence) during the early 1960's,

I take it we're unanimous on the subject of Machines replacing humans...

Petty

after costing and feasibility studies.[17] The first computer for administrative purposes was installed in 1962. By 1972, 38 Departments or instrumentalities under the Public Service Act had major computer systems. Computers cut down substantially on the need for clerical staff involved in the maintenance of extensive records systems. They may also permit the development of new functions, previously impossible because of staffing limits.

During the 1960's, while the Australian and world economies continued to expand, computerisation did not lead to a net loss in public service jobs. In fact a relative shortage of labour during the boom years was the main reason for the decision taken in 1966 to allow married women to hold permanent jobs. Previously women lost their permanent status if they married.

After a period of slow membership

growth in the 1950's, both APSA and ACOA grew rapidly during the 1960's and early 1970's as the public service itself grew. Public service growth was disproportionately large in Canberra, as head offices expanded or were transferred there from Melbourne.

It seems that the old sectarian Catholic clique in the ACT branch of ACOA had, by 1968, become transformed into an NCC aligned grouping; their election was hailed by News Weekly as a victory for the "moderate team". However, the leader of the old Masonic faction was also apparently allied to the NCC'ers.

The strength of the NCC in the ACT can be attributed to two main factors. Both the ACT and Victorian branches had a conservative bias, in that Departmental head offices are located in Canberra and Melbourne. They are top-heavy, with more senior officers than other cities.

With the transfer of head offices to Canberra the bias is growing there and declining in Melbourne. Secondly, this link between Canberra and Melbourne has also been a conduit down which NCC policies and members have probably slid. Since 1970, NCC and ALP centre groups have alternated in having preponderant control of the ACT branch, with each triennial election. The boom years saw some further developments towards more militant unionism. In 1950, the ACT branch of ACOA was taken to task by the Association's Federal Executive when it publicly criticised the government and Public Service Board in its Annual Report. Until the 1960's, ACOA did not "go public" in its disputes with the employer if recourse to Arbitration was available. But during the 1960-61 wages dispute the Association, along with other public service

unions, mounted a publicity campaign. The Chairman of the Public Service Board compared this to "the industrial picket line type of action".¹⁹ Only in July and August 1970 did the ACOA mount its first nationally co-ordinated campaign of industrial action, involving a series of stopwork meetings over a pay claim.

It was only during the 1960's that the Branches of ACOA started employing their own full-time staff. The 1970's have seen a rapid growth in the number of staff employed by public service unions — organisers, advocates, research officers as well as elected Secretaries and Assistant Secretaries.

Whitlamania

THE election of the Whitlam government in 1972 seemed to usher in a period of milk and honey in the Commonwealth public service. The new government initially used the public service as a pacesetter for the private sector — introducing paternity leave, paid and extended maternity leave and an additional week of annual leave. The size of the public service continued to expand quite rapidly and the prospects of promotion remained good. Exciting new areas of work, such as the Department of Urban and Regional Development were created. The extension of equal pay to women in the service was completed in July 1973.

The threat that only unionists would benefit from the extra week's annual leave led to a staggering expansion of the Commonwealth public service unions: the APSA grew by 84.6% in 1972/3 and 42.3% in 1973/4, and ACOA grew by 16.9% and 16.8% in those years. But there was no upsurge in union activity comparable with the wages push going on elsewhere between 1973 and 1975. Labor rule meant that public servants did not have to fight for

improvements to their wages and conditions during those years. The last Labor (Hayden) budget presaged a drying up of the milk and honey, whether the government was Labor or Liberal.

Economic Crisis and the Fraser Offensive

WHILE November 11 1975 saw a dramatic turnabout in government policy, the underlying causes of the new policies were the same as those for the slow-down and reversal of the Labor government's reforms.

The Labor and conservative governments of the early seventies had used staff ceilings to restrict growth; Fraser now used them to actually cut the numbers of public servants. The "restraint" of the Hayden budget has been transformed into severe cuts in government spending. The number of staff under the Public Service Act was trimmed by 4.2% in 1975/76 and a further 1.7% the following year. There was growth during 1977/78 and levels were static in 1978/79. Staff ceilings have also been applied in a number of State public services during 1978 and 1979. The most draconian were in Victoria where recruitment was frozen in 1979; the NSW government has also got into the act.

Staff ceiling have been the most dramatic expression of the current ruling class offensive inside the public services. However other, complimentary measures have been taken. The pressure of the crisis has revived "scientific management" in the Commonwealth service. The aim is to minimise the outlay of surplus value on essential state activities and to eliminate expenditure which is inessential to the ruling class — hence cuts in the real level of social security payments, especially the dole, and cuts in health and education funding.

During the 1960's and early 1970's

scientific management practices continued in the departments, but the Public Service Board's interventionist role lapsed. In 1975, as a consequence of the crisis, the PSB's scientific management activities were reintroduced in the form of Staff Utilisation Reviews (SUR's) and Joint Management Review (JMR's).

These Reviews use productivity indicators as an important tool. The indicators are "scientific" standards for the amount of work an individual or group should do in a given period. The basis for these indicators is arbitrary, essentially amounting to the reviewer's judgement of "normal" or "average" output. Once established, workers are expected to conform to the standards. During 1977 staff savings attributed to JMR's in the Department of Business and Consumer Affairs, for example, amounted to 45 jobs; in the Pharmaceutical Benefits Scheme an anticipated 80 jobs; and in Internal Audit areas an anticipated 150-200 jobs.

The consequences of SUR's and JUR's are not massive in terms of total numbers of jobs abolished. But SUR's and JUR's, together with efficiency audits and changes to Departmental management advisory services have a more significant impact on the day to day management of Departments. They are designed to encourage junior and middle management to be more concerned with productivity, efficiency and out-put.

The Department of Social Security has mounted a large work measurement project to determine "standard times for each task that is of sufficient importance to be mounted separately".¹⁹ The name of the project, "Productivity Control System", throws some light on its main function — to increase control over the workers in the second largest government Department, and to make them work harder.

The process of accumulation in the public service accelerated during the mid and late 1970's. Automation has been used increasingly to displace

workers and discipline those remaining. In the context of staff ceilings the "microprocessor revolution" has been a godsend to senior management. With the cheap new silicon chip technology, out-put can be maintained or increased despite staff cuts, through investment in computer technology hundreds or thousands of times cheaper than the equivalent 10 years ago.

The Commonwealth public service acquired its first world-processor (computerised type-writer with its own memory) in 1977. By 1979 it had 190 key stations (keyboards, some of which may share the same computer) at 34 sites.²⁰ In certain areas word processors have the potential to replace four typists. Computeristation and miniaturisation (using microfiche) of file storage and retrieval is set to cut a swathe through registry staffs.

The Public Service Board anticipates that its MANDATA personnel system will eventually result in a net saving of 700 jobs across the Commonwealth public service. A new generation of computers in the Australian Bureau of Statistics has cut the number of staff in computer operations itself by 100. Before computers were introduced into the Taxation Office it had an annual staff growth rate of 3.6%; since then it has been 1.3%.²¹ Automation threatens the jobs of clerks, clerical assistants and technical officers as well as those of typists. Management also has greater opportunities for controlling the pace of work of those who retain their jobs.

Governments have also saved money by cutting wages and conditions. State and Commonwealth public servants have been particularly affected by the

introduction of wage indexation. Wage rates are set by the various public service boards: there are no over-award payments, in contrast to the private sector.

Since taking office the Fraser government has abolished paternity leave for public servants, cut maternity leave, introduced the CEEP Act which provides for summary dismissal of public servants by Ministers, and the CERR Act which streamlines procedures for redundancies. The last measures have had a considerable impact on public service unionists because they have a significance within public service ideology — they threaten the "career service".

The measures Fraser has taken in the public sector act as pacesetters for private industry. They provide a lead to private employers and depress the overall level of wages and conditions.

The changes in the public service labour process, including mechanisation, have made many public service jobs much more like jobs in industry. The public service (and banks, insurance companies, etc. as well) can now be accurately described as paper factories, with long production lines involving hundreds of detail labourers. At the same time, especially since the collapse of the long boom during the 1970's and the attempts to cut the state's consumption of surplus value (so far moderately successful), the wages and conditions of most public servants can no longer be considered privileged.

Since World War II, the changes in the nature of public service work have been gradually transforming public service unions. The late 1970's saw an acceleration of the process for a number of them, notably the ACOA and VPSA. The most advanced of the public service unions are now beginning to resemble large and active blue collar unions in their preparedness to take industrial action, and in the level of job organisation. (Others, including the Public Service Associations of Tasmania and Queensland, are still run by unchallenged leaders who see

Fraser's Offensive: Cont.

them as professional bodies, asserting a common interest with the employer in virtually all matters.)

While the radicalisation of private sector unions associated with the wages push of 1973-75 largely passed the public service unions by, the Fraser period has seen them develop an increased militancy. The deepening economic crisis and the change in government made it clear that the Commonwealth government would take initiatives to erode its employees' conditions and wages rather than improve them. The behaviour of the Labor government towards the end of its term, and the ALP's move to the right in opposition, made the possibility of a repeat of the Whitlam largess seem unlikely to many public servants, even if the ALP were returned to office.

Increasingly public servants are realising that they can only rely on their own strength. Claims by governments, arbitration, and even some union officials to represent their interests are being regarded sceptically.

ACOA members have become more willing to take industrial action, begun to elect more left-wing union officials, and to organise 'rank and file' groups.

While the leadership of the union has been moving leftwards in a fitful fashion since World War II, the late 1970's saw dramatic changes. The establishment of the ACOA Reform Group (ARG) in Victoria in 1976 brought the first challenge in many years to the NCC in their stronghold. In the 1976 triennial elections, a member of the ARG won the Federal Vice-President position; in the 1979 elections the ARG gained the positions of Secretary, President and Vice-President of the Victorian Branch, though they did not win control of Branch Council, the main policy making body.

The radicalisation of public servants from 1975 was the foundation on which these 'rank and file' groups were built; the entry of ex-student radicals into the public

The 1979 elections also saw NCC'ers defeated in Tasmania, the installation of an ALP-associated Branch Secretary in the Northern Territory and the confirmation of ALP associated leaders in NSW, Queensland, South Australia and Western Australia. NCC'ers defeated the incumbent ALP leadership in the ACT for the positions of Secretary, Assistant Secretary and President, but the Branch Council has since left. In the Victorian Public Service Association, a candidate of the VPSA Reform Group (VRG) gained 47% of the vote in an election for General President.

A dispute developed in late 1977 and early 1978 over outside recruitment, without appeal rights for public servants, into the Commonwealth Employment Service. Bans were placed on processing outside applications, and stand-downs resulted. It was out of this dispute and the sell-out by Federal officials, that the Government Employees Action Group emerged in Sydney.

In mid-1979, the ACOA and APSA initiated its most serious co-ordinated campaign of industrial action, involving stop work meetings, strikes and bans on ministerial correspondence over the CERR Act.

The NSW PSA conducted a successful wage campaign late in 1979, which included strike action and rallies. Its leadership is associated with the 'left', Steering Committee faction of the NSW Labor Party.

During early 1979, the Public Servants' Action Group (PSAG) in Canberra and Government Employees Rank and File Activists (GERAFA) in Brisbane were set up. Both groups were inspired by the example of GEAG and the ARG. After their defeat in the 1979 Branch elections, the "progressive" ALP group in Canberra set up their version of the ARG in Canberra.

The operations of the NCC factions are more secretive and presumably more closed. They are more inclined to engage in patently undemocratic manoeuvres to retain their control of the unions: In Victoria the NCC associated faction entrenched its control of the ACOA

service provided the scaffolding. The ex-students brought socialist ideas and the experience of organising large numbers of the people to the various groups.

The changes described above have occurred in the labour processes of all public services, and there has been some radicalisation in many unions. For example the South Australian Public Service Association is engaged in building an office floor organisation. However the most interesting developments for revolutionary socialists have taken place in the VPSA and ACOA. Today the Australian working class lacks both cohesive organisations of active unionists and also a revolutionary party. The opposition groupings which have emerged in the public service an opportunity for significant steps toward both.

Politics in the Public Service Unions

BOTH the NCC and ALP factions in the ACOA have their own, limited organisations.

The former have small, secret closed coteries — the existence of which is usually denied. The ALP'ers have generally resorted to more diffuse and ad hoc forms of organisation, which take shape before elections: an electoral machine congeals around current or aspirant 'left' bureaucrats. Both factions also have caucuses for meetings at various levels of the union. Neither group usually has any ongoing organisation of significant numbers of union members — only a core of 'leaders' and a loose network of contacts' who are exected to distribute literature and delivery the vote.

In the ACT Branch of ACOA during the lead up to the 1979 Branch elections, the "progressive" (ALP

aligned) group organised a "preselection" of candidates, by a hand-picked electorate of "left" ACOA members. The group controlled the branch office and generally 'had the numbers' on Branch Council. But their only regular form of organisation in non-election periods, was a pre-branch council caucus. Policies were elaborated by self-appointed committees which reported to candidates,' who exercised a veto power. The NSW Branch leadership still operates through a similar Branch Council caucus. The procedures adopted in most other branches, and other public service unions are even less formal than this.

ACOA members stop work and meet in Sydney, 1979.

branch by setting up new, small sections in the areas where they had strongest support. They isolated and vilified all opposition and indulged in fanciful and inaccurate red-baiting.

The present character of ACOA and the various currents in it was apparent in the union's 1979 campaign against the CERR Act.[22] It became apparent early in 1979 that the government was going to reintroduce legislation designed to streamline procedures for redundancies and sackings in the Commonwealth Public Service — the Commonwealth Employees Redeployment and Retirement (CERR) Bill. As a result of union pressure in 1977, the government had withdrawn similar legislation, saying it would be "redrafted".

For over a year public service union officials ignored the possibility of CERR. To ordinary union members, the prospect of the legislation came like a bolt from the blue in April 1979.

In the ACT, at a locality meeting, PSAG successfully moved a motion for a stoppage if CERR went through the House of Representatives. The motion was subsequently carried at a Branch General Meeting on May 9 without opposition from Branch officials. Similar motions were soon successful in other Branches. During the week beginning 28 May stoppages and/or meetings were held in a number of ACOA Branches. No meetings were called to coincide with stoppages in the ACT and Queensland. The most left-wing of the ACT "progressive" officials opposed holding a meeting. The only picketing of office blocks that occurred was organised by PSAG, GEAG and GERAFA. In the ACT members of the NCC faction criticised and attempted to sabotage the stoppage. In Victoria they did hold a mass meeting and supported a stoppage, though no attempt was made to provide for membership control of the campaign there.

In some branches ALP officials called representatives meetings to provide for greater membership involvement in the campaign. This practice was most consistently followed in NSW. However, the meetings increasingly became opportunities for Branch and Federal officials to harangue militants, rather than a means for militants to direct union strategy. At a reps. meeting the NSW Branch Secretary, Barry Cotter, an ALP'er, admitted that he had ignored a call from a mass meeting for a 24 hour strike once the Act was passed, once he got to the Federal Executive.

Faced with the enthusiasm of the union membership for taking strike action against CERR, Federal and Branch Officials elaborated their own strategy. They were to re-establish control by recourse to arbitration. The level of industrial action was to be scaled down to bans on ministerial correspondence, by a small section of the union membership. The fact that there was a less than 100% response to strikes and stopwork meetings, (though the turnout was impressive, given the inexperience of the membership and the lack of pickets) was used as an argument for scaling down activity.

The danger of enthusing and mobilising large numbers, through strike committees and picketing was avoided. One further national stopwork meeting was called, overlapping with lunch-time, to endorse the officials' draft determination for the Conciliation and Arbitration Commission.

The draft determination conceded the Public Service Board the right to make public servants redundant and to sack them for other reasons — so long as adequate warning, procedures, appeal rights and marginally better redundancy pay were granted. NCC'ers and ALP'ers backed the draft determination. The ACOA Reform Group (Vic.), influenced by Ann Forward, who is Vice Federal President, decided not to oppose it. Just before Christmas the Arbitration Commission handed down a decision. It was essentially a kick in the teeth for the unions, though a limited form of union preference was granted. ACOA officials are portraying it as a success thus putting another obstacle in the way of the fight against CERR. The NCC associated officials in the ACT are keen to co-operate with the Public Service Board in drawing up a final determination, so that the Act can be made operational as soon as possible, to allow people to take advantage of its early retirement provisions. The ACOA's Federal Executive has decided to participate in consultative arrangements provided for in the Act, while retaining the right to oppose some of its provisions. The Federal Executive has not expressed opposition to redundancies per se.[23]

The ACOA Reform Group (ARG) was set up in early 1976 to provide a left-wing alternative to the Victorian NCC associated leadership. Members of the ARG range from revolutionary socialists to right wing reformists. The right-wing reformists, including Ann Forward have dominated the group to 1980. The ARG has developed a large, quite effective and democratic organisation. It has regular, monthly meetings of over 40 people, clearly established policy formulation and pre-selection procedures and internal structures. It also has hundreds of contacts; in some areas its members have organised militant and effective section committees.

The founding of the ARG marked a turning point in the history of public service clerical unions. It demonstrated that the forms of organisation appropriate for socialists' activity in other unions — the "rank and file strategy" was also applicable there. Further it indicated that the whole working class, not just blue collar workers, are capable of shaping their own futures in a militant way and potentially in a socialist direction.

Militant Unionism?

THE ARG looks like a strikingly different organisation from the election machines of the NCC and ALP'ers elsewhere. Unlike the NCC cliques it is open and public; unlike the ALP'ers' organisations it has a continuing existence and established democratic procedures. For a white collar union and especially a public service one, the ARG was a massive step forward.

But the ARG is not a rank and file organisation.

A rank and file organisation, which can develop workers' class consciousness and capacity for independent and radical action has two fundamental features:

1. A militant, if not specifically socialist perspective on the role of trade unions.

2. A committment to changing the union primarily through organising ordinary members, rather than by converting union officials or capturing their positions. An emphasis on the rank and file's capacity for defending their own interests.

In practice these characteristics mean that a rank and file organisation seeks to radicalise unions by providing a focus for left-wing activity within them. This focus is the "militant minority" of already radicalised and organised rank and file members. The aim is, of course, to turn this militant minority into a majority on the basis of radical politics. This situation is not yet on the agenda in any Australian union, let alone those in the public service.

The development of the ARG was conditioned on the growing radicalisation of the ACOA membership and the entrenched NCC leadership in Victoria. The only way to oust Magner and co. was through a large relatively tight-knit organisation. Like a genuine rank and file organisation, the ARG is a thoroughly democratic body, involving militant unionists, with extensive links with the union membership. But there has been a contradiction in the ARG's policies and activities. It has been dominated by its conservative wing, which regards winning elections, especially for full-time union positions as its fundamental goal, while at the same time having a formal rank and file orientation.[24] Both the left and right of the group recognise the need to build the organisation on the office floor — especially since its failure to win a majority on Branch Council in the 1979 Branch elections. For the right, the ideal form of local organisation is one which will deliver the vote and implement the initiatives of the ARG leadership.

The Department of Social Security Section Committee is a model — all of its members are associated with the RG/and a majority with its right wing. In the last elections they delivered the vote, but at the same time quashed attempts to mobilise unionists against the new "Work Test" on recipients of the dole. An examination of *Alternative Viewpoint*, the ARG's sporadic newsletter, reveals a preoccupation with national issues at the expense of coverage of local struggles and encouragement of local initiatives. This imbalance partly explains the ARG's inability to gain a majority on Branch Council.

The recognition of the need for office-floor organisation and some local activity has, however, provided scope for the left to mobilise ACOA members. There have been ARG contingents on anti-uranium demonstrations[25] and strong organisations have been built in some areas, notably Telecom and Statistics.[26]

The reformist right's obsession with elections has meant that it is prepared to sacrifice the ARG's militancy in order to win votes. Policies should be based on the "aspirations of all ACOA members"[29] rather than oriented to union militants. Thus policies supporting abortion and rejecting staff participation schemes were rejected during the run up to the 1979 Branch elections.

Ann Forward and, now, other ARG officials clearly see themselves as part of a national ALP faction in the ACOA. Uncritical support was given to the ALP faction's ticket, which included Forward, in the 1977 Federal elections. The ARG Executive was not prepared to reject the draft determination on CERR, prepared by the ALP dominated Federal Executive.

Early in 1980, the left of the ARG gained a majority on the group's executive.

This was not because of any great radicalistion of ARG members. The newly elected officials of the Victorian Branch, who had dominated the ARG, decided that they did not want to participate formally in the group's activities. It is unlikely that they will now abide by ARG decisions with which they disagree. Now that they have realised their dream of election, and no longer share the same conditions of work as ordinary union members, they are likely to shift even further from the ARG's circumscribed rank and file orientation. The future of the ARG now depends on whether the leftists on its executive are willing to break with the officials, by initiating wholehearted rank and file policies; or whether they will become mesmerised by the chimeral influence they can exert over the "Reform Group" union officials.

The ARG has demonstrated that a relatively large organisation of militants is possible in the ACOA. Its example has also prompted the formation of "action groups" in other Branches — GEAG, PSAG and GERAFA — and the VRG in the Victorian Public Service Association. The CERR campaign of mid-1979 provided the action groups in ACOA with their first Branch-wide experience, as opposed to work in individual Departments. It also clearly differentiated them from the ALP factions and union officials.

The VPSA Reform Group (VRG) started life as the State Public Servants Against Uranium Mining (SPSAUM), in July 1978, after an attempt to set up a general rank and file group failed to draw support. SPSAUM built up a network of contacts and a membership of around 20 in its work on the uranium issue. It produced leaflets and was able to mobilise numbers of public servants for anti-uranium demonstrations. In January 1979 SPSAUM members called a "VPSA Activists Conference," which founded the VRG.

The VRG has initiated campaigns against a proposal for an undemocratic union restructure plan, the elections for VPSA General President, staff ceilings and mileage rates for the use of private cars on offical business.[?] The group has reinvigorated union organisation in a number of Departments and built an impressive base at the office-floor level.

The action groups, like the ARG, include both rank and file electoralist tendencies (although the balance of forces substantially shifted to the former in PSAG and GERAFA during late 1979 and early 1980 respectively). However the potential for growth and influence, realised by the ARG does not exist for the action groups. The leaderships of the NSW and Queensland Branches are dominated by ALP rather than NCC officials. In the ACT the "progressive" group (union officials and aspirant union officials) have tried to set up a wider electoral organisation on the model of the ARG.

Thus the action groups cannot be built around policies of democratic unionism, a left (but not *too* left) position on bread and butter issues and non-controversial social issues, and oppositon to NCC'ers. Since the current officials and the "progressives" group are already pushing this approach, there is no point setting up action groups around it. The only role that such organisations could play would be that of gadflies to the left of the ALP officials. In order to grow, in order to shift the policies of the public service unions to the left, the action groups need to adopt fully-fledged and explicit rank and file politics.
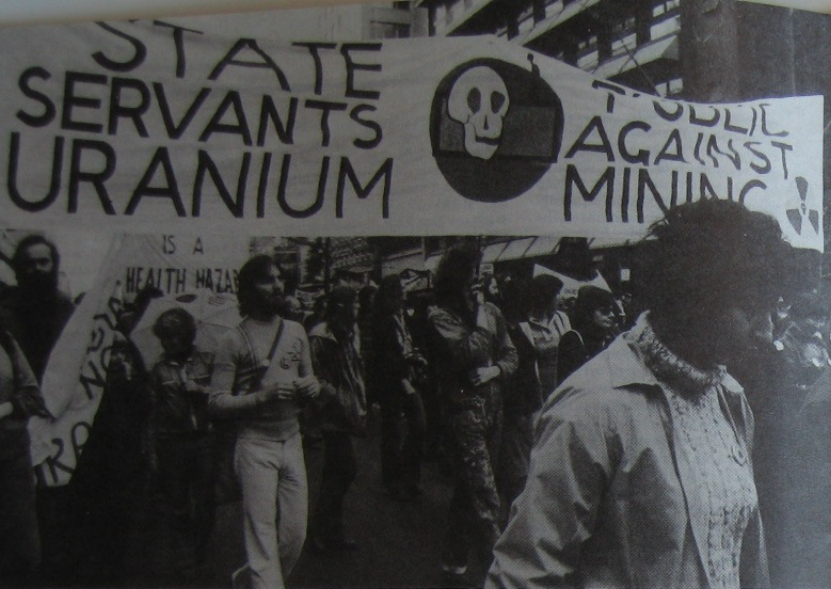
State Public Servants Against Uranium Mining was formed in 1978 amongst members of the Victorian Public Service Association. Here they are marching in Hiroshima Day, 1978. Members of SPSAUM later went on to organise the VPSA Reform Group.

The Militant Minority

THE action groups have not yet developed the characteristics of rank and file organisations: they do not yet have well developed and entrenched policies based on a rank and file orientation, nor do they have large numbers of militant members. The main obstacles to building strong rank and file organisations are the action groups' current lack of members and experience and the appeal of electoralism. In the action groups electoralism and a reliance on union officials are justified by some of the following arguments:

1. A frequent argument emphasizes the importance of getting motions through meetings, Branch Councils etc. or getting "progressive" individuals into union office and hence stresses a need to compromise. Motions and election policies should be designed to appear reasonable to a majority of those with a vote, in order to stand a chance of getting up. Thus PSAG at one stage refrained from criticizing the ACOA's strategy of going to arbitration to defeat the CERR Act and from suggesting that the campaign should continue while the case was in the Commission, on the grounds that this would not be acceptable to most members. Arguments were mounted against having a pro-abortion policy (unsuccessfully) in PSAG and (successfully) in the ARG on the grounds that it would alienate too many people and jeopardize credibility. This despite the fact that more than 70% of people support abortion.

The "getting the numbers" approach places more importance on gaining (short term) mechanical victories instead of building a climate of greater militancy in the union.

There's no point in winning motions or elections if it is not on the basis of what the group really thinks about the issue(s). It is far more useful to lose a motion and win a few people to a radical approach than to win by watering down a militant position to the "moderate" lowest common denominator.

Of course, winning motions and elections on the basis of rank and file politics is the goal of rank and file organisations. But given current conditions this will take some time. That interval is going to be filled with a multitude of lost motions and elections and also by a lot of action initiated independently and even in opposition to union officials. Since the action groups are absolutely independent of union officials, there is plenty of scope for them to take initiatives, especially at the office floor level. Thus effective opposition to the new Work Test in DSS and CES offices was organised in those offices rather than in the Branch Offices of ACOA, in Victoria, NSW and the ACT. The real fight against management reviews has been initiated and conducted on the office floor with little support from union officials. Reliance on union officials is a recipe for disaster. Where the officials are NCC'ers it is a guarantee.

The only way in which a union unambiguously adopts a policy is if it has support from its membership. Pushing through policies behind the members' backs only means that they can be easily overturned later. Electing "radical" officials without a strong, militant organisation to discipline them only means that they will be constrained by the circumstances of office to sell out later.

2. A perspective for the action groups which leads to similar conclusions to the electoralist one, sees them as 'ginger groups'. Their role should be to pin-prick officials — to play the role of the official's rank and file conscience. This role requires that the ginger group maintain its credibility with the officials — criticisms of them should not be too strong or strident. Further, the officials are best influenced by only keeping half a step to their left. It is thus legitimate to participate in the officials' caucuses and campaigns, as the ginger group is defined by its relationship to them.

It is only possible to adopt a consistent, militant rank and file line if a group is absolutely independent of any officials who are not subject to their discipline. That is to say, officials who are not bound by its decisions and do not take an overwhelming role in making them. Given the current size of the action groups this means not have union officials as members; in any other situation the tail would wag the dog. In the case of the ginger group approach to union officials "maintaining credibility" is a relationship of dependence. No action can be taken unless the officials think it reasonable. The logical conclusion of this position is the decision of a self-styled revolutionary to vote against criticism of officials at the ACT Branch of ACOA's Annual General Meeting, for the sake of unity (the motion was, in any case, carried).

The ginger group position is justified by the following logic: 1) the union officials are to the left of the union membership 2) the ginger group is to the left of the officials, 3) the ginger group should influence the officials to lead the sheep-like masses to the correct line. Needless to say this approach has nothing to do with relying on the strength of the rank and file and the working class' capacity for self-activity.

Once a ginger group position is adopted the chances of building an action group and involving new people become severely limited.

A ginger group achieves results by applying pressure in strategic places — on committees, through personal contact or by proposing an idea at the right place or time. Success is defined in terms of bureaucratic victories. A clique around a small political cabal is the most appropriate form of organisation for such activities — there is no real need to encourage widespread participation in the group, though it is handy to involve some of the union officials. A large group may open the way to policies and individuals unacceptable to "friendly" officials.

3. The electoralist and ginger group approaches are both justified in terms of the close attunement of the group to the desires of all members. The group should voice the desires of the "advanced workers, the backward workers and the workers in between".[29] Watering down the group's politics and maintaining credibility in the eyes of union bureaucrats is thus rationalised in terms of the consciousness of the average union member. This argument, which glorifies the views of the majority of union members as the last word on any question, is politically conservative. In all situations, except those of a dramatic upsurge in militancy, orienting to the mass of the union membership, the average member or trying to accommodate to the consciousness of all workers amounts to taking a conservative position. It is opposed to a rank and file approach which seeks to transform workers' consciousness, rather than taking it as given.[30]

4. Another argument sees the action groups as consciousness raising groups, for their members. However, this conception does not provide a strategy for changing a union. It does not affect large numbers of workers by involving them in activities; it only provides a warm, human support and intellectual discussion group for a small number of people. Indeed growth is inimical to such a consciousness raising group. Large numbers mean a loss of personal contact, intimacy and emotional rapport; one runs the danger that policies will be considered on a purely political basis and that people attracted to them will start working to implement, rather than just talk about them.

5. The Transnational Co-operative is a proponent of another view of how militants can best organise in a union. This view, which is by no means confined to the TNC sees the action groups as essentially propaganda organisations.[31] This strategy, which is attractive to some because of its emphasis on research, convincing argument and consensus is inadequate on two counts.

First, the attractiveness of research and publicity activities for militants is limited when there are also concrete political and organisational tasks to be undertaken. Second the consensus required by this view before action can be taken, so as to avoid "divisiveness" and political hostility, can never be achieved. Consciousness develops unevenly. A rank and file group takes advantage of this by promoting and encouraging radical ideas and actions outside the normal consensus of the union — this is intrinsically divisive. Propaganda groups run the danger of declassing militants, by academic practices or turning them into the research

handmaidens of union officals.

For marxists, research and consciousness raising follow on from political activity. They are only relevant if subordinate to political tasks and can only be achieved by involving fellow workers in useful practical activity.

The situation in the VRG Reform Group is somewhat different from that of the other action groups. The hard core of the VRG has a clear rank and file perspective, rather than an electoralist one. The arguments, outlined above, have carried far less in GEAG, PSAG and GERAFA. The VRG is caught in a contradiction. For most of the large number of the VPSA who give passive support to the VRG group, its significance is primarily electoral. They see the solution of the problem of the union in terms of replacing the "professionalist" leadership. Hence the difference between the response to the VRG campaign for General President (47% of the vote) and to a demonstration against staff ceilings (less than 60 people turned up). The VRG has credibility in the eyes of many Victorian public servants. Its problem is to increase their awareness of the group's politics, and to convince them that only their own activity and involvement can change the union, rather than the election of VRG members to official positions.

Conclusion

PROVIDING a focus for militant activity is the key aspect of a rank and file group's orientation to the office floor. That is, encouraging unionists to take matters into their own hands, in the Department or office. For example PSAG and GEAG have emphasised the need to set up joint union committees to present a united front of unionists to management in work places. This is particularly crucial when management is on the offensive, as in the case of Joint

Management Reviews. But it is also important in cases involving accommodation and other "routine" matters.

In such cases union officials will be able to achieve little, unless union members are prepared to take action. In many cases they must be prepared to act independently of hostile officials as well as management. During late 1979 and early 1980 GERAFA has been agitating for general meetings to ensure an effective rank and file controlled campaign over the union's 20% wage claim. For four months ACOA officials were totally inactive apart from preparing a case for the Arbitration Commission. Their strategy has been the same as that used in the CERR campaign: token industrial action to get the case into the Commission, no mobilisation of the whole union membership.

In contrast to an electoralist, vote gathering attitude to office floor organisation, the rank and file approach is characterised by "consistent militancy". Only militant action decided upon by and involving the union's membership will be successful in defending their living standards and extending their control over the work-place. The current crisis of capitalism and its restructuring mean that no victories will be won, or defensive actions be successful, as a result of conciliation, collaboration or "reasonable dialogue" with bosses.

It is clear that militancy is not at present the keynote for all actions by clerical unions. The majority of members are not yet consistently militant nor does the structure for implementing such policies exist. However, this does not mean that they are utopian or impossible, only that a long term strategy for their implementation has to be adopted. Pandering to the backwardness of sections of the union membership cannot be a part of that strategy. Such an approach only reinforces a conservative "common sense". The central purpose of a rank and file organisation is to change what are

accepted as reasonable" policies and actions for the union. This can be done by offering a pole of attraction on the left; a pole in terms of the ideas put forward and also an organisational focus. Those attracted to the focus will be militants in the union — people looking for strong policies and proposals for action, who recognise that their effectiveness will be enhanced by joining a rank and file group. In order to do this it may be necessary to appear "unreasonable" and to jeopardize "credibility" in the eyes of more conservative members.

For example, the action groups have a responsibility to point out that arbitration is a dead end — the grave-yard of disputes — despite the committment of public service union officials to arbitration and the widespread belief that significant gains can be won purely through the Commission. Similarly, abortion and other "social" issues are important areas of work for the action groups. The availability of abortion directly affects the ability of women to enter and remain in the work force.[32]

Ultraleftism, which is not yet a danger in any of the action groups, consists of destroying credibility in the eyes of already militant workers, not those of the less conscious ones. Without standing on the left edge of what is "reasonable" to militant workers, the prospects for drawing them to the left and into the group are minimal.

In the case of Arbitration, there are plenty of examples of the lack of success of other unions' claims. Then there is the example of the CERR debacle. Militants in the public service are receptive to the idea that what happens outside the Arbitration Commission is more important to the final determination than the charade inside. It may be difficult to convince a majority of public servants that this is the case, given the importance of the ideology of state neutrality in the public service, but it is not impossible and it is becoming easier. The public service unions' wage claim will be a dismal failure if this militant position is not pushed and is not available as a

guide to action.

With abortion it is not a question of convincing unionists that free abortion should be available on demand. 70% of Australians already believe that abortion should be legal. The task is to show that abortion is a class issue. This is relatively straight-forward for well developed militants and women who have been in contact with the women's movement. They are the people whose activities will convince others.

By building the groups, through recruiting militants, the opportunities for greater contact with other workers grows — it becomes easier to discuss politics with more of them and to involve them in action on the office floor. It is through such action that consciousness changes, opening the way, not only to militant trade union consciousness but also revolutionary class consciousness. For revolutionaries, militant trade unionism is not only an end but also a means.

Footnotes

1. The emphasis in the following account is somewhat biassed to the administrative and Clerical Officers Association, as this has been the main area of my research and experience. There is extremely little published material available on any of the public service clerical unions. I am indebted for much of the information in the article to workers in the various unions. Jeff Soar's Honours Thesis in Sociology at Monash University (1980) is a very useful source on the VPSA. My own Honours Thesis (Macquarie University 1978) also includes material on the Commonwealth Public Service labour process not brought together elsewhere.

2. For a specific, if over theoretical, account of how marxist class analysis can be applied to the public service see G. Carchedi "The Economic Identification of State Employees", *Social Praxis* 3(1-2).

3. Thus changes in the public service labour process are conditioned by the class struggle and economic conditions in society at large and the combativity of workers in the public service.

4. For a more detailed account of the nature of internal labour markets see R.C. Edwards "The Social Relations of Production in the Firm and Labor Market Structure" in R.C. Edwards, M. Reich and D.M. Gordon (eds) *Labor Market Segmentation* Heath 1975.

5. See recruitment and induction literature for the public service for examples of the "career service" ideology.

6. Australian Bureau of Statistics, census figures.

7. Ibid.

8. C. Harman *Is A Machine After Your Job?*

SWP (Britain) 1979.

9. N.G. Butlin, A. Barnard, J.J. Pincus "Public and Private Sector Employment in Australia 1901-1974", *Australian Economic Review* 1st Quarter 1977.

10. eg *Federal Public Service Journal*, November 1948 and March 1949.

11. see Bruce Juddery's forthcoming history of the ACOA.

12. The idea of the ruling class offensive is elaborated in my "A Poor Start to Prosperity" *International Socialist* 8 1979.

13. See R.N. Spann *Public Administration in Australia* NSW Government Printer 1975, p502. Scientific management techniques had been current in Australia for a long time — they had set off the 1917 railways strike in NSW for example.

14. See K.E. Grainger "O & M in the Public Service" *Public Administration* 17(2) June 1958 for details.

15. For an excellent analysis of scientific management see H. Braverman *Labor and Monopoly Capital* Monthly Review Press 1974. A typical O & M exercise was the introduction of production line organisation into registries, for example.

16. Braverman ibid.

17. See the Public Service Board (Commonwealth) "Submission to the Committee of Inquiry into Technological Change" July 1979 and its ADP Resource Planning publications.

18. G.E. Caiden *The Career Service* Melbourne University Press 1964 p417.

19. Pat Lanigan, Director of the Department of Social Security 18 October 1978.

20. Answer to question on notice number 2204, to the Treasurer, by Bill Hayden, 27 November 1978.

22. The following is based on the avalanche of leaflet literature which accompanied the CERR campaign, the *ACOA Journal*, issues of *Grey Collar* (published by GEAG) and discussions with ACOA members in different Branches.

23. *Canberra Times* 20 February 1980.

24. "Whose Union 2nd Edition" (leaflet, Anne Forward March 1979; for the view of the right wing of the ARG.

25. *Alternative Viewpoint* May 1979.

26. For example *Alternative Viewpoint* May and June 1978.

27. "Whose Union . . ." ibid.

28. See *Red Tape* (published by the VRG) various issues 1979 and R. Kingsford *VPSA Reform Group Activities During 1979: What We Have Done* (leaflet).

29. This is a quotation from the *Australian Communist* number 96 July/August 1979 journal of the Communist Party of Australia (Marxist-Leninist) — the "Maoists".

30. For the history of early rank and file movements see K. Appleby "The Rank and File Movement Yesterday and Today" *International Socialist* 1:83 1975.

31. See for example the perspective of a *Tribune* article on the ACOA, 29 August 1979.

32. For examples of this approach see *Rank and File* number 3, January 1980 (published by PSAG), *Red Rape* (two newsletters of the same number published by the VRG and GERAFA) and especially *Grey Collar*.

Part Two

The Politics of Health Care

by Janey Stone

THIS is the second part of an article on the politics of health care. The first part, which appeared in *International Socialist* 9, had as its main theme health as a social issue. I discussed health care in the capitalist economy and the individualisation of health care as a mechanism of social control.

This second part touches on several other aspects of health politics. After describing the history of the capitalist health care institutions in the 19th century, I go on to consider several issues of economic and political significance today.

I conclude with a discussion of strategic issues — a critique of alternative medicine and a brief summary of the class struggle among health workers.

This article is only intended as an overview, and not an in depth study. I suggest the use of the articles and books referred to in the footnotes for further reading.

Janey Stone is a health worker in Melbourne and the author of *Radical Feminism; A Critique.*

Conditions in Early 19th Century Britain

BETWEEN 1970 and 1840 Britain changed over from a rural to an urban society. In 1790 there were about twice as many country labourers as town labourers; by 1840 the reverse was true. Cities exploded. Manchester for instance went from a population of 90,000 in 1801, to 237,000 in 1831 and 400,000 in 1861.[1]

Assisting this change was the New Poor Law of 1834. It created the workhouse system, making it compulsory for those receiving public assistance to enter a work house.

The previous law had provided for payment of a small dole. This discouraged rural unemployed from moving to the cities. The new law required that workhouse care always be inferior to that available from even the lowliest kind of wage labour. The effect was to reduce the market price for labour, and to force all able bodied people to migrate to the cities, creating for the first time a national labour market.

People with habits suitable to rural life now crowded into slums. One historian puts it this way:

Twelve insanitary houses on a hillside may be a picturesque village, but twelve hundred are a grave nuisance and twelve thousand a pest and horror.[2]

Streets were rarely cleaned, dung was left to decay, there were no drains or public garbage collection. The window tax remained in force, leaving only one seventh of houses with enough light to pay the tax. The rivers were stagnant and polluted with factory waste, and had to be seen and smelt to be appreciated. Not surprisingly disease was endemic. The death rate in Birmingham nearly doubled between 1831 and 1834. The working class had a life expectancy at birth only half that of the gentry and professionals.[3] Thus the New Poor Law created the very conditions which the later public health movement cleaned up. And Edwin Chadwick, who is famous for his role in public health, was a principal force behind the Poor Law.

Medical knowledge in the early 19th century was extremely limited. While surgery had developed certain practical skills, mainly during wars, doctors were still bound by mediaeval conventions.

They based their treatments on the theory that disease was an imbalance of body fluids or "humours". Therefore they tried to cure the disease by adjusting fluids, by bleeding, purges and emetics. Various other equally imaginary theories existed and treatments were highly arbitrary.

Consider the treatment Karl Marx received for his carbuncles in 1836. His doctor prescribed four times the usual intake of food, plus four glasses of port and half a bottle of claret daily. When this didn't work he added one and a half quarts of the strongest London stout.

The working class couldn't afford doctors. Many of those who were admitted to workhouses under the 1834 laws were sick as well as destitute. Consequently these institutions effectively became a health care system for the poor. To this day many hospitals in Britain are housed in old workhouses.

The workhouses did not, however, provide tender loving care.

"Our intention," said one Assistant Commissioner, "is to make the workhouses as like prisons as possible." And another: "Our object is to establish discipline so severe and repulsive as to make them a terror to the poor and prevent them from entering."[4]

Women's Ward in Bellevue Hospital

Thus, from the beginning the hospitals served a political rather than a humanitarian purpose. So did medical theory.

Reform and Revolution in Health Care in Britain

THE medical theories and advances in practices of the 19th century were closely associated with the concurrent social conflicts. And the outcome, both medical and social, formed the basis for our current health care system.

In the first half of the 19th century there were two conflicting theories on the origin of disease.[5] Contagionism argued that some diseases were contagious and were spread via commerce and population movements. Its competitor, anticontagionism, insisted that disease wasn't contagious but came from "miasmas" — clouds which arose from garbage and filth.

The two positions were each closely associated with class and political movements. Contagionist leaders were primarily high-ranking military physicians. Their medical methods were based on quarantine, which tended to limit trade.

But these were the great days of laissez-faire capitalism. Quarantine meant isolation for up to 40 days, which was economically intolerable in a period when export was growing at 7.3% annually.

For this reason, a section of the newly developing bourgeoisie were anti-contagionists. They wanted to leave ports and commerce alone, and instead eliminate filth and swamps, which their theory argued produced disease-causing "miasma".

For instance, the 1831 cholera epidemic definitely came to London through the port of Sunderland. But the shipping interests declared this assertion "a wicked and malicious falsehood" and organised a statement from 23 doctors attributing the epidemic to "spontaneous malignant cholera".

The 23 doctors were anti-contagionists. This current opposed interference and bureaucratism. They were "reformers fighting for the freedom of the individual and commerce against the shackles of despotism and reaction". It was this group which was the base of the British Sanitary Reform Movement.

In the period leading up to the revolutions of 1848, anti-contagionism was at its height. In 1842, Edwin Chadwick published his *Report on the Sanitary Condition of the Labouring Population of Great Britain*. Several prominent citizens, including Charles Dickens, joined him in the Reform Movement. They attacked "the slum houses, noxious and odious factories . . . inefficient water boards and offensive burial grounds".

For a time the Sanitary Movement rode high and achieved several reforms. There are three main reasons for their success. Firstly, the state of the workers' health was seriously affecting their ability to work productively. The deterioration of their physical condition was so marked that by the time of the Boer War the rejection rate for national service was up to 60%.[6]

Secondly disease has a way of spreading, and the upper classes had to protect their own health. The first Public Health Act was passed in 1848 to meet an impending cholera epidemic. Cesspools were filled in and WC's introduced. The water borne sewerage which drained into the Thames became particularly offensive, specially to the noses of the parliamentarians at Westminister. In 1855 the drainage was altered so the sewerage entered the Thames much lower down.

The third main reason for the success of the Reform Movement was capitalism's need for reforms to head off radicalism. The Reformers saw themselves as introducing changes for the ruling class's own good.

Chadwick argued that the epidemic diseases were weeding out the older "more responsible" workers and the unions were being taken over by "a population that is young, inexperienced, ignorant, credulous, irritably passionate and dangerous".

He warned: "If a Chartist millenium is to be averted, the governing classes must free the governed from the sharp spur of their misery by improving the physical conditions of their lives".[7]

The reformers had reason to be afraid. 1848 saw not only a cholera threat, but also the last wave of Chartist movement. The radicals were also anti-contagionists, but unlike the reformers they didn't emphasize the biological aspects of the miasmas. They saw disease as arising from social conditions — poverty, filth, malnutrition and stress.

The radical equivalent of Chadwick's report was Engels' *The Condition of the Working Class in England in 1844*.

In France and Germany, the radicals formulated the theory of social medicine which as a movement was associated with the revolutions of 1848. For instance, in reporting on a typhus epidemic Rudolf Virchow, a social medicine physician, called for free public education, separation of church and state, progressive taxation, cultural autonomy for national minorities, agricultural collectives and full employment.

The European social medicine movement was defeated with the defeat of the revolution.

The Chartist movement in Britain declined. In the area of health, the workers' movement was diverted into forming their own health services through the trade unions.

The Sanitary Reform movement did not live much longer. Many influential business people resisted the reforms, especially such groups as slum landlords and water companies. The threat from the radicals was no longer pressing. When the 1848 act fell due for renewal in 1854, there being no longer any cholera threat, Edwin Chadwick was retired and the Board of Health reconstructed with

much narrower powers. Later acts led to only piecemeal and bureaucratic changes and by 1880 funds were being withdrawn from public health.

The contagionists won the day politically. And in the 1890's when the germ theory of disease was discovered, they seemed to have won the scientific debate. Yet though the anti-contagionists had based themselves on a wrong theory (there are no miasmas) their reforms resulted in an improved standard of living. Better drinking water, sewerage systems and better housing were the main cause of the massive drop in death rates.

To sum up, the greatest change in health came about as a result of social measures on the basis of a wrong theory. The social measures were not altruistic but the result of class pressures and political necessity. Health is a social issue; medical technologies are secondary.

A SOCIETY DISEASE.

DR. SCHMERZ. — Nervous prostration. You need rest.
MRS. AIKEN. — Why, I do nothing but rest!
DR. SCHMERZ. — Well, try some light employment. Watch other people work.

The Creation of the Professions

DOCTORS

DOCTORS as a professional group are a central component of health care under capitalism. In Britain they were already a well-established group during the 19th century. But the USA did not have the same traditions. It is instructive to see how the profession was formed there.

Professions play a particular role in the social system:

A recognised profession is not just a group of self-proclaimed experts. It is a group which has authority *in the law* to select its own members and regulate their practice . . . In other words professions are the creation of a ruling class.[9]

A profession is not based on greater expertise, but on its social role. Its social position then allows it to monopolize the means of getting expertise. This can be clearly seen in the history of doctors in the USA.

During the 19th century, lay-healers, medico-religious sects and snake-oil peddlers of all sorts co-existed alongside the official doctors known as regulars. As in Britain, regular doctors concentrated on heroic measures such as bleeding and purging. They could not be distinguished from quacks by any scientific knowledge. Around the turn of the century, an orthodox treatment for TB was to soak the feet daily in soup "to restore the equilibrium of the system".[10] A committee investigating Bellevue Hospital in the late 1870's couldn't find a bar of soap on the premises.[11]

By 1900, the USA had 173 doctors per 100,000, compared with 50 today.[12]

On top of this they had to compete with the lay-healers. For most of the 19th century, regular doctors had to use their own resources to compete. The disruption of the Civil War, and the legal fragmentation of the State-based federation meant that national cohesion of the profession had to await the turn of the century.

One way doctors managed to survive was use of the myth of female frailty. The social role of upper class women — to do nothing and do it decoratively — fitted well with this myth. As usual the medicoes developed a pseudo-scientific theory to justify the social necessity. Women were naturally weaker due to natural female functions. "Every woman should look upon herself as an invalid once a month".[13]

Everything female was inherently sick, and headaches, nerves and even death were fashionable. Doctors cultivated the illnesses of their patients with frequent home visits and prolonged treatment. In Ehrenreich and English's apt phrase, "a few dozen well healed lady customers were all that a doctor needed for a successful urban practice".[14]

Although put forward as a "scientific" theory, female frailty really was only intended to apply to middle and upper class women. Working class women, like their men, were expected to be industrious and strong.

Towards the end of the century, a reform oriented Public Health Movement developed.[15] As in Britain, the reformers were aiming to counter the influence of radicals, and protect upper class health and business interests. For instance, the National Association for the Study and Prevention of TB calculated the cost of TB among the poor in terms of absenteeism among workers, relief required for orphans and the risk of their own contamination.

Mrs. Plunkett, a household hygience expert, recommended "enlightened selfishness" to the upper classes:

The upper 10,000 are learning that their sanitary welfare is indissolubly connected to that of the lower 10 millions, and it is the perception of this truth that has caused the wave of emotional interest in the condition of the poorer classes.

The Public Health Movement ran more than a propaganda campaign. The police and other forces of the state were closely involved.

In New York City, public health was originally a police function and the first Metropolitan Board of Health included equal numbers of doctors and police officials. Public health officers actually saw themselves as a type of police. An article in 1910, for instance called for police powers to hunt down an estimated 20,000 "loose" TB victims.

It is as if the enemy had stolen through the pickets at night and there were no police to follow them.

"It's all perfectly straightforward, Mrs Bradley. I prescribed the big white pills and you were allergic to them, so we tried to counteract them with the little yellow ones, which were fine except that they produced dizziness and itching, and now I'm putting you on the oval-shaped ones for that."

The case of Typhoid Mary is another example. She was a typhoid carrier who had no symptoms herself. As a cook in affluent households she was responsible for 52 cases of typhoid. In 1907 she was apprehended and placed in solitary confinement on a tiny island in New Yorks East River for 3 years.

The American Public Health Movement did not go even as far as its British counterpart. By concentrating on individual victims of disease, they ignored the root cause in the conditions of life in the slums and factories of the time.

It took socialists such as Upton Sinclair to expose these conditions. His book, *The Jungle*, gave a horrifying picture of the Chicago slaughteryards at the turn of the century. Even then, subsequent legislation was directed mainly at the contamination of food (to be eaten by upper classes) and the workers' conditions were largely untouched.

The American equivalent of the radical movements in Britain and Europe was the popular health movement formed by lay-healers in the 1830's and 1840's. Again, although their conflict was to some extent over medical methods, neither side was based on scientific knowledge. However the methods of the lay healers were probably less harmful. For instance, Ladies' Physiological Societies were common. They ran courses on preventative care, emphasising such things as frequent bathing and loose fitting clothes for women.

Although populist in nature, the movement had a certain working class content and radical outlook. They attacked regular doctors as members of "parasitic non-producing classes", and linked "King-craft, Priest-craft, Lawyer-craft and Doctor-craft" as the four great evils.

The Public Health Movement had consisted mainly of middle class women acting in the interests of the ruling class. After 1900 big business acted directly.

The period from 1880 to World War I was one of drastic social upheavals and mass class struggle. Rapid industrialization followed on the victory of the capitalist mode of production in the Civil War. The new urban proletariat reacted explosively to their miserable slums and horrendous working conditions. The capitalist class had to try to solve these problems without hindering the development of the new social system.

One writer puts their solution this way:

The response of the capitalists, as a class, manifested itself in the transformation of social problems into technical problems . . . Beginning in the 1880's and 1890's a general scientism permeated the country.[16]

For instance, Taylorism and scientific management were introduced into industry and scientific agriculture into farming. And the professions of law, medicine, theology and engineering were reformed and placed on a scientific basis.

The ruling class acted through the so called "philanthropies" such as the Rockefeller and Carnegie Foundations. They felt that as long as a "large number of unfit and ignorant men" could enter a profession, its role was limited. With the right training, professionals could exert a stabilizing influence and be agents of social control. Restricted entry and prolonged education would ensure the new professionals were socialized into the values of the ruling class.

From 1903 the foundations poured money into regular medical schools by the millions. The Flexner report in

1910 provided the basis for new strict licensing laws for doctors. Only those schools which lived up to high standards would be legal.

Modern medicine based on the germ theory was just being introduced. Reforms were obviously necessary, but only the bigger and richer schools could afford the new laboratories and sanitary improvements. No foundation money went to the poorer schools and they closed by the score. Six out of eight black medical schools closed, and also most of the "irregular" schools. This excluded women from medical training, because they weren't allowed into the regular schools.

The new emphasis on science and research also contributed to the class bias of the new doctors. In the absence of scholarships, only the independently wealthy could afford to concentrate on the new science, rather than making a living by practising medicine.

This process sealed the white male monopoly of the medical profession. And it sealed the position of the profession as the instrument of the ruling class. Doctors gained this role not on the basis of medical knowledge, but on the basis of their social and class interests.

The foundations also invaded public health directly.[17]

The Rockefeller Sanitary Commission set up programs to deal with hookworm and malaria in the southern States. Work time lost due to these debilitating illnesses had been limiting productivity. Rockefeller and his friends of course were not interested in structural changes, but in getting workers back to work, so the Commission concentrated on narrow individual methods such as education.

In fact the rate of these diseases was already dropping before Rockefeller intervened, due to an improved standard of living. For instance hookworm is picked up through bare feet. With a higher standard of living children wear shoes.

Once the Commission's program was well underway, its policies and methods determined by Rockefeller, it was handed over to the government to be funded out of public money.

NURSES

Before Florence Nightingale, nursing was either a religious vocation or a low status job. Dickens has pictured them as drunks and thieves, which isn't surprising given the disgusting conditions of hospitals at the time.

Nightingale did not act out of altruistic motives. She was interested in developing an occupation suitable for upper class women suffering under the enforced idleness the Victorian era imposed on them. She certainly had no intention of creating a genuinely independent role for her nurses. When they arrived in Crimea, the doctors at first ignored them. Nightingale refused to allow the women to lift a finger to help the thousands of sick and wounded until the doctors gave an order.[18]

With the nurse, as with the soldier, whether we think it right or not is not the question. Prompt obedience is the question. We are not in control but under control.[19]

Nightingale's search for an occupation suitable for ladies coincided with the consolidation of the medical profession and the introduction of scientific medicine in the late 19th century. The more educated doctors needed obedient nurses to carry out their orders. Modern doctoring and nursing are complementary.

Florence Nightingale was an aristocrat. Her lady nurses didn't need money and so the tradition of poor pay was established. The increasingly important hospitals found that nursing schools provided a ready supply of cheap labour.

Hand in hand with obedience goes ignorance. In the early days, doctors forbade nurses to read medical histories, and even put numbers

rather than names on drug bottles.[20] The first nursing school in Ontario (Canada) had as its motto, "I see and am silent".[21]

This philosophy has persisted almost unchanged till today. An administrator at London Hospital said in 1950,

We want to stop nurses thinking themselves anything more than they are, the faithful carriers out of the doctor's orders.[22]

Today's trainee nurses at a prominent Melbourne hospital are taught this chant:

Who are the patients? Patients are people. Who are we? We are nurses.

The philosophy of devotion and submissiveness, the hierarchical structure, the exploitative myth of altruism — all derive from the religious, military and aristocratic beginnings. And female conditioning provided exactly the right sort of personality. Women were "instinctive" nurses. For instance Nightingale opposed exams and licensing because "nurses cannot be registered and examined any more than mothers".[23] Nurses' exploitation as workers is inextricably bound up with their oppression as women.

Nightingale's upper class women were rapidly replaced by working class girls and nursing remained a very backward area in terms of pay and conditions throughout most of this century.

The conditioning of nurses, severe as it is, would not have been enough to keep nurses suppressed on its own. The cliches about spiritual rewards must have grown rather thin amidst the harsh realities of the job. But when nurses did organise, the false emphasis on "professionalism" to the detriment of trade union activities contributed to their further oppression.

The Royal Australian Nursing Federation (RANF) before World War II is a clear example.[24]

Initially called the Australian Trained Nurses Association (ATNA) it was formed in Sydney in 1899. From the beginning it considered

itself a professional association. It set standards for training and was largely responsible for many current methods and practices. It ignored working conditions as long as possible.

The executive council included doctors and proprietors of private hospitals; nurses were represented by matrons and other senior staff. When the first claim for an industrial award was heard in 1921, the president of the Queensland branch, a doctor, represented both the ATNA *and* the Brisbane Hospital, the single largest employer of nurses in the State.

In the 1920's, hospital nurses often worked a 78 hour week, earning around $200 a year. This compares with $262 for female shop assistants for a 47 hour week.

The ATNA was forced into the industrial area by the formation of a rival organisation. However they repeatedly resisted cuts in hours and wage rises. Private nurses' fees in 1945 were the same as they had been in 1914. Although hospital nurses had gained shorter hours in the 20's, the ATNA called for (and got) an increase in hours and a cut in wages in the depression.

In 1947 the Queensland president summed up the association's contribution:

I have never liked trade unionism as applied to the profession of nursing . . . Your council has done its best . . . to keep that aspect in the background.

Today this pattern is finally beginning to break. Nurses are beginning to realise that professionalism is a chimera — that they will never have the independence and power that doctors enjoy. Instead their interests lie in uniting as workers, in trade union organisation, and in militant on-the-job action.

Economic & Political Issues Today

HEALTH care costs have risen dramatically in the last decade internationally. In Australia the problem has been exacerbated by an increase in the public sector's share of health expenditure. It rose from 56% in 1970 to 77% in 1976,[25] and included a significant increase in the Federal contribution.

Since it came to power in 1975, the Liberal government has complained about the increasing overall costs and ostensibly aimed at controlling them. But their actual aim is quite different — simply to reduce Federal government expenditure. They want to shift the burden of health costs back on to the shoulders of the individual.

Fraser has made no attempt to control costs to the community as a whole. All his policies tend to *increase* costs. Medicines and pharmaceuticals have gone up unchecked, doctors raise their fees when it suits them and so do health insurance funds. Increasing hospital charges is part of government policy.

In Victoria the government tried to make the six remaining free health community centres charge more for medical services than local GP's. They even expected them to charge for social work services![26]

So, to understand the health costs debate we have to look past the government's manipulations. Some of the undercurrents are discussed in the following sections.

Health Insurance

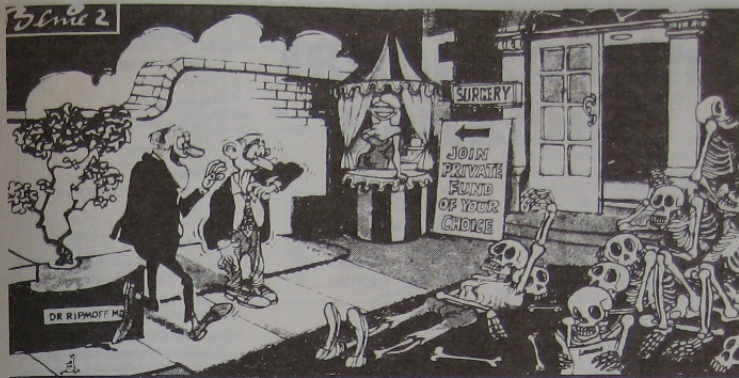THROUGHOUT Australian history, doctors persistently defended their economic interests as a profession against the needs not only of the health of ordinary people, but often of the state and capitalist society as a whole. Although set up by the ruling class, the profession has taken on a certain independence. Their very exclusiveness gives them a degree of bargaining power with the state. At every stage they have resisted schemes which did more than merely guarantee payment.

Repeatedly the AMA rejected any salaried service as being "inconsistent with the individualistic basis of medical practice". During World War II more than 90% of doctors boycotted the pharmaceutical benefits scheme. Similarly the national health act passed in 1948 was never implemented. Whenever salaries were proposed doctors cried out "civil conscription"!

In 1949, Menzies committed himself to preserving "the uncontrolled doctor-patient relationship". The doctors had won. While Britain and other countries introduced national health schemes, Australia now got "voluntary insurance" which meant government subsidies for *insured* patients only.

Medibank is widely believed to have been a major change to this state of affairs. And there is no doubt that it was a major advance. Although its opponents blamed Medibank for much of the rise in costs during its short life, this is not borne out by the facts.[27] Nevertheless, Medibank was never the comprehensive health scheme some saw it as. It was never more than a way of organising *payment*.

Fee-for-service remained at its centre, and the medical profession remained in control of their own incomes. The original scheme incorporated a levy, and it was only introduced without one because the opposition-controlled Senate blocked the levy legislation. The scheme left the boards and bureaucracies of hospitals untouched, and also the 90 or so private health insurance funds and their massive reserves.

Medibank fell very short of a genuine national health scheme of the sort operating in Britain. Even less did it touch on the social sources of ill health in capitalist society.

Even so doctors opposed it. The AMA launched a large well funded public relations campaign. They withdrew some services from public hospitals, particularly in NSW, with the result that the outpatient departments of most non-teaching hospitals had to close. In Canberra they boycotted salaried specialists.[28] The campaign against bulk billing was so successful that in 1975-76 only 32% of paid services were bulk billed.

Nonetheless, it would be wrong to restrict blame for the defeat of Medibank to the doctors or the Fraser government's manoeuverings. The British National Health Service was introduced as a result of the combination of working class pressure and an economic boom in the early postwar period. But the political and economic situation has changed since then. Although Fraser's attacks are largely political, it is also the case that the economic base for a genuine national health scheme does not exist today. Medibank was introduced 30 years late. Indeed in Britain itself, the dismantling of the National Health Service was begun under the recent Labour government. Welfare institutions are being cut back worldwide due to the economic crisis.

The Role of the Doctors in the Cost Spiral

THE national health insurance scheme meant guaranteed payment for doctors, and they took full advantage of it. They charged for short telephone discussions and for just signing a repeat prescription. Fees increased just before and 12 months after the introduction of Medibank, — so much that the fee for surgery consultations doubled.[29]

Table 1 shows clearly that, while health costs are rising faster than the CPI, doctors incomes are keeping even further ahead.

Most of this money isn't being made by GP's. Specialists have the greatest opportunities. For example some radiologists have incomes around the $100,000 mark, often for a work week under 20 hours.[30]

Doctors also stimulate consumption for equipment and other supplies. Between 1962-63 and 1975-76 there was a 300% increase in doctor-initiated diagnostic services (pathology etc.), a 52% increase in specialist referrals, and a doubling of the number of prescriptions per head of population.[31]

The prescription sales help drug companies to the profits I discussed in Part 1. The pathology racket is canvassed almost daily in the papers. An elderly lady with an ulcer, who was treated to 5 months of intensive testing, summed up the patient's point of view: "I am 84, I have had an ulcer for thirty years. The symptoms

"Medibank patients — he tends to keep them waiting a bit longer . . ."

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Table 1.
Income of doctors in private practice

Year	Health expenditure per head	Ave. male wage	CPI	Total gross income of doctors in private practice
1966 — 67	100	100	100	100
1969 — 70	NA	NA	NA	133
1970 — 71	146	137	115	NA
1971 — 72	164	151	122	NA
1972 — 73	181	165	130	211
1973 — 74	214	192	147	239
1974 — 75	289	240	171	311
1975 — 76	363	275	193	NA
1976 — 77*	430	309	220	NA

* Preliminary figures. NA not available.

All figures are indexed to 100 in 1966-67.

Source: Jane Hinton, "The role of ideology in recent changes to health financing policy", *Journal of Australian Political Economy* No 4, Mar 1979, *Discussion paper on paying for health care*. Hospital & Health Services Commission, Canberra 1978.

are not increasing. I can live with the ulcer but I cannot live with any more tests."[32]

One of the best known examples of the sophisticated technology is special X-ray equipment known as CAT-scanners. They cost up to $1 million each, with annual running costs of up to a third of their original cost. While these machines are of great use in certain specific circumstances they are now being used too routinely. Public hospitals use them to compete for prestige and doctors in private practice for patients.

An article in the National Times[33] exposed many practices surgeons use to increase the charge. For instance the standard fee for the removal of a mole (in 1978) was $41. But by making a large cut, and giving the stitching a technical name, the surgeon could charge $150. The authors call this the Lesion Lurk. They also give examples of Encore Surgery, Bladder Blip and Prostate Payola.

A current dispute relates to special teams to remodel the faces and skulls of malformed babies. Canada has only one cranio-facial surgery team, the USA two or three and Britain two. Yet some surgeons are pushing for one in every large city of Australia.[34]

Although doctors figure prominently in this section, it would be wrong to conclude as some do that "the medical profession was and still is, largely responsible for the escalation of health care costs."[35] I have tried to show that hospitals, equipment producers and others have a major role. The increased costs should also be seen against the background of structural changes in the industry.

Restructuring and Rationalisation

THERE are two trends occurring in the structure of health care. One is the transfer of the profitable areas in the health delivery system to the private sector. The second is a tendency for increasing capitalist concentration.
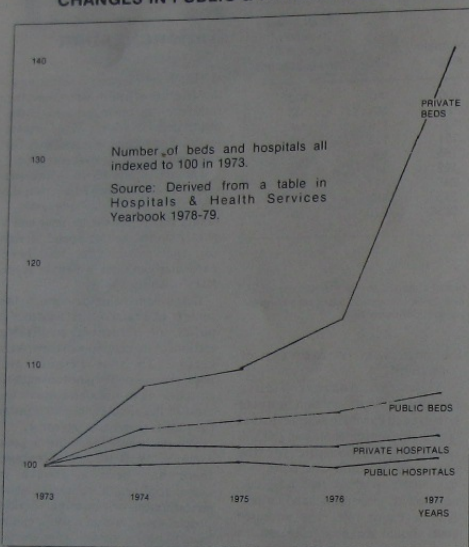
The development of a two-tier system is usually looked at from the point of view of the recipients — luxury service for the affluent and a poorly staffed and equipped service for the poor. This has been particularly evident in Britain as the NHS is whittled away.

But it must also be seen in the context of Fraser's (and Thatcher's) policy of returning profitable sections of the economy to the private sector. In this respect the government's policy is not so much to cut costs as to transfer costs to the mass of the population, and transfer the profits to private enterprise.

Private health funds are a good example. With the recent changes there has been a growth in commercial health insurance, which concentrates on insuring healthy people, out of whom a profit can be made. The traditional funds, such as HBA in Victoria have kicked up quite a fuss. Yet although they are supposed to be non-profit they have their own ways of attracting

Table 2.
Changes in Hospital & Medical Funds

	Hospital benefits		Medical benefits	
	Organisations	Membership (thousands)	Organisations	Membership (thousands)
1971	93	4086	81	3874
1972	91	4155	81	4027
1973	90	4225	81	4128
1974	87	4312	80	4247
1975	86	4347	81	4234

Source: Hospitals & Health Services Yearbook 1978-79.

FIG. 1.
CHANGES IN PUBLIC & PRIVATE HOSPITALS

Number of beds and hospitals all indexed to 100 in 1973.

Source: Derived from a table in Hospitals & Health Services Yearbook 1978-79.

customers. These include advertising wars and such tactics as agreements with large companies to waive the waiting period for their employees. An HCF (NSW) spokesperson states.

Table 2 shows how the funds have grown in membership over the years with Medibank having little effect. At the same time the number of medical funds has remained the same while hospital funds have decreased — an example of concentration.

The Fraser government sees the bolstering of the private funds as part of its policy of strengthening private medicine. And so do the funds themselves. An HCF (NSW) spokesperson states: "Private health insurance is the key to private medicine. We are the buffer for doctors against socialized medicine."[36]

In public hospitals there is a tendency to introduce contract cleaners, send linen out for launderings, and use commercial frozen food services (although these are often no cheaper).

Government cooperation with private capital in building new hospitals is also an expression of this trend. For example the South Australian Labor government announced in 1978 a deal with a group of Adelaide investors and Hospital Corporation of Australia for a new hospital at Christies Beach.[37]

The government guaranteed a $2 million building loan and leased the land. They granted $250,000 to finance and staff a maternity wing (an unprofitable area), while the completed hospital will concentrate on acute surgical treatment, where most profits are to be made.

The Victorian Hamer government negotiated at length with another hospital multinational to finance the relocation of the Queen Vic. (a deal which fell through). HCA's managing director expressed their deliberate aim. "We especially hope to enter into partnership with State authorities to replace older hospitals which become obsolete."[38]

The tendency for concentration is fairly clear. While such sections as medical equipment are obviously already highly monopolised, doctors themselves, as far as they are commodity producers, have traditionally been small scale or petit bourgeois producers. This is now changing as doctors more and more enter group practice. Years ago the typical GP ran a solo practice in the suburbs and did everything including night calls, obstetrics and even surgery in hospitals. Today locum services have taken over the night calls, specialists the surgery and obstetrics. Nearly half of doctors in private practice are not solo.[39]

Traditional GP's are disappearing — there is even discussion about turning general practice into a specialty known as "family practice".

This is one reason why we see so much public discussion about the over supply of doctors. Given the tendency to concentration and the enrichment of some doctors (mainly specialists) allowing the number of doctors to increase will lead to relative impoverishment for many of them.

As opportunities in private medicine open up, existing hospitals tend to expand rather than new ones being built. Private hospitals are actually subsidised by the Federal Government by about $140 million a year.[40] **Table 3** shows the 40% increase in private beds with only a 4% increase in the number of hospitals. The American hospital companies in Australia also make a point of buying existing hospitals and expanding them rather than building new ones.

Much publicity has been given to these American companies. Between them they already own or have completed arrangements for a couple of dozen hospitals and more are added every week. They have moved into the Australian market at least partly because of tightening restrictions on health spending in the USA. At least one British company is also in the Australian market.

Articles about them usually emphasise their foreign-ness. But actually a lot of the finance is being raised in Australia. For instance in the Adelaide venture, money comes from a syndicate of Australian financial institutions.

There has been a mixed reaction from the Australian medical establishment. Doctors at Queen Vic. in Melbourne were largely responsible for the deal with American Medical International (AMI) falling through. On the other hand, doctors in Orange (NSW) welcomed the purchase by the Hospital Corporation of Australia (HCA) of the local private hospital. They were "keenly interested in the provision of capital by HCA without government control."[41] The new private facilities give doctors at the local public hospital more opportunity for private practice.

The move into Australia by these American companies has to be seen as part of the restructuring that is going on. It is capitalist medicine as such, not "American multinationals" which should be our target (see strategy section).

Health Maintenance Organisations

HEALTH maintenance organisations (HMO's), also called pre-paid health plans (PHP's), are the latest suggestion for solving the health cost crisis. Members pay a fixed amount per year; they then attend doctors and hospitals contracted to the scheme.

Their inbuilt cost cutting incentives, based on American experience, are supposed to be their strong point. One has already started in Sydney, and Medibank officials have already visited the USA to see how they run.

Some good arguments have been made against them. They choose the people they cover because, as an executive of one American HMO admitted, "we don't want to wind up with a lot of risks". He also admits that they "are not providing a Cadillac type of medicine" and "there may be more congestion than in other places."

But there is another side to HMO's which is given less publicity. Although cost is the main public argument, political and structural issues also demand consideration. For instance one medical professor argues for them as "a private sector initiative" which would "offer a serious alternative to what otherwise appears to be inevitable future government and political control of the entire health care system."[42]

In the USA, HMO's are a private sector initiative of a more conspicuous kind. They are generally sponsored by large corporations — Kaiser for instance is a steel and mining multinational.

In recent years there has been discussion among America's top corporations on ways to rationalise the health delivery system, and increase corporate control. HMO's are at the centre of their strategy.[43]
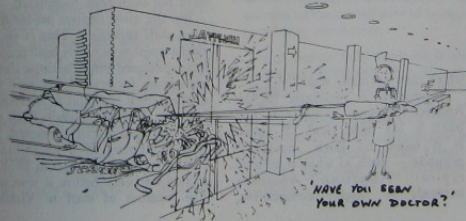
In a way similar to the intervention of Carnegie and Rockefeller at the turn of the century major corporations are intervening today.

Their aim is to increase corporate control of health policy. The Wall Street Journal, for instance, recommends stripping "the medical societies of the power to inhibit more efficient methods of delivering medical care — corporate organisation for example — and the various restrictions on competition'.

The Nixon administration particularly encouraged big business to help in designing a national health policy. They suggested that "free enterprise solutions that have been effective in solving the problems of conventional business can be applied with similar effect within the health industry".
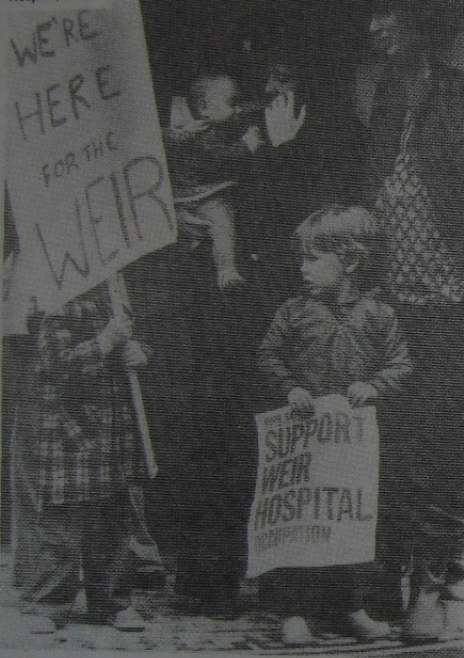
Matters haven't gone this far yet in Australia. But we are definitely not in the clear. Major business bodies repeatedly make proposals on health and welfare policies. The Metal Trades Industry Association, for instance, called for the main burden of restraint in government expenditure to be in health education and welfare before the 1978 Budget.[44]

Australian corporations are already in a good position to intervene more actively in health care — many of their top executives are on public hospital boards. At Prince Henry's in Melbourne there are Ken Myer and Peter Parkin (an ex-director of Mobil Oil). On the board of Royal Prince Alfred in Sydney are Sir Robert Crichton-Brown (vice-chairman of Rotman's) and Owen Ernest Stanley (chairman of Rolls Royce and Standard Telephone and Cables and a director of Consolidated Goldfields).

'HAVE YOU SEEN YOUR OWN DOCTOR?'

Hospital workers occupy Weir Hospital, Britain.

energetic marketing approach".

The doctors at Queen Vic. feared "that the doctor patient relationship in these hospitals might be affected by the intervention of management's financial agreements".[46] Also, "they are interested only in making a profit and if allowed to continue they will cream off the top leaving the expensive and unprofitable services to the public hospitals and the public purse".[47]

In reality this is precisely what private medicine is doing anyway. Illusions of medical practitioners notwithstanding, it is intrinsic to capitalist health care. The central issue is not the nationality of the companies, but private medicine itself.

Health Cuts

THE health cuts which we are experiencing in Australia have to be understood in the context of the structural changes which are occurring in the industry and the international economic situation. The fight against the cuts should not be based on a false idea of the wonderful system Labor would have introduced "if only they'd been given a chance".

Some of the cuts have been in building programs. The relocation of Melbourne's Queen Vic. to the outer suburb of Clayton is a well known example. First projected in 1958, the planned number of beds has been dropped from 1000 to 300. Architect's plans for the new version have not even been completed.

But the more serious problem has been staff shortages. This is so bad that a number of newly built facilities have remained empty because there is no money for staff.[48] The new wing of the Alfred Hospital in Melbourne is a case in point. A whole floor with over 100 beds is still unopened. The new equipment at a rehabilitation centre opened in Hobart in 1978 ran out of warranty before it was used. The number of staff in Victorian

mental institutions is up to 7 times lower than international standards.

In Britain, the cuts have resulted in a number of hospital closures. The strategy in Australia seems rather to be to close wards and cut back services rather than close entire hospitals. For instance with the opening of Westmead in Sydney's outer Western suburbs, Parramatta Hospital is being cut back. The maternity and paediatric units were shut and its role is now restricted to a geriatric and rehabilitation centre.[49]

Cuts are in the areas most used by ordinary people — obstetrics, mental health, long term care for the elderly. Casualty units are more than emergency care — many poor people go there instead of to a GP. Funds and staff of community health centres have been cut so badly that even NSW Premier Wran admits they are in a mess.[50]

On the other hand, facilities for the affluent are expanding. Not only are there increasing numbers of private hospitals and pathology services. But such luxuries as cosmetic surgery are actually booming while working class people are finding it harder and harder to pay for basic care.

Is Alternative Medicine the Answer?

THE mystique of omnipotence cultivated by the medical profession is cracking today. Many people are casting about for an alternative to doctors and hospitals. A wide range of therapies have become popular under the broad cover of "alternative medicine", including yoga, health foods, acupuncture, women's health centres, iris diagnosis and herbal medicine. They can be grouped together because of the common view about all of them, that somehow they represent an alternative to orthodox medicine — they offer a strategy for health workers and those concerned with health issues.

In reality alternative medicine

shows many striking similarities to orthodox medicine. There is the same individual treatment delivered by fee-for-service practitioners. To the extent that prevention is considered, the emphasis is on personal behaviour (such as diet and mental attitude). When ill health is clearly socially oriented, as in work related disease or asthma caused by pollution, the individualistic answer is all too common — move to the country or cultivate an appropriate frame of mind.

Whether the therapy is in small groups, or whether the medical service is run collectively doesn't change the argument. The concentration on technique rather than social relations by its very nature leads to individual solutions rather than strategies for changing society.

The similarity goes beyond individualism. As with conventional drugs, "alternative" drugs are highly profitable.

Laetrile, for instance is already a multi-million dollar industry, despite its illegality.[51] While the debate over its effectiveness against cancer rages, its discoverer Ernst Krebs lives in a castle in San Francisco and one doctor, John Richardson, took in $2.8 million in 3 years.

The laetrile promoters in America use their money to buy electoral support in Congress. One supporting organisation, the Committee for Freedom of Choice in Cancer Therapy, is controlled by the extreme right-wing John Birch Society.

Whether the drug works or not is beside the point. Mylan Brych for instance, used a fairly standard form of chemotheraphy and relied on his success on the *appearance* of being in some way alternative.

The health food business is also immensely profitable. Here are some examples from a worker in a health food warehouse. They passed off ordinary wheat as "organic wheat" and hid two year old apricots in dried fruit mixture. Bran costing 3 cents a pound was sold for 48 cents a pound.[52]

The idea of self help in health care has wide appeal as a strategy, especially as it seems to offer a collective alternative:

> Self help is of course socialist. There is no money to be made from self help because people can decide for themselves whether they need drugs, services and expensive professional care.[53]

This is wrong on both counts. Self help fails in its efforts to provide an alternative, socialist strategy. And it can be and is exploited by capitalism.

A good example of self help groups are the women health centres, which the person quoted was in fact discussing. They have experienced a dilemma from their beginnings. Without government funding, their resources are extremely limited. Unable to touch the social sources of the problems they seek to combat, they are faced with a never ending stream of women seeking help. They can offer little more than bandaids.

Yet *with* funding the problem is intensified. They then are subject to government controls and dependence inhibits radical experiments. And the funding can be removed at any moment with any change in the political wind.[54]

Women's refuges, aboriginal health centres, drug rehabilitation centres — they have provided good services over the last few years. But they have not offered the political strategy that was claimed for them; on the contrary their political problems have intensified in Australia with the Fraser government.

The argument is true of *any* community project whether its services are orthodox or alternative. And all such projects, while they remain unlinked to a broader political movement, have the same effect as charity. They provide services which should be provided socially, that is by the government.

Governments and big business have found opportunities to use self help groups in their current cost cutting campaigns. According to the American business magazine Forbes, many corporations are developing an

These are no exceptions — in fact it is quite routine to have prominent business people on hospital boards. As the government's own discussion paper says, "many are accustomed to these methods for improving efficiency and productivity which are the ABC of the commercial world in

which they normally work".[45]

Opposition in Australia to the American hospital companies has been a bit hysterical in tone. It is based on fairly superficial grounds — such as what is seen as typical "American" business methods — "highly competitive,

interest in alternative health "because it emphasises more money-saving prevention and patient responsibility".[55] A recent editorial in the prestigious journal *Science* suggests that "one of the cheapest ways to put a cap on spiralling health costs is through greater self care".[56] *Science* points to the reduction of costs by 45% in a haemophiliacs' self care program, and a saving of $1.7 million in a diabetics project. They conclude:

> The potential human and economic savings inherent in such efforts argues strongly that self help groups should be encouraged and promoted.

Self help is not the only aspect of alternative medicine which fits in with government cuts in health care. Governments planning cuts regularly draw on the work of certain well known alternative theorists.

Among these is Ivan Illich, who has some credibility on the left as a radical or even a socialist. His ideas have certainly had an impact on the left. Illich has also argued his case before senior policy makers in Europe, and had interviews with the Assistant Secretary for Health in the U.S. Australian government papers also refer to him.[57]

To summarise Illich's arguments extremely briefly:[58] Our western medical institutions cause more ill health than they can cure. This is because industrialisation has destroyed humanity's link to nature which is found in earlier and third world cultures. Professional medicine destroys the individual's ability to act for themselves.

Illich proposes a retreat from industrialisation, an end to professional medicine, and instead reliance on the "autonomy of the individual."

Illich assumes capitalism and state capitalism as "natural limits." For him industrial society is capitalist industrial society. He prefers to turn to early laissez-faire capitalism. But as one critic, Lawrence Miller, argues, health care fails precisely because:

> It does not deal with the fundamental social problems that normal operation of capitalist institutions generates ...

To fully understand health beliefs, activities and ideologies in contemporary society we must look beyond medical attitudes and beyond even Illich's industrial ethos, to the economic and social bases of human activity.

The reactionary utopianism and elitism of Illich's philosophy became very clear in a recent article.[59] He takes as a social model the Aztec civilisation in ancient Mexico and eulogises their high culture and spiritual health. While the Aztecs were highly developed in mathematics, astronomy and medicine, they had only minimal technology. They did not use the wheel, the plough or any beast of burden.

> This kind of high culture, that builds power on weakness is unique to the New World . . . In this world, in which power was based on the acceptance of weakness, the goal for each man was to shape his face. The means to reach this goal was poetry.

Illich does not even mention the vast majority who could not indulge in poetry and spiritual activities. The high culture of the ruling minority was based not on "realistic acceptance" of weakness, but on the exploitation of the peasant class and their toil unaided by any sort of technology.

As one writer puts it, Illich is "radical in style, but intrinsically conservative in message and substance".[60]

Alternative medicine fails as a strategy because of its emphasis on such anti-technology theories and its fascination with techniques. Alternative techniques might or might not work. Either way they are not intrinsically anti-capitalist. If they were we would not find acupuncture, chiropractic and other methods as widely accepted as they are. Nor would corporations use meditation to increase employee productivity.[61]

What is needed is not "alternatives" that remain trapped within a capitalist logic, but a struggle which challenges that logic itself.

Class Struggle in the Health Care Industry

GOVERNMENT welfare cutbacks are a central pillar of ruling class attacks throughout the world. This has put government employees in the forefront of the class struggle.[62]

Although most hospital workers in Australia are State employees, most of the cuts are the result of Federal policy. This gives the struggle against them a highly political character. The crucial issues at the moment are the "bread and butter" ones of jobs and wages, yet any action around these issues immediately raises political questions. For this reason, resistance among hospital and other health workers is important for the workers' movement as a whole.

It is essential to establish at the outset that the fight against cutbacks is a progressive one. The supposed oversupply of doctors, nurses and hospital beds is sometimes accepted by the left. While I have discussed the role health institutions play in repression and profit-making, I want to emphasize that cutting them back is no answer. The "oversupply" of doctors is really only a threat to the finances of the doctors. **Table 3** shows that working class areas are undersupplied. Yet any cuts in total number will affect those areas first.

The "oversupply" of nurses is an excuse to cut staffing levels and increase the workload. The "oversupply" of hospital beds is a cover for the government's policy of cutting public facilities while making no effort to control the expansion of private facilities. It is essential for us to resist these cuts, and expose the propaganda used to justify them.

Hospital workers have not traditionally been militant. In an area where devotion to patient care has been used to justify apalling wages and conditions, there has been a previously unheard of degree of struggle in the last 5 years. The devotion argument is rebounding on

Fighting the health cuts — When Melbourne's Austin Hospital was told to cut costs in 1977, the Board of Management tried to increase workloads from 35 to 40 hours for clerical and para-medical staff. The workers called their bluff at this stopwork meeting — and the State Liberal Minister for Health had to step in and tell the Board to back down.

its initiators — because the cuts seriously affect patient care, workers feel compelled to resist.

The rise of the women's movement has also contributed to the new wave of militance. Nurses, and women cleaners and kitchen workers in this predominantly female industry are no longer prepared to accept the poor conditions with feminine docility.

It was a "women's" issue which started the current wave in Australia, when Hospital Employee Federation members stopped work for two days in 1975 over equal pay. But, from then on issues related to government cuts predominated.

In 1976, 2000 Sydney nurses staged a sit down protest outside Parliament House, when the government successfully appealed against their $9 pay rise. Although they didn't strike they introduced a number of bans including refusing to wear uniforms. This is the form many of the struggles took — bans supported by mass demonstrations. Actual work stoppages have been rare.

Nurses in Brisbane have fought over a number of issues. In 1978 they

defeated price rises in accommodation and meal charges in nurses homes. The following year, mass action resulted in the reinstatement of a dismissed matron. Clerical bans were the most effective tactic.

During this period, a number of rank and file workers formed groups, most notably around the Grail at Royal Brisbane Hospital, and the Health Worker in Sydney. Although the publications were moderately well received, the groups were unable to develop beyond a fairly small circle. This was mainly because they lacked an action oriented strategy which could organise effectively through the rank and file of the unions.

1979 saw more politically directed struggle. In January, workers at NSW state geriatric and psychiatric hospitals and community health centres stopped work for 24 hours. They were protesting major cuts which meant closures and loss of jobs. Through the Save Community Health Newsletter they called for hospital budgets to be pruned and the

saving to be spent on community health centres.

The campaign was a great success and showed clearly the determination of the workers to resist the cuts. But this particular demand is disastrous. Firstly the government is not about to use any saving in extending community health centres. Its policy is reduction of *all* public facilities. But even if it were, one section of health workers should not pit themselves against another.

Already one hospital, the Eastern Suburbs Hospital, has been closed, in spite of a strike by the workers there and at its two sister hospitals. Only by uniting against all the cuts can health workers hope to win.

In July, Victorian hospital workers held a rally and march to a background of combined threats and promises from the government. And in September, 6000 NSW public hospital nurses held a mass meeting at the Town Hall and marched through rush hour traffic to Parliament House.

NSW hospital workers have a serious fight in front of them. At

Royal Prince Alfred for instance 162 beds and 320 jobs are to go, not just from "natural attrition" but also retrenchments. Nurses and other hospital workers there have resisted ward closures by imposing bans. At the time of writing the struggle is continuing.

During 1979 there was also a whole series of smaller disputes over staff shortages. Ranging from ambulance drivers in central Victoria to nurses at Jessie MacPherson in Melbourne, health workers stopped work, placed bans and otherwise organised to gain extra staff.

The policy here seems to be closure of wards rather than whole hospitals. For instance the NSW Wran government is planning to close 850 public ward beds. North Shore will lose 100, RPA 150, Sydney 70 and Prince Henry 100. But in Britain dozens of hospitals are being closed. Struggles have been very militant, and have included several hospital occupations of which the Elizabeth Garrett Anderson is the most famous.

The struggles in Australia have been impressive. Yet if we are to defeat Fraser, better rank and file organisation will be needed. The unions, particularly the RANF, will probably not be prepared to go as far as will be necessary. Australian workers should look to the examples given by British hospital workers, and be prepared to use occupations and other militant tactics. Above all the rank and file in the hospitals will have to organise themselves.

The hierarchial structure of the workforce in hospitals contributes very strongly to the fragmentation of the workers. Divisions between hospital workers and other health care workers are also very serious. For the militant action that is going to be necessary, unity is essential.

This will mean above all nurses uniting with other hospital workers. There is a strong tendency today for nurses to emphasise their importance as a profession and to concentrate on related issues such as education and status. Nurses, especially trainees, are the workforce of the hospital and as

such their interests lie with aligning themselves with the other workers. Opting for professionalism means satisfying themselves with a myth while conditions continue to deteriorate. A real fight on staff shortages will need unity with domestic and maintenance workers.

Conclusion

HEALTH is a social issue; poor health is an integral part of capitalist society and our present health care system is structured into that society. Revolutionary change is then essential for our health as for our health care system.

Medical institutions today do recognise that environmental and social factors are important. But they reduce these vague categories such as "life style". This is not then a progressive change but a dangerous one. Blaming the individual for their life style is used to justify withholding health care from them. This is a major argument used today to justify cuts.

The struggle is a political one. Medibank demonstrated how important a part of the social wage health care is. But the central role in the health care struggle must be played by hospital and other health workers.

There is actually a lot of evidence that mass struggle and revolution are in themselves good for your health.[63] For instance, during the American Revolution the health of the revolutionaries was remarked upon by many. At the same time deaths among supporters of the British increased. They died of unexplained causes which the common people called "Protection fever". There are many other examples from strikes and mass upsurges.

Perhaps then we can take a slogan from the French Revolution as our watch-cry.

"No more alms, no more hospitals . . . At last medicine will be what it must be, the knowledge of natural and social man."[64]

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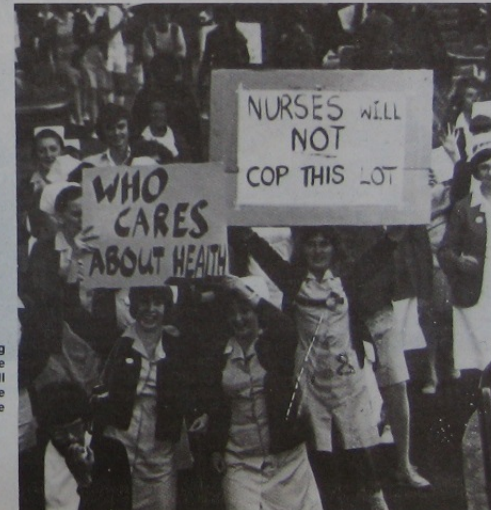
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62. The following summary is preliminary and only outlines the events and issues. The topic needs a substantial article in its own right.

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Nurses march from a 5000-strong mass meeting on the NSW State Parliament in September 1979, to tell Neville Wran they won't accept the closure of 1650 beds in state hospitals.

AN ANALYSIS OF AUSTRALIAN NATIONALISM

An Imperialist Colony?

By Tom O'Lincoln

AUSTRALIAN nationalism is a hot issue on the left. Since the War, the main Communist currents have been firmly tied to it. Today Maoists of one or another stripe are vehement proponents of an "independence movement".

The more sophisticated among the left nationalists attempt to base themselves partly upon Lenin. Arguing that Australia is oppressed by imperialism, they raise Lenin's slogan that the "nationalism of the oppressed" is a progressive force.

At the other extreme, also attempting to base themselves on Lenin, are those who denounce Australian nationalism as reactionary. They point to the racism and class collaboration historically associated with it, and in this we agree with them. However, they then proceed to simply invert the

Maoist argument: Australia is an independent imperialist power, they say, and its nationalism is reactionary for that reason.

The latter argument is too schematic. Moreover, it conflicts with events which Australian workers see every day. Australians know that decisions which affect their daily lives are made in New York, London or Tokyo. They see Liberal politicians fawning over American politicians.

In this article I want to suggest a somewhat different approach to the problem, one which takes into account Australia's colonial origins and its particular position within the imperialist system. I begin with a brief review of the views of Marx and Lenin, and then suggest how they can be concretely applied to Australia. I suggest that a militant opposition to nationalism can be based on an analysis which sees Australia as dominated by imperialism, at least in part, but dominated in a particular way.

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THE nation-state is a capitalist phenomenon. Lenin summarised the Marxist view as follows:

> Throughout the world, the period of the final victory of capitalism over feudalism has been linked up with national movements. For the complete victory of commodity production, the bourgeoisie must capture the home market, and there must be politically united territories whose population speak a single language . . . Therein is the economic foundation of national movements.[1]

The complete victory of commodity production was a progressive event in Marx's day. With the triumph of capitalism came political democracy, the numerical growth of the working class and its concentration in large factories, trade unions, workers' parties. In other words, the triumph of capitalism opened the way for the struggle for socialism.

Consequently Marx supported many national liberation movements. The unification of Germany and Italy, and national independence for Poland and Ireland, promised to improve the conditions under which the workers of those countries could fight their own struggle.

In addition, he saw solidarity with these national struggles as an essential part of educating the workers in the oppressor nations in internationalism.

Finally, Marx hoped that national unity and independence for the countries of central Europe would be a blow against Tsarism, which he considered a threat to democracy in Europe. In fact, he went so far as to call for a national war against Russia by Germany, hoping that if "Germany could be drawn into war against Russia, the Hapsburgs and Hohenzollerns would be done for all along the line".[2]

National movements were to be supported as a *means to an end*, but never as ends in themselves. For example, Marx opposed the national movements of the Czechs and Southern Slavs:

Because the Czechs and the Southern Slavs were then 'reactionary nations', 'Russian outposts' in Europe, outposts of absolutism . . . to give support to the national movements of the Czechs and Southern Slavs at that time would have been to give indirect support to Tsarism, a most dangerous enemy of the revolutionary movement in Europe.[3]

Once capitalism had performed its historically progressive function, nationalism became reactionary. By 1871, Marx argued that this point had been reached in western Europe.

> The highest heroic effort of which old society is still capable is national war; and this is now proved to be a mere governmental humbug, intended to defer the struggle of classes and to be thrown aside as soon as that class struggle bursts out into civil war. Class rule is no longer able to disguise itself in a national uniform; the national governments are one as against the proletariat[4]

Lenin accepted this fundamental framework, and attempted to develop it to suit the context of world wide imperialism. He contended that capitalism had not only matured in western Europe, but had also created a world market. On a world scale, the objective conditions existed for socialism. Nationalism was therefore obsolescent in the world as a whole.

> . . . developed capitalism, in bringing closer together nations that have already been fully drawn into commercial intercourse, causing them to intermingle to an increasing degree, brings the antagonism between internationally united capital and the international working-class movement into the forefront.[5]

However he also made a famous exception. In the epoch of imperialism, he argued, "the whole world . . . is now divided into a large number of oppressed nations and an insignificant number of oppressor nations . . ."[6]

It followed that national movements in the third world could be important allies for the Communist International against the common enemy, the imperialist bourgeoisie. The alliance remained, however, just that: a strategic alliance. Communists did not support the "nationalism of the oppressed" as an end in itself:

> If we demand freedom of secession for the Mongolians, Persians, Egyptians, and all other oppressed and unequal nations without exception, we do so not because *we favour secession*, but *only* because we stand for free, voluntary association and merging as distinct from forcible association. That is the *only* reason. *(Lenin's emphasis throughout.)*[7]

> The aim of socialism is not only to abolish the present division of mankind into small states and all national isolation; not only to bring the nations closer to each other, but also to merge them.[8]

Lenin insisted "on a clear distinction between the interests of the oppressed classes, of the toilers and exploited, and the general concept of national interests as a whole, which implies the interests of the ruling class."[9] He reiterated that "every national movement can only be a bourgeois democratic movement . . ."[10]

It followed that the alliance with national movements was temporary and limited:

> . . . the Communist International must enter into a temporary alliance with bourgeois democracy in colonial and backward countries, but must not merge with it and must under all circumstances uphold the independence of the proletarian movement . . .[11]

Imperialism and Australian Nationalism

TURNING to our own country, how can Lenin's approach to the national question be applied?

Maoists and other left nationalists predictably argue that Australia is an oppressed nation. The nationalism of the oppressed is progressive, they say, therefore Australian independence is a revolutionary demand.

Anti-nationalists point out that the progressive tasks of capitalism are completed in Australia, and that capitalism is therefore objectively reactionary. Nationalism, which is a capitalist phenomenon, is reactionary too. So far so good.

But now comes a dubious argument. Taking up the Maoists' argument about the nationalism of the oppressed, the anti-nationalists tend to simply invert it. Far from being an oppressed nation, they contend, "Australia is an imperialist power in its own right — comparable to many of the medium sized imperialist powers in Western Europe".[12] I suggested above what is wrong with this approach.

I believe it is possible to oppose Australian nationalism without placing this country in the same category as medium sized imperialist powers. To do so, we have to take up a curious omission in Lenin's theory of imperialism.

In a report to the Second Congress of the Comintern, Lenin stated:

> The characteristic feature of imperialism is that the whole world, as we see, is now divided into a large number of oppressed nations and an insignificant number of oppressor nations which command colossal wealth and powerful armed forces.

He stressed that this distinction "runs through all the theses". Now in one sense we can't argue with Lenin. If we accept his premise that nationalism is only progressive where it is anti-imperialist, it becomes essential to draw a sharp line between those nations which fall into the category of the oppressed and those who do not. But what are the criteria?

Lenin describes the oppressors as possessing "colossal wealth and powerful armed forces". Further down the same page, he indicates that some of the theses "were framed chiefly from the standpoint of the situation in India and other big Asian peoples oppressed by Britain".[13]

Clearly Lenin has in mind countries which are basically like Britain, i.e. the great powers. It would appear to follow that countries who do not possess colossal wealth and powerful armed forces are in the camp of the oppressed. Yet there have been numerous social formations in the history of the modern world which lack these features, and whose nationalism has certainly not been progressive. These are the settler states.

Settler states are a product of imperialism. Settler populations in places like southern and northern Africa and Palestine played a particular role for the imperialists. They provided a mass base on the spot, which could be armed and mobilised against the native peoples. The land they occupied provided a springboard for further imperialist penetration.

Aghiri Emmanuel has described the peculiar dynamic of settler nationalism:

> For these (settlers), the colonial adventure was . . . the mainspring of their existence and their supreme justification. They benefitted from colonialism and therefore promoted it, without reserve or contradiction — and for this very reason they were basically anti-imperialistic, however paradoxical this may seem. From the very beginning they were in conflict with their respective parent countries and therefore with imperialism itself — objectively so at all times, subjectively so at times of crisis, going so far as to take up arms against it (Algeria, Congo, Biafra, etc.).[14]

This highly retrograde and reactionary element led the struggle on two fronts — unyieldingly and wholeheartedly against the natives of the occupied territories, relatively and occasionally, but often very violently against the great capitalists 'back home'.

Similarly Israel. Israel is a colonial settler state, which is in a sense completely dependent on imperialism. Israeli nationalism sometimes leads to conflicts with the western great powers, yet only within the framework of Tel Aviv's attempt to deepen its own penetration of the region and with it the direct domination of imperialism. It would be ridiculous to raise the slogan of Israeli independence as a revolutionary demand.

Again in southern Africa, white settlers have taken their dogged

insistence on white supremacy to the point of armed conflict with Britain. The Boers were beaten, but they later got their independence.* So in the 1960's, did Ian Smith. They were "anti-imperialist" in the ironic sense outlined by Emmanuel.

This super-pro-imperialism suited the settlers to playing a role as "spearheads" or "springboards" for imperialism. The local state provided local expertise. It made the first small investments in the region. It helped to build up an infrastructure in the surrounding region. It offered a relatively safe military base.

The phenomenon of the settler state is absent from Lenin's schema. He was largely absorbed by events on the European and Asian contents, where it was irrelevant. But it seems fairly clear that, given Lenin's sharp distinction between the two camps of the oppressors and the oppressed, these social fomations belong in the former camp.

Australia Before 1920

IN his book *A New Britannia*, Humphrey McQueen demonstrates that colonial Australia displayed the classic features of a white settler state. Australian nationalism was *pro-imperialist*:

> Just as Australians were anxious to prevent seizure of any part of the mainland by a foreign power, so they were concerned to keep the Pacific as a British, indeed an Australasian, reserve. In the process they developed their own Monroe Doctrine. Having secured the continent by 1829, they demanded the annexation of New Zealand. Similar pressures persisted right up till the signing of the Versailles Peace Treaty in 1919 . . .
>
> Not only did these sub-imperialist enterprises react on the prosperity of the colonies, they were coupled with

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*To be sure, white supremacy was not the only issue in the Boer war, which perhaps helps to explain Lenin's rather odd support for the Boers in that conflict.

inevitable notions of racial superiority
. . .[15]

"Nor were these attitudes absent in the radical tradition in Australia", continues McQueen, citing a Victorian ALP manifesto of 1910 to the effect that when Labor is ascendent,

> . . . war as we know it will cease. The only use for armies and navies then will be to police the world, and keep the small and less civilised nations in order.[16]

The nexus between nationalism and sub-imperialism is particularly clear in the case of New Guinea. The Queensland government attempted to annex the eastern half of the island in 1883. However it did so "on Britain's behalf in the belief that once the flag had been hoisted it would never be hauled down".[17] The case "shows conclusively that Australian nationalism was not anti-imperialist but was merely opposed to non-British expansion."[18]

When the Australian nationalists came into conflict with Britain, as they often did, it was on the grounds that Britain was selling out the white race in the South Pacific. "Like the whites in Southern Rhodesia today, the Australians before 1920 were suspicious of Britain's loyalty to the empire."[19] These sentiments pervaded the labour movement as much as the ruling class. The *Bulletin* warned in 1887 that:

> Imperial Federation was a monstrous plot to institute aristocracy and privilege in democratic Australia, to destroy the decency and livelihood of the working man by opening the country to 'leprous Mongols' and every unwashed tribe of the British dominions.[20]

What Has Changed Since 1920

SINCE writing *A New Britannia*, McQueen has argued that his analysis does not apply to today.

> The features of imperialism which made racism the lynchpin — not the substantive essence — of what passed for Australian nationalism no longer apply. The racial chauvinism occurred

In 1883, this cartoon summed up the Australian desire to establish British Imperialism in New Guinea.

in the past because the Australian bourgeoisie and its allies sought closer links with the dominant imperialist (Anglo-Saxon) powers. This is the exact opposite of a movement for independence from imperialist domination.[21]

This argument is rather transparent. Clearly today, the Australian bourgeoisie continues to be closely tied to the dominant Anglo-Saxon powers, and probably seeks closer links. This fact will inevitably give a pro-imperialist quality to any nationalist movement.

Yet there *have* been major changes since 1920. The country has been industrialised, and capital has been concentrated. This process has made the Australian economy *more independent*. Here is how one writer

sums it up:

> According to a 1976 study of manufacturing industry by the Bureau of Statistics, 40 per cent of company profits went to the 200 largest companies. These companies produce 50 per cent of all manufactured goods in Australia and employ 580,000 workers. Of these 200 companies 113 are Australian owned or controlled. Of the largest twelve companies, five are Australian controlled . . . Australian capitalism has launched such monopolies of world stature as Broken Hill Proprietary and CSR, both of which rank among the world's top 100 companies.[22]

Industrialisation has made Australia significantly less dependent on inputs of foreign capital, as shown in table 1.

Finally, the various social tasks of the bourgeois revolution have been completed. Industrialisation has created a modern industrial proletariat, which is highly unionised, and highly concentrated. The Australian population is highly urbanised. Farming is carried out on a capitalist basis. Bourgeois democracy has been extended as far as it is ever likely to be.

With these tasks fulfilled, capitalism ceases to have any progressive function. And as we have seen, nationalism therefore ceases to have any progressive function either, *unless* Australia can be portrayed as an oppressed nation whose nationalism has an anti-imperialist dynamic.

The first indication that this is not so lies in the industrialisation of the country itself. The oppression of the third world countries involves their *underdevelopment*. The third world is kept in backwardness by imperialism. This is hardly true of Australia. While this country's development is distorted by imperialist pressures, it is hardly backward.

The second lies in the degree to which Australia itself carries on imperialist penetration of the Asian region. As one writer points out:

> Between 1970-71 and 1974-75 Australian manufacturing investment in the South Pacific (mainly in New Zealand and Papua New Guinea) has trebled, rising from $17.1 million a year to $51.7 million. More significant was the rise in investment in Asia which increased eightfold; from $3.4 million to $27.5 million a year.[24]

Superficially it might seem at this point that we could describe Australia as an imperialist power in its own right, and leave it at that. Certainly, to the extent that we study the *changes since 1920*, these changes are all in that very direction. However, in reality the changes have brought only a *relative* shift in Australia's position vis a vis the great powers.

Kosmas Tsokhas, a Maoist writer, contends that "we cannot speak of Australian imperialism vis a

vis the third world, but only of U.S. imperialism operating through Australia."[25] This is an overstatement, but it contains an important element of truth. His argument is worth quoting at some length:

> Of the 150 or so 'Australian Companies' represented in the Australia-Indonesia Business Co-operation Committee, the majority consist of comprador companies which combine with imperialist capital to exploit Australian labour and raw materials, in the same way as they operate in Indonesia mainly under the aegis of U.S. and Japanese capital. J.B. Reid, the immediate past president of the AIBCC and an important officer of a number of BHP subsidiary and associate companies. He is a director of Avis, a component of the burgeoning Rockefeller interests in Australia. Reid can also be found among the leading figures of Coca Cola Bottling and Mercantile Credits. The latter is partly owned and controlled by the Hong Kong and Shanghai Banking Group, one of the most prominent transnational banks active in Indonesia. In general the network of BHP dominated and influenced companies accounts for about one third of Australian investment in the Asian region. Now, BHP has been a comprador firm for almost its entire history. It is very much dependent on British and American monopolies for capital, technology, expertise and even management officers . . .

The activites of BHP in oil and natural gas, which are estimated to provide half its profits in the 1970's, are thoroughly dependent on an alliance with Esso . . . A similar comprador pattern reproduces itself in Indonesia, is carried out in collusion with two US firms.[27]

Clearly Australian imperialism is not independent, even in the sense that British imperialism is independent of the U.S.A. But does that place Australia in the camp of the oppressed nations of the world?

Firstly, U.S. imperialism *works through* Australian imperialism. Could it be said that it "worked through" the bourgeoisie of third world countries in this particular way? Could it be said of the oppressed nations that they have an *imperialism* for some great power to "work through"? Hardly.

Equally important, Tsokhas himself indicates that Australia plays a role in *facilitating and encouraging further imperialist penetration* in the region.

He notes that "Multinational corporations . . . have come to regard Australia as a 'spring board' for their operations in the Asia-Pacific region".[27] He points out the ways in which Australian governments have encouraged them. His source is the work of Catley and McFarlane, much of which has been summarised in a recent book by Jim Hyde.

Table 1: Net Capital Imports as % of Gross Fixed Capital Expenditure, Australia, Selected Periods:[23]

PERIOD	$MILLION	% OF GROSS FIXED CAPITAL EXPENDITURE
1861 — 70	63	37.1
1871 — 80	97	26.5
1881 — 90	342	49.7
1891 — 1900	118	27.1
1901 — 1913/14	21	1.8
1919/20 — 1929/30	606	19.6
1930/31 — 1938/39	143	7.7
1950/51 — 1954/55	930	9.5
1955/56 — 1959/60	1384	9.6
1960/61 — 1964/65	2026	9.6
1965/66 — 1968/69	2667	10.5

The book, entitled *Australia — the Asia Connection*, provides some important evidence for the thesis that Australia, even today, plays a role for imperialism reflecting its origins as a settler state.

Hyde refers to the "important role Australia could play as an agent for the developed nations which were her foremost allies in the Southeast Asian region".[28] Australia belongs to the second tier of a three-tier strategy, providing raw materials, markets, but also "important secondary bases for investment and expansion in the countries of the third tier".[29] The picture is by no means one of Australia as a helpless puppet:

> If it is to remain as a regional metropole power, developing its own multinational companies within the Pacific Rim Strategy, Australia cannot afford to overstrain its relations with the two powers on which it is most dependent. On the other hand, Japan and the United States, by degrees, have compromised their positions to allow Australia to develop its policy, for it is in their interests for Australia to continue as a base for multinational penetration into Southeast Asia.[30]

Hyde is dealing with the policies of the Whitlam government. However, in an introduction to the book Robert Catley and Nonie Sharp make it clear that Whitlam's innovations were consistent with the broad outlines of previous foreign policy. Throughout the postwar period, Australia intervened on its own account throughout the region — always on a pro-imperialist basis. One of two main features of Australian foreign policy throughout this period, they write, was that "Australia took an active part in the decolonization process in Southeast Asia in a manner which ensured that the successor states assumed a neo-colonial character."[31]

Australia's stance displayed many of the features of an aggressive settler state. Australia was opposed to ending direct Dutch rule in West New Guinea, Hyde points out. When U.S. support for Indonesia led to a transfer of power,

the press, the government and the Opposition saw the transfer of West Irian as a defeat for Australia's position and suspicions were voiced that Indonesia's expansionist mood would not be assuaged by the annexation of West Irian.[32]

Shortly thereafter, "Calwell, then Leader of the Opposition, demanded that Australia declare war on Indonesia".[33] The Labor Party was more hawkish than the government; the government was more aggressive about direct colonial rule than the imperialists.

Australian aid and programs were used to deepen imperialist penetration. For example at the port of Cilicap in Indonesia, "Australian aid contributed significantly to upgrading deep harbour facilities, and to the development of an industrial estate, to be used primarily by an Australian-based consortium..."[34]

The pattern of Australia as more hawkish than the great powers is perhaps clearest in the case of Vietnam. Left nationalists are fond of attacking U.S. imperialism for dragging this country into the war. But the truth is that Australia did a fair bit of dragging itself.

Professor Robert Neale is the editor of historical documents at the Department of Foreign Affairs. He has studied the documents from the Vietnam period, and drawn some striking conclusions:

> The cornerstone of Australia's policy was seen as a compelling necessity to commit the power of the United States to the Asian area, and thus to commit her to a practical guarantee of active support for Australia through the ANZUS and SEATO treaties ... This was a policy developed independently of any outside pressure.

What this meant in practice emerges from the events in early 1965, when a battle was going on in the American ruling circles over whether to escalate the war. Australia threw its weight vigorously on the side of escalation. On January 15, Canberra decided that Australia "should encourage the United States to plan (increased air strikes) against North Vietnam". On January 19

Keith Waller, Australian Ambassador to Washington, was "instructed that he should take advantage of any opportunity to bring certainty to American policy and planning".

Commenting on these passages in the National Times, journalist Evan Whitton remarks that "Menzies and his narrow circle in cabinet judged they were protecting Australia's vital interests *(whatever the cost to Americans, and, incidentally, to Australians and the Vietnamese) ...*"[35] (Emphasis added).

Conclusions

LENIN's approach to the national question is based on drawing a sharp distinction between two camps: that of the oppressed nations, and that of the oppressors. This approach can only be intelligently applied to Australia by adding to the latter camp a new category, that of a small, white and rich nation acting as a independent spearhead and springboard for the great powers.

In itself this is only an insight and not a theory. It needs to be given a firm base in an analysis of relations of production. There are also other problems.

One is the whole question of the cultural and ideological implications, particularly the nexus between racism and Australia's role for imperialism. In South Africa this nexus is obvious, but in Australia it is far more subtle. Nevertheless it is there: the response of most Australians, including much of the left wing of the labour movement, to the Indochina refugees makes that clear enough.

The second matter which needs elaboration is just how revolutionaries should relate to the left nationalism of our times. That we cannot agree with it should be obvious. But left nationalism in the present period has tended to be largely a populist false consciousness which overlays what are basically militant class struggles. The Eureka

August 1976 — Melbourne aircraft workers march against the Government rundown of the local aerospace industry. But is nationalism the way forward for Australian workers?

flag appears at countless events which we support enthusiastically. To relate theory to practice in a non-sectarian manner is something we will have to think long and hard about.

Footnotes

1. Lenin, "Right of Nations to Self-Determination", *Selected Works*, Vol. 1 p. 598.
2. Quoted in Dona Torr, ed., *Marxism, Nationality and War*, London 1940, p. 74.
3. The paraphrase is from Stalin, quoted in Torr, *op. cit.*, p. 75.
4. Quoted in *ibid.*, p. 98.
5. Lenin, *op. cit.*, p. 602.
6. *Lenin on the National and Colonial Questions*, Peking 1975, p. 31.
7. Lenin, *A Caricature of Marxism and Imperialist Economism*, Moscow 1974, p. 47.
8. *Lenin on the National and Colonial Questions*, p. 6.
9. *Ibid.*, p. 22.
10. *Ibid.*, p. 32.
11. *Ibid.*, p. 27.
12. Doug Lorimer, "Why Socialists Oppose Australian Nationalism", *Socialist Worker*, Sydney, August-September 1977, p. 10.
13. *Lenin on the National and Colonial Question*, p. 31.
14. A. Emmanuel, "White Settle Colonialism and the Myth of Investment Imperialism", *New Left Review*, No. 73, May-June 1972, p. 39. One does not have to accept Emmanuel's thesis of unequal exchange to accept the important insight in this passage.
15. Humphrey McQueen, *A New Britannia*, Melbourne 1978, p. 61.
16. *Ibid.*, p. 12.
17. *Ibid.*, p. 28.
18. *Ibid.*, p. 13.
19. *Ibid.*, p. 21-2.
20. Quoted in *ibid.*, p. 36.
21. Humphrey McQueen, "National Independence and Socialism", *Melbourne Journal of Politics*, No. 9, 1977, p. 76.
22. Doug Lorimer, *op. cit.*, p. 9.
23. E.A. Boehm, *Twentieth Century Economic Development in Australia*, 1972, p. 108.
24. *The Bulletin*, April, 1977, quoted in Lorimer, *op. cit.*, p. 9.
25. Kosmas Tsokhas, "Australia's Place in the World Economy", *Dissent*, No. 35-36, Autumn/Winter 1977, p. 19.
26. *Ibid.*, p. 22-23
27. *Ibid.*, p. 22.
28. Jim Hyde, *Australia — The Asia Connection*, Melbourne 1978, p. 37.
29. *Ibid.*, p. 27.
30. *Ibid.*, p. 59.
31. *Ibid.*, p. 13.
32. *Ibid.*, p. 13.
33. *Ibid.*, p. 13.
34. *Ibid.*, p. 25-6.
35. All quotes about Australia and Vietnam are from Evan Whitton, "The Role Menzies Played in Vietnam", *National Times*, 27 May, 1978, p. 12-13.

★ When Brisbane cops attacked the meatworkers/wharfside picket against live cattle exports, arrested AMIEU member Margaret Brednall reported the struggle for the Battler.

While the Victorian State Government tried to close down its prefabrication plant at Homesglen AMWSU steward Norm Thompson wrote regular reports for The Battler on the resistance to the government's plans.

When Nurses Association members at Sydney's Prince Alfred Hospital drew out their right-wing branch leadership and began to build rank-and-file organization, nurse Pam Townsend was in the thick of it. She gave the story to The Battler.

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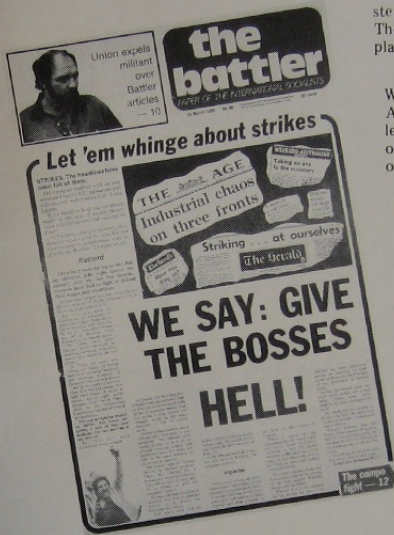
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