

# International Socialist 11

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ALEC KAHN  
**THE  
INDUSTRIAL  
STRUGGLE  
SINCE 1975**

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HALLAS  
MILNER ON  
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COVER PHOTOS —  
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 meeting, August 1979. Second Top:  
 Workers in Melbourne march for  
 Medibank, April 1976. Bottom: The  
 Latrobe Valley picket line August  
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*Verity Burgmann*

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THE INDUSTRIAL STRUGGLE SINCE 1975

# The Fraser Years

by Alec Kahn

**A**S Australian trade unionists  
 brace themselves for another  
 three years of Liberal Govern-  
 ment, it is worth looking back  
 over the industrial scene during the last  
 five years of Malcolm Fraser's reign.  
 After all, it is generally agreed on the  
 Australian left that Fraser was brought  
 to power by the Australian ruling class  
 with the specific purpose of cutting wages  
 and living standards, and taming the  
 unions, after the wage explosion of 1973-  
 74.

When Fraser ascended to power, the  
 forebodings of doom on the left were  
 universal. "Plans to smash the unions"  
 . . . "Legislation to jail officials and  
 outlaw picketing" . . . "A police force to  
 ban strikes" . . . These were some of the  
 grim predictions we made at the time in  
*The Battler*, and we were by no means  
 alone on the left in our pessimism. Such  
 predictions were entirely justified when  
 considered in the light of stated Liberal  
 policies in 1975. But, unlike Margaret  
 Thatcher in Britain, Malcolm Fraser's  
 actions have not quite matched his early  
 rhetoric. To what extent, then, has Fraser  
 succeeded in his mission for the million-  
 aires?

To what extent has the Australian  
 working class blunted his onslaught? And

Alec Kahn was Editor of *The Battler* 1978-80





what new developments and opportunities are opening up on the industrial front for the revolutionary left? The aim of this article is to review the industrial struggle of the last five years in an attempt to answer these questions.

## Prelude: 1969-74, The Confident Years

In order to fully understand the struggle of the last five years, it is necessary first to explain some of the main features of the immediately preceding period. After the long, dark trough of the Cold War era, the years 1968-69 were a time of upsurge in the class struggle throughout the western world. Australia was no exception. The tempo of industrial struggle started to pick up in 1968, and in 1969 a development occurred which was one of the most significant in the country's industrial history.

The penal powers, the anti-strike laws which had been in force since 1904, and which had imposed crippling fines on union action right through the fifties and sixties, were smashed by a general strike of half a million workers. The impact on the level of industrial struggle was spectacular and immediate. During the five years 1964-68, the average time lost due to strikes was 848,818 working days per annum. After the victory over the penal powers, the figure almost tripled to 2,393,700 working days lost in 1970, and it climbed even higher in 1971 (see Table 1). Workers had not only won the "right to strike" — they had also gained the confidence to use it.

This new confidence was both reflected in and reinforced by developments on the political front. Australian unions have a long tradition of involvement in political campaigns, a tradition which includes, for example, both the maritime ban on pig iron bound for Japan, after the Japanese invasion of Manchuria in 1938, and the bans on Dutch arms shipments during the Indonesian independence struggle. During the Cold War, however, the labour movement's teeth were drawn by the emergence of Cold Warriors within its own ranks — the infamous Groupers.

The late sixties and early seventies saw Grouper influence finally on the wane, and at the same time rank and file workers began to reassert their political muscle. Thousands of unionists became active in the struggle against conscription and the Vietnam War, and the ACTU also played a prominent role in the 1971 victory over South African sporting

tours. The six years between 1968 and 1974 saw a wave of disputes over equal pay for women. In New South Wales, the Builders, Labourers Federation opened up a whole new area of union intervention with their now-famous "green-bans". And the advent of Robert James Lee Hawke to the ACTU presidency, with his brash, aggressive style and his grandiose plans for union-rank discount stores all over the country, might have been a dubious blessing, but it certainly epitomised the new assertiveness of the Australian working class.

To cap it all off, the Labor Party won power in 1972. This paved the way for some notable gains: big, pace-setting wage rises throughout the public service, a legislation providing for equal pay for women (provided the work was of "equal value"), and the introduction of a 36½ hour week for most government industries. The last sunny rays of the post-war boom still warmed the economy, and the unions were making hay whilst they could.

But from 1973, the storm clouds began to gather. Post-Vietnam inflation became a major problem in the world economy, and its effects were felt here in Australia. The Labor Government tried to hold back the mounting wage push with a referendum, in December 1973, to give it wage and price-fixing powers. The unions broke from Labor to defeat the referendum, and the following year saw a drive for wage increases unprecedented in Australian industrial history. A record 6 million working days were lost as union after union followed the militant lead of the metal workers in winning a \$30 wage increase.



Clarrie O'Shea in police custody

As the economy dived into recession, ruling class hostility to Labor mounted to the point of apoplexy. The share of profits in GNP had fallen from a traditional 13-15 per cent to under 10 per cent. The ruling class response was a massive ideological offensive and a virulent anti-Labor press campaign, built around the "dole bludgers", "wage inflation", "fract' loans", and "jobs for the boys" themes.

Whitlam again tried to stem the wage tide in mid-1975 with a desperate new scheme of class collaboration — wage indexation. Aimed initially at the 1975 Metal Trades Campaign (which, if successful, could have triggered a new rush of wage increases such as had occurred in 1974), wage indexation played off the weakly organised and right wing unions against the militant left-wing unions, by offering *all* an equal compensation every three months for price rises, in return for class peace. The intention was to unite the employers, the Arbitration Commission, and the right-wing unions (for example, the Iron-workers, on whose co-operation the Metal Trades Campaign depended) in an unholy alliance against wage strikes, whilst gradually introducing loop-holes to reduce the 30 shekels of silver paid out each quarter to 29, then 28, and so on.

It was an idea that was to work brilliantly. Within a few months, even that lion of the left, Laurie Carmichael, was persuading oil workers to drop their wage action because of indexation. But unfortunately for Labor, the indexation scheme couldn't produce the quick and brutal results the employers required. In November 1975, Governor-General Kerr



retrenched Gough Whitlam. Malcolm Fraser parked his Ducati in the Lodge, and the stage was set for all-out war. Or so it seemed.

## The Medibank Defeat

Under the first five years of the Liberals, a curious rhythm was to emerge in the class struggle: not the catalysm that was first anticipated, but rather an on-going tension, with major eruptions occurring regularly about every 12 months.

Struggles by individual shops and industries were to continue at much the same level as in the early seventies, but with an added political edge. Every wage claim now involved a direct assault on the wage indexation "guidelines", every industry that went out now took on the Government as well as the employers. And in the latter half of each year from 1975 through to 1979, the gathering tension exploded into a major showdown — in November 1975 the Kerr Coup, in July 1976 the Medibank General Strike, in September 1977 the Latrobe Valley strike, in August 1978 the Horror Budget upsurge, and in June 1979 the Western Australian Police Act General Strike.

Each of these showdowns ultimately ended in defeat for the working class, due largely to the "compromises" designed by Hawke, the ACTU, and key sectors of the union bureaucracy. But these struggles had another, more positive side. Each time, the rank and file was sent home with the feeling that it hadn't yet really tested the Fraser Government. So rather than inflat a decisive defeat on the unions, to the left the Liberals were able to do was to drive the ranks back to the struggle on the factory floor. Until the next opportunity for revolt.

Let us now examine a little more

closely each pulse in this rhythm of the last five years, and in particular the shifting balance of forces.

Despite his landslide election victory in December 1975, Malcolm Fraser hardly had a *carte blanche* in commencing his drive against the working class in 1976. The Government could attack on any of three fronts: wages, government spending, and industrial legislation. But its room for manoeuvre was severely limited on two out of the three. The Arbitration Commission was still battling to rein in pay struggles and establish the authority of indexation, and it could not, therefore, be used openly to cut real wages.<sup>1</sup>

As for industrial legislation, the memories of the historic defeat of 1969 still haunted the nightmares of the ruling class. To enact the Liberal policies of reviving the penal powers, abolishing compulsory unionism, setting up an "industrial police force", and placing union elections under government control, might well prove more trouble than it would be worth. In particular, a revival of the penal powers would inevitably involve jailing a union official, with the probable consequence of a massive retaliatory general strike, as soon as some union decided to follow Clarrie O'Shea's example in refusing to pay penal fines. In addition, Hawke's success in preventing a general strike after November 11 only meant that hundreds of thousands of unionists were still spoiling for a fight in early 1976.

So Fraser advanced on the only two paths that were open to him. In early 1976, he tried to introduce the least offensive of his industrial proposals, that for government-controlled ballots in union elections. Hawke had little difficulty in achieving a suitable "compromise" — the ballots went postal, but remained under union control. But much more importantly, Fraser also set about attacking the social services that

Labor had set up.

From the beginning, Fraser made what could have been a fatal mistake. Instead of first picking off the weaker, less organised groups, such as pensioners, Aborigines and students, his Government went straight for Medibank, the one great reform of the Whitlam years. No doubt, he was anxious both to pay his debts to the medical profession and to dramatically reduce the budget deficit. But it was the perfect issue on which unionists could rally against him with massive public support.

And rally they did. The Victorian Trades Hall Council called a mass meeting of the state's shop stewards, at which Ken Stone and John Halpenny, spokespeople respectively for the right and the left of the Council, tried to sell them a token 4-hour protest stoppage. The stewards demanded more — a 24-hour stoppage, and ongoing national action. When the TUC arrogantly refused to accept this call, and continued with its original 4-hour protest, rank and file outrage was such that the left officials were forced to break from their united front with the right, and throw their own weight behind the 24-hour motion. These developments, and a similar planned stoppage in Wollongong, forced the ACTU to take a stand.

A Special Union Conference voted 205-7 (with only a few Groupers opposing) to hold the country's first official general strike . . . for 24 hours, on Monday 12 July, 1976. It was a massive victory for the rank and file that the strike ever took place. But the officials' overriding aim was to re-establish control over the upsurge. Even before the strike day, Hawke entered into a quibble with Fraser over whether the Liberals' proposed levy for Medibank should be 2% of the paypacket, or "only" 1.5%. Union leaders treated the General Strike itself as little more than a public holiday: it was held on a Monday



to minimise disruption, and Hawke himself ostentatiously spent the day playing tennis.

Although the NSW South Coast Labor Council organised a march in Wollongong, there were no such official union rallies in the capital cities (in Melbourne, only the International Socialists and the Healthcare Action Group called one). No further mass meetings were called to allow the rank and file to prolong or even repeat the action. Hawke finally capped it all off by denouncing the unionists who had forced the strike in the first place . . . as undermining his ability to negotiate!

Thus, what could have been a major victory over the Liberals turned into tragic defeat. The left unions retreated into trying to force individual employers to pay the Medibank levy for their employees, a claim that had only marginal success. And the way was now clear for Fraser, not just to dismantle Medibank, but to hie into all social services and disadvantaged groups. It would be a full two years and the 1978 Horror Budget before the working class would again rise in their defence.

Just as significantly, the failure of the Medibank General Strike discredited the general strike tactic *per se* in the eyes of hundreds of thousands of unionists. Only a militant minority drew the alternative conclusion that a lot more than a desultory 24-hour stoppage would be needed to stop Fraser. And for them the equally demoralising question remained: will we ever get the whole union movement out for longer than a day over anything less than a Clarrie O'Shea?

The way was clear for the Liberals to

press ahead with phase two of their anti-union drive.

## The Indexation Noose Tightens

By the end of the Medibank upsurge, Sir John Moore and his band of pick-pockets in the Arbitration Commission had already made considerable progress in their arduous task of enforcing indexation and bringing down real wages. Not only had they worn down the metal unions and the oil maintenance workers in 1975, but they had also won important victories against two powerful groups of unionists in the national airline industry in early 1976. The cargo handlers and the aircraft maintenance workers had both brought the airlines to a near-standstill, and both went back to work empty-handed, despite the drama and publicity surrounding their actions. These successes had encouraged the Commission to make its first tentative foray into open wage-cutting: with a "plateau indexation" decision for the March quarter of 1976.

With the defeat of the Medibank struggle, the passive acceptance by the ACTU of the plateau indexation judgement, and the recession at its deepest, the way was clear for a further tightening of the screws on wages. Of the next four indexation decisions, three were to be for "partial indexation". And a string of fierce and prominent wage struggles — by NSW oil maintenance workers, national air traffic controllers, Victorian petrol tanker drivers, and a nationwide guerrilla

campaign by building workers — were put down over the next 12 months. One by one, the most powerful sections of the working class challenged indexation, and found themselves running into a brick wall. So tight was the discipline of the Arbitration Commission, that the Full Bench even took to repealing the decisions of its softer members, as in the case of Commissioner Walker's award of a \$6 rise to Victorian public transport workers.

This grim turn in the wage struggle had three immediate effects. Firstly, the number of wage disputes dropped dramatically, from over 800 a year for the first half of the decade, to 476 in 1976, and 461 in 1977. The number of strike days in 1977 was in fact the lowest for the decade (see Table I). Workers realised that in order to win a pay rise, they had to go out for several weeks, not just a few days as in the boom times. And even then, they might go back empty-handed. Secondly, managements became much more confident about launching counter-attacks on their employees. The number of disputes over management policy (retrenchments, victimisations, speed-ups, etc.) reached a new high in 1975 and 1976 (see Table II), in contrast to the dramatic fall in wage actions. In particular, numerous militant shop stewards found themselves battling to save their own jobs. And savage losses were inflicted on shipyard workers in Newcastle and Whyalla, and later Chrysler carworkers in Adelaide, as their industries ran down and "rationalised".

Thirdly, we began to hear the most serious proposals yet for a wage freeze. In December 1976, Bob Hawke proposed a wage freeze in return for tax cuts. Hawke's consistent position up to that time had been for wage "restraint" as a trade-off for tax cuts (although Hawke never seemed to specify precisely which areas of government spending were to be sacrificed to finance the tax cuts). This was thus a significant step backward, even for him. After a general outcry inside the unions, Hawke's proposal was quickly repudiated by the rest of the ACTU Executive. But it encouraged Fraser and Victorian premier, Dick Hamer, to float a plan for a wage/price freeze only four months later. Like Hawke's idea, the Fraser-Hamer proposal never had any serious chance of acceptance — the unions had not been brought that low. But nonetheless, it was a sign of the ruling class' growing self-confidence that such schemes were now being openly trotted in the highest halls of power.

In addition to these major inroads into wages, the Liberals also moved on to the second phase of their industrial legislation. In mid-1977, they established their

much talked about "industrial police force", the Industrial Relations Bureau (IRB), with a charter of protecting scabs and cracking closed shops. Again, Hawke defused opposition to the move, by accepting the legislation once a few minor changes had been written into it.

The culmination of this period of defeat came with the monumental Latrobe Valley power strike of August-October 1977. After the repeated assaults on wage indexation by some of the most powerful battalions in the working class, came this climactic strike, a strike that shut down half of industry in Victoria, one of the country's two main manufacturing states. It was a heroic, 11-week attempt to smash through the "guidelines", and its significance was not lost on the rest of the Australian working class. Despite massive stand-downs, donations to the power workers' strike fund poured in from around Victoria and the rest of the country. Victorian premier Hamer was forced to pull back from the use of emergency legislation and strike-breakers, in the face of the almost certain prospect that the rest of the state (and possibly the country) would come out in the power workers' defence.

In the end, only the abject cowardice of Hawke and "left militant" John Halfpenny (who had been urging the shop steward leadership to surrender from the seventh week of the strike) got Hamer off the hook. Running the line that support from other unionists would be withdrawn as stand-downs widened, leaving the strikers ultimately isolated and liable to be smashed, they finally persuaded the shop stewards to drop the struggle and accept arbitration.

The results would have been farcical, had they not been so tragic. Workers who had lost \$2,000 in wages received insulting \$2 and \$3 increases. The effect was just as shattering on the rest of the working class in Victoria. The number of strike days in the state, usually almost equal with NSW, dropped to less than half the NSW level in 1978 (see Table III), a sign of massive demoralisation after the Latrobe Valley failure.

The key weakness in the Latrobe Valley struggle, the weakness that allowed Hawke and Halfpenny to spread pessimism amongst the strikers, was ironically the workers' isolation from rank and file militants in other unions. For, whilst much support flooded in almost spontaneously, the strikers did little to go out and win further solidarity for their struggle. Rather, the vast majority of the shop steward leadership spent most of the time of the dispute listening to the dreary legal wrangling in the Arbitration Commission. After weeks of this, they were easy prey to the

prophets of doom.

Significantly, it was the few shop stewards who did go out to win support who were the most optimistic about victory, and who led opposition to the sell-out. In fact, when in the 11th week of the strike two stewards, who had previously supported a return to work, were finally dispatched to Newcastle and Wollongong to raise strike funds, they were so overwhelmed by the support they received that they immediately telegraphed back urging their fellow workers to stay out.

## The Shift to Politics

The long period of defeat in the economic struggle, which lasted until mid-1978, did not however mean a downturn in the class struggle. Rather, it meant the appearance once again of a phenomenon observed many times before — a shift to working class struggle in the political arena. The general Strike over Medibank, though unsuccessful, was followed by a string of other political campaigns waged by the trade unions.

Even before the Medibank campaign, the Australian Railways Union had staged, in May 1976, the world's first strike against nuclear development, a national 24-hour stoppage in defence of Jim Assenbruck, a Queensland shunting supervisor who had refused to load material for uranium processing in line with union policy. In the next two years, uranium was to become a major issue for the Australian working class. The Port of Melbourne was closed down by maritime workers after police brutally broke up a picket against a ship carrying yellowcake, and bans were imposed on nuclear development. Hundreds of unionists became active in the anti-nuclear movement, and rank and file pressure kept the ACTU opposed to uranium, at least verbally, despite furious attempts by Bob Hawke to abandon this stand.<sup>4</sup>

In 1976 and 1977, Victorian unions took on the Hammer State Government over another environmental issue, the building of a power station at Newport which would pollute nearby working class suburbs. After nearly a year of unsuccessful attempts to get the Victorian Trades Hall to lift its ban on the project, Hamer introduced several hundred scab labourers on to the site to commence work under a massive police guard. At this point, the left officials who had voted for the ban then either dismissed the struggle as "unwinnable" (the Communist Party's largely self-fulfilling prophecy) or blithely assured their members that "they'll never get the skilled labour they need". Either way, the mass pickets that

Table I: Working Days lost due to Industrial Action, Australia, 1969-79

Year	Days (000s)
1969	1,958.0
1970	2,393.7
1971	3,068.6
1972	2,010.3
1973	2,634.7
1974	6,929.5
1975	3,509.9
1976	3,799.2
1977	1,654.8
1978	2,130.8
1979	3,964.4

Source: Australian Bureau of Statistics, Industrial Disputes, 24 October 1974, 4 March 1977, and 2 September 1980.

Table II: Number of Disputes over Wages and Management Policy, 1971-79

Year	Management policy disputes	
	Wage disputes	Management policy disputes
1971	880	699
1972	881	736
1973	1,038	720
1974	1,152	764
1975	820	836
1976	476	847
1977	461	835
1978	516	858
1979	575	735

Source: Australian Bureau of Statistics, Industrial Disputes December Quarter 1975 and Year 1975, p.14; Industrial Disputes December Quarter 1976 and Year 1976, p.13; Industrial Disputes Australia December Quarter 1979 and Year 1979, p.17-19.

Table III: Working Days lost due to Industrial Action, Victoria and New South Wales, 1974-79

Year	Days (000s)	
	Victoria	NSW
1974	2,386.6	2,665.0
1975	1,221.7	1,477.8
1976	1,420.0	1,456.5
1977	586.1	538.2
1978	468.1	970.8
1979	1,486.1	1,369.9

Source: Australian Bureau of Statistics, Industrial Disputes, 4 March 1977, September 1980.





were the only way to stop the scabs were never organised, and rank and file unionists were never given the opportunity to become more than passive supporters of the campaign.

The single most spectacular example of political resistance to the ruling class offensive was almost certainly that of the Queensland civil liberties campaign against the Bjelke-Petersen State Government's ban on street marches. Although the initial stages of the campaign were built primarily in the universities, rank and file union militancy (particularly in the maritime unions) forced the Trades and Labor Council into an increasing involvement in the struggle.

The T.L.C. Executive co-sponsored a civil liberties rally in December 1977, and an upsurge of working class militancy during 1978 forced it to organise a march for December 7, 1978, which attracted over 4,500 people, and resulted in the arrest of over 380 marchers, the vast majority of whom were blue-collar unionists.<sup>2</sup> More recent developments in the campaign are dealt with in detail elsewhere in this issue of *International Socialist* (see the article by John Minns on page 17). But we should note, in passing, that the Queensland civil liberties struggle took on a very real national significance for the labour movement: even John Ducker, the ferociously right-wing secretary of the NSW Labor Council, was obliged to attend the December 7 march.

At the national level, the wave of political struggle against the Liberals reached its peak after the Horror Budget in August 1978. In all the major cities, unionists staged spontaneous walk-offs and marches. The Labor Party and the unions called 10,000 strong rallies in Sydney and Melbourne, and a break-away march from the Sydney rally, of about a thousand workers, took place in the Stock Exchange and inflicted \$6,000 worth of damage on some of the Budget's major beneficiaries.

A mass meeting of shop stewards in Melbourne considered action, but despite a call from the Latrobe Valley for a one-week national general strike, Communist Party and left union officials managed to contain the meetings to a decision for half-day protest stoppages once a week. This rather novel way of introducing the 35-hour week never came to fruition however — as the upsurge subsided, the ACTU was able to bail out with a pathetic Day of Protest in Canberra, three months (!) after the Budget.

Political struggles against the Liberals continued into 1979 with the General Strike against the wa. Police Act, and even into 1980, with the bans against oil drilling on land owned by blacks at Noonkanbah. But the 1979 Police Act

strike, against the arrest of unionists for holding meetings in public, was very much a tame re-run of the Medibank fiasco. The ACTU had learned its lesson in 1976, and called a 24-hour national strike — sufficient to head off the rank and file upsurge, but certainly not to inflict defeat on the Western Australian State Government.

Again, there were no rallies, nor even the wild card of shop stewards' meetings this time. The ACTU exempted numerous "essential services" from striking, and not surprisingly the right-wing unions felt free to scab. As a result, less than one million unionists took part in the 24-hour stoppage, compared with over 1½ million

operation at Newport proved a humiliating success, the 1978 Budget went through undented, and even the 1979 General Strike only achieved a dishonourable draw — despite obvious discomfiture within the ruling class (large sections of the capitalist press objected to the behaviour of the Court Government), the wa ban on public meetings was lifted for union meetings *alone*. The Queensland civil liberties campaign did force a partial retreat upon the Bjelke-Petersen Government, but it proved much less than a total victory. After the defeats of 1976 and 1977, the effect on working class morale might have proved disastrous had it not been for one saving grace



Outside the Sydney Stock Exchange — after the 1978 Horror Budget.

in the Medibank General Strike.<sup>3</sup>

Perhaps the most remarkable feature of this wave of trade union political struggle was its occurrence at precisely a time when the Labor Party, the traditional conduit for workers' political dissatisfaction, was at its lowest ebb in years. Crushed in successive elections in 1975 and 1977, Labor virtually disappeared as a force of opposition between December 1975 and November 1980. Many on the left expected these electoral defeats to result in widespread demoralisation in the working class. It is instructive to observe the way in which, instead, workers regrouped around the unions to organise the political defence of their class. Even bourgeois commentators could not help but raise their eyebrows at the way in which the unions had "taken over" from the ALP as the "real force of opposition".

Sadly, none of these struggles was able to halt the Liberal tide. Moscow-line maritime union officials had the uranium bans lifted on the wharves in Sydney (after all, Russia needs uranium), and once this had happened, the Melbourne bans became irrelevant. Hamer's scab

## Picking off the Scabs

Although the Liberals hadn't realised it at the time, their introduction of the Industrial Relations Bureau in mid-1977 had in fact opened up a Pandora's Box of industrial uncertainties. During the next year or so, a procession of right-wing, would-be heroes came crawling out, each hoping to bring down the institution of compulsory unionism and the closed shop. The parade of scabs — Paul Krutulis, Noel Latham, Frank Kane and Barbara Biggs were the most prominent — became so monotonous that many unionists suspected it was all a conspiracy by the Liberals.

But it is hardly likely that the Liberals would have picked stooges as easily discredited as Krutulis (a member of the nutty, extreme right-wing Workers Party), Biggs (deported from Japan on a dope conviction), Latham (hated by his workmates), or Kane (twice saved by his union when sacked for drunkenness). A far more likely explanation is that the

atmosphere the Liberals had created with the IRU and their anti-union propaganda simply encouraged these glory-seekers to come out one by one.

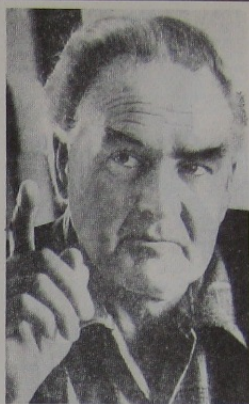
Whatever the motive, it set the scene for a string of notable victories that not only sent the scabs packing, but also reduced the IRU to an ineffectual paper tiger. In the Kane case, the one case where the IRU actually summoned up the courage to prosecute on behalf of a scab, a five-week strike by Melbourne's municipal maintenance workers totally halted garbage collections, and reduced the city to such a stinking mess that not only did the courts refuse to back up Kane and the IRU, but his City Council employers also ended up handing over a hefty pay rise to the strikers.

This string of victories was so decisive that, to the time of writing, it has all but halted the Liberals' march towards the reintroduction of the penal powers. And almost as importantly, it proved to unionists, particularly in Victoria where morale had fallen most, that they could still go out on strike and win if they remained solid.

During the last half of 1978, two other victories, both outside the mainstream of industrial struggle, helped to restore working class self-confidence. The first, a long strike by 2,000 of Utah's coal-miners in Central Queensland, won a stunning \$95 a week wage rise. Of course, there were strings attached to the increase, but nonetheless it remained a noteworthy victory. Then, soon after, Telecom technicians, the most organised and powerful group amongst the emerging government sector unions of the late seventies, won a major compromise from the Government over the introduction of new technology. It was the first real glimmer of hope in the battle over computerisation and automation, and it added to the feeling that the Government could be beaten.

The tide finally turned in November 1978. It turned despite the temporary setback of the defeated Budget protest (a defeat tempered by the fact that few workers expected victory anyway), and the introduction of six-monthly indexation, which was accepted by most with weary cynicism. The straw that broke arbitration's back was a campaign by NSW oil storemen, and the \$8 rise they received for "increased work value" was to become the figure that every union official set their sights on (although, for understandable reasons, most rank and filers were interested in something a lot higher).

Why did this crack open up in the previously impregnable wall of wage indexation? To a large extent, the Arbitration Commission had "crueled its



Noel Latham and Barbara Biggs

own pitch" by resorting to six-monthly indexation. The employers may well have made an immediate saving of three or four dollars a week on wages through the longer delay, but its ultimate effect was dramatically to weaken the disciplinary power of the indexation system. The ACTU now only had an excuse twice a year to tell strikers, "Go back to work or you'll jeopardise the CPI rise for everyone."

In any case, the surge was now on. After the quiescence of 1978 on the wages front, unionists were ready for battle

again. The recession had eased, management attacks dropped back, and in 1979, strike figures soared to the second highest level of the decade (see Table 1). The Arbitration Commission was obliged to retreat, and it quickly became apparent that the judges had agreed to hold the line at \$8.

Eight dollar rises for "increased work value" were awarded in struggles as diverse as a Pilbara log of claims dispute, a demand by journalists for a 10% allowance, and a strike by Alcoa workers centred around the 35-hour week. When left-liberal judge Jim Staples broke Arbitration Court discipline by awarding wool storemen the unheard-of sum of \$16, he was publicly tarred and feathered by his fellow judges, as the Full Bench dragged the figure back to the house limit. The irony of the situation was that, eighteen months after the Latrobe Valley workers had tried to wriggle through the "work value" loophole and been strangled by it, every union in the country was pouring through.

## The Upswing Continues

The upswing in industrial struggle continued into 1980. A resounding victory came when the Victorian State Government tried to bring down highly restrictive amendments to the workers' compensation laws. The most important of these would have required employees to prove that their jobs had "substantially" contributed to any injury before any compensation could be awarded. Previously, employees merely had to prove that their jobs had made some such contribution.

Hamer's attack was a remarkably ill-conceived exercise. In the first place, the building unions in NSW and Victoria were already involved in a very militant and successful campaign of snap occupations of insurance offices, in protest against existing inadequacies in the compensation system. And rather than "divide and conquer", as did wage indexation by buying off the right-wing unions, Hamer's legislation did exactly the opposite. It penalised right and left-wing unions alike. In fact, right-wing officials were especially threatened, since the proposed amendments struck right at the heart of their entire "service club" approach of building union empires based on credit co-operatives, compensation cases, and the like.

So, for once, we witnessed what could be achieved if only the union officials



would actually attempt to lead a struggle. An impressive (if bureaucratically-run) campaign of rolling strikes, involving every union in the state, brought Hamer to his knees in a matter of weeks, and the offending legislation was withdrawn. The sort of militant lead that could have stopped Fraser in 1975, and turned back his numerous subsequent attacks, finally emerged — but only in response to a threat to the officials' own immediate interests.

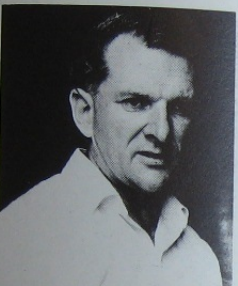
From the national point of view, an even more important development was the launching in earnest of the 35-hour week campaign by the metal unions. Weak-kneed leadership from the left officials in the AMWSU, combined with wretched scabbing from Laurie Short and the right-wing BIA, ensured that the campaign never got beyond monthly 5-hour stoppages, except in a few shops. But the political content of the campaign remained significant, since it marked the most radical response yet from the unions to the problem of mass unemployment. But more of this shortly.

## The Bureaucracy Moves Right

Within the ebb and flow of the industrial struggle of the last few years, there has been one consistent trend, that of the shift to the right by the union bureaucracy, under the impact of the recession. The easy gains of the late boom years, when the troops could be brandished like toy armies (and, if necessary, called out for a couple of days) are no longer available. During the last five years, waging a strike has meant going out for several weeks, and many of the erstwhile "militants" in the bureaucracy have pulled their heads in rather than propose the sort of action needed to win. This retreat has been reflected in both the industrial practice and the explicitly avowed politics of individual bureaucrats.

Thus, for example, we have seen John Hallpenny desert the Communist Party and head towards the ALP. Norm Gallagher, having smashed the left inside the NSW BLF, now fights the Ironworkers for the right to build the Omega us spy base that he once reviled. Amongst the moderates, Jack Egerton has departed clutching a lightningrod, while Bob Hawke, who took the ACTU presidency on the votes of the centre and the left departed this year hated by those who put him in office and eulogised by the nccc, which used to foam at the mouth at the very mention of his name.

Furthermore, a number of other



Clockwise, from top left, Jack Egerton, Pat Clancy, Laurie Carmichael, John Hallpenny, Norm Gallagher

figureheads of the left have made their exits, leaving no suitable replacements behind them. Ted Bull and Clarrie O'Shea, of the Maoists, are gone, so too is Elliot V. Elliot, of the Socialist Party, and Pat Clancy's departure cannot be long postponed. Only Laurie Carmichael and Hughie Hamilton remain, leaving the three fragments of the old Communist Party with their most tenuous grip on bureaucratic power yet.

But the abdication of individual left bureaucrats is only part of a much more important trend, a trend most graphically illustrated by the demise of the AMWSU as a militant, campaigning union. In 1969, the AMWSU (or, more accurately, the three unions which later amalgamated to create it) played a major role in the "rebel unions" in Victoria, and helped to lead the national strike that both threw off the shackles of the ACTU and freed O'Shea. In 1974, the then AMWSU spearheaded the historic wage push, and as late as 1975 it helped to organise, again independently of the ACTU, the 4-hour general stoppage in Victoria in protest against the sacking of the Whitlam Government.

But as a result of the recession, on the one hand, and the decline of the NCC, on the other, unity with the right, no matter what the cost, increasingly took precedence for the left bureaucrats. By 1977, Hallpenny, for example, had lined up with the right over Newport and the Medibank stoppage, sold out the Latrobe Valley workers, and helped to bury two successive wage claims in the metal trades. From that point on, AMWSU officials have maintained their left image mainly by militant posturing on issues about which they know they will never have to act.

AMWSU publications, such as *The People's Budget* and *Australia Up-Rooted*, have been long on rhetoric against the multi-nationals, but decidedly short on proposals for action. And when the AMWSU officials finally poked their toes back in the water with the recent 35-hour week campaign, they just as quickly pulled them out again when the right-wing metal unions, led by Laurie Short, determined to drop even the token action initially embarked upon. This time, a revolt by the AMWSU rank and file stopped the retreat, at least temporarily.

We have chosen the AMWSU as an example because it is widely recognised as one of the country's most militant and influential left-wing unions. But the same fundamental problem applies to the whole left-wing of the union bureaucracy. Faced with an ACTU and a centre-right that has consistently refused to stand up to the Liberals, they have had a choice. Either they could go it alone, as the rebel unions did in Victoria in the late sixties,

and organise their own struggle, aiming to win the rank and file of the centre-right unions into action alongside them despite their officials. Or they could cave in to the centre-right, and justify their capitulation in the name of "unity" — the unity of the graveyard. Clearly, they have, in fact, consistently chosen the latter course.

## The Militants

But what of the militants, the rank and file unionists who are inevitably found in the shop floor leadership of any strike that ever erupts? For Marxists, their morale and consciousness is of paramount importance since it is in this thin layer of the working class that any revolutionary party in Australia will begin to build.

In terms of organised groupings of militants, broad rank and file groups, small action groups, and the like, there have been a couple of major setbacks during the last five years. The two most significant and best-established rank and file groups of the mid-seventies, those at Chrysler in Adelaide and in the NSW Branch of the BLF, have both effectively ceased to exist. On the other hand, we have seen the emergence of a national rank and file network in the Federal Public Service, and rank and file groups that have led impressive campaigns both in the Municipal Employees Union and the Public Service Association in Victoria. And, as is to be expected, a host

of smaller action groups and reform groups have also risen and fallen in the last five years, in areas as diverse as teaching, nursing, the postal industry, public transport, the steel industry, and journalism.

The downfall of the Sydney-based Builders Labourers for Democratic Control, the most recent of a series of rank and file groups in the NSW BLF, epitomised a common weakness in many such groups, that of electoralism.<sup>3</sup> A rank and file group emerged inside the NSW BLF after Norm Gallagher's federal intervention into the state branch to smash the Munday Owens Pringle leadership, perhaps the most democratic and militant union leadership in recent Australian history.

From the outset, the anti-Gallagher group had widespread support in the industry. Several major building sites supported it, and delegates sympathetic to it led numerous important strike campaigns on their jobs, which placed in stark relief the tamecate leadership of Gallagher's men. After a long campaign for a democratic ballot in the union, the BLF for Democratic Control finally went to the courts to secure an election. Their activists placed all their hopes on winning the ballot, and when Gallagher's men out-organised them, they were thoroughly demoralised.

Their failure to use the election to spread their organisation, and to build any campaign other than a campaign for votes, meant that they had nothing left to fall back upon once they had lost. Within a few months, the group had effectively collapsed.

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## the workers paper



The Maoist-influenced Chrysler rank and file group met its end through almost exactly the opposite, ultra-leftist error of "dual unionism". Based inside the Chrysler Tonsley Park factory in Adelaide, the group had an impressive organisation on the floor — sometimes calling their own stoppages — but failed to stir up candidates against the right-wing officials or shop stewards inside the Vehicle Builders Union itself. In effect, they tried to set up the rank and file group as an alternative or "dual" union.

The day of reckoning inevitably came: Chrysler and the VBU officials used a mass lay-off of 700 workers to clean out the whole rank and file group. Because the rank and file group had failed to build any serious opposition to the officials, outside Chrysler, and because even inside Chrysler their dual union approach had allowed the officials, although widely despised, to retain their power and status, the militants found themselves left high and dry.

These strategic mistakes were compounded by a major tactical error. When the sackings were announced, there was a near-riot in some sections, as workers smashed up cars. But the rank and file group failed to organise an occupation on the spot, and instead allowed its supporters to go home. By the time they returned after the weekend, the anger had dissipated, and the company had placed security guards and police on the gates, vetting those who went back in.

The positive side of the balance sheet, we have said, includes the rise of rank and file groups in the ACU, the VPA, and the Victorian MEU. We will, however, defer discussion of public service unionism for the moment. In the MEU in Victoria, there has been a quite remarkable upsurge in the last two months, an upsurge triggered, initially, when three leading officials outraged the membership by taking a junket to Europe, paid for by a contractor trying to take over members' jobs, in order to "investigate" new mechanical methods of garbage collection that were actually already in use in Melbourne itself.

Led by a rebel woman organiser, militants occupied the union office, and formed a rank and file group which led a 5,000 strong mass meeting in barricading the officials inside the hall until some of them signed resignation statements (which were later annulled in the courts). The rank and file group then initiated a Melbourne-wide strike of the union against the introduction of a contract operation at Waverley City Council, and led successful mass pickets to close down outer suburban tips.

The rank and file group eventually concluded a truce with the officials for the duration of the Waverley dispute. As it turned out, this enabled the officials to regain the initiative, which in turn made it possible for them to sell out the dispute. At the time of writing, it remains to be seen whether the rank and file group will re-establish its independent organisation, and whether it will then prove capable of recapturing the initiative within the union.

We naturally expect rank and file formations to be in a constant state of flux. But, looking at the overall picture, we can clearly see that Australia has still barely begun to develop a broad spread of rank and file militant organisations, let alone a national rank and file movement of militants, such as would provide the best opportunity for building a mass revolutionary party in the working class.

In the traditional shop-floor strongholds of militancy, the recession has also brought about some quite serious defeats. The Latrobe Valley, Chrysler, and the Newcastle and Whyalla shipyards, have already been mentioned, but there have also been severe reversals at the Redfern mail exchange, Pagewood GMU, and the Toobis Brewery in Sydney. On the other hand, the increased strength shown in the Central Queensland coalmines, the Port Kembla steelmills, amongst the Telecom technicians and in some white collar areas balance the scales somewhat.

The outcome of the last five years could have been a lot of worse: the Australian working class has not yet undergone any staggering defeat such as that which occurred, for example, at British Leyland, in England. In fact, the last two years have witnessed a generally much more determined attitude towards the running of disputes on the shop floor, which stands in marked contrast to the rightward movement of the union bureaucracy. This is evidenced not just in the revival in strike figures, and in the recent emergence of the occupation tactic, but also, and most importantly, in the renewed emphasis on picket lines in disputes.

By comparison with the early seventies, when workers normally went home and waited for the employer to collapse, pickets are now an almost mandatory feature of strikes. Moreover, picket lines themselves are becoming much more seriously organised. There is a greater tendency to picket around the clock, to physically prevent trucks and scabs getting through, a greater use of the picket as an organising centre for the collection of strike funds from other workplaces, and a greater involvement of families in disputes. This increasing use of

picket lines has an additional significance for the left; it gives us both an increased opportunity to support workers' struggles actively, and a point of contact where we can discuss our ideas with militants.

## Layoffs — End of the Paralysis

When the first effects of the recession were felt in Australia in 1974-75, the consequent layoffs left most unionists effectively paralysed. The routine answer to an employer's attack, that of bans and strikes, was obviously inadequate when the employer sought precisely to cut production. Not surprisingly, the first reaction was one of disorientation. Retrenchments were passively accepted, whilst a Labor Government handed over massive sums to companies such as EZ and APPM in order to persuade them to keep their plants open.

Once the initial shock and inertia had passed, numerous union leaders turned to the traditional snake-oil remedy of protectionism. The Seamen's Union fought for 40% Australian labour on Utah vessels, the shipbuilding unions for local construction of Australian ships, and the meat unions against overseas slaughter of Australian livestock. The once-proud AMWU scraped rock-bottom when it joined the metal bosses in a "Buy Australian" campaign.<sup>10</sup> Needless to say, a Government intent on 'rationalising' Australian capitalism remained distinctly unimpressed.

Other unions accepted the inevitability of retrenchments and, following the example of the wharfers' response to containerisation, concentrated their efforts on securing 'golden handshakes' for their members. But the wharfers had achieved their deal before the end of the boom, in an industry all set to take a giant leap forward in productivity. The boom had now broken, and in industries facing rundown, such as the car industry and the concrete housing industry in Victoria (the scene of a protracted retrenchment pay struggle in 1977), the pickings were lean indeed.

During this entire period, only the minuscule revolutionary left had advocated the class struggle response to sackings: the tactic of occupation, and the demand for a shorter working week to create more jobs at the employers' expense. Neither of these were exactly new ideas. The 35-hour week had been ACTU policy since 1931, whilst occupations were a traditional tactic, in the mining industry in particular (the first



Top: The Sanyo occupation organising committee meets in the works canteen.  
Bottom: The Union Carbide picket.

occupation of the current recession was in fact staged by four goldminers at the Al Goldmine, near Woods Point in rural Victoria, when it was closed in January 1976). So, given the failures of 1975-77, it was fairly inevitable that, as mass unemployment persisted, workers would once again turn to them.

What was surprising was the way in which the turn came, not at one of the traditional bastions of militancy, but in a TV factory, employing numerous Country Party voters, in a provincial town on the NSW-Victorian border. The work-in by Sanyo employees at Wodonga in 1978, which occurred after the third in

This rediscovery of the occupation tactic is of great significance to revolutionary socialists, and not merely because workers are now beginning to adopt a measure we have advocated. In the first place, an occupation can be much more than a passive sit-in, playing a waiting game with the employers. It can become an organising centre for the dispute, sending out a stream of delegations to win support and solidarity action from other jobs (one of the regrets of the leaders of the Union Carbide occupation was that they did not adopt this approach sooner).

The seizure of a factory also implicitly challenges, not only the bosses' 'right to fire', but also their very ownership and control of the means of production. An occupation takes this control at least temporarily, out of the employer's hands. Of course, the occupations of this recession have not yet reached this level of militancy and aggression.

In a basic sense, they have not even gone beyond the level of the ordinary picket-line. That is, they have been primarily concerned with two purely defensive aims, those of keeping out the scabs, and demonstrating their refusal to accept removal from their jobs. Significantly, in two of the above mentioned cases, ACI Pilkington and AMI, the workers left the buildings after several days to resume normal picket style tactics. This is not in any way to denigrate the occupation attempts to date, but to point up the directions in which revolutionaries must now work to develop the tactic in Australia.

## The Threat of New Technology

Closely allied to the fight for jobs has been the growing struggle of the last five years over 'new technology'. The emergence of silicon-chip technology from the space-race of the sixties, combined with the impetus the recession has given to employers to seek new labour-saving forms of production, has created a new threat to jobs, over and above the 'normal' factory closures of any business slump. With this new threat has come a not-so-new set of problems for Australian unionists.

Perhaps not entirely by chance, the first battles over new technology came in one of the industries least equipped to resist, the newspaper industry. The strikes by printers on the Melbourne dailies in 1975, and at Sydney's Fairfax press in 1976, both became trials of strength to determine whether the workers or

a series of retrenchments at the factory, attracted widespread attention in both Australia and NSW. The work-in itself resulted in a rather dubious compromise, but it planted in the minds of thousands of unionists the idea of staying in the premises and locking out the boss. Unlike the trail-blazing UCS work-in in Britain, Sanyo did not, however, inspire scores of imitators.<sup>11</sup> Rather, the leap to straight-out-occupation came almost immediately, and in the last eighteen months major occupations have been staged at Union Carbide and AMI in Melbourne, ACI Pilkington in Geelong, and Cook Engineering in Adelaide.





Police thugs on the Fairfax picket line

management would dictate the terms for the introduction of 'Visual Display Terminals', computers that did much of the traditional printing compositor's job as soon as a journalist typed an article. On both occasions, the printers were beaten, after bitter picket-line battles, largely because the employers were able to play on traditional craft divisions to keep journalists at work writing the stories whilst executive scabs ran the presses.<sup>12</sup>

In a sordid arbitration case that followed, the journalists received their blood money — the right to operate the vots at the expense of the printers' jobs. The printers were able to salvage a little from the wreckage, in the form of in-house agreements that staff reduction would come from 'natural wastage' rather than actual sackings. But the ultimate effect will be the same: a massive blow to the muscle and organisation of the printers. In a sequel as pathetic as it was predictable, the journalists themselves were betrayed by the employers last year.

As a result of the rift between journalists and printers that the journalists themselves had done so much to prepare, the newspaper companies were able to sit out a long journalists' strike, this time using the printers to keep the presses rolling while the executive scabs wrote and edited the stories. Despite their impressive organisation, which included the production of their own newspapers, the journalists were only able to raise the owners' offer to a miserable \$10 allowance for operating the vots. Mention must be made, of course, of the fact that many journalists have now come to recognise

the trap that their union has fallen into, and in Victoria a reform group has in fact wiped the slate in the AJA branch elections.

The next major struggle over new technology proved a little more promising. In late 1978, Telecom technicians took on their employer over a plan to centralise and computerise the maintenance of telephone exchanges. The plan could have cost literally hundreds of technicians' jobs and promotion opportunities. The technicians fought back with a bans campaign that produced hundreds of thousands of dollars worth of free phone calls for the public (making it one of the most popular union campaigns in years).

Telecom was ultimately forced to pay back-pay to 70% of the 4,000 workers it stood down during the dispute, and to agree to a two-year trial with the union before the introduction of the new system. For a weakly organised union, with no history of militancy, these were considerable gains in the grim days of 1978. The struggle made a deep impact on unionists around the country, for by now the 'new technology' was widely perceived as a threat, and the Telecom technicians had shown that it could be successfully resisted.

More recently, we have witnessed two further protracted struggles over new technology. We have already mentioned the campaign by Melbourne council garbage collectors against the introduction of contract garbage collection (which makes use of trucks with mechanical pick-ups, operated by a single driver, instead of the traditional crew).

Some aspects of the campaign's organisation were indeed impressive. Council depots were blockaded, solidarity stoppages were held in other states, the strikers effectively trounced Liberal councillors at public meetings held to discuss the new system, and there were fights with police outside tips, which involved up to 200 workers. Nonetheless, a preciously apparently discredited union leadership has proven capable of out-flanking the militants and effectively selling out the dispute.

At the same time, bank workers around the country have been (and are being) led to the slaughter by their union over the introduction of computerised telling machines. To date, the only response by the officials of the Australian Bank Employees Union has been a lavish advertising campaign imploring 'Banking is people, not machines', in an attempt to turn public opinion against the move. Thus far the advertising campaign has proved as spectacularly unsuccessful as it is expensive, and the Bank of New South Wales has already opened up an after-hours telling service. As with most such appeals to an amorphous, middle class 'public opinion', the ABEU's campaign has, in the absence of any strong industrial action, proven entirely ineffectual.

A common thread runs through all these disputes, from the militant struggles of the printers to the feeble pleading of the bank union officials. It is the merely defensive approach to new technology adopted by Australian unions, an approach which simply opposes its introduction, and makes no attempt to challenge the employers for its fruits. This is not to deride such struggles as 'Luddite', as does the capitalist press. Clearly, an absolute ban on new technology is infinitely preferable to retrenchments. But employers armed with shiny, new labour-saving machines have two great strategic advantages over any union that simply tries to block their introduction forever. Firstly, they can choose the time and the place in which to introduce them, and can thus gradually phase them into the more weakly organised sections of the industry. And secondly, with an increase in productivity assured, the employer can afford to bribe a section of the workforce (such as the journalists) or the public (as the banks are doing) into accepting the new machinery.

Thus, as the struggles over new technology continue, socialists have a clear responsibility to try to shift their unions away from a merely defensive strategy. Socialists need to agitate for their unions to demand that the benefits of new technology go to the workers — all the workers — in the industry, in the form of shorter hours. This is not merely a

matter of job protection, or of contesting with the employers for the fruits of production, as socialists have tended to represent it. More importantly, such a demand will serve so as to *unite* the workforce, and will make it increasingly difficult for the employers to use bribes to split off such groups as the journalists.

## The 35-Hour Week Campaign

Fortunately for the left, the emergence of the 35-hour week campaign during the last year has opened up the possibility for agitation, rather than mere propaganda, around the demand for shorter hours.

This campaign, based initially in the metal trades, has been timidly led to date. But the AMSWU officials have at least done an effective job in spreading far and wide the arguments for a 35-hour week. As a result of the ACTU's successful negotiation of shorter hours for the aluminium, brewing, and Victorian power industries, there will be a widespread expectation of a flow-on amongst other unionists. However, the ACTU approach is to negotiate a 35-hour week only in those industries "which can afford it". This will quite rightly create anger and impatience in industries, especially those threatened by new technology, in which the employers insist they are not ready as yet. In these industries, socialists will be presented with a golden opportunity to build rank and file organisation around the 35-hour demand.

But one important problem already looms ahead in the 35-hour struggle. It is a problem that socialists in other countries, especially Britain, have had to cope with recently: that of the productivity deal. In the current wave of 35-hour disputes, Victorian stc workers have already been duped into accepting a 37½ hour week in return for no loss of production, that is, at no cost to the employer. Such productivity deals are not new to Australia: the precedent was first established in the Telecom technicians' agreement of 1976.

Unlike the postal industry, which received a no-strings attached 36½ hour week under Labor, the Telecom technicians agreed to a 14½ increase in productivity in return for the same working week. It comes as no surprise that Ken Turbet, the union official who led the Telecom technicians into this miserable compromise, is now an Arbitration Commissioner. Now that a serious 35-hour campaign is under way, there can be little doubt that more and more employers will seek to regroup around Turbet's brainchild.

## The White Collar Explosion

Probably the single most exciting development in Australian unionism in the last five years, certainly from the long-

term point of view, has been the rapid growth of 'white collar militancy', particularly amongst public servants.<sup>13</sup>

For decades, the Australian public service has been a backwater for unionism. Public servants have tended to regard themselves as a white collar, if not professional, elite, carving out a career in the hierarchy, and bound by 'public service neutrality' to abstain from activism. Meanwhile, cliques of ALP and SCV bureaucrats have fought for control of the semi-moribund Federal and State public service unions.

All this has begun to change drastically during the last five years, due to the coincidence of a number of factors. The post-war growth in the tertiary and government sector had already created the conditions for a 'proletarianisation' of clerical workers, when the onset of the recession introduced a new catalyst into the situation. The public service became the prime target for a Liberal Government intent on cutting public sector spending.

The Liberals introduced arbitrary cuts in staffing, which resulted in a massive increase in workload. In order to discipline public servants into accepting these cuts, the Liberals introduced stand-down provisions and streamlined redundancies, with the infamous CLP and CERB Acts, thus effectively removing permanency of tenure. Needless to say, this produced a furious response from even the most career-minded of public servants, since it struck at the very heart of the 'career service' notions that many of them had.





Within the unions, a string of activist and union reform groups sprang up to organise resistance: the ACOA Reform Group in Melbourne, the Grey Collar Group in Sydney, PSAG in Canberra, and GERAF in Brisbane. The oldest of these, Melbourne's ACOA Reform Group was originally formed in 1976 in opposition to the Greater leadership of the Victorian ACOA. It has since succeeded, not only in deposing state secretary Alex Magner, but also, in conjunction with the left ALP of the NSW union, in gaining clear-cut control of the Federal Office. In addition to these electoral successes, all four groups have also succeeded in winning motions for strike action and bans against official opposition, at mass meetings called against the Liberal attacks.

This volatile situation in the public service, and the impressive level of organisation achieved by militants, naturally presents the revolutionary left with some important opportunities. Activists in these unions have not fallen under the influence of any of the three splinters from the old Communist Party, as have many in traditionally militant blue collar areas (for example, the Maoists in the IBEU, the Moscow-line SPA in the Seaman's Union, the CPA in sections of the AMWU). At the same time, many of the most militant activists are former students who have already received a grounding in radical politics from the student movement of the late 60s and early 70s.

On the other hand, socialists still face some major obstacles. Amongst the general membership, faith in arbitration is still widespread. And inside the rank and file groupings, there are other problems. The ACOA Reform Group is dominated by an electoralist faction, the primary aim of which remains the election of more left-wing officials. The Grey Collar and GERAF groups, which are much smaller, are obliged to operate in branches that are already run by left ALP officials, and therefore have to contend with widespread illusions in the role of those officials. And in all the groups, there is a continual tendency to try to get positions adopted in the union by appealing to lowest common denominator politics, rather than by organising the militants to win around the rest of the membership.

One of the most promising public service rank and file formations has emerged in the Victorian state public service union, the VPSU. Beginning as an anti-uranium group, the VPSU Reform Group quickly developed into a full scale challenge to the union's extreme right-wing officials. When it stood its own candidate, a revolutionary socialist, against the incumbent president, he

received 47% of the vote.

The task for members of the Reform Group since then has been to turn this passive vote into independent rank and file action, and despite repeated attempts to drive them out of existence, they have succeeded in initiating several campaigns. The Reform Group has fought an undemocratic restructuring of the union, it has called its own rally against State Government-imposed staff ceilings, and campaigned for mileage rates for the use of private cars on government business. It also took over a mass meeting, after the officials tried to close it, during the Victorian worker's compensation struggle, and succeeded subsequently in getting a strike motion carried by the meeting.

## Conclusion

Despite the political and industrial defeats of the last five years, Australian working class morale and combativeness remains high. This is attested to, not merely by the strike statistics, but also by the way in which the Australian bourgeoisie has clung for so long to wage indexation, which for all its dishonesty, has been the most timid wage-cutting scheme employed by any western ruling class.

The union bureaucracy, especially its left wing, has moved noticeably rightwards, and has taken some of the more traditionally militant sections of the rank and file with it. Left behind has been a smaller, harder, militant minority, which has recently been augmented by a new layer of militants forming in previously backward areas. Whether or not this widening gap between the left bureaucracy and the militant minority will produce increasingly independent organisation by militants remains to be seen. But the objective preconditions for such a development do appear to exist.

What is certain is that important new avenues are opening up for socialists in the white collar unions, and in the struggles over both the working week and new technology. The test for the revolutionary left in the industrial arena, during the next five years, will be its ability to seize these opportunities.

## Footnotes

1. From the outset, the Fraser Government has urged precisely this at each indexation hearing, often calling for 'zero indexation'. Such calls have mainly been for propaganda purposes however. Consequently, state Liberal

governments have felt free to push for their own compromise figures.

2. From the beginning, indexation had cut wages covertly, mainly through higher tax instalments and the clever use of time-lags. Indexation took workers into higher tax brackets, where a disproportionately large amount of any increase went back to the Government (which then handed it to the ruling class in the form of investment allowances and the like). And indexation increases were only effective 3 or 4 months after the middle of each quarter, instead of retrospectively to the middle of each quarter, as would be the case in a genuine indexation system. These 3 or 4 month delays meant an effective wage cut of around \$4.55 a week during quarterly indexation, and this has doubled with half-yearly indexation. In fact, the time lag and the tax trick have been far more costly to workers than the 'partial' payments, taken over the whole duration of the scheme.

3. Naturally, the freeze on prices was to be 'voluntary'.

4. For an account of the early stages of the campaign, see David Shaw, 'Uranium and Workers' Power', *International Socialist* No. 6.

5. For a detailed account of the Queensland civil liberties campaign from its inception until early 1979, see Carole Ferrier and John Minns, 'Flying Backwards to Queensland', *International Socialist* No. 8.

6. 1,374,400 workers were involved in the Medibank strike (Australian Bureau of Statistics, *Industrial Disputes December Quarter 1976 and Year 1976*, p.19), and 890, 200 in the WA Police Act strike (Australian Bureau of Statistics, *Industrial Disputes December Quarter 1979 and Year 1979*, p.24).

7. This was the only remaining loophole through which rises could be granted while maintaining the fiction of the 'guidelines'.

8. Although the *The People's Budget* had a number of co-sponsors, it was in fact published by the union *Australia Up-Rooted* was a straightforward SMSU publication.

9. Electoralism is the notion that unions can be improved simply by electing better officials. It tends to result in a concentration on winning ballots, rather than on activating the rank and file by fighting campaigns that the officials won't take up. As well as fatally weakening the rank and file in the NSW IBEU, it remains a constant debilitating factor in the Victorian ACOA Reform Group.

10. The first three struggles mentioned deserved critical support from socialists. Despite their nationalist short-comings, they were at least struggles in defence of previously accepted work practices.

11. There was, in fact, a subsequent work-in at Williamstown Naval Dockyard in Melbourne, but it seems unlikely that this was actually inspired by the Sanyo work-in.

12. For an account of the Fairfax dispute, see Tom O'Lincoln, 'The Struggle at Fairfax', *International Socialist* No. 6.

13. For a detailed account of recent developments in the public service unions, see Rick Kirby, 'The Crisis and Socialist Class Struggle within the State', *International Socialist* No. 10.

# QUEENSLAND: The Last Two Years

by John Minns

John Minns has been active in the Queensland civil liberties movement since its inception.

In September 1977, the political situation in Queensland was transformed, in a matter of weeks, by a single statement from Premier Joh Bjelke-Petersen. It was, of course, his now famous remark that:

the day of the political street march is over. You can apply for a permit if you want one — you won't get one.

The following two years were heady ones for activists on the Queensland left. Suddenly it became possible for us to organise marches of thousands, and to attend meetings of hundreds.

Those days are now over. This article is an attempt to draw up a balance sheet on the civil liberties campaign, and to look seriously at the two years since it died a quiet death. But, in order to do this, we have to understand what the fight was all about in the first place.

One important feature of the first few months of the campaign was a fairly widespread insistence on the need for an explanation of the State Government's clampdown on democratic rights. After all, why was Petersen apparently prepared to 'touch it out' on the street march question? There were a number of available liberal explanations: that Queenslanders are different, Petersen is crazy, and in any case this could never happen 'down south', that the gerrymander makes Petersen so invulnerable that he simply doesn't care what the public reaction is, and so on. But these explanations were hardly adequate.





Not only did they provide us with no real help in understanding what was actually happening, but they also proved impossible to mobilise around.

On the left of the campaign, there developed a much more coherent analysis. We argued that Petersen was attempting to play a vanguard role for the Australian ruling class as a whole (including Queensland manufacturing interests), and that, although his attacks were aimed initially at the anti-uranium movement and the left, he intended to broaden them to take on the wider labour movement. He was particularly suited to this role, we argued, because of the peculiar nature of his support base: graziers and farmers, and, more importantly, the mining industry. The mining industry was much less cautious than were urban manufacturers about the prospects for an attack on the unions, quite simply because it had very much less to lose. Its capital intensive production techniques meant that it employed fewer workers. And its enormously high profit rates meant that it was confident it could sit out any strikes that might occur in reaction to Government attacks on the unions.

If this analysis was in fact correct, then the subsequent civil liberties campaign can only be judged something of a success. Quite clearly, Petersen has manifestly failed in his aspiration to provide a rallying point for the Australian ruling class. His various assaults on both democratic rights and the union movement have petered out, and he has been obliged to seek out suitable compromises.

Apparently, the Australian establishment is not yet prepared to abandon its existing approach to the unions, which relies largely on the incorporation of the top leadership, and the slow erosion of real wages through indexation, in favour of more confrontational methods — that is, unless it can be clearly shown that such methods produce results, and that they do not trigger any economically expensive or politically dangerous reactions from the working class.

But even Petersen's first big fight, a confrontation with an apparently weaker layer of middle class activists, provoked a long oppositional campaign that lost him political support, and which, in the end, he had to move to defuse, by granting occasional permits to march. Worse still from his point of view, a significant number of workers became involved in the campaign. There were even some examples of industrial action taken against the march ban.

This was hardly the quick and total victory for which Petersen must have hoped, or that he could have used to inspire the bourgeoisie in the south to follow his lead.



Seamens' Union member, Jeff Wills, arrested by police during a 1977 anti-uranium demonstration.

In other ways, too, the march ban produced a reaction that must have displeased Petersen. Rather than effectively smashing the left, the civil liberties struggle actually helped to build it. It radicalised a new layer of militants, including a section of workers, and provided a much needed boost to the fairly moribund Queensland left.

But nonetheless, the campaign was by no means an unqualified success. Joh Bjelke-Petersen is still Premier of Queensland. The campaign has not actually brought him down; it merely limited his future freedom of action. He remained sufficiently powerful to introduce both the Police Act amendments and the Justices Act amendments, and despite the 'new generation' of National Party leaders, such as Sparkes and Ahern, who demonstrate considerably less enthusiasm for Bjelke-Petersen style confrontation, the Premier has still been able both to secure a place at the top of the Senate ticket for his wife, Flo, and to promote the anti-abortion Protection of the Unborn Child Act.

The civil liberties campaign foreshadowed many of the debates within the Queensland left that have taken place over the last couple of years. The main argument, during the first two or three months of the campaign, was over whether or not to press for illegal marches. Those who were opposed to such marches, the Community Party, the Socialist Workers Party, and a number of individual liberals, claimed that, by demanding such militant action, the campaign would alienate the 'middle ground', that is, those who were potentially hostile to the march law, and

who were perhaps prepared to attend public meetings, sign petitions, and so on, but who were not prepared to take the chance of getting arrested. Associated with this argument was the thesis that there were important political forces that could be won to some form of action against the march law, but which would not be prepared to defy it, in particular, sections of the Liberal Party, the Young Liberals, and various church groups.

Those in favour of marching (who consistently won the argument and the votes at meetings of up to six hundred) argued that the vast majority of Queenslanders, and in particular the working class, were already passively opposed to the march law, and that the task was to provide a focus around which to mobilise that opposition. And it had to be a focus for action: passive opposition, or even a vote against the Government, was simply insufficient.

We also argued that the marches would provide the movement with a focus, and would attract the attention that would keep the issue alive. We were insistent, too, that the 'middle ground', sections of the ruling class sympathetic to the Liberal Party and middle class layers in the churches and elsewhere, could not provide the basis for an effective campaign. The urgent task was to mobilise a layer of workers, and to organise them around class action against the Government. The Liberals might well support the campaign up to a point, but they would attempt to direct it towards respectable, parliamentary action. Obviously, they could not possibly approve mass action against their own Government. They may well have been

opposed to some of the extremes of State Government policy, but their own objectives were essentially the same as those of the National Party, to bolster the capitalist class and to erode the power and living standards of the working class.

Finally, we argued that the ALP and union officials would never provide the necessary leadership for the campaign against Petersen. Committed to the maintenance of capitalism and to parliamentary solutions, they would have to be dragged, kicking and screaming, into any militant action, or even mass action, that would develop. Nevertheless, it was important to do the dragging, and to use those officials to get to the workers they represented. Within the civil liberties campaign, there was never any disagreement about whether or not the union leaders were wanted. Everyone agreed that they were. The disagreements arose about how exactly to involve them: by organising a 'lowest common denominator' response to the march law, in order to get their support; or by organising militant action, on a sufficiently large scale and with enough workers involved, to force them into the campaign by pressure from below.

The latter strategy proved effective. Worried by the number of their members that were taking to the streets, and complaining that their union officials would not do likewise, TLC officials, such as Harry Hauenschild (TLC President), did eventually march at the head of illegal demonstrations, and did eventually get themselves arrested. The TLC found itself obliged to negotiate with the leaders of the civil liberties campaign, to sponsor marches and rallies, and to call non-compulsory stoppages.

Despite the long debates, and the test of practice provided by the civil liberties campaign, the last two years in Queensland demonstrate that these questions have resolved themselves far from resolved amongst the groups and organisations to the left of the ALP. The most persistent line of conflict has in fact been that between the Communist Party and the International Socialists.

The period since late 1978, which roughly coincides with the effective end of the civil liberties campaign, might best be characterised as the 'Casey years', as far as the labour movement is concerned.

When Ed Casey became leader of the Queensland Labor Party, almost his first statement was that, 'the government of Queensland will not be won by brawling in the streets and the paddywoongons'. It was a clear sign that Casey would attempt what the Bjelke-Petersen Government had failed to do with thousands of police, to isolate the civil liberties campaign from the ALP and the trade unions, and hence

to destroy it. It would be mistaken to see Casey as the main force behind this strategy, or even as the first to urge its adoption. But he did articulate this view very clearly and very publicly, and thus lent decisiveness to an already existing hostility to the campaign, its militancy, and its radicalism, among the trade union and ALP bureaucracies.

Since then, Casey's strategy has effectively dominated the ALP, and also a whole layer of political workers. Casey is a country man, the latest in a long line of Queensland ALP leaders who came from the country, or from small provincial centres, and whose main base of support remained located there. The politics of the small farmer and the small businessman are crucial to the understanding of Queensland Labor politics.

Of course, in the days of Hanlon and Theodore, the country base of the ALP did at least enable it to win elections. Carpenters, shearers, drovers and thousands of relatively impoverished small farmers voted Labor. But a high degree of mechanisation and concentration of farming has replaced the rural labourers with combine harvesters, helicopters, rail links, etc., and the small farmer with the much larger farmer. Nevertheless, Casey appears committed to the idea of winning back the country vote to the Labor Party. Significantly, his proposal for an electoral redistribution still includes an effective gerrymander in favour of the country.

Casey voted for the amendments to the Justices Act, which granted virtual immunity from prosecution to State parliamentarians. He exemplifies the normal ALP preoccupation with respectability and responsibility, but pushed to extreme form. Casey's strategy to undermine Petersen's support is to appear even more 'respectably right wing' than does the Premier himself. That is, he intends to win over the existing, conservative base of the National and Liberal Parties, rather than to use the ALP's working class base to provide a polarising alternative.

Casey is entirely predictable in this. When the State's power workers struck, initially without official support, for the 35-hour week, Casey's response was to condemn the strike as 'irresponsible', and to urge an immediate return to work. Casey refused to make any comment on the Government's possible use of the Essential Services legislation to smash the strike. As it turned out, Petersen was presented from the legislation by the very strength of the power workers' action. Despite all of Petersen's bluster, he was forced to back down over the use of strike-breaking legislation, and eventually to concede a 37½ hour week. Here then, was a case in which a workers'

struggle defeated Petersen, but in which Casey's 'opposition' was directed, not at the Government, but at the workers.

Casey is not particularly liked within the ranks of the labour movement, and many union officials, and others, have attempted to distance themselves from him. But, at the same time, there is also a widespread wariness as to the dangers of taking him on; and perhaps more importantly, an equally widespread confusion as to their own ideas as to how exactly to get rid of Petersen. Casey's opponents within the ALP and trade union bureaucracies are no more prepared to take serious action to oust Petersen than is Casey himself.



Ed Casey

In mid-1978, a Socialist Left was set up in the Queensland ALP. It grew quickly around the personality of Senator George Georges, and was at first an important force in the civil liberties campaign.

The ALP machine reacted. After Georges had publicly attacked Casey for voting for the Justices Act amendments, it was only a matter of time before the bureaucrats of Breakfast Creek and Trades Hall moved against him. Disciplinary action was taken against Georges, Joe Harris (an official of the unit) and a member of the Socialist Left) and Peter Beattie (State Secretary of the Queensland Railway Station Officers Union and the main leader of the Centre Caucus in the Party). The Socialist Left, which was bound together by both careerism and a healthy reaction to the right wing, did not meet the challenge very well. Despite a huge public outcry at the action against Georges, who had almost become a folk hero and symbol of the resistance to Petersen, the Socialist Left did not meet the challenge very well. In the end they staked all their hopes on Federal intervention.



Brisbane abortion demonstration,  
May 1980.

When intervention occurred in 1979, the result was to split the Queensland ALP, a division that is still reflected by the existence of two Labor Parties in Queensland with separate organisational headquarters and officials. Key positions in the new official party organisation went, predictably, to the centre caucus. The Socialist Left has never recovered. Incapable of acting as a coherent force in campaigns outside the party, such as the abortion campaign, and unwilling to mount a serious political challenge to the ALP leadership (as distinct from manoeuvring for positions), it lost its earlier momentum and can no longer be considered as an important force on the Queensland left.

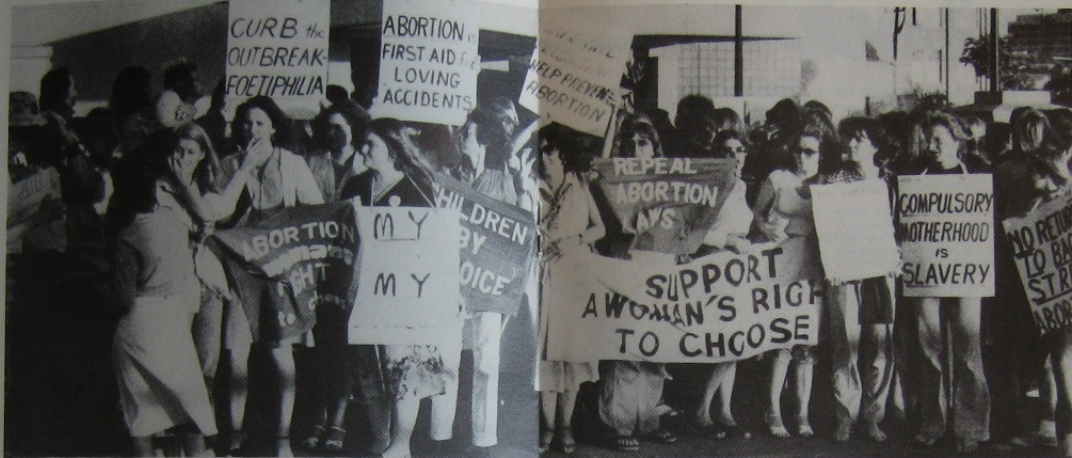
The Socialist Left ceased to be a significant force at almost the same time that the most important campaign in Queensland since 1977 broke out: the pro-abortion struggle.

In September 1979 Casey publicly challenged Petersen to close the Greenhous abortion clinic, the only one in Queensland. A picket of Casey's office soon after indicated the divisions in the campaign that were soon to become apparent. Many people opposed the picket on the grounds that it would 'split the labour movement'. This position overlooked the rather obvious fact that the labour movement was already disastrously split, if its parliamentary leader could agitate for even more restricted abortion rights for Queensland women, in distinct contravention of party policy. In the end the picket was a success, though many activists were extremely hesitant about it.

At once the coalition Government, not about to be outflanked on the right by the ALP, announced it would introduce further anti-abortion legislation. After months of secrecy and rumours about the contents of the proposed bill, Liberal member for Salisbury, Rosemary Kyburz, leaked its contents to the press.

It was worse than anyone imagined. The proposed bill would legislate for long jail sentences for doctors, nurses, social workers and even friends who helped a woman get an abortion. The only legal grounds for an abortion were to be the imminent death of the woman. Kyburz also revealed that the government was considering closing down abortion referral centres in Queensland.

These revelations caused a major public outcry and hurried government changes to the bill. In April 1980, the Union Child Protection Act went for its first reading in parliament. Four Labor members voted with the Government,



including Ed Casey. After the first reading hard campaigning was carried on by both pro- and anti-abortionists. The end result was that the renamed Pregnancy Terminations Control Bill was defeated on the floor of the House.

The campaign against it once again reflected in many ways the crucial debates on the Queensland left. To begin with the debate centred on the attitude of the campaign to the official trade union bureaucracy. The Trades Hall was forced to oppose Casey on this question. Union officials were at least friendly — to a point. They were prepared to give a little money to the Women's Campaign for Abortion, the most radical of the pro-abortion organisations, and to allow leaflets to sit on the front counters of union offices.

There was no question of them really trying to mobilise their members for demonstrations and pickets, let alone industrial action against the bill. Yet this limited support for the campaign from Trades Hall produced a marked timidity amongst some pro-abortion activists, to the point where even asking the Trades and Labor Council for concrete support became a matter of controversy in the campaign.

The question was whether the campaign should settle for the level of support the Trades Hall was prepared to give or whether the officials should be pushed.

Soon the original perspective of orienting towards the organised trade union movement became lost in arguments about the desirability of bringing the 'male dominated' union movement into the campaign and whether the prospect of militant action would alienate the less radical sections of the campaign and the public.

By late 1979 three organisations fighting the bill were in existence: Women's Campaign for Abortion (wca), the most radical of the groups; Children by Choice; and Labor Women's Organisation.

Children by Choice had never had an orientation of building in the labour movement. It saw its job as one of broad publicity against the bill and lobbying of State parliamentarians on both sides of the House. Consequently the declared opposition of Rosemary Kyburz to the bill had an enormous effect on them. They saw the campaign as a support group for Kyburz and her attempt to defeat the legislation by traditional lobbying tactics in parliament.

Given the history of Children by Choice and its methods this was to be expected. But the divisions created inside the ruling National and Liberal parties over the bill held out the tempting prospect of orienting to the anti-bill sections of the government to all the organisations in the campaign, including some on the left.<sup>1</sup> Kyburz, of course, had

no interest in building a militant campaign outside parliament. A campaign that actually threatened to get out of the control of moderate pro-abortion campaigners and pose a political challenge to the Government would work against the Liberal Party, including its 'liberal' wing, as well as Bjelke-Petersen.

In this context the argument about using 'alienating' militant action became crucial and eventually led to deep divisions in wca ranks. In the last couple of months of the campaign wca members frequently differed on questions about the militancy of the campaign's tactics. In two instances the disagreements became public when the arguments were about whether or not to march from pro-abortion rallies to Parliament House. It was actually on the evening of the second of these marches that the bill was defeated. Petersen later said publicly that the marches to parliament were the major factor in the defeat.

The abortion campaign illustrates the most persistent theme of politics in Queensland: the degree to which sections of the ruling class and their political representatives in the National and Liberal Parties differ on strategic questions. Earlier in the article I said that Petersen had been trying to play a vanguard role for the bourgeoisie throughout Australia and convince them that confrontation was worthwhile. There is obviously a section of the ruling class

that remains unconvinced. Under pressure from movements such as the abortion campaign or the civil liberties movement open differences in the Government ranks can be seen.

It is these rifts in the ruling class and the Government parties that create pressures on the left to orient to (and in practice to capitulate to) the 'liberal' section. The pressures are felt at various levels. In the abortion campaign the key debates were: whether to campaign for the more radical, class oriented demand of 'Free Abortion on Demand' or to put forward an opposition only to the bill under consideration; and the desirability of building the campaign in the labour movement. In the civil liberties campaign the debates were along exactly the same lines.

In both cases the Communist Party capitulated to the pressures of the 'liberal' ruling class. This was most evident at the start of the civil liberties campaign, in the debate on whether or not to organise marches in opposition to the law, and in virtually the same debate in the abortion campaign. Certainly in the abortion campaign the CPA seems to have drawn the conclusion that not to orient to 'liberalism's' sectarian. Thus on May 28, 1980, *Tribune* summed up how it saw the campaign.

'An outstanding feature of the mass campaign against the bill was the

extraordinary diversity of forces holding one thing in common: outrage against the bill's anti-woman, anti-democratic nature.'

Other articles labelled criticism of Liberals and the AMA as 'sectarian' and provoked letters in reply such as this one, from a non-party woman unionist involved in wca.

'... In the previous paragraph she (a CPA member writing for *Tribune* on May 28) suggests we should have drawn on broad sections of the community, including doctors, lawyers, all varieties of Liberals and middle of the roaders. Surely for Marxists (as I thought most of the CPA would be) the AMA and the Liberal Party, both ruling class, were not on the side of the working class. It would be working class people, organised through their trade unions who would fight the hardest, and be most prepared in any militant action.

'While some people were worried about alienating the AMA and the Liberal politicians, it was us who argued for militancy and it was militancy which defeated the Bill.'

The International Socialists in Queensland have always argued that any subordination of the movement to sections of the ruling class is dangerous and self-defeating. It means demobilising the movement in favour of 'respectable' tactics, and its means ideologically disarming the workers' movement.

The struggles in Queensland are far from over. Activists will have to choose between the two strategies: class struggle or class collaboration.

## Footnotes

1. The CPA later changed its position and began to support the marches, but in our view the premises upon which the original position was based were neither challenged nor changed inside the Party.

2. In the course of the campaign a prominent and long-time member of the CPA, Eva Bacon, sent Kyburz a bouquet of flowers on behalf of the Union of Australian Women.

3. Letter to *Tribune*, June 25 1980. The class collaboration which runs through the CPA's work in Queensland protest movements is, of course, linked to its view of Australian capitalism. The Party sees multinational mining capital as the only real enemy of the Australian people, and seeks a broad coalition of forces, including domestic manufacturers, to oppose that enemy. The ideological cement for such a coalition is to be left nationalism. Hopefully, this question of left nationalism will be taken up in future issues of *International Socialist*. In the meantime, see Rick Kuhn's review of Crough, Wheelwright and Wilshear in this issue.



# Feedback

Can I make a few comments on two of the essays in Issue 10 of *International Socialist*? First, a minor objection to Rick Kuhn's otherwise excellent article on class struggle in the public service. In passing, Rick repeats a previously argued view that Australia's participation in the post-war boom was decisively facilitated by a ruling class offensive in the late 1940s and early 1950s (p. 7). I had thought that this thesis (and Rick's associated critique of the permanent arms economy theory) had been effectively rebutted by Andrew Milner in *International Socialist* No. 9.

But if it hasn't, let me direct one major criticism at it. Your journal is badly associated, in the past, with a type of economic analysis which insists on the absolute theoretical priority of the world economy as a category. But Rick's own explanation of the Australian post-war boom in terms of factors internal to the Australian economy implies the theoretical unambiguity, not only of the permanent arms economy thesis, but also of the theory of state capitalism and the theory of deflected permanent revolution (both of which Rick really intends to open up this theoretical Pandora's Box. But even if he does, I doubt that your journal is similarly inclined.

My doubts about Tom O'Linoon's article on Australian nationalism are more far-reaching. Tom's general intention, to construct an analysis of Australian capitalism that avoids the simple classical Leninist alternative of defining Australia as either an imperialist power (as the Trotskyists do) or an oppressed nation (as the Maoists do), is entirely commendable. But I remain sceptical about Tom's own theoretical alternative. Essentially his argument is that this Australia is an example of neither an imperialist power nor an oppressed nation, but rather of a third type of society, one which Lenin neglected to consider, that of the settler state.

Now settler states do have certain unique characteristics that Lenin (more or less) ignored, and it does seem sensible to suggest this amendment to the classical Leninist account of imperialism. But I doubt the value of treating contemporary Australia as an example of such a state. Certainly, Australia was once a settler state (as too was the USA). But settler states eventually become settled, and thereby cease to be settler states. And, surely, this process has already occurred in Australia. Tom quotes Ahghri Emmann's view of settler nationalism as involving a struggle, on two fronts, against both the native population and the great capitalists "back home" (p. 41).

In the late 19th century and the early 20th century, Australian nationalism could have

been described perfectly adequately in these terms. Today, however, this simply no longer holds true. And for obvious reasons — because, on the one hand, the native population has already been entirely subjugated (almost to a point of genocide) and, on the other, Australia has long since achieved political independence from Britain. In other words, Australia has already been settled.

Nonetheless, Australia is, as Tom argues, neither an imperialist power nor an oppressed nation, in the sense in which Lenin used those terms. But what this suggests, I would argue, is the relative inapplicability of Lenin's theory of imperialism to the post-war world in general. Michael Kidron has argued (in chapter 6 of *Capitalism and Theory*) that the changing nature of the world economy since the Second World War has undermined much of the contemporary relevance of Lenin's theory.

He argues, firstly, that though monopolisation has proceeded very much as Lenin predicted, the increasing dominance of finance over industrial capital has not proceeded as Lenin anticipated, and has in fact been reversed in the post-war period (as a result of such factors as the increasing importance of self-financing to industrial investment). Secondly, he argues that, as a result of both the stabilising role of the arms economy and the declining importance of finance capital, capitalist prosperity has increasingly ceased to be linked to the export of capital to the underdeveloped countries with the dual consequence that the importance of capital exports has declined in the post-war period, and that those capital exports which do occur have become increasingly directed towards other developed countries rather than towards the "Third World". And finally, he suggests that, as a result of these changes, capitalism has ceased to be reliant upon colonial expansion for its continued prosperity, and has thus proven capable of concealing independence to the former colonial possessions.

Some, at least, of these changes that Kidron depicts have actually been reversed as a result of the world recession of the 1970s (thus, for example, industrial capital has become increasingly dependent on finance capital, and similarly, capital exports to the less developed countries have taken on a new importance, since the onset of the recession). But nonetheless, Kidron's account of the changing structure of the world economy, during the years of the post-war boom, still seems to me to be essentially valid.

And if it is so, then Tom's attempt to "fit" Australia into the framework of a classical view of imperialism is simply a waste of time. The post-war world cannot be analysed in terms of a simple dichotomy between a few imperialist powers and a great many oppressed nations, with the two sectors linked to each other by the export of capital from the former to the latter.

Rather, what we observe, during the boom years, is the emergence of an international economic order dominated by two superpowers, Russia and America, presiding over an advanced capitalist sector inhabited by the whole series of states that can be graded on a continuum of greater or lesser politico-economic power. The most important economic relationships, measured in terms of both trade and investment, are those which exist within this advanced capitalist sector. And outside this sector there remains a vast Third World whose underdevelopment is the product, not of penetration by capitalist investment, but rather of capitalist indifference, of precisely a lack of such investment.

Australia quite clearly occupies a position, somewhere on this continuum, within the advanced capitalist sector. This suggestion isn't at all difficult to demonstrate. Tom quotes Lenin's description of the great imperialist powers as those possessing "colossal wealth" and "powerful armed forces" (p. 41). In Lenin's view, the six main imperialist powers were Britain, Russia, France, Germany, the USA, and Japan, but he noted also the existence of minor imperialist powers (Belgium, Holland, Italy, and Portugal, for example).

Now, easily comparable contemporary data on wealth and armed forces is available for all these states but Russia (the Russian state capitalist bourgeoisie uses different accounting procedures to those of the private capitalist bourgeoisies, and is also much less prepared to publish such information — so, as a result, comparison becomes rather difficult). Each of these states, apart from Russia, is today a member of the OECD (as is Australia), an organisation which produces a regular flow of comparable statistical information.

Table 1 shows the 1979 gross domestic product and the 1979 figures for military expenditure for all OECD countries except Iceland. We can clearly see that, in absolute terms, the Australian GDP is greater than that of Holland (which once maintained a powerful colonial empire in Indonesia), Belgium (which once possessed the mineral rich territories that now make up Zaïre) and Portugal (which maintained an extensive African colonial empire right up until the 1970s). In absolute terms, Australian military expenditure is higher than that of two former colonial powers, Spain and Portugal.

When we take differences in population size into account, Australia's place as one capitalist power, amongst many, situated somewhere in the middle of a continuum of political and economic power, becomes even clearer. Thus, Australia has a higher per capita GDP than Japan, Italy, Britain, Spain, Holland and Portugal, and levels of per capita capital expenditure higher than Japan, Italy, Spain and Portugal, and not much lower than Britain.

Of course, this isn't all there is to Lenin's theory of imperialism. There is also the question of capital exports. Comparative analyses of surplus value flows are not exactly the stock in trade of academic economists, and appropriate data is difficult to come by. The most recent suitable evidence with which I am familiar comes from a United Nations study published in 1973. But, since we're discussing the post-war world economy as it developed during the boom years, rather than as it has been affected by the recession, the evidence remains useful.

Table 2 shows the 1967 stocks of foreign investment held by various OECD countries in both less developed countries (LDCs) and more developed countries (MDCs), and also the flow of direct foreign investment by those same countries for the year 1970. Clearly, Australia was not, in comparative terms, a major foreign investor in 1967 (though it is difficult to imagine any oppressed nation possessing a cool \$100 million worth of foreign investment). Of the old colonial powers, only Portugal held absolutely lower stocks of capital investment in both MDCs and LDCs than did Australia (although, in this perspective, it is worth remembering both that most of the old colonial powers had much larger economies than did Australia, and that, at this time, Portugal was still in possession of its African empire).

But, turning from existing stocks of investment to current capital flows, we can see that, in 1970, absolute levels of Australian capital exports were higher than those of both Italy and Portugal, and were of a very similar order indeed to those of Belgium (the very similar order to Belgium is actually closer than the table indicates since the figures for Belgian capital exports also include capital exported from Luxembourg).

But these figures for absolute levels of foreign investment are not really the most interesting feature of Table 2. Much more significant for our purposes is what the Table shows about the distribution of foreign investment between MDCs and LDCs. Of the countries listed in the Table, only Holland had in 1967, a stock of foreign investment of which more than half was held in LDCs. Australian foreign investment, like that of the USA, West Germany and Britain, was overwhelmingly implanted in other advanced economies.

What the Table serves to demonstrate, then, is the empirical relevance of Kidron's central argument against the continuing contemporary relevance of Lenin's theory of imperialism — the argument that, in the post-war world, investment increasingly flowed between the advanced capitalist countries rather than out from the advanced capitalist countries and into the Third World. And in this respect, at least, Australian capital behaves in an entirely typical fashion.

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# Feedback

Table 1: Selected politico-economic indicators, O.E.C.D. countries, 1979 (excludes Iceland)

Country	A Gross Domestic Product (ranked in order of population size) 1979 prices and exchange rates \$100m	B Military expenditure (ranked in order of population size) 1979 prices and exchange rates \$100m	C Population (000s)	D Gross Domestic Product per capita US\$	E Arms expenditure per capita US\$
U.S.A.	1,811,200	110,145	220,584	8,211	499
Japan	631,400	9,516	115,860	5,449	82
West Germany	489,100	21,656	61,369	7,971	153
Italy	223,300	6,283	56,888	3,925	110
Britain	252,700	15,536	55,946	4,517	278
France	291,600	18,993	53,478	5,223	355
Turkey	42,400	1,968	48,236	958	44
Spain	114,700	2,862	37,108	3,091	72
Canada	109,500	1,877	23,691	7,999	164
Australia	97,900	2,893	14,417	6,791	201
Holland	94,200	4,434	14,030	6,714	316
Portugal	17,700	687	9,867	1,784	70
Belgium	70,900	3,327	9,849	7,199	380
Greece	25,300	2,281	9,450	2,677	241
Sweden	72,900	1,066	8,296	8,761	378
Austria	44,300	762	7,503	5,904	102
Switzerland	55,400	1,791	6,408	8,727	282
Denmark	41,300	1,322	5,117	8,461	158
Finland	30,100	473	4,764	6,318	99
Norway	33,600	1,346	4,074	8,247	300
Ireland	9,100	179	3,370	2,849	50
New Zealand	13,900	278	3,124	4,439	89
Luxembourg	2,600	37.6	364	7,143	103

Sources:

For column A, O.E.C.D., *Main Economic Indicators*, Nov. 1980, p. 109.

For column B, Stockholm Institute for Peace Research, *SIPRI Yearbook 1980*, pp. 20-22.

For column C, O.E.C.D., *Main Economic Indicators*, Nov. 1980, p. 170.

Table 2: Foreign Investment Patterns, Selected O.E.C.D. Countries

Country	A 1967 stock of foreign investment by that country in rest of world as a percentage of total foreign investment held by that country	B 1967 stock of foreign investment by that country in MDCs as a percentage of total foreign investment held by that country	C 1967 stock of foreign investment by that country in LDCs as a percentage of total foreign investment held by that country	D 1970 flow of direct foreign investment by that country in rest of world as a percentage of total foreign investment held by that country	E 1970 flow of direct foreign investment by that country in MDCs as a percentage of total foreign investment held by that country
U.S.A.	42.783	71.9	16.703	28.1	4,440
Japan	7.98	52.0	7.08	48.0	355
West Germany	1.997	68.2	1.018	33.8	606
Italy	1.814	67.0	696	33.0	1094
Britain	10.339	62.4	6.582	37.6	1,166
France	3.311	55.2	2.689	44.8	871
Canada	2.278	61.0	1.453	34.0	283
Australia	2.80	73.7	1.00	26.3	144
Holland	556	24.7	1.694	25.1	512
Portugal	101	51.5	99	49.8	41
Belgium	1,427	70.0	613	30.0	150*
Sweden	1,334	88.1	1.10	11.9	195
Denmark	161	84.7	29	15.3	29
Norway	31	85.0	9	15.0	7

\*includes Luxembourg

Sources: For United Nations, *Multinational Corporations in World Development* (1973), pp. 144-145.

For other columns, *Ibid.*, p. 148.



by  
Andrew Milner

Like Bjelke-Petersen and Vegemite, Leon Trotsky is one of those subjects it's difficult to be indifferent towards. All three have one thing in common: once you've worked out who or what they are, you tend either to love them or to hate them. So the world (well, Australia at least) divides into the many who think Vegemite an indispensable precondition for civilised life, and the few who find the national addiction to the stuff a clear sign of collective insanity.

And writing about Trotsky divides between the many, Stalinist, social-democratic, and liberal, commentators who dismiss him virtually out of hand, as at best a crazed utopian extremist and at worst a fascist agent, and the few Trotskyist writers who have converted him into the object of their own very special 'personality cult', the lost leader who was always right, the great twentieth century Marxist, the prophet in exile whose return would have made everything O.K.

So the publication of two recent books<sup>1</sup> which promise a sympathetic, but not uncritical, treatment of Trotsky's Marxism is especially welcome. Both authors are themselves revolutionary socialists, and both would claim their politics to be inspired, at least in part, by Trotsky. Ernest Mandel is a leader of the Trotskyist 'United Secretariat of the Fourth International', to which the

Australian Socialist Workers Party belongs, and Duncan Hallas has been for many years a leading member of the British International Socialists.

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# TROTSKY, MANDEL AND HALLAS

# The Prophet Unharméd

Both authors seek to go beyond a simple eulogy to Trotsky. This is to be expected, of course, of Hallas: the International Socialists have never made any secret of their essentially critical relationship to the 'Trotskyist tradition'. But Mandel, too, claims in his 'Introduction' to be both aware that 'Trotsky made mistakes' and wary of the dangers of 'writing hagiography'.<sup>2</sup> Both books promise much; to what extent is that promise realised?

## Chapters . . .

The two books share certain common advantages: both are cheap, both are short, and both are well written. Both confine themselves to a general overview of Trotsky's political thought, which seems sensible enough in works which are intended as general introductions to the subject. Trotsky's extensive writings on, for example, art and literature,<sup>3</sup> which neither author devotes any space, are undoubtedly interesting and even exciting; but they are hardly central to the structure of his thought.

The two books are very differently organised. Hallas pares down Trotsky's thought into four main themes and devotes one of his four main chapters to each of them (there is also a fifth chapter on 'The Heritage' which points beyond Trotsky and to subsequent Trotskyisms). These four main themes are: the theory of permanent revolution; the analysis of Stalinism; the theory of the united front; and, finally, the problem of the revolutionary party and its relationship to the working class. By comparison, the organisation of Mandel's book is much more complex. He has eleven, rather than five, chapters. To his three chapters on permanent revolution, and a chapter each on the other three of Hallas' main questions, and on the Fourth International, Mandel adds a chapter on workers' councils, one on fascism, another entitled 'Against Imperialism', and a final one on 'Socialism'.

The obvious question to ask is whether or not this greater complexity of Mandel's organising structure is justified by the material it seeks to convey. In general, the answer must be no. It is certainly valuable to note 'for the record', as it were, that Trotsky's conception of socialism is that of a social order based essentially on workers' councils, and that Trotsky was not indifferent, as some Maoist writers sometimes suggest he was, to the problems of the anti-imperialist struggle. But it is

difficult to see why these two propositions deserve a whole three chapters' worth of Mandel's text (three chapters because the final chapter on socialism contains little of substance apart from a restatement of the importance of workers' councils to Trotsky's project). For in both of these respects Trotsky is not a particularly original thinker (unlike, say, Gramsci on workers' councils or Luxemburg on imperialism). The theory of permanent revolution apart (and that is discussed at length elsewhere), he has little to add to Lenin on either score.

The chapter on 'Fascism' is different however. As Mandel quite rightly observes, as an analysis of current social and political problems, Trotsky's writings on the rise of fascism in Germany are simply superior to anything that any Marxist has ever produced, apart, that is, from the 'possible exception' of Marx's own writings on France 1848-1851.<sup>4</sup> Hallas does actually discuss Trotsky's work on fascism as part of his chapter on the strategy of the united front. But there is more than this to Trotsky's writings on fascism. There is, in particular, a brilliantly original account of the nature and genesis of fascism. And here, by comparison with Mandel, Hallas simply fails to do Trotsky justice. This is in fact very strange indeed, since, over the last few years, the question of fascism has been of very real practical significance to Hallas' own political organisation in its leadership of the British Anti-Nazi League. The oversight is difficult to understand, and it is to be hoped that Hallas will expand his treatment of the subject in any future editions of the book.

## Quotations . . .

The question of fascism apart, little appears to be gained, then, from the greater complexity of Mandel's organising structure. But if his overall structure is rather more complex than that of Hallas, Mandel's literary style is in some respects rather less complex. This is particularly evident in his use of quotation. For whereas Hallas makes extensive use of direct quotation from Trotsky, Mandel prefers to paraphrase or better still to summarise. This makes for a certain elegance of style; free from the interruption of quotation, the argument flows easily and smoothly. But unfortunately it also makes for a somewhat cavalier treatment of the materials to hand: there is such a thing as an argument which flows too easily and too smoothly precisely because it avoids serious confrontation with anything which might obstruct its

own development.

Consider one obvious example. In the last of his three chapters on permanent revolution, Mandel is careful to point out that the 'concept of an epoch of historical decline of the capitalist mode of production does not necessarily coincide with that of an absolute decline of productive forces.'<sup>5</sup> Trotsky, he adds, 'was not always clear on this question — especially not in . . . the Transitional Programme of 1938'.<sup>6</sup> But, adds Mandel, in his 1921 Report to the Third Comintern Congress and in his critique of the 1928 Comintern programme, 'Trotsky states his position in a more rounded and correct way'.<sup>7</sup> All of this is unaccompanied by appropriate quotations (in fact, there isn't even a reference to the *Transitional Programme* in the footnotes). Actually, Trotsky was perfectly 'clear on this question' in the 1938 *Transitional Programme*: he thought (wrongly) that capitalism had reached the limits of its possible expansion and that the productive forces could in future only stagnate and decline.<sup>8</sup> In 1921 and 1928 he had thought otherwise; in the meantime he *changed his mind*.

Now if only Mandel had presented the reader with the appropriate quotations, this would have been self-evidently apparent. This is not to suggest that Mandel intentionally misleads the reader. It is merely that the failure to confront Trotsky in his own words permits Mandel's own, undoubtedly sincerely held, assumptions about the nature of Trotsky's Marxism to impose themselves unwarrantedly on the material he is discussing. And two assumptions in particular: firstly, that from 1917 onwards Trotsky's thought underwent no real substantial changes; and secondly, that that thought is in effect immune to criticism in all its essential features.

## . . . and Assumptions

Let's deal with the second assumption first. Mandel is undoubtedly sincere in his desire not to write hagiography; but he writes it nonetheless. And for the best of all possible reasons: he really does believe that Trotsky was nearly always right. His very phraseology displays the intensity of this underlying assumption. At one point 'history proved Trotsky to have been right on all counts',<sup>9</sup> at another 'Trotsky was perfectly aware of the economic, social and political constraints'<sup>10</sup> later, 'Trotsky's role was truly prophetic',<sup>10</sup> and later still, 'Trotsky displayed one of his most outstanding theoretical achievements'.<sup>11</sup>

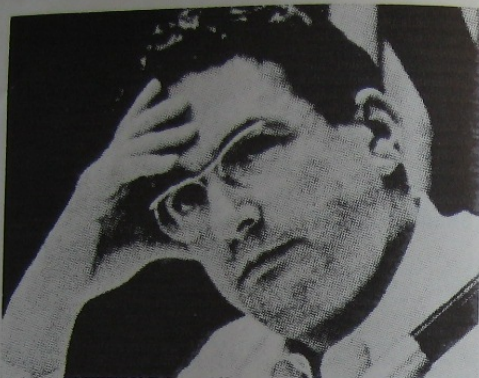


And so it goes on. Some of these particulars substantive judgements, though by no means all, are fair enough. But the very tone in which they are expressed betrays in advance the fact that we should not expect too much in the way of criticism from this source. How, after all, do you criticise a writer who is right on all counts, and who is perfectly aware of economic, social and political constraints? Occasionally, of course, Mandel may admit that Trotsky was wrong in certain factual predictions for no other reason than that they were not borne out by subsequent events. But whenever that happens, Mandel is able to explain that 'his general analysis made it quite possible for him to avoid the error, and in fact implied the opposite'<sup>12</sup> or that the mistake is 'in basic contradiction with some of the cornerstones of his whole analysis'<sup>13</sup> or that, as we have already seen, Trotsky simply was 'not always clear on this question'.

It's not surprising to find a Trotskyist author writing about Trotsky in this fashion. After years of defensive struggle against enforced political isolation in the sectarian ghetto, it is entirely understandable that an ageing Trotskyist should find it difficult to write in any other way. Not surprising, no, but it is disappointing. After the promise of Mandel's 'Introduction', the book turns out to be hagiography after all, well written and well informed hagiography, but hagiography nonetheless.

But what of the first and more important assumption, that Trotsky's thought underwent no substantial evolution after he joined the Bolshevik Party? It is, of course, well known that Trotsky disagreed substantially with Lenin and the Bolsheviks about a number of important questions (notably, the party and permanent revolution) right up until 1917. It is equally well known that Trotsky and the Trotskyists disagreed with Stalin and the Stalinists about more or less everything of importance from the mid/late 1920s onwards. Out of those two truths Stalinism constructed one 'big lie', the lie that Trotskyism had existed as a distinct and separate current, in permanent opposition to Bolshevism, from the time of the split with the Mensheviks until Trotsky's death in 1940.

In the face of this slander, the Trotskyists constructed a counter-myth, the myth that, whilst Lenin and Trotsky had indeed often found themselves in sharp opposition to each other prior to 1917, from 1917 onwards (when Trotsky accepted Lenin's theory of the party and Lenin Trotsky's theory of permanent revolution) the two held more or less identical positions on all important questions, and that, as a result, Trotsky's



Ernest Mandel

career after Lenin's death has to be seen above all else as a stubborn and persistent defence of Leninism against Stalinism. Thus it is Trotsky, rather than Stalin, who appears as the orthodox Leninist.

Now there is much truth in the Trotskyist account. Lenin and Trotsky did indeed come to hold very similar political positions during 1917, and they did indeed remain theoretically close right up until Lenin's death. And it is undoubtedly true that if Lenin does in fact have a real successor to his ideas, then it must be Trotsky, the embattled revolutionary, rather than Stalin, the bureaucratic tyrant.

But the notion that the underlying structure of Trotsky's thought remained fundamentally unchanged after Lenin's death is simply untenable. Like most Trotskyists, however, Mandel remains committed to the full text of the myth. Thus, as we have already seen, Mandel obliterates any theoretical evolution which may have occurred, between 1928 and 1938, on the question of whether or not capitalism had reached the material limits of its possible expansion, by simply asserting that in 1938 Trotsky wasn't 'clear on this question', whereas in 1921 and 1928 he was able to state his position in a 'more rounded and correct way'. Mandel assumes throughout that there is one correct Trotskyist-Leninist position, about which Trotsky can be more or less 'clear' at various times. Not once does he consider the possibility that Trotsky's thought may have actually changed over time.

This essentially static conception of the nature of Trotsky's mature thought helps to explain one other important feature of Mandel's book: its surprising lack of historical awareness. Because Mandel sees Trotsky's Marxism as a relatively permanent and unchanging set of ideas, rather than as a complex of ideas which are made and re-made precisely as a result of their encounter with a changing reality, he devotes very little space indeed to both the general and the immediate historical contexts within which Trotsky lived and worked. Whereas Hallas's book includes a whole series of brief, but nonetheless thorough, accounts of the actual concrete historical problems which Trotsky sought to analyse, Mandel hardly ever gives us these details. He is more interested in explaining the permanent and enduring character of the truths contained in Trotsky's writings; there is no need to confront them with the realities they were designed to understand.

This relative indifference to history has consequences both for Mandel's literary style and for the organisation of his book. Stylistically, just as the absence of quotation makes for a certain elegance, so too does the absence of any sustained historical 'digressions': free from all possible interruption, the account flows smoothly on. In terms of the organisation of the work, the consequences are rather different.

We noted earlier that Mandel organises his book in a more complex fashion than does Hallas, preferring many short chapters to a few long ones. The reasons

for this preference should now be clear. Precisely because Hallas perceives a continual dynamic in Trotsky's thought, he is obliged to deal with each of the major themes in Trotsky's Marxism at some length, thus making it possible to trace out the ways in which they do indeed change over time. And because Mandel perceives no such dynamic (despite the oddly ill-chosen sub-title of his book), he is able to deal with each of Hallas's main themes much more summarily, which in turn permits him to incorporate into his text those additional, relatively minor topics which Hallas excludes from his. In other words, Mandel sacrifices depth to breadth, not intentionally, but rather because he genuinely does not see the ways in which Trotsky's Marxism changes and develops during the course of the 1930s.

We have pointed to the significance of Mandel's two crucial unspoken assumptions: the first that Trotsky's thought underwent no substantial revision after 1917, the second that Trotsky is to all intents and purposes more or less always right. Hallas, it is clear, shares neither of these assumptions. And the differences between the two writers' approaches can be brought out most clearly by considering their respective accounts of the four key themes which Hallas identifies in Trotsky's work (and also of the significance of the subsequent history of Trotskyism).

## Permanent Revolution

First, permanent revolution. At the beginning of the twentieth century, virtually all Marxists were agreed that socialist revolutions were only possible in the advanced capitalist countries, and that socialists in backward countries, such as Russia, had no alternative in the short term but to assist in the creation of bourgeois-democratic republics. Mensheviks and Bolsheviks disagreed on how exactly to achieve this: the former argued that the working class should confine its efforts to pushing the bourgeoisie forward into the struggle against the absolute monarchy, the latter that, since the bourgeoisie was in fact inextricably tied to the Tsarist state, only the workers and peasants would actually be capable of overthrowing Tsarism and carrying through the tasks of the bourgeois-democratic revolution. But both were agreed that the coming revolution would be bourgeois-democratic, rather than socialist, in content.

It was left to Trotsky, of course, to

propound the startlingly original thesis that the proletariat alone would prove capable of overthrowing the autocracy; that a proletariat in power would never confine itself to the humble office of supervising the development of bourgeois democracy, and would in fact proceed to the construction of socialism; that the temporary triumph of the socialist revolution in one backward country would provide a massive impetus to the development of the international socialist revolution; and that moreover, since the material preconditions for socialism did not actually exist in Russia, the consolidation of socialist power within Russia would only be possible on the basis precisely of the internationalisation of the revolution. Such was the theory of permanent revolution.<sup>14</sup>

As one might reasonably expect, both Hallas and Mandel present fairly comprehensive accounts of the theory itself. But they differ considerably in the ways in which these are carried through. Mandel represents the theory of permanent revolution as a timeless truth, a sociological 'law', and his exposition develops much in the fashion of those academic sociology and economics texts which proclaim their own timeless truths, their own eternal laws. It is presented as a *formal* theory, consisting of three sets of formal propositions (those referring respectively to the possibility of socialist revolutions in backward countries, to the limits of socialist development in backward countries, and to world revolution), each of which is neatly boxed and packaged in a chapter all of its own.

And then follows the happily uncritical conclusion: a long list of twentieth century revolutions ranging from Russia in 1905 to Iran in 1978, and the comment: 'Can there be any doubt that world revolution is a basic reality of our century, that we are living in the age of permanent revolution?'<sup>15</sup> Well, yes, there can, and Hallas does in fact outline some of those possible doubts. But before we turn to Hallas's reservations about the theory of permanent revolution, let's consider the way in which his actual account of the theory proceeds. In Hallas's chapter, Trotsky's analysis emerges, not as a timeless sociological law, but as a theoretical encounter with specific, concrete problems, and as part of a theoretical struggle with rival political currents.

Thus Hallas establishes the context of Trotsky's theorising with an account of both Menshevik and Bolshevik positions,<sup>16</sup> and tests the adequacy of that theorising against both the Russian Revolution of 1917 and the Chinese Revolution of 1925-27,<sup>17</sup> which provide it with respectively striking 'positive' and

almost equally striking 'negative' confirmation. In Hallas's account there is *history*.

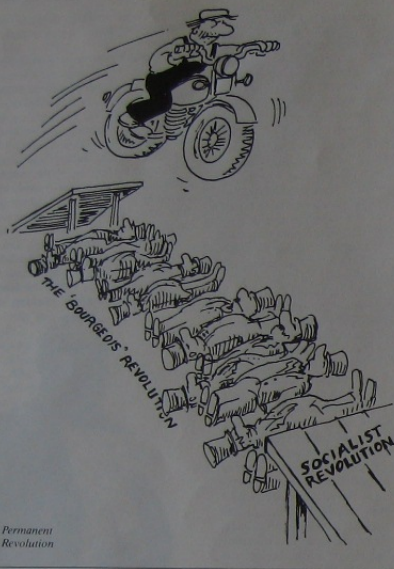
Which explains why, in the end, Hallas is unable to base upon the theory the same unreserved endorsement as Mandel. True, the theory worked for Russia. And true, the failure of the Chinese Communist Party to develop a 'permanent revolutionary' strategy in 1925-27 led to its defeat. But, asks Hallas, do the various revolutions in Angola, Cuba, Vietnam, Zanzibar, do they too really confirm the theory? In his last chapter, Hallas returns to this question, and finally answers it in the negative.<sup>18</sup>

In none of these countries did the proletariat, defined, not in idealist fashion as those who happen to agree with 'Marxism-Leninism', but in the Marxist sense, as the industrial working class,



Duncan Hallas





Permanent  
Revolution

actually lead the revolution. In each case, the small proletariat remained essentially passive in the face of the revolution. In none of these countries does the proletariat, rather than a party claiming to act in its name, actually exercise political power.

In fact, these revolutions succeeded in achieving the central tasks of the *bourgeois-democratic* revolution (national independence and national unification, redistribution of land in favour of the peasantry, the overthrow of absolutism and the establishment of a republic, the creation of the material foundation for an improvement in living standards, and so on), much as Lenin had originally anticipated the Russian Revolution would do. True, as both Lenin and Trotsky predicted, the native bourgeoisie proved incapable of leading the revolution in each of these countries precisely because of its very backwardness. But, as neither Lenin nor Trotsky had anticipated, the industrial proletariat proved similarly incapable.

Thus, argues Hallas, the permanent

revolution becomes 'deflected', and in the place of a proletariat pushing the bourgeois-democratic revolution forward into the socialist revolution, we find a declassed intelligentsia, in command of a militarised peasantry, effecting the tasks of the bourgeois-democratic revolution through the distinctly novel, distinctly modern means of a concentration of economic power into the hands of a centralised state, rather than into those of a set of private capitalist entrepreneurs.<sup>19</sup> In other words, we see the emergence of state capitalism.

## Deflected Permanent Revolution?

Hallas' account undoubtedly comes closer to the realities of this bloody and turbulent century than do Mandel's blandly reassuring abstractions. It is, in fact, precisely this high level of formal

abstraction which permits Mandel to find confirmation for the theory of permanent revolution in revolutions which occur in countries so backward that an industrial working class hardly exists at all, and which occur virtually without working class participation, let alone leadership. Given the clear superiority of Hallas' approach over Mandel's, and given the unorthodox nature of the former's position, it almost seems uncharacteristic to suggest that Hallas could have developed his own position further. But in one respect, at least, Hallas' position remains a little unsatisfactory.

Hallas himself establishes the fact that the 'permanent revolutionary' process, as described by Trotsky, has occurred only once — in Russia in 1917. By contrast, 'deflected' permanent revolutions have punctuated the history of this century at regular intervals. It seems odd, then, to regard the Russian pattern as normal, and the rest as atypical deviations from that norm. And yet Hallas' terminology, the terminology of 'deflected permanent revolution', clearly implies the normality of the Russian experience. There are obvious reasons for this: Hallas and his co-thinkers, especially Tony Cliff,<sup>20</sup> began their political careers as fairly orthodox Trotskyists, and only gradually have they undergone a theoretical and political evolution away from orthodox Trotskyism. Thus, Trotskyist categories often remain imbedded in their theories even after the actual substantive content of those theories has been so modified that the original Trotskyist starting-point has long since become irrelevant. Such is the case here.

The truth of the matter, surely, is this. From the late nineteenth century onwards capitalism underwent a steady process of 'statisation', such that, whereas industrialisation occurred in the first generation of capitalist powers (Britain, the USA, and France) on the basis of private capitalism and the minimum state, in the case of the second generation (notably Germany and Japan), industrialisation only remained possible on the basis of a substantial degree of state intervention into the economy. This process arose out of the very success of the earlier private capitalism, which had ensured that the economic strength of the existing capitalist powers would, through imperialism, inhibit and obstruct the development of any future rivals.

Once substantial state intervention had enabled this second generation to industrialise, the problems facing the remaining backward countries, that is, the vast majority of the world, were only exacerbated further. But now the inhibitions on development imposed by

imperialism were such that only a fully 'stated' economy would have any real chance of breaking out of the imperialist stranglehold. Thus, in the twentieth century we see a whole series of state capitalist revolutions, led not by a traditional bourgeois class (because whatever private capitalists do exist tend to be absolutely dependent on the imperialist nexus), but rather by that class of administrators and intellectuals which normally staffs the colonial (or neo-colonial) state.

This process has been widespread throughout this century: it has occurred in China and Vietnam, Cuba and Burma, Algeria and Libya. It is this process which is 'normal'. Once only, in the most advanced 'Third World' country of them all, in Russia in 1917, did it come into contact with, combine with, and clash with, a quite different process, that of a socialist revolution in a backward country.

Trotsky's theory of permanent revolution is extremely valuable as an explanation of this *unique* development, but it remains a theory of the exception, rather than of the rule. And a fully theoretical explanation of the state capitalist revolutions of this century needs to be developed in itself, rather than as an adjunct to the theory of permanent revolution. But perhaps it's unfair to criticise Hallas for not developing a fully fledged alternative theory; rather, perhaps, we should be grateful for the skill with which he points out the limitations (and also, of course, the strengths) of the original Trotskyist position.

## Stalinism

The second of Hallas' key themes is that of Stalinism. Not too long ago, the very use of the word 'Stalinism' would have been sufficient to indict one as a 'Trotskyite wrecker'. Now, of course, things are different. The Communist Party, left-wing members of the ALP, respectable Marxist academics, almost everybody these days seems to be attempting explanations of 'what went wrong' with the Soviet Union. Trotsky, however, was the very first to attempt a serious Marxist analysis of the degeneration of the Russian Revolution, and he did so at a time when such enterprises were rather less fashionable and required rather more courage than today.

Trotsky's central thesis was this: as a result of the combined effects of material backwardness, civil war, and international isolation, the Russian workers' state

gradually degenerated into a 'bureaucratically deformed' or 'degenerated workers' state', in which the state bureaucracy, rather than the proletariat as a class, exercised political power. Trotsky saw this situation as inherently unstable: society poised mid-way between capitalism and socialism, a society which could either go forward or backward, but which could not maintain itself in its existing form for any real length of time.

In the late 1920s, when Trotsky first developed the theory, he saw the bureaucracy as torn uneasily between the proletariat on the one hand, and those classes, notably the *nep*-men and the kulaks, which sought for a capitalist restoration, on the other. He argued, too, that since the Soviet Union was still a workers' state and since the Communist Party, though bureaucratized, still represented the working class, then the proletariat could re-attain political power through a process of reform, rather than one of revolution such as would have been necessary in a properly capitalist state.

In 1933, however, Trotsky shifted position, coming to the conclusion that the bureaucracy could no longer be reformed and that it had to be overthrown by revolution. But Russia remained, nonetheless, a degenerated workers' state, because socialist property relations remained intact despite the superimposition upon them of a totalitarian state apparatus. Thus what was required was not a social revolution, as in the capitalist world, but merely a 'political revolution' which would destroy the dictatorship of the bureaucracy. The only long-term alternative to that was a restoration of capitalist relations of production, a restoration which, Trotsky predicted in the late 1930s, sections of the bureaucracy would make ever more determined attempts to effect.<sup>21</sup> And that remained Trotsky's position right up until his death.

As with the theory of permanent revolution, so here too it is Hallas, rather than Mandel, who traces out the dynamics of Trotsky's thought, the way in which his position shifted over time, and it is Hallas too who relates these shifts to the changing reality (in particular, to the growing wave of terror which the Stalinist bureaucracy inflicted on Russian society). Mandel, by contrast, once again presents Trotsky's analysis as a finished, rounded product which remains essentially unchanging. And the reasons for this show up clearly. The progressive changes to the theory, necessitated by the changing reality, in fact cast considerable doubt on the validity of the original theory itself.

Consider, for example, Trotsky's decision that the path of reform no longer lay open in the Soviet Union. Now Trotsky had originally been as clear as Marx and Lenin that the working class, unlike the bourgeoisie, can only hold power through its own political organisations (since, unlike the bourgeoisie, the proletariat can only exercise control over the economy through the means of directly political institutions). But when Trotsky came to the conclusion that the party and the state had ceased to be instruments of working class power, to the extent that they had to be smashed by revolution, he was obliged to redefine his notion of the workers' state so as to make it possible for a workers' state to exist in which the proletariat exercised no control over state power whatsoever.

As Hallas points out, on Trotsky's initial formulation, this must mean that 'the workers' state no longer existed'.<sup>22</sup> That is, of course, Hallas' own conclusion, and it is the conclusion which follows on logically from Trotsky's own original analysis. But by avoiding all mention of Trotsky's change of position on the question of reform *versus* revolution, Mandel is able to avoid any serious consideration of the theoretical problems which are posed by that shift.

Mandel avoids other similar changes of position, and the similar theoretical problems that they pose, in similar fashion. Thus, for example, Mandel ignores Trotsky's prediction that the degenerated workers' state would prove a highly unstable social formation, quite simply because it has obviously been refuted by the continued and continuing existence of bureaucratic power in Russian society. He ignores too the fact that Trotsky's early accounts of the factional struggles within the CPSU argued that the Stalinist faction, representing the bureaucracy, had no alternative but to oscillate between the Left Trotskyist faction, representing the proletariat, and the Right Bukharinist faction, representing the peasantry. On this analysis, only the proletarian Left Opposition or the capitalist restorationists could ultimately win.

But, as we now know, neither the proletarian nor the capitalist restorationists (such as they were) emerged triumphant from that struggle. It was the Stalinist bureaucracy that succeeded in smashing both proletarian and peasant opposition to the regime. And that can only mean that the bureaucracy was itself a social class, with class interests of its own different to those of both worker and kulak. Which is, of course, why Mandel makes no mention of this (subsequently discarded) part of the theory *either*.



Just as Mandel ignores the dynamics of Trotsky's thought, here too he repeatedly fails to effect any honest confrontation between the theory and the reality which it seeks to analyse. To cite one obvious example, in the 1938 *Transitional Programme*, Trotsky predicted, on the basis of the theory of the degenerated workers' state, that the Stalinist bureaucracy was entirely counter-revolutionary on a world scale,<sup>20</sup> which would certainly seem to suggest that it could play no role in internationalising socialism.

But in 1944/45, after Trotsky's death, a whole series of new states were established in Eastern Europe, which did indeed replicate those property relations that existed within Russia. This phenomenon is simply inexplicable on the basis of Trotsky's own analysis. Either the bureaucracy had ceased to be counter-

as Hallas (and, for that matter, bureaucratic collectivist theorists, such as the late Max Schachtman) have offered perfectly cogent explanations of all three.

Or it means that such explanations are wrong for no other reason than because they do not agree with Mandel's, an argument which is entirely circular (I am right because you are wrong because I am right) and as such is underserving of any serious intellectual consideration. Not only is Hallas' account of Trotsky's analysis of Stalinism much more critical than Mandel's, but it also offers a more accurate version of that analysis itself, for the simple reason that, in his concern to save Trotsky's position at all costs, Mandel avoids all mention of any elements within that developing analysis which might prove damaging to its overall credibility.

LOWRADE, WHAT YOU CLEARLY FAIL TO UNDERSTAND IS THAT TROTSKY ALWAYS IMPLIED THAT SUPPORT SHOULD BE GIVEN TO A PRECIOUS WORKERS STATE WHEN IN CONFLICT WITH A BOURGEOIS WORKERS STATE.



revolutionary and was indeed capable of generalising the revolution (which is a conclusion Trotsky himself would have been very reluctant to draw), or, as Hallas concludes, the bureaucracy was in fact the bearer of state capitalist, rather than socialist, relations of production, and was both perfectly capable of, and had an interest in, generalising those self-same relations of production.<sup>21</sup>

Mandel makes no mention of this theoretical dilemma, but actually cites the post-war expansion of Russian power in Eastern Europe as evidence in favour of Trotsky's position,<sup>22</sup> which on Trotsky's own terms, it simply is not.

This point in Mandel's argument is, in fact, one of the most intellectually shabby in the whole book. Mandel cites 'three decisive turning-points in Soviet history', the 1928 crisis in the Soviet economy, the successful war-time resistance to the German invasion, and the post-war take-over of Eastern Europe, as phenomena which Trotsky's approach alone can explain, and which have led proponents of other theories 'hopelessly astray'.<sup>26</sup>

Now this can mean one of two things. Either it means that other theories cannot explain these three crises, which is simply untrue since state capitalist theorists such

## The United Front

Hallas' third theme is that of revolutionary strategy and tactics, and in particular the theory of the united front. Here there is little to choose between the two authors. Both explain Trotsky's key role in formulating the Comintern's united front strategy. And both explain its central features: the unity of revolutionaries and reformists in action so as to make for more effective working class organisation in the immediate class struggle, combined with the absolute ideological and organisational independence of revolutionaries so as to enable them to compete as effectively as possible with the reformists for the leadership of the class as a whole.<sup>27</sup> But once again, Mandel's approach is abstract and formal, consisting primarily of a general account of the main theses upon which the theory rests.

By contrast, Hallas shows the way in which Trotsky develops his theoretical position out of a series of encounters with particular concrete historical problems: the influence of centrism and ultra-leftism in the immediate post-First World War

period, the British Communist Party's strategy in relation to the Anglo-Soviet Trade Union Committee, the German Communist Party's response to the rise of fascism, the Spanish Communist Party's role in the Spanish Civil War.<sup>28</sup> But there is considerable agreement between the two writers on the actual issues at stake.

It is interesting to note, though, that Mandel, unlike Hallas, fails to point out the contemporary significance of the fact that whereas Trotsky's critique of Third Period ultra-leftism is now widely accepted, his corresponding critique of the popular front is not. And for obvious reasons: as Hallas observes, whereas the rejection of ultra-leftism has become the received wisdom of the Communist Parties (including the CPA), the 'Popular Front is a different matter entirely. Allowing for differences of time and place, what else, in essence, is "Eurocommunism" and the so-called "historic compromise"?'<sup>29</sup>

## Party and Class

Our fourth, and last, major theme is that of the relationship between the revolutionary party and the working class. Again the two authors cover similar ground and come to similar conclusions. Both agree that Trotsky's early opposition to Lenin's conception of the revolutionary party was essentially mistaken, both explain the need for such a party in terms of the internal heterogeneity of the working class, and both emphasise the importance to Trotsky of inner party democracy in the functioning of a dialectical, reciprocal relationship between party and class. Once again, however, Mandel's account centres on general theoretical propositions, and Hallas' on the interplay between theory and actual political practice.

## The Fourth International

Much more interesting, however, for those with a taste for controversy, are their respective treatments of the Fourth International. Once again, Hallas gives a better account of the ways in which Trotsky's position changed over time, and of the historical context in which those changes occurred. Thus, for example, Mandel makes no mention of Trotsky's early arguments against founding a fourth International. Mandel's defence of the eventual decision to set up the new International is essentially Trotsky's: that in an objective situation

characterised, on the one hand, by extreme politico-economic crisis, and on the other, by the total degeneration of the Communist and social-democratic parties, a new International was simply necessary.<sup>30</sup>

And if the defeats of the 1930s were not permanent, but only temporary, then eventually that International would connect with a rising revolutionary wave. With this view Hallas has some sympathy. But, unlike Mandel, he is alert to the nature of the costs entailed in Trotsky's commitment to the Fourth International.<sup>31</sup> And, unlike Mandel, he pays close, critical attention to the actual arguments that Trotsky advanced. Trotsky justified the view that revolutionary socialists should proceed to the creation of an international movement, despite their lack of support in any particular national movements, on the basis of a comparison with both Marx's and Engels' decision to create an international movement around the *Communist Manifesto*, and the Zimmerwald Left's decision to prepare



The United Front

for the foundation of a Third International.

But, as Hallas points out, the *Communist Manifesto* was actually the manifesto of an existing German, not international, organisation, and the Zimmerwald Left contained within its ranks one mass national party, the Bolsheviks.<sup>32</sup>

Unlike Mandel, Hallas also pays close attention to the 1938 *Transitional Programme* which served as the new Fourth International's theoretical charter. The major thrust of the analysis which underpinned that document can be summarised thus: the capitalist system has reached such a state of crisis that it cannot continue to exist; this crisis removes any possible basis for reform and therefore undermines the political viability of reformism; the absolutely counter-revolutionary nature of Stalinism makes it impossible for it to offer any way out of the crisis and thus undermines the political viability of the Stalinised Communist Parties; the only possible immediate alternatives are thus 'socialism' and 'barbarism'; and as a result, it is both possible and necessary that the Fourth International should become in a very short time the leadership of a mass revolutionary workers' movement.<sup>33</sup>

This perspective led both Trotsky and the Trotskyists to adopt, in Hallas' phrase, a 'near-messianism'<sup>34</sup> which has marked much of the Trotskyist movement to this very day. And, as Hallas points out, the perspective has been simply disproved by events: capitalism *did* recover from crisis (in fact, it experienced the longest sustained boom in its history); social-democratic parties *were* thus able to campaign for, and often achieve, substantial reforms; Stalinism *did* prove capable of internationalising itself; and the Fourth International *did not* become a mass workers' movement.

Mandel can, of course, hardly avoid these unpleasant truths. But, astonishingly, he dismisses Trotsky's error 'on a couple of minor points'<sup>35</sup> as a strange aberration which runs contrary to, rather than in accordance with, his general analysis. As a comment by a leader of the Fourth International on that organisation's founding document, this is a little disingenuous, to say the least. In fact, Mandel's cursory treatment of the *Transitional Programme* represents the single most obvious example of that weakness to which we drew attention earlier: his determination to present the post-1917 Trotsky as at all times simply a Leninist (and, after 1924, a Leninist without Lenin). For it is this document which, more than anything else, is representative of a distinct political current, a genuine 'Trotskyism' which is

both different from and inferior to Leninism. And it is this document which Mandel treats in such a cavalier fashion that one might reasonably suppose it to be essentially marginal rather than, as in reality it is, central to the Trotskyist tradition' of which Mandel himself is today the leading intellectual spokesman.

## But Does it Matter?

As one might expect, Hallas carefully avoids apologies such as Mandel deals in. But he too concludes that, in the last instance, Trotsky was justified in founding the Fourth International. Thus he writes, 'when Trotsky was murdered ... he did leave behind him a *movement*. Whatever the frailties and failures of that movement, and they were manifold, it was a tremendous achievement'. The little Fourth International movement that survived ... was the only genuinely communist current of any significance to survive the ice age.<sup>36</sup>

True. But does it matter? The question we have to ask ourselves is whether or not the existence of the diminutive Fourth International has had any appreciable, distinctive, positive effects on the subsequent history of the international socialist and labour movements. The truth is that it has not. When the 'ice age' did finally begin to thaw, when the possibilities for revolutionary politics did begin to open up in the late 1950s and more especially in the 1960s, it wasn't the existence of the Fourth International which precipitated these changes.

On the contrary, these new opportunities arose out of the various splits and crises which have wracked the world's Communist Parties ever since Stalin's death, out of the anti-war student, and women's movements, and, in the rather special case of Britain, out of a widespread disillusion with Labour reformism consequent upon the failure of successive Labour Governments to produce anything very impressive in the way of reforms.

It is significant, too, that when a new revolutionary left did finally begin to emerge and grow, in the late 1960s and the early 1970s, in a number of Western European countries (particularly France, Italy, Britain, Spain and Portugal), the most successful of these new groups, almost without exception, were outside the orbit of either of the two main 'Fourth Internationals' (Mandel's USFI is not the only claimant to the title; there is also the much smaller International Committee of the Fourth International, to which



the Australian Socialist Labour League belongs)<sup>37</sup>

In four of the five countries in which the revolutionary left grew most rapidly after 1968, the local sections of Mandel's USFI have been very much overshadowed by more successful 'national' revolutionary organisations (for example, the International Socialists in Britain, and Avanguardia Operaia, and later, Democrazia Proletaria in Italy). In France, the local section of the USFI has had a larger paper membership than other left groups, but even it has a smaller base in the factories and also in electoral politics than does its main rival. And in Scandinavia and West Germany, where the revolutionary left also grew significantly, but slightly later, the larger groups

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were again unconnected with the Fourth International.

It is true, of course, that in one advanced capitalist country, the USA, the local section of the USFI, the Socialist Workers Party, is indeed by far the largest revolutionary group. But this is as much as any thing a symptom of the failure of the American revolutionary left to grow very much at all. The American s.w.p. is, after all, the only Trotskyist group in the world that can make the dubious claim to fame that it is actually more or less the same size today as it was at the time of the founding conference of the Fourth International over 40 years ago.<sup>38</sup>

We should add that membership of the Fourth International has in no way immunised revolutionary groups from the 'crisis of the revolutionary left' of the late 1970s. Like the rival 'national' groups, USFI sections have suffered from declining membership and deteriorating morale. Indeed, the split at the 1979 World Congress of the USFI<sup>39</sup> could, perhaps be seen as the single most dramatic expression of precisely this very crisis.

Trotskyists have always dismissed their movement's failure in the 1930s, 1940s and 1950s as the consequence of the extremely unfavourable circumstances in which they operated. And they were probably right to do so. But their relative failure to exploit the widening political opportunities of the late 1960s and early 1970s cannot be so easily explained away. And it is this failure, surely, which must cast considerable doubt on the value of the entire 'Fourth International' project which Trotsky embarked upon in the late 1930s.

**What Kind of  
International?**

In general, of course, the case for a socialist international cannot be disputed. Any single revolutionary socialist party, no matter how exemplary it may be in other respects, is bound to find its experience limited and circumscribed by the national context within which it operates. It is therefore both desirable and necessary that such parties should be linked together in international organisations which would permit both the generalisation of particular national experiences and the analysis of those particular experiences in terms of the international context within which they occur. For such reasons did Marx and Engels, Lenin and Luxemburg, even

Kautsky and Bernstein, insist on the importance of the International.

But if this process is to be of any real value, some, at least, of the national parties which make up the International must be their mass parties, with real roots in their own national working classes, and with an experience in struggle which is really worth learning from. Out of the combination of such parties it would be possible to construct an 'international revolutionary leadership'. But the Fourth International does not now contain, and indeed never has contained, such parties within its ranks.

Trotsky and the Trotskyists attempted to fill the vacuum by building an International from above, rather than below. The result, with hindsight, is clear: a leadership without followers, a body designed to generalise experience with no experience to generalise.

The consequences can be seen very clearly in Australia today. Both of the two main orthodox Trotskyist groups, the SWP and the SLI, make no real attempt to analyse the specifics of the Australian situation. Their strategies and tactics are dictated neither by their experiences in the Australian class struggle nor by the experience of a real, living, international movement, but rather by the pooled inexperience of an assortment of relatively unsuccessful, relatively ineffective Trotskyist sects scattered all over the world.

Mandel's USFI, by far the most impressive of the two main Internationals, has only about 12,000 members in 60 countries. Clearly, it is simply absurd to suggest that such a feeble body is really capable of providing the infant Australian revolutionary left with the kind of leadership which is implied in the notion of a revolutionary International.

Hallas is, in fact, aware of all these problems. But his early political training in the British Trotskyist movement seems somehow to prevent him drawing the logical conclusion which follows on from his own account of the Fourth International's failure: that Trotsky's decision to found the International was itself radically misconceived.

This is not to suggest that the Fourth International has no positive achievements to its credit. It has served the revolutionary left very well indeed by its determination to keep Trotsky's ideas alive and, in particular, through the publication of Trotsky's writings. But you do not need a 'world party', nor the absurd paraphernalia of 'World Congresses', 'pre-plenary sessions', and so on, in order to publish books. There is no Luxemburgist, Sergist, or Orwellite International, but the writings of Rosa Luxemburg, Victor Serge, and George

Orwell were nonetheless available to hand when an anti-Stalinist revolutionary left finally began to develop in the late 1960s. We could not really expect Mandel to appreciate the significance of this fact. But from Hallas, perhaps, we might have expected better.

**Conclusion**

But it would be wrong to end on such a carping note. If Hallas has perhaps underestimated the limitations of the theory of permanent revolution and overestimated the feasibility of the Fourth International project, he has nonetheless written a very good book. It is by far the best introduction to Trotsky's thought that has been made available to date, better than Mandel's exercise in sophisticated hagiography (though that, too, is worth reading), and, incidentally, one of the best of Pluto Press' 'Marxism' series.



**Footnotes**

1. Duncan Hallas, *Trotsky's Marxism*, Pluto Press, 1979; Ernest Mandel, *Trotsky: A Study in the Dynamic of His Thought*, New Left Books, 1979.
2. Mandel, p.10.
3. Leon Trotsky, *Literature and Revolution*, University of Michigan Press, 1960; Leon Trotsky, *On Literature and Art*, Pathfinder Press, 1970.
4. Mandel, p.88.
5. Mandel, p.37.
6. Mandel, p.38.
7. Leon Trotsky, *The Transitional Programme For Socialist Revolution*, Pathfinder Press, 1977, p.111.
8. Mandel, p.21.
9. Mandel, p.29.
10. Mandel, p.46.
11. Mandel, p.83.
12. Mandel, p.117.
13. Mandel, p.117-118.
14. Cf. Leon Trotsky, *The Permanent Revolution*, Pathfinder Press, 1969.
15. Mandel, p.42.
16. Hallas, pp.10-14.
17. Hallas, pp.17-26.
18. Hallas, pp.25-26, 112-116.
19. Hallas, p.115.
20. The notion of 'reflected permanent revolution' is Cliff's. Cf. Tony Cliff, 'Permanent Revolution', *International Socialism* (London), First Series, No. 12.
21. On Trotsky's initial analysis, cf. Isaac Deutscher, *The Prophet Unarmed*, Oxford University Press, 1970, p.314. For Trotsky's later position on the need for 'political revolution' in the U.S.S.R., cf. Leon Trotsky, *The Revolution Betrayed*, Pathfinder Press, 1972, pp.287-289. For Trotsky's subsequent predictions, cf. *The Transitional Programme*, p.142.
22. Hallas, p.43.
23. *The Transitional Programme*, p.113.
24. Hallas, p.112.
25. Mandel, p.85.
26. Mandel, p.84.
27. Cf. Leon Trotsky, *The First Five Years of the Communist International*, Pioneer, 1945, Vol.2, pp.91-95, for an early statement of the position.
28. Hallas, pp.54-59, 64-79.
29. Hallas, p.75.
30. Mandel, pp.113-115.
31. Hallas, pp.95-97, 116-117.
32. Hallas, pp.90-91.
33. *The Transitional Programme*, pp.111-115.
34. Hallas, p.95.
35. Mandel, p.117.
36. Hallas, p.97-99.
37. In addition, there are countless small Trotskyist groups scattered all over the world that are attempting to 'reconstruct' yet more 'Fourth Internationals'.
38. i.e. about 1,500 members.
39. This resulted in the withdrawal from the International of virtually all its Latin American sections, and also something like a quarter of the membership of its French section.

The cartoons which illustrate this article (apart from that on page 30) are by Phil Evans, whose work has appeared regularly in both *International Socialist* and *The Butler*, and are taken from *Trotsky for Beginners* by Tariq Ali and Phil Evans (Writers and Readers Publishing Co-operative, London, 1980).



# REVIEWS

## The Likely Lads

R.W. Connell and T.H. Irving.  
*Class Structure in Australian History*.  
Longman Cheshire, 1980  
\$11.95

BBC TELEVISION has had its *Likely Lads*, Bob and Terry, for many years now. And at last Australian historiography has produced its own version. Bob Connell and Terry Irving's long-awaited book is the first serious history of Australia to be written from a professionally class analytical viewpoint. The book is divided into five chapters: a theoretical introduction entitled 'Class Analysis and History'; 'Convict Settlement and the Origins of Colonial Capitalism, 1788—1840'; 'Hegemony of the Mercantile Bourgeoisie, 1840—1890'; 'The Working-class Challenge, 1890—1930'; and 'The Industrial Ruling Class, 1930—1975'. In addition, each of the historical chapters contains a useful documents section. Moreover, the footnotes, often minor essays in themselves, reveal the authors' impressive familiarity with all hitherto existing work in Australian history.

And now to put the knife in. From a revolutionary socialist perspective, and Connell and Irving would cheerfully agree, there is much that is objectionable in their theoretical orientation. Indeed, a sealed train could be driven through the holes in the argument of the opening sentence: 'The subject of class analysis is social power...' (p. 1). They argue that the structure of power define the realities of oppression and exploitation. However, the reverse is also the case: the relationship between power and exploitation is a dialectical one, for power is meaningful only as a means to continued exploitation. It is exploitation that makes a society a class society; it is exploitation, therefore, that must be the central concern of class analysis.

This one-sided approach causes Connell and Irving to pay too much attention to the winners at the expense of the losers. They concentrate on the process by which Australian capitalists divided, like all capitalists, by economic competition among themselves, evolved a justifying ideology and a political system of domination that served their interests, they play down the proletarian revolt to this process. Working-class consciousness, after all, serves the same function for the working class as political power and hegemony ideology do

for the ruling class. But even after stressing the importance of reorienting structuralist and 'Thompsonist' notions of class, they neglect both the working-class class-in-itself and the working-class-for-itself. They have over-emphasised the role of the powerful class and the political arena in which its power is exercised. There is much more in the book about how capital governs than about working class offensive action against exploitation. In fact, they have written an excellent history of the making of the Australian ruling class. Their chosen title, however, lays them open to charges of misleading advertising, for it takes at least two classes to make a class structure, and in Connell and Irving's drama, the bourgeoisie continually upstages the proletariat. The right, the working class-for-itself much less frequently appears stage left, but centre-stage always is the ruling class, in itself, for itself and up itself.

Consequently, the authors run dangerously close to overstressing consensus rather than conflict, hegemony rather than struggle. Their work class reacts to ruling class power but does not imitate struggle. One could read their book and not draw the fundamental conclusions of class analysis: that class struggle at the point of production is the motor of history and the engine of progress and that all the relationships that bind and divide society are defined the directions in which it may be changed, are class-based. Indeed, Connell and Irving explicitly retreat from such a conclusion. They comment that most class analysis since Marx has taken it for granted that class relations form the basic or fundamental structure of any society in which they appear (SHORT WORKERS! WHAT WILL MARXISTS THINK OF NEXT?). But this is not a position that can be held, Connell and Irving maintain, if a fully historical approach is taken: 'For any society at a given time, one can raise the question of how far the "class principle"... determines other forms of division and relation...' (p. 14).

Now one might well ask *how* the class principle determines other formations, but not *how far*, because class analysis must surely be in business for seeing class as the crucial division in society. This is not to underplay the importance of sexual, racial and other divisions, but merely to understand their basis. Class analysis admits these other divisions exercise their influence upon class divisions and therefore upon the course of history, but class conflict nevertheless remains the primary determinant of historical change. It is the character of the whole that explains the nature of the parts.

The next surprise Connell and Irving have in store for us is to announce that the involves a structuring of society around the labour market. Market institutions are not an essential feature of class societies; feudalism, for example, got along quite happily without them. Connell and Irving are either reading valid generalisations about capitalism back into earlier forms of class society, or else, they are so much under the influence of Weberian sociology that they believe that it is only with the onset of capitalism that classes really come to the fore, status groups being the important distinctions before capitalism. Weber defines class as a group of people with similar economic life chances as a result of their position in the labour or commodity markets; for Marx, however, classes are defined by relationship to the particular means of production in each society, and this may or may not involve a market situation.

Another feature which Connell and Irving impute to all class societies is the institution of private property. This would be unobjectionable if the word 'private' were dropped, as property certainly is a feature of all class societies. Private property, however, is not, there are many forms in which property can be held. Under feudalism, for instance, property was not private because it could not be disposed of, as both lord and serf were born into bonded positions. Labour-power was not a commodity that could be bought and sold in the market place; nor could the feudal lord sell his domains, because they were not his private property.

Their emphasis on private property as the source of all evil, a common preoccupation of good state socialists like Connell and Irving, even involves problems in the analysis of capitalism. Using their definition, a boss who sells her labour-power to Reg Ansett is exploited, while her sister who works for TAA is not. And the driver of a private bus company, travelling along his normal route at the moment of nationalisation, suddenly assumes a different relationship to the means of production. More seriously, in Connell and Irving's world, the workers of Poland are not exploited.

Connell and Irving have no particular interest in revolutionary practice, and treat socialist ideology merely as an influence in the formation of the Labor Party; they neglect that strand of revolutionary socialism before 1917 that constituted a coherent oppositional force to the Labor Party. The reason for this tardy treatment of truly counter-hegemonic forces is that, for Connell and Irving, the class-for-itself need only have a reformist world outlook whereas, for

Marx and Engels, the process of the class-in-itself becoming a class-for-itself is the process of the working class as a whole achieving both the understanding that capitalism must be overthrown and the will to do it. But Connell and Irving refer to reformism as a form of class mobilisation. Sometimes perhaps. But it is also a demobilising force. A working class that regards reform as adequate is not a class-for-itself as it is only a class that is arguing about how much surplus value the robber should be allowed; it is not a working class that is disputing the fact of robbery.

Nonetheless, I would thoroughly recommend the book to all voluntary or involuntary students of Australian history. There is none better, but perhaps that says more about Australian historiography than about the achievement of the Likely Lads.

Verity Burgmann

## Return to Sender

*Readers' Letters to Lotta Continua*,  
Pluto Press, 1980, \$4.50

It's particularly difficult on days like today when the printers are on strike and there are no newspapers, but these damn magazines are still around... I am against censorship, but I can't stand selling this stuff any longer... Sometimes I hear someone asking for *Lotta Continua* and *Hours of Lust*, please miss! (p.19)

THE IMPOSSIBILITY of an organisation that exists only as a newspaper maintaining any discipline, or even committing people to its politics, is illustrated on one level by this comment. In 1976, *Lotta Continua* (Continuous Struggle) collapsed as an organisation and liquidated itself into 'the movement', as had an earlier and similar Italian organisation, Potere Operaio (Workers' Power), one of those best-known members was Tony Negri. Some correspondents to the paper were shocked: 'It's convenient to "dissolve" the party into the movement, but it doesn't help the movement to grow, it becomes suffocated' (p.40). But for others, it was an almost inevitable culmination of the contradictory political currents with the organisation.

These letters, originally published in a

larger selection in Italian, have a largely human interest value, only occasionally clarifying disputes inside the organisation on key questions facing Italian revolutionaries. These include, centrally, 'personal politics', and the growing strength of the reformist PCI and its strategy of the 'Historic Compromise' with the Christian Democrats.

The actual collapse of LC in 1976 was triggered by two events. One was the controversy over the entry of the LC male cadre into a 'women only' abortion demonstration. The second was the failure of the 20 June 1976 election to lead to a Chiean-style left government (but with a happy ending). Despite 800,000 votes for the far left, the election was experienced as a stunning defeat, and the LC leadership retreated into proposing a single-issue campaign around the 35-hour week.

Within LC, a key problem appears to have been its inability to break with both sexism and Stalinist modes of organisation. One correspondent saw LC as the only people who, amid obvious but inevitable difficulties, are making a serious political attempt on the left of the PCI, without falling into the trap of trying to build a class, traditional mini-party under the vast shadow of the PCI (p.72). But in reality LC does not appear, on the evidence, to have made this breakthrough.

It is difficult, however, to gain an adequate perspective on political debates in a group from its paper's letters column, and especially from a book which only selects from that column. Those which do not require too great a knowledge of the Italian political scene' (p.v), and in which the letters are almost never part of any continuing debate capable of achieving some resolution. Perhaps, it is indicative of Pluto Press' current editorial direction that they choose to publish this book rather than something more serious and informative on the Italian far left. At all events, the book in itself gives little indication of the way forward for an Italian left that has been in rapid decline for the past three years. While some of the letters reflect 'autonomist' politics, and some take up the question of the tactics of the Red Brigades, the book as a whole gives little help in understanding the main dynamics of Italian politics to the left of the PCI.

One obvious problem with LC and other currents on the Italian left, including both Autonomia Operaia and the Red Brigades, is that of their central class orientation. One leader of or of the LC defined 'the proletariat' as all those sectors who, having been invested by the strength and the content of workers'

struggles over the past few years, have now found, or are beginning to find a path towards their own autonomous growth as a movement and a mass organisation: the unemployed, the state and local government employees, the young people, the soldiers, the social struggles, etc.

The autonomist current, similarly, does not make the vanguard of the organised industrial workers central to its theory. This loss of a class perspective inevitably leads, on the one hand, to losing the party in a disconnected swamp of movement and 'personal' politics or, on the other, to the desperate tactics of the Red Brigades (and their consequent central theoretical perspective of 'making the revolution inside the prisons').

Either option leads to the abandonment of any attempt to build a revolutionary party of the working class — despite the militant tradition of the Italian working class which provides a comparatively favourable climate for such an enterprise.

Carole Ferriter

## Populism or Socialism

G. Crough, T. Wheelwright,  
T. Wilshire (eds)  
*Australia and World Capitalism*  
Penguin 1980, \$5.50

WITH the current economic crisis there has been a resurgence of nationalism on the Australian left, especially in the Labor and Communist (CP) Parties. Unlike the earlier tradition of labor nationalism, racism is not the major rationale for the left nationalism of the seventies and eighties. Today, its main justification is 'economic', though logical conclusions can be racist and, in Australia, always entail an element of class collaboration.

*Australia and World Capitalism* is the most accessible statement of the new economic nationalism so far. Published by Penguin, it consists of short articles, many less than ten pages, many previously published. The articles cover a wide range of topics, ranging from unemployment, anti-union legislation and Asian industrialisation to the Australian ruling class, the Labor Party and 'counter-strategies'. Some of these are useful, if too brief, notably Phil Raskall's piece on the distribution of wealth and



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Michael Quinlan's on health and safety at work.

However, the most politically significant articles are Wheelwright's on cheap labour havens, a slush of essays under the heading 'Towards Socialism in Australia' and the editors' introduction. Together they form a case for a left-nationalist reformism. While the articles are more subtle, the blurb makes the main political points clearly. Much of the recent de-industrialisation and winding down of Australian enterprises has been deliberate'. The ideas in this book . . . are necessary for the survival of Australia as an economy and a nation'.

I'll outline what I understand as the thread of argument going through those essays in particular. The political strategy pushed by the book is a consequence of its general analysis of the Australian economy. This analysis is variously described as 'de-industrialisation' (Introduction p.14), 'incipient deindustrialisation' (Introduction p. 4), and 'restructuring' (Introduction p. 3). There is a deliberate shift out of manufacturing in Australia, to a focus on mineral processing' (Carmichael p.240). These processes in the Australian economy are 'increasing its dependence' on the world economy and will lead to a situation where 'the country is "restructured" to assume the role of an economic colony of world capitalism' (Introduction p.3). The main actor (transnational corporation) is to blame for these problems. As for Australian capitalists, 'being in second place to transnationals, they are not in a position to invest in the most profitable sectors of the future' (Introduction p.17). This economic scenario establishes the possibilities and limits of political struggle in Australia.

The political solution to the problems of Australian capitalism is a 'counter-strategy to the transnationals' (Carmichael p.246). This counter-strategy and its component, the 'transitional programme to socialism' (Carmichael, Connolly) involves 'a radical mobilisation which will give mass backing to socialist initiatives within (an ALP) Government' (Connell p.292).

So the political message of *Australia and World Capitalism* is one of left nationalism. The problem with this approach is that it ignores classes. But it is in virtue of its class, not its nationality, that foreign capital seeks to sustain capitalism in Australia. Australian capitalists have the same interests, whether they are large, medium or small.

The foundation of that interest is the maintenance of the relationship between capital and wage labour, the role of profits. The only way for the working class to make an

alliance with any section of capital is by conceding that relationship of exploitation. Moreover, because of their dependence on foreign markets, sources of capital and means of production, and joint and active participation with foreign capital in major projects, the Australian capitalist class has an interest in maintaining its links with western imperialism. There has been no revolutionary, nationalist bourgeoisie, prepared to break with feudalism or imperialism, since the 19th century.

The book uses some Marxist rhetoric but its inspiration is the long tradition of Australian populism in the Labor Party. The main enemy is seen as essentially un-Australian, while the solution to political and economic problems lies in state ownership and other radical policies implemented by a Labor Government, cheered on by an extra-parliamentary mobilisation. The editors regard social conflict as undesirable (p.10), while 'class struggle' was started in November 1975 (p.19). They equate class struggle with the conflict between the people and the transnationals, not of workers against bosses. Every one but the transnationals are 'the other workers or their potential allies'. The status of the farmer is being reduced . . . to that of de facto wage labourer' (P.14); the forces available for the counter-strategy include 'small and medium scale business' (Carmichael p.246).

The problems of the Australian economy, especially unemployment and falling wages, are not caused by foreign firms. They cannot be cured by attacking transnationals. The underlying problem is capitalism. Only struggles against capitalists, no matter their nationality, and their state can build a movement to overthrow that system. *Australia and World Capitalism* proposes a struggle with transnationals but deals with local capitalists and acceptance of the Australian state. Deals in which corporations get tariff or other protection in exchange for worker participation and Government equity are not a way of eroding capital's binding them to the logic of accumulation. Co-operatives no more challenge capitalism does the oppression of women. Further, such deals assume that Australian bosses make better allies than workers overseas. The title of a publication of the Transnational Co-operative, with which many of the authors are associated, carries the same, essentially racist message: 'Asian Workers: A New Threat From The North?'

McFarlane approves of moves towards 'planning agreements' with unions in the

clothing industry as a model. The conditions under which Clothing Trades Union members work are amongst the worst in Australia, yet McFarlane advises that workers require to get off the treadmill of a purely 'wage increase' approach. . . . If they want to change the situation they will have to take more control over decision making and the production process' (p.236). Wages traded for a share of the profits. The relationship between militant wages struggles (which the CRTU does not conduct) and building workers' confidence in their ability to fight for socialism goes entirely unrecognised.

The suggestions that Australia is being deindustrialised should be examined in a world context. Australia has experienced a decline in manufacturing employment, but so have most other advanced capitalist countries. Australia has *not* seen any fall in the level of manufacturing output, as Britain, for example, has. No one has suggested that Britain is being turned into a quarry or even an oil well. There has been a global economic crisis since the early 1970s. It has been restructuring the economies of most countries. Changes in the Australian economy are not the result of a transnational conspiracy to deprive the country of any manufacturing industry. The fall in manufacturing employment is largely the result of rapid technological changes. The decline of manufacturing industry's share of a number of economic aggregates, such as GDP and Gross Fixed Capital Formation, is mainly due to more rapid growth in the service and mining sectors, not to any absolute fall. New manufacturing investment is going on, undertaken by both Australian and transnational companies, especially in the chemicals and aluminium industries. Moreover established transnational in manufacturing, like GM, Ford, Mitsubishi, are not keen to see their investments annihilated by free trade.

Both Australian and foreign capital are power, only the highly profitable mining sector (all capitals seek to flow to the most profitable areas, many of which are in Australian mining and some of which are in Australian manufacturing); foreign ownership is increasing in the Australian economy; some Australian firms are investing off-shore (though the amount of off-shore investment is tiny compared to that even in Australian manufacturing). But these developments do not represent a wholesale dismantling of Australian manufacturing industry.

A crucial aspect of left nationalism and the 'counter-strategy' is extra-parliamentary support for radical Government meas-

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ures eg 'tariff protection subsidies, investment allowances and export grants conditional upon companies involving unions and Government in key investment and production decisions' (Hartnett p.256) or legislation for worker participation. The view that the bourgeois state has to be destroyed before a socialist transformation of society is explicitly rejected by Connell and Carmichael, in anticipation of Marxist criticisms (p.292 and p.242). For them mass mobilisations are not directed to building explicitly working class organs of power, but only to putting pressure on existing bourgeois institutions.

A good reply to this reformism comes from Tom Uren, another contributor and Labor Party Federal Parliamentarian. He says: 'Real power lies with those who control the production process' (p.217). 'I do not believe the elected Government exercises real power' (p.219) and 'It is wrong for us to believe that a new Labor Government would or could bring about socialism' (p.219). Uren has few illusions in Parliament, but he shares Wheelwright, Hartnett and Connell's fantasies about the ALP. They all think that it is an important instrument for achieving socialism. Wheelwright points to a supposed golden age of Labor Party radicalism before 1927, and stresses the socialisation objective. But the ALP has never been a socialist party. Attempts to turn it into one, during the 1930's and 1940's in particular, have all failed. They have and will continue to fail because the Labor Party is above all else committed to parliamentary change. *Australia and World Capitalism* is a pale shadow of Tony Benn and Stuart Holland's labor in Britain. Their tarring up of reformism is backed up by a powerful Labor Party left wing. The Australian version doesn't even have that going for it.

Rick Kuhn

## It's That Man Again!

John Hurst,  
*Hawke ... The Definitive Biography*  
Angus and Robertson, 1979, \$2.95

TRADE Union bureaucrats occupy a unique position in a capitalist economy. Their role as mediators between capital and labour inevitably leads them to seek compromise solutions to industrial disputes, and when worker militancy threatens their power this

conservatising pressure almost invariably ends in a sellout. Their power and prestige among workers comes not from mass working class approval but from their ability to negotiate concessions within the framework of a wage settlement system that is acceptable to the bosses. The time-honoured reward for faithful bootlicking is usually a seat in parliament or on the Arbitration Commission.

The post-war boom saw the Australian working class win substantial improvements in wages and working conditions through arbitration without having to use strike action very often. One of the results of this process was the emergence of trade union leaders like Bob Hawke. The arbitration talk shop gave Hawke the platform and publicity he needed to push for the ACTU leadership. Once in power, his popularity among workers provided the authority to act without the usual constraints of militant action brought his nickname of the 'Fireman' to Australia's industrial flagellations.

It is this aspect of Hawke's career which comes through most clearly in Hurst's biography. Behind all the blather about passionate social conscience, fairness and hard work lies the assumption that the settlement of wages is the exclusive preserve of the union official. The picture emerges of a man who cared less for the satisfactory result to workers' demands than for ensuring that workers remained unable to settle accounts with the boss by their own efforts. Hurst is remarkably honest about the criticisms of many of Hawke's interventions, the uranium issue. But he invariably puts down a poor result as being 'all that could be got', that is, all that could be got by arbitration, not what might have happened if the union officials had taken their marching orders from the militant rank and file.

The onset of the world recession at the beginning of the 1970's undercut Hawke's power. More difficult economic conditions meant that employers went onto the attack over wages and workers were more and more required to defend themselves on the job. Hurst's chronicle of Hawke's ACTU role in that decade explains (by implication) why the Australian working class has been so often defeated in the struggle to maintain living standards. Hawke's ACTU did little to strengthen shop floor organisation and, as the crisis caused the slow breakdown of the Arbitration Commission, the working class was left unprepared for the ferocity of Fraser's attacks.

The disintegration of the negotiation sys-

tem that gave Hawke his power led inevitably to his seeking a parliamentary career. Hurst has written an election biography for a man who has made enough enemies in the union movement to ensure that he never wins the leadership of the ALP. Now that the election is over, this 'definitive biography' can be forgotten as a dishonest book about a man whose time is past.

Tim Anderson

## Connolly Was There

Bernard Ransom,  
*Connolly's Marxism*,  
Pluto Press, 1980, \$8.10

JAMES CONNOLLY is one of the few English speaking Marxists of any real significance.

However, while he is remembered by some as the leader of the 1916 Easter Rising in Dublin, his role as a Marxist leader in the socialist movements of America and Britain as well as Ireland, and his theoretical writings, which have an importance well beyond the confines of purely Irish politics, are little appreciated.

Bernard Ransom's book on Connolly partly fills this gap.

Ransom traces Connolly's theoretical development from the reformist orthodox of the second Socialist International (he joined the Scottish Socialist Federation in 1890) via De Leonism to his own distinctive Marxist syndicalist perspective.

The Second International parties, particularly in Britain and Ireland, adhered to a passive reformist strategy which concentrated on electing socialists to parliament. The British Socialist Democratic Federation tended to view industrial organisation as an irritant which distracted from the 'real' task of electorology.

After 1896, when he moved to Ireland as the organiser of the Irish Socialist Republican Party, Connolly started to break from this orientation. He saw the need to link up the political (in his terms the parliamentary) struggle with organisation at the point of production. He also recognised that the established trade unions in themselves served as just another prop for capitalism. This appreciation led him in a syndicalist (from industrial unionist) direction towards the politics of Daniel De Leon's American Socialist Labor Party.

In 1903 Connolly helped found the British SLR and subsequently was active in the American SLP.

While De Leon in his own dogmatic and puristic way had broken with some of the



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west reformist features of the Second International, his strategy still was not insurrectionist. He saw the role of the working class organisation in the industrial unions as guaranteeing that the bourgeoisie would accept a socialist majority elected through the ballot box, and as a means of organising the future socialist society.

A general strike or even the threat of a general strike would be sufficient to prevent the ruling class launching a civil war to overthrow the socialist government, thus there was no need for a violent seizure of power to smash the capitalist state.

Although Connolly broke with many of the sectarian aspects of De Leon's politics (eg. that strikes were useless as wages would automatically be forced down by 'iron laws' of economics) and became an organiser for the iww (Industrial Workers of the World), it was not till he returned to Ireland on the eve of World War I that he saw the need for an armed seizure of power by the working class.

This new commitment to insurrectionism was brought about by the failure of socialist parliamentarianism and trade unionism to prevent the war. Also, developments in Ireland itself, where the Ulster Unionists had armed to prevent Home Rule, showed that the vote and union organisation in themselves were insufficient.

Connolly was driven rapidly to the conclusion that an insurrection was an immediate burning necessity to save the Irish labour movement from being wrecked by the sectarian divisions of a partitioned Ireland, and as a blow against the holocaust of the imperialist war. Thus he struck out in a heroic gesture in Easter week 1916.

In his final period in Ireland, Connolly also attempted to develop a broader philosophical critique of the Marxism of the Second International. In this theoretical project he looked to Irish history.

He identified the Irish working class as the heir to the tradition of Irish republicanism, the only class truly willing to fight for the old ideal which was to be transformed into a new ideal: the workers' republic.

He rejected the stagist theory of capitalist and working class development, propagated by the mechanical theorists of the Second International, and emphasised that the working class of a backward country, precisely because of its 'backwardness', could be in the vanguard of the struggle for socialism so that capitalism could be smashed at its weakest link. This theory was very similar to Trotsky's idea of uneven and combined development on which his theory of permanent revolution, proved so correct in Russia, was based.

The Second International theorists had rendered Marxism as a sterile 'scientific' dogma, which saw socialism as an historical destiny, but offered no guide to action. Connolly, again drawing on Irish history, attempted to develop a normative system of eternal socialist moral principles to provide such a guide. Bernstein in Germany had done this, but by embracing attempted a similar project by embracing Kantian idealism. Connolly's philosophic project, of which Ransom is insufficiently critical, was no more successful than Bernstein's, though it proved less disastrous for his political theory (Bernstein came to reject Marxism totally).

Connolly's moral ideal was based on the values of the ancient Gael and medieval Christianity which, he argued, had been perverted by capitalism. In reality, Connolly totally mythologised ancient Irish history.

He adopted a generally sympathetic attitude to Christianity, despite attacking organised religion and even though he himself did not share the faith.

Connolly then, like many pre-war socialists, was not able to break decisively from the Second International tradition. It was not till after the Russian Revolution that theory and practice could be reunited, and it is a tragedy that Connolly was not to be alive to participate in that rebirth of Marxism.

Mick Armstrong

## Bread and Circuses Yet

Rudolph Bahro,  
*The Alternative in Eastern Europe*  
NLB 1978, £27.50

THE RECENT events in Poland are likely to create new interest in Rudolph Bahro's *The Alternative in Eastern Europe*. Readership will probably be limited by both its size (a hefty 453 pages) and its tendency to fall into a dull, academic style. Nevertheless, it has been an important book because it represents one of the few major efforts that has reached the West of the struggling Marxist opposition in Eastern Europe.

However, it is also a book that the recent events in Poland must finally condemn to the wastepaper basket. For the basic premise of the book is that classical Marxism has failed because the working class is no longer a meaningful force in society. The events in Poland have surely dismissed those ideas forever.

Rudolph Bahro is an East German intellectual and was himself part of the bureau-

cracy. For this book he was sacked, arrested and finally released after an international campaign. So it is with interest that you open a book which caused such a stir. It is easy to see why he was given the sack. He tells us that the working class are powerless, that the bureaucracy is a conservative social force, and the economy is in a mess. So bad is the situation, he says, that it has proved Marx wrong because private property has been abolished and yet exploitation is still with us.

Yet, after all this, he goes on to describe the societies that exist in Eastern Europe as 'proto-socialist'. Not only that, but he defends the course of action that Stalin and the other bureaucrats took. To Bahro, the Russian revolution was not primarily about socialism, but about finding a 'non-capitalist road' to industrialisation (p.50). A road later followed by Mao Ze Dong, Khrushch and Castro. This, he says, represents today something incomparably greater and more diverse than in the era of Marx (p.150).

So, are we to think that the purges in Russia in the 1930s and the trial of the Gang of Four today represent the right way forward? In a word, Yes! After all, the working class had to be made to work.

The Socialist state has fulfilled the most important double function of achieving labour discipline and combating the egalitarian tendencies of the masses. This was the condition for economic advance (p.133).

Bahro, wise sage that he is, has lost the eager glow of youth.

In its critical realism, this analysis may at first present the appearance of an apology. All those characteristic sins of domination over which, as naive communists, we were first disillusioned and then enraged, will show themselves to be practically unavoidable consequences of a definite historical progress (p.139).

Unfortunately Bahro, like most East European dissident intellectuals, is still basically a left-wing Stalinist. When Trotsky left Russia forever in 1928 to go into exile in the West, he took with him the last remnants of the classical Marxism that had made the revolution. In that tradition, the working class was always given pride of place. The ideas of internationalism, working class solidarity, and revolutionary action survived, and were developed by various groups around the world. In Eastern Europe, they were exterminated. Not only people but books were destroyed. The Russian dissident, Roy Medvedev, says he could not obtain one book by Trotsky, *My Life*, in nearly 20 years, and that only through the underground.

No wonder, then, that Bahro rejects the idea that the working class can achieve anything:

The concept of the working class no longer has any definable object in our social system, and, what is far more important, it has no object that can appear as a unity in practical action (p.182).

The events in Poland in December 1970 show, to him, only how easily the working class can be led back to work (p.190). He failed to see the beginnings of a new wave of working class action. In fact, he dismisses the workers with contempt.

What, then, does Bahro want, and how will he achieve it? He talks not of revolution, but of 'general emancipation'. His ideal was the Czechoslovakia of 1968, a struggle led initially by the bureaucracy. Bahro loses sight of the fact that the bureaucracy was only concerned with improving its own position, and collapsed when faced with a working class prepared to fight the Russian tanks. His ideal seems to be Yugoslavia.

The Yugoslav case proves that a combination of central state power and factory councils . . . is at any rate possible (p.194).

Yugoslavia, in fact, is just another bureaucratic monster, but with more window-dressing. The only ones fooled are those who want to be fooled.

Bahro sees the source of change as coming basically from the bureaucracy itself. It is an essentially reformist view. Bahro, like all reformists, whether in the West or the East, blurs class divisions and conflicts in his writings. It is no wonder that he sees an historic parallel to the struggle he seeks to wage in that of the Christians in Roman times.

The Christians won over Romans at a level that transcended class contradictions and portended a new type of state and society (p.258).

All I can say, is that Rudolph Bahro and his followers had better watch out that they do not get eaten by the lions.

Bradley Bowden

## Development Economics

Ian Roxborough  
*Theories of Underdevelopment*  
Macmillan, 1979, \$14.50

A PRIMARY thesis of bourgeois studies of the third world economies has been that a closer integration into the world market

would inevitably lead to economic development. Marx and Lenin had shared the expectation that foreign capital would result in the development of indigenous working classes whose growth would hasten the proletarian revolution.

But after the world depression of the '30s and the war of the '40s the advanced economies grew dramatically. In contrast, the third world countries did not. Country after country, advised by leading economists, attempted to promote economic development by shifting from primary exports to 'import substituted industrialisation'. The failure of these policies stimulated the study of the relationship between the third world economies and the world markets — the science of development economics was born.

Marxists too had their problems, and many set about studying the connection between economic dependence and national economic development. These studies soon turned in on themselves and became entangled in debate about the transition from feudalism to capitalism, the nature of state power, the revolutionary role of the peasantry, and so on, until no-one was really sure what was really Marxist, and what was not. Revisionism was a potential career. The result is that much of the work of the fifties and early sixties in the 'Marxist' mould is confusing and politically suspect. The theories of Frank ignored class structure (using theories derived from that most eminent bourgeois Talcott Parsons), and Fanon and Debray glorified the role of the peasantry in a profoundly voluntarist manner.

Later attempts to come to terms with the obvious reality of the world economic system resulted in massive over-generalisation so that whilst theoretically feasible, these theories were politically useless.

At last we now have a book which clearly and perceptively disentangles the polemic from analysis and spells out the implications of this particular theoretical legacy. He examines the weaknesses of Trotsky's theory of permanent revolution, the fraudulent claims of Stalinist theory to have developed a road to 'socialism in one country', the bourgeois nationalist politics behind Cuba's development, and in a detailed analysis of Bolivia, Cuba and Chile, he demonstrates the value of Cliff's thesis of 'deflected permanent revolution'.

He attacks the classical conceptions of the peasantry, arguing that the economic relations of production on the land are considerably more diversified and complex than is usually understood. The inter-connections between class struggle, international competition, strangled economic

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development, religious groups, and so on, result in individual patterns of development which cannot be identified by lifting chunks of Marx or Lenin.

As ever, Marxism must start with concrete analysis and the author indicates the manner in which this is to be achieved with some detailed analysis. In a sense, this is the proof of the pudding and it is unfortunate that the book was not long enough to encompass more of the Latin American countries. But the result is a very refreshing book which brushes away the cobwebs of bourgeois Stalinist and orthodox-Trotskyist theory and hopefully it will help to lay the ghosts of Guvernism and Castroism so prominent in the sixties.

Bob Lloyd

## Feedback

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At one point, Tom concedes to the left-nationalists their argument that the Trotskyist position 'conflicts with events which workers see every day. Australians know that decisions which affect their daily lives are made in New York, London or Tokyo' (p.39). Now this is true. But it is also true that American workers are affected by decisions taken outside America. As the U.S. study quote above also shows, not only is the USA the largest single source of foreign investment flows, but it is also the largest single target for such investment (in 1970 \$15,103 million worth of foreign investment flowed into the USA).

Some American (and British) workers are actually affected by decisions taken by Australian capitalists (for example, American and British employees of the Murdoch press). And this is so because, as Kidron (and also Nigel Harris) have argued, the decisive feature of the post-war period has been the development of capitalism into a truly world system with, increasingly, a world bourgeoisie and a world proletariat. Tom concludes that left nationalism in the present period has tended to be largely a populist false consciousness which overlays what are basically militant class struggles' (p.44). Again, this is undoubtedly true. But it is true not only of Australia, but also of many other advanced capitalist countries. And what socialists have to do, in Australia, and throughout the advanced capitalist world, is to seek to expose the very falseness of that consciousness, and to substitute for it an internationalist, and socialist, consciousness which counterposes the interests of the world working class to those of the world ruling class.

Valery Hall



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