

# Labor in Power

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There has been considerable discussion on the Left about the policies of the Australian Labor Party and the Hawke Labor Government — what they are and what they should be. Less effort has been put into analysis of the material forces which constitute and shape the ALP as an organization, its activity and ideas, and therefore the kinds of policies it is realistic to project onto it and Labor governments. Earlier discussions about the Labor Party by Marxists, including Lenin, and others, such as Don Rawson, provide a starting point for such a project.<sup>1</sup> They have drawn particular attention to the Labor Party's working-class following, the role of trade union officials in the party, and its support for national capital accumulation in Australia.

### *Unions and Labor*

The role of unions in the ALP has long been recognized as a distinctive aspect of the party. Treatments of the relationship between the Hawke Government and the unions have often accepted the 'trade union movement' as an unproblematic and self-evident category. This applies to both supporters and some critics of the wages and incomes Accord's 'corporatism'.<sup>2</sup> Thus a conflation of trade unions and the working class underlies the idea that unions are involved in the Accord because it 'benefit[s]

those involved in the relations of production'.<sup>3</sup> However, the material benefits of the Accord to workers are open to serious question, given that the period 1983 to 1989 has been one of cuts in real award wages, coupled with rising levels of taxation (to be offset only partially by the July 1989 tax cut), with social wage expenditure constituting a smaller proportion of government expenditure than during the later 1970s.<sup>4</sup> A centralized form of wage restraint and industrial relations, together with the advocacy of collaboration with employers at the enterprise level, has undermined self-confident rank-and-file organization. 'Industrial democracy' at the Government Aircraft Factory and Williams-town dockyard paved the way for redundancies and privatization.<sup>5</sup> The interaction of New Right employer offensives and reliance on a 'corporatist' defence through the courts, Arbitration and Labor legislation, saw managements advance the frontiers of their control over the production process in SEQEB and at Robe River.<sup>6</sup> In these cases the Accord contained workers engaged in class struggle. The Accord partners confronted the militancy of the Builders' Labourers' Federation, with its recalcitrant officials and membership, head on. It is not the case that producers' interests in general are incorporated into Government policy under the Accord.

1. D. Rawson, *Labor In Vain?* Melbourne, Longmans, 1966. V.I. Lenin's main work on Australia was the 600 word 'In Australia', available in various places and translations, including editions of Lenin's *Collected Works*, L. Sharkey, *Australia Marches On*, Sydney, Communist Party of Australia, 1943, R.N. Ebbels ed., *The Australian Labor Movement: Historical Documents*, Sydney, Hale & Iremonger, 1983, pp. 243-5. Although it bears the marks of a second- or third-hand account, Lenin's piece includes some useful insights, along with a couple of factual errors. For an account of Lenin's article and Australian communist treatments of the ALP during the 1930s and 1940s see R. Kuhn, 'Lenin on the ALP: The Career of 600 Words', *Australian Journal of Politics and History* 35, 1, 1989, forthcoming.
2. G. Dow, S. Clegg and P. Boreham, 'From the Politics of Production to the Production of Politics', *Thesis Eleven* 9, July 1984, pp. 16-32; P. Ewer, W. Higgins and A. Stevens, *Unions and the Future of Manufacturing*, Sydney, Allen & Unwin, 1987; P. Beilharz, 'The Australian Left: Beyond Labourism', *Socialist Register 1985-86*, London, Merlin, 1986, pp. 225-6; S. Macintyre, 'The Short History of Social Democracy in Australia', *Thesis Eleven* 15, 1986, p. 13.
3. Macintyre, *ibid.*
4. See F. Stilwell, *The Accord and Beyond*, Sydney, Pluto, 1986, p. 72.
5. L. Ross, *Industrial Democracy or Workers' Control?*, Melbourne, Socialist Action, 1987.
6. H. Thompson and H. Smith, 'The Conflict at Robe River', *Arena* 79, 1987, pp. 76-91.

A class analysis of the trade union movement is necessary for an understanding of the role of trade unions in the ALP and in the Accord. Trade unions are crucial defence organizations. Without them, workers' ability to influence the terms of their exploitation is extremely limited. Class divisions inside the trade union movement are an aspect of organizations concerned with working-class mobilization within rather than against capitalism. Studies since Webb and Michels have identified the full-time trade union bureaucracy as a distinct social layer in the labour movement. Sociologically, they can be differentiated from the rank and file by their access to members in different workplaces; their expertise and access to information; and frequently better wages and conditions. In class terms they play a distinctive role in the relations of production. Rather than being wage labourers, they mediate between capital and labour. Their jobs depend on the continued existence of capitalism characterized by the sale and purchase of people's ability to work, that is, the commodification of labour power. To be an effective union official it is necessary to maintain credibility in the eyes of both workers and bosses and to exercise power over your own unionists. The practice of being part of the union bureaucracy discourages a taste for revolutionary action.

Ultimately the benefits of the Accord to the working class amount to some marginal concessions to the low paid and welfare beneficiaries. It is also claimed that Labor is responsible for the bulk of the economic and employment growth since 1983, a rather weak claim in the context of the international economic recovery since 1983. The Accord has been, at best, a mixed blessing for the working class, while its consequences for union officials have been much less ambiguous. The industrial peace secured through the Accord's incomes policy and emphasis on collaboration with employers to increase productivity has dramatically reduced the risks of union officials losing control of their organizations during disputes over wages and conditions. The Labor Government and tripartite bodies help union officials hold on to their jobs by demonstrating their clout and importance to rank-and-file members. An image of influence, effective action and achievement can be built through consultations with government ministers and other notables, and participation in bodies such as EPAC or industry councils. These exercises also generate personal benefits for union leaders: travel, perks and a sense of self-esteem. In 1985 union officials filled sixty-two consultative positions associated with the Departments of Industrial Relations and Industry, Technology and Commerce alone. Apart from a small minority, union officials as a social layer have been very reluctant to jeopardize the Accord

and the Labor Government. This is true of both left- and right-wing union leaders. What the Liberals call 'jobs for the boys' is an important ingredient in a strategy which has primarily benefited capital.<sup>7</sup>

### *A Party of the Old Type*

The affinity between union officials and Labor governments is a product of a division of labour between trade union and party, union official and parliamentarian.<sup>8</sup> This organic relationship reflects the division between economics and politics characteristic of capitalism in normal periods, when the level of class struggle is not high. When extra-economic means of coercion are not needed to pump an economic surplus out of the direct producers, it is possible for citizens to participate in the state on an equal basis and for a politics separate from economics to exist. While unions express workers' economic interests on the unequal terrain of economics, labour parties were established to pursue these interests by taking advantage of (and in some cases helping to constitute) the legal and political equality of bourgeois democracy. Unions mobilize workers in their own defence within the framework of capitalism constituted by the commodification of labour power; labour and social democratic parties mobilize within the confines of capitalism as political equality.

The affinity between parliamentary workers' parties and union officials is particularly clear in the case of labour parties to which unions can formally affiliate. The influence of the union bureaucracy in the ALP, exercised through affiliation fees and their control over delegations to state Labor Party conferences is straightforward. Other means by which union officials influence labour and social democratic parties include their status as recognized, usually elected leaders of the core working-class constituencies of such parties. Unaffiliated unions may also contribute to party funds while their leaders are often directly involved in the parties. Many officials of the unaffiliated Administrative and Clerical Officers Association, for example, are active players in internal ALP politics. The Queensland Branch of ACOA contributed \$3500 to Labor's 1987 election campaign.

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7. See Senator Tony Messner, 'Govt Full Steam Ahead With "Jobs for the Boys"', Media Release, 11 March 1989.

8. In relation to this issue in the British Labour Party see T. Cliff and D. Gluckstein, *The Labour Party — A Marxist History*, London, Bookmarks, 1988, pp. 28-34.

The role of the union bureaucracy in the ALP does not rule out major conflicts between unions and the party, such as those during World War I, in New South Wales during the late 1930s, and in the mid-1950s. But it does make possible Accord-type approaches to economic management. The Hawke Government especially has developed this 'corporatist' framework, but it has also been employed by previous Labor governments.

The Whitlam Government's incomes policy, wage indexation, was appropriated by Fraser after November 1975. But the policies pursued by the Curtin and Chifley governments had more time to develop. The nation in (military rather than economic) danger provided a justification for wage restraint, longer hours and speed-ups during World War II. The social wage, in the form of the foundations of a national social security system, also played a part in justifying working-class sacrifices. The strategy was cemented through the appointment of union officials, after 1941, including ultra-patriotic communists, to tripartite bodies and government posts.

During the second half of the 1940s Chifley stressed the danger that inflation and the possibility of a new recession posed to the national economy. This concern justified the continuation of war-time wage pegging until 1947. The Government initiated a productivity drive the premises of which were endorsed at the 1948 tripartite Better Industrial Relations Conference. The Labor Party, particularly through the Industrial Groups, and labourite union officials initiated a sustained campaign against militant sections of the working class, and communists rejected calls for restraint. This involved the extension of penal powers, the formation of ASIO and eventually the use of troops to scab on the 1949 miners' strike.

Far from promoting radical initiatives in the labour movement, today's supporters of corporatism and 'political unionism' on the Left are helping to sustain old patterns of Labor organization. In doing so they help reproduce the bourgeois democratic politics embodied in the division of labour between unions and the parliamentarist ALP.

### *Parliamentarism*

A corollary of Labor's parliamentarism is the pursuit of electoral majorities, rather than active majorities constructed through social and class struggles. As Childe pointed out, such an approach involves the courting of non-working class support on the basis of

claims to represent not simply 'sectional', that is, working-class, but national interests.<sup>9</sup> The tension between these is expressed in Labor's attempts to balance measures designed to secure its 'traditional base' and those undertaken in pursuit of Australia's economic competitiveness and stability. A cyclical recovery in the context of a longer term economic crisis distinguishes the current government's approach to this task from those of its Labor predecessors.

Between 1983 and 1988 the Hawke Government reconciled working-class concerns with measures to promote capital accumulation by justifying reductions in real wages in terms of improvements in the social wage and the rising level of employment. More rapid growth since 1987 made a different trade-off possible in the Government's April 1989 economic statement and the run up to an election. Tax cuts and smaller real wage cuts than typical since 1983 were portrayed as a reward for six years of working-class restraint. According to Keating, these concessions were also a means to head off a wages breakout in conditions of high economic growth.

Labor's success in Australia during the 1980s has crucially depended on domestic economic expansion, driven by the growth in the world economy. Hawke has yet to face the challenge of a steep recession like those which paralysed the Scullin and Whitlam governments. A cyclical economic downturn will sharpen the contradiction between maintaining working-class support and placating public opinion shaped by capital, by seeming to impel stern measures necessary to secure investment and profitability.

Like the union bureaucracy, the Labor Party mediates between capital and labour. But unlike union officials, Labor politicians perform this role at some remove from direct working-class pressure, cushioned by union officials, the party machine and the parliamentary system. In 1914 W. R. Winspear, a marxist writer, dealt with the distinctive role of parliamentarians in the ALP and the influence of capital on them through the parliamentary milieu.<sup>10</sup> V. G. Childe developed such an analysis further, observing how the material being of Labor ministers shaped their consciousness. This was not simply a matter of the perquisites of office but involved also the influence of public servants, the weight

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9. V. G. Childe, *How Labour Governs*, Melbourne, Melbourne University Press, 1964 (first published 1923) p. 72.

10. W. R. Winspear, *Economic Warfare*, Sydney, International Socialist, 1914.

of responsibility for leading the nation and access to privileged information about the complexity of national problems: 'The members of Cabinet become bound together by sharing such difficulties, by mutual recognition of the more intimate and secret problems of Government and a common desire to maintain their positions in the House and the Party, and to ensure both their return by the country and their re-election by Caucus.'<sup>11</sup> The ALP's efforts to discipline parliamentarians, Childe argued, were more successful in enforcing their solidarity than in ensuring that Labor governments implemented party policy.<sup>12</sup>

Carole Johnson has identified an emphasis on social harmony as typical of the ALP and Labor governments.<sup>13</sup> Labor ideology is necessarily attuned to the distinctiveness of working-class interests, conceding the legitimacy of their representation by unions and the party, while insisting that they can be subordinated to a national interest. In a society based on the exploitation of the working class such a concept is utopian. Yet 'labourism' and 'social democracy' are not simply silly or mistaken. They reflect aspects of the ALP's structure: Labor's mediation between capital and the working class; the influence and interests of union officials and parliamentarians in the party. A rejection of labourist ideology in favour of socialism entails rejecting social democratic organizational forms. Two main alternatives are available. Both claim to emphasize mass activity, democracy and to supersede the dichotomy between economic struggle and (parliamentary) politics. Movementism denies the need for any kind of party, regarding autonomous campaigns as sufficient to challenge and overturn capitalism. Lenin's alternative was a 'party of a new type', coordinating different areas of activity by intervening directly to build struggles against capital and the state, including those over limited economic demands.

### *Labor's Limits and Scope*

The ALP's organic relationship with the union movement and the ideological consequences of this set limits on the policies of Labor governments. Scullin stood by while the NSW coal miners were defeated and complied with Depression wage cuts. But the sternest cutbacks in public expenditure were made by the Lyons Government. Chifley's assault was on union militants and communists,

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11. Childe, *op. cit.*, p. 25.

12. *Ibid.*, p. 55.

13. C. Johnson, *The Labor Legacy*, Sydney, Allen & Unwin, 1989, pp. 7-8.

not the union movement. Unencumbered by connections with the labour movement, Menzies orchestrated the peak of Cold War frenzy in Australia, moved to discipline the union movement as a whole and, in the early 1950s, was thus able to achieve a decline in the wages share of national income which was maintained for over a decade. Hawke and Willis took on the BLF but a serious confrontation with the wider union movement to secure quick and deep wage cuts would leave Labor without a strategy for economic management.

Labor's working-class and union constituency not only sets limits on ALP governments' policies in some directions, but expands its scope in others relative to that of the conservative parties. In 1942 Lance Sharkey, a communist leader Chifley later gaoled, pointed out that 'The Labor Party, which collaborates with the capitalist class as a whole, is not so tied to any particular capitalist sectional interest and is therefore in a better position to legislate for Australian capitalism as a single entity.'<sup>14</sup> Since the 1970s the OECD and many governments have recognized that, in addition to macro-economic policy, attacks on the working class have not overcome the long-term economic crisis. Governments are experimenting with different doses of market forces to shake out inefficient sectors in order to improve the international competitiveness and hence viability of whole national capitals and the states which preside over them. This can be very uncomfortable for some capitalists.

While Labor leaders may be intimate with Bonds, Packers and Abeleses, the ALP machine is not the preserve of big business as the Liberal Party is. Labor's greater autonomy from individual capitalists has facilitated the Hawke Government's reforms in the areas of banking and industry which promote the national interest, that is, are rational for Australian capitalism. The Labor Government was comparatively free from vacillation over the deregulation of the financial system, along the lines recommended by the Campbell Report, which had been commissioned and received by its Liberal predecessor. More recently, the policy of deregulating wheat marketing promoted by the Minister for Primary Industries and Energy, John Kerin, generated divisions and embarrassment in the opposition coalition. While preaching free trade, the Fraser Government had increased protection for the most highly protected manufacturing industries — cars, textiles, clothing and foot-

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14. L. L. Sharkey, *Australia Marches On*, Sydney, NSW Legal Rights Committee, 1942, pp. 25-6.

wear. The Hawke Government's industry policies have been more successful in promoting international competitiveness, in the face of a changing world economy, by restructuring capital.<sup>15</sup>

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The above discussion has not touched on the important question of the basis of factions in the party or the significance of local branches and individual members. The focus on a few basic features of the party also give an impression that the ALP is static. But the ALP is neither unchanging nor unchangeable. Since World War II important shifts in the structure of the party have taken place. Working-class participation in party branches has declined, while that of members of the new middle class has expanded.<sup>16</sup> The extra-parliamentary bureaucracy of the Labor Party has expanded, both in the form of the machine and the assistants and researchers on parliamentarians' payrolls. A working-class background is now less typical of Labor politicians. Union affiliation fees sustain a substantial proportion of the party's running costs, but their donations made up less than ten per cent of the contributions to 1987 election funds.<sup>17</sup> Businessmen have been more prepared to endorse and contribute to ALP campaigns, while public funding has also changed election financing. These changes have had important consequences for the ALP's mode of operation, policies and electoral prospects. Nevertheless the constancy of fundamental aspects of its material constitution — the division of labour between party and unions which entails a parliamentary strategy, the role of the union bureaucracy inside the ALP and Labor's continuing passive electoral support in the working class — circumscribe the ALP's capacities.

The Labor Right has had an idealist approach to capitalism: a belief in its perfectibility, if only the correct policies are adopted. This has led to overestimates of the potential for Labor governments to solve and survive social contradictions, especially class

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15. See R. Kuhn, 'From One Industry Strategy to the Next', *Politics* 23, 2, November 1988, pp. 110-16.

16. See I. Ward, 'Labor's Middle-Class Membership: A Profile of the Victorian Branch of the ALP in the Eighties', *Politics* 22, 2, November 1987, pp. 84-91, and I. Ward, 'The Middle Classing of the ALP: the Victorian Branch 1961-1981', *Australian Journal of Politics and History* 34, 2, 1988, pp. 201-14.

17. Calculated from state and federal ALP returns to the Australian Electoral Office.

struggles and economic crises. But the Right has generally had a much better appreciation of what the party is capable of than the Labor Left. Despite his own considerable distance from marxism, Bob Carr, leader of the NSW ALP, has acknowledged the merits of a materialist analysis of his party:

There is a myth that the Labor Party, until our time, has been a radical or socialist movement... It was Lenin, no slouch when it came to identifying slackers, who said in 1913, 'The Australian Labor Party does not even claim to be a socialist party. As a matter of fact it is a liberal-bourgeois party'.<sup>18</sup>

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18. B. Carr, 'New Directions for Labor', in G. Whitlam *et al.*, *Whitlam, Wran and the Labor Tradition: Labor History Essays Volume Two*, Sydney, Pluto Press, 1988, p. 93.

## MOTH ODE

a huge speckled grey swept-wing moth  
five-inch wingspan (I measure it)  
hovers outside the kitchen window  
desperate to get at the bare 200  
watt bulb I draw beneath  
bathed in nimbus electricity

I leave the window shut  
not wanting to witness the monster  
moth bash & burn itself to death  
trying to fuse with the filament  
heart of a blazing white hot naked bulb

flapping frenzy powdering windowpane  
with glinting gold-wing dust  
eyedomes flashing like the screaming  
red light of an ambulance

Billy Jones