

# RED POLITICS

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# EDITORIAL

The promise we made in our first issue of September 1993 to publish at least every six months has proven to be unrealistic. It has taken 16 months to publish the second issue, and the third is likely to take 12 months. For this we apologise to our subscribers. The frequency of the journal depends entirely on the supply of suitable articles. Given the small number of contributors at present this can only be a trickle.

## In this issue

This issue has the following diverse range of articles:

- *The Revolution Lives on Long after Mao* celebrates Mao Tsetung's 100th birthday. It was originally published in *The Age*, a major Melbourne daily. The author is keen to point out that the politics of Mao, communism and revolution has nothing even remotely in common with the politics that is usually described as 'left'.
- *Taking a Closer Look at Workers' Control* examines workers cooperatives and industrial democracy, and the role they can play in the development of rebellion and struggle in the work place.
- *Sorting out the Family* is mainly a response to conservative thinking but also looks critically at certain 'ideologically sound' shibboleths. The article points to the emergence of a new more advanced form of family.
- *Is Small Really So Beautiful?* is an attack on the small is beautiful perspective.
- *Wild Swans is a Dead Duck* is a Maoist reply to the best seller.
- *Deskilling Debunked* challenges the view that capitalism deskills labour and argues that capitalism creates a working class capable of dispensing with the bourgeoisie and the division of labour.
- *Revolution is the only Solution!* is a revised version of the pamphlet that appeared in the first issue.
- *Revolution, the only solution unemployment* was originally published in September 1982 and is the final section of a paper entitled Unemployment and



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# IT IS RIGHT TO REBEL

Albert Langer<sup>1</sup>

*Low tides, as Mao pointed out, are merely periods between high tides.*

Marxism consists of thousands of truths, but they all boil down to one sentence, "It is right to rebel!". For thousands of years it has been said that it was right to oppress, it was right to exploit and it was wrong to rebel. This old verdict was only reversed with the appearance of Marxism. And from this truth there follows resistance, struggle, the fight for socialism. -  
- Mao Tsetung

Sunday 26 December marks the centenary of Mao's birth. The 17 years since his death on 9 September 1976 has seen a complete repudiation of Mao's political line in China, and a general collapse of organized "Maoist" movements elsewhere.

In China the slogan "Only socialism can save China" has been replaced by "Only capitalism can save the Communist Party". What passes for the "left" in Western countries has abandoned progressive, let alone rebellious politics, and been reduced to impotent reactionary whining.

Are we really at the "end of history"? Certainly revolutionary communists are in greater disarray today, and have been for longer, than when the second international collapsed. But 1914 was followed by the October revolution of 1917. Low tides, as Mao pointed out, are merely periods between high tides. The upsurge of the '60s, like the more recent upheavals in Eastern Europe, was a product of less visible developments during the earlier periods of apparent political stagnation.

Can capitalism save the "Communist" Party of China? Obviously not. The current regime is doomed and knows it. They will be swept away like the Soviet empire, as will their colleagues in Cuba, Korea and Vietnam. Good riddance. When Teng Hsiao-ping overthrew Mao's regime and was widely hailed as a "democrat", Chiang Ching said he was a fascist. She was right. It may take some time before revolutionaries like Mao win power again in China, but what they achieved

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<sup>1</sup> First published in *The Age*, (Melbourne Australia), Friday 24 December 1993 under the title 'The revolution lives on long after Mao'. Comments can be emailed to the author at [albert.langer@swinburn.edu.au](mailto:albert.langer@swinburn.edu.au)

"ahead of their time" represented the future. Teng's regime, like Brezhnev's, consists of walking corpses, zombies, whose only future is to be buried.

After the defeat of American imperialism in Vietnam, Mao called for a united front against the Soviet Union, which he identified as fascist and imperialist. This was widely seen as just a tactical manoeuvre and rather extravagant rhetoric. Today Western media still insist on describing the Soviet "old guard" as "hard line communists", but cannot avoid admitting that in Russia they are seen as "the right wing", closely allied with the most rabid extreme nationalists. Mao was right about "social fascism".

Has the end of the Cold War strengthened and stabilized capitalist imperialism in a "New World Order"? United States President Bush thought so, and the pseudo-left agreed, with bizarre protests against removing Iraq from Kuwait. In fact euphoria about ending the "Vietnam syndrome" and being "the only superpower" evaporated almost as quickly as the pathetic "protests". The era when superpowers could attempt to impose their will on other countries is ending. From South Africa to Palestine the national liberation struggles Mao supported are advancing rapidly. Mao was right about "paper tigers".

Strength and stability require social and economic progress. The stagnation and decline of the West is not yet as acute as Brezhnev's "period of stagnation", but the long term implications are just as profound. All the contending parties agree that nothing can be done "until the economy improves". The economy will only improve when investment is more profitable, which requires increasing oppression and exploitation. With no alternative, the result is widespread cynicism and disillusionment. That impasse has lasted a long time, but it can't go on forever here any more than it could in the police states of Eastern Europe. As Mao points out, there is an alternative -- rebellion, struggle, the fight for socialism.

The only people who seriously claim that social progress can be achieved without upheaval are the pseudo-left, who keep insisting that mass unemployment and cutbacks in living standards etc are due to "economic rationalism" rather than the reality of a developing capitalist economic crisis. It is no coincidence that most of the pseudo-left were depressed while everybody else rejoiced when the walls fell and the Soviet empire collapsed. The pseudo-left want a more repressive society than Western style capitalism, not a more liberated one. No wonder their culture program is for censorship in the name of "protecting women" and their economic program is for erecting higher barriers between nations. They are so reactionary that they even promote greenie nature worship!

Capitalism is a major advance on what went before it - not just in narrow material terms but in the all round unfolding of human potential. It was built by rebels who could not accept the suffocating constraints of the old world. They didn't demand better treatment from their Lords and masters but overthrew them because they were in the way.

Today liberals speak of the "end of history" - a frank admission that "now we are in the way".

To most liberals the popularity of Mao among Western rebels in the '60s seemed just bizarre. Mao's contribution was not in telling us that "it is right to rebel" - we knew that already. What Mao's "Cultural Revolution" helped us understand was the need to rebel against advocates of oppression and exploitation in our own ranks.

Instead of endlessly boasting about the great achievement of defeating Japanese imperialism, overthrowing Chiang Kai-shek and building a new China, Mao denied that there had been any "end of history" in China. He drew lessons from the emergence of a stultifyingly reactionary regime in the Soviet Union and pointed out that people who called themselves "Communists" were in fact forming a new ruling class of oppressors and exploiters in China. If Mao had claimed that the "Cultural Revolution" solved the problem he would have been proved wrong by events since his death. But he was notorious for insisting on the exact opposite - that it would take many such cultural revolutions, and some more armed revolutions as well, before the issue could be settled.

The '60s upsurge in the West was impossible until new forces emerged that rejected both the established regimes and their allegedly "left" but equally useless opponents, presenting a sharp alternative to the social consensus. That hasn't happened yet, partly because the problems the next upheaval has to deal with go much deeper than issues like the Vietnam war. But consensus politics and pseudo-left opposition are already discredited. People already know that we have to develop an alternative.

While the politicians and the pseudo-left prattle about "jobs", the issue facing modern society is precisely the issue raised by Marxism -- abolition of wage labour.

Happy birthday Mao Tsetung!

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# TAKING A CLOSER LOOK AT WORKERS' CONTROL

*David McMullen*

It is undeniable that worker possession of the means of production will only be achieved after a revolution that dismantles the bourgeois state and boots out the present owners. However, notwithstanding this, can workplace reforms under present conditions facilitate the achievement of this primary goal of the revolution, and can they be the object of immediate demands by workers?

Such reforms or advances include changes in management methods and work organisation that give workers at least some say over the production process, the development of better job design and the establishment of worker owned and managed enterprises.

The main concern of radicals is that these are just a con to get more work out of people and to make them feel they have a stake in the system. On the other hand the introduction of these changes can be seen as a response by capitalists to the fact that advances in the productive forces require a more motivated and able workforce. This could be one of the ways in which capitalism creates the conditions for its own supersession - a central tenet of Marxism. The system is giving workers some of the skill and abilities needed to take over, and attempts by capitalists to motivate workers could backfire on them by awakening the slumbering mass.

Somewhere in all this we have to find part of the answer to the problem of linking the revolutionary objective of taking over the means of production with struggle in the here and now. To date radicals have been totally hopeless in this area. They have generally ended up in the bog of trade unionism.

In this paper I will only come to tentative conclusions. The issues will need to be subject to protracted study and discussion before we can come up with a useful analysis and guide to action.

However, before coming to conclusions, tentative or otherwise, an overview of what we are talking about is in order. I will start by looking at the range of management and work practices within capitalist firms that, for want of a better term, can be called industrial democracy. I will then look at worker cooperatives.

## Industrial Democracy

Industrial democracy is essentially about rank-and-file workers within a capitalist firm playing some part in decisionmaking. It can take the form of co-management where representatives of the workers (or union officials) sit on the managing bodies of the enterprise. This is big in a number of countries including Germany. It can also take the form of workers having a say in how their work is done and its reorganisation on more human lines.

Co-management would appear to be of marginal interest. It mainly involves union officials 'representing' workers and is generally confined to traditional trade union issues. So we will dwell no further on it.

Direct worker involvement is of far greater interest. Curiously most developments in this area are driven more by the actions of management than the prompting of workers. There are a number of much discussed 'management innovations' that have an industrial democracy flavour about them. Bosses are finding that increasing productivity requires workers to think about their work and to take an interest in it. Programs have been developed whereby teams of workers are given greater responsibility for determining how the work is to be performed and for ensuring the quality of the final product. This generally involves flattening the management structure, including the elimination of the first layer of supervision (ie foremen) and partially breaking down the division of labour by giving the individual worker a greater range of skills and allowing them to make decisions as a group on certain matters.

I do not know how widespread these developments are because I am not well read in the relevant management literature. However, there are a number of highly publicised cases that I am aware of. One that has caused something of a stir is Semco in Brazil. The boss, Ricardo Semler, is a major figure in Brazil and last year he published *Maverick!* a book that tells the story of the change in his company's work culture.<sup>1</sup> Other prominent examples are Johnsonville Sausage and NUMMI. These are examined in turn.

### Semco

Semler inherited Semco from his father in the early 1980s. The company is a medium sized company producing a range of products including marine pumps,

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<sup>1</sup> Ricardo Semler, *Maverick!*, Century, London, 1993.

digital scanners, commercial dishwashers, truck filters and mixing equipment for everything from bubble gum to rocket fuel.

He was dissatisfied with the way the firm operated. In particular he wanted to tap people's enthusiasm and abilities, and eliminate bureaucracy and red tape. The changes he introduced to achieve this transformation can be summarised as follows.

- Workers have access to the company books and certain big decisions, such as buying another company or moving location, are often subject to a vote.
- In each business unit there is a committee comprising non-management members. Initially these simply looked at working conditions and facilities. Then they began to spontaneously spawn various groups that looked at such matters as the redesign of products and the formulation of marketing plans. These groups are made up of shop operatives, technicians and management and their decisions do not need approval further up the line.
- Teams produce the complete product. Nearly all workers have mastered several jobs. Jobs that were considered particularly dead-end have been eliminated. Consequently there are no receptionists, secretaries or personal assistants. With the development of these teams a lot of middle management has been eliminated.
- Subordinates interview and approve the appointment of their immediate boss. This is followed by six monthly evaluations. Team members also hire and fire their own members.
- There is a degree of flexibility in hours of work. Workers no longer have to clock on and off or undergo security checks.
- While Semco does not guarantee employment, workers who have been there for more than three years can only be laid off as a last resort and ex-Semco employees are given preference for vacancies. The company also helps employees set up their own businesses as sub-contractors.
- Workers receive 23 per cent of the profits of their division. How the money is distributed is decided at the work area, although invariably it is shared equally.

## **Johnsonville Sausage**

The *Harvard Business Review* of November-December 1990 has an article by the boss of Johnsonville Sausage, Ralph Stayer, entitled 'How I learned to let my workers lead'. Johnsonville Sausage was a rather vulnerable medium size company supplying a regional market. Stayer felt that workers lacked commitment and were thoughtless and careless. He saw the solution in having workers 'owning' their work.

Teams have taken over functions that had previously been performed by managers. They make all the decisions about schedules, performance standards, assignments, budgets, quality measures, capital improvements. They also do their own selection and training.

Hierarchical layers were reduced from six to three. Managers were renamed 'coordinators' and told to build problem solving capacity in others rather than solve problems for them.

A risky strategic decision on whether to take on a large new order was put to the vote. However, it is not clear to what extent this really represented the surrender of power by management given that they were unlikely to have taken the order on unless they were sure of a high level of worker commitment. The large yes vote was an indicator of that commitment.

## **NUMMI**

The New United Motor Manufacturing Inc (NUMMI) in Fremont, California is a GM-Toyota joint venture that has introduced management methods that are considered rather innovative.<sup>2</sup> Its most distinctive features are (1) the introduction of teams of workers that do their own time and motion studies and process improvements, rather than leaving it to industrial engineers, (2) the elimination of the first layer of supervision, (3) the simplification of job classifications and (4) the rotation of tasks.

The plant was established in 1986 on the site of what had previously been a GM assembly plant. Most workers were hired from the old workforce. The United Auto Workers Union is still the recognised sole bargaining agent and normal wages and benefits apply.

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<sup>2</sup> This section relies on Paul Adler's 'Time-and-Motion Regained', *Harvard Business Review*, January-February 1993.

There are 350 production teams, each composed of five to seven people plus a leader. Four teams comprise a group which is lead by a group leader, the first layer of management.

The job classification system has been simplified.

GM-Fremont had 18 skilled trades classifications, NUMMI has two. GM-Fremont had 80 hourly pay rates, at NUMMI all production workers get the same hourly rate - currently \$17.85 - regardless of their jobs, except team leaders get an extra 60 cents. There are no seniority-, performance- or merit-based bonuses. Important as money is, equity is more important in reducing tensions and resentments. (Adler, pp. 102-3)

There has been an end to petty bossing and efforts made to reduce 'them and us' feelings between shop-floor workers and management. Teams have been given their own account for purchasing such items as new gloves and work mats. Management staff no longer have their own car park and everyone wears the same uniform. Workers have been promised that lay offs will only occur if the company is in peril.

The declared purpose of management hierarchy is to support production teams with problem-solving expertise.

at NUMMI, middle management layers are layers of expertise, not of rights to command, and if middle managers have authority, it is the authority of experience, mastery, and the capacity to coach.[quote?]

There has been a massive improvement in productivity. What had been the worst GM factory in the US became the best. People work harder and smarter. Absenteeism has dropped from 20-25 percent to 3-4 percent. Participation in the suggestion program has increased from 26 percent in 1986 to 92 percent in 1991. In that year workers made 10,000 suggestions, of which more than 80 percent were implemented.

Adler contends that the power of workers and the union local is still considerable. In some ways it has increased because the NUMMI system depends on retaining their trust and cooperation.

While workers see the new system as much better than the old, no one is rushing to work on Sundays. They are still shop floor operatives engaged in routine tasks with no role in the choice or the design of the technology or product.

## Worker Cooperatives

Worker cooperatives are another area where capitalist ways of doing things can begin to be challenged. Most are small scale. The prominent exception is the large complex at Mondragon in the Basque region of Spain. In Australia, the best example would be Dynavac a Melbourne pump producer. In the USA you have the various ply-wood producing cooperatives.

Cooperatives have a number of key organisational features. Workers are the owners. They have the ultimate say rather than outside shareholders. Generally this is on the basis of one person one vote in the governance of the enterprise. Workers are also the recipients of residual income (ie profits).

In some cases there may be a minority of non-owning workers (employees). These meet short term increases in labour requirements or provide specialised expertise where it is only available from outsiders with no commitment to the cooperative.

A cooperative could allow some capitalist ownership where it is non-controlling. This could involve borrowing from the finance market, issuing non-voting shares to outsiders or hiring plant and equipment.

### Mondragon<sup>3</sup>

The Mondragon complex in the Basque region of Spain would appear to be the only case where largescale industrial enterprises are run as producer cooperatives.

*The Economist* (April 1 1989) reported that in 1988 the Mondragon group had sales of US\$1.8 billion, a workforce of 22 000 and output equal to 4 percent of the Basque region's GDP.

Over the years they have manufactured products as varied as furniture, kitchen equipment, machine tools, microchips and electronic components, and engaged in printing, shipbuilding and metal smelting. Through its biggest member, FAGOR, it is Spain's largest producer of white goods.

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<sup>3</sup> This section draws mainly on W. F and K. K. Whyte, *Making Mondragon*, ILR Press, New York, 1991

It also has hybrid consumer/producer cooperatives, a social security cooperative and a bank that is the biggest in the Basque province. It runs educational institutions up to college level, and has its own industrial research organisation.

Each member has one vote in the election of a governing council. The council determines management policies and programs, and selects the manager for a four year term and appoints his/her immediate subordinates.

There are also social councils whose function has been described as representing the interests of members in their role as workers rather than owners. It tends to deal with such matters as health and safety, social security and systems of compensation.

Neither members nor outsiders own stock in any Mondragon cooperative. Members pay an entrance fee and subsequent contributions to a capital fund. At least 10 percent of profits are set aside for educational, cultural or charitable purposes. A percentage determined by the governing council is put into a reserve fund. Members' shares of profits are put into their capital accounts each year and interest on this is paid regularly. With few exceptions, the practice has been to only give members access to their capital accounts after they leave the cooperative. In bad times members may have to make added capital contributions. This may take the form of drawing on their capital accounts.

Cooperatives are frequently organised into groups that centralise some of the control and management and pool profits and losses. The group takes responsibility for coordination and provides personnel, legal, accounting and others services to the constituent organisations.

There is a cooperative, Alecop, in which most of the members are students at the Polytechnic. Students work four hours a day in the plant and attend classes for another four hours. One third of the members of the governing council is elected by the permanent staff, one third by the student members and another third by the cooperatives supplied by Alecop.

The cooperative bank - the Caja Laboral Popular - sees its main role as financing the creation and expansion of worker cooperatives and other cooperative organisations. Cooperatives have to conduct all their banking with the Caja and the Caja has the right to audit them once every four years. The bank has an entrepreneurial division that helps to create cooperatives and provides consulting services and emergency assistance to existing cooperatives.

While the cooperatives put some thought into developing advanced forms of management and work organisation, they do not appear to be better in this regard than the more 'enlightened' private corporations. The main value of Mondragon would appear to be in showing how it is possible for cooperatives to operate in large scale modern industry.

## **Rebellion or collaboration?**

The question we have to address is whether industrial democracy and worker cooperatives foster rebellion against the present system or collaboration with it.

As we have shown a lot of industrial democracy is driven by the boss's desire to increase labour productivity. So is it just a con, an attempt to fool workers into identifying with the boss's interests, and so work more diligently? The answer is both yes and no. Ultimately of course workers' interests lie in expropriating the capitalists and carrying out a far more fundamental transformation of work and ownership. Nevertheless, in a narrow immediate sense workers can have an interest in the change if it makes their work more congenial and more secure. Given this you cannot really try and sell the idea to workers that it is just a con.

Is it co-opting workers and steering them away from struggle that would otherwise occur? Well it certainly would not divert anyone from revolutionary struggle at the moment - there are far more important reasons why nothing is happening in that respect. Furthermore, the crumbs of workplace change may possibly rouse people from their slumber and lead them to seek more than what bosses want to give out. Moreover it can give them confidence they didn't previously have; and it can make a 'mass question' out of the nature of work.

Would the effort to make a worker cooperative successful lead to a narrow focus at the expense of wider political concerns? In other words would it steer people from the main game, namely bitter struggle with the bourgeoisie? May be. But then again cooperatives could possibly be a hotbed of struggle over how people are going to work together and over preventing a minority taking effective control. Obviously worker cooperatives should never be seen as an ultimate objective. They still involve market relations, and these breed exploitation, and economic crisis and stagnation.

Unions have always had mixed or hostile feelings towards industrial democracy and worker cooperatives. Possibly there is a legitimate concern that industrial democracy can be a ruse to keep the union out of things, and worker cooperatives

can potentially breakdown worker solidarity if members become fixated on the survival of their particular enterprise at the expense of worker interests as a whole. However, it is difficult to distinguish these concerns from the unions' desire to keep *workers* out of decisions and have the officials calling the shots. On many matters workers should not need outside union officials to talk on their behalf. They should be able to do it themselves.

By way of conclusion, perhaps industrial democracy and worker cooperatives reflect a real world dilemma. On the one hand change requires rebellion and defiance against those who would exploit us and squeeze our lives into little boxes. On the other hand it requires the development of an experience based understanding of how to run things ourselves. To put it more graphically, rebellion by surly but stupid slaves is not the basis of radical change.

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# **WILD SWANS IS A DEAD DUCK**

*Bill Patterson*

*Wild Swans* is something of a mega best seller at the moment. If I see someone reading a book on the train it very likely has a pale green cover. It is the story of three generations - the author Jung Chang, and her mother and grandmother. The book takes us up to 1978 when the author left China for the West.

Her grandmother was the concubine of a high official in the war lord period in the 1920s. Her mother was involved in the resistance to the Japanese occupation and then joined the communists during the civil war against Chiang Kai Shek. After 1949, her parents became high officials in the new government. Her father reached the position of governor of Sechuan, a province of about 100 million people. The author herself grew up in 'Mao's China' and was an 'educated youth' during the Cultural Revolution.

The book is essentially about Chinese politics in that the lives of the protagonists are swept up by the events unfolding around them and the author has an anti-Mao, anti-communist message to impart. It is the politics that prompts this review.

Most of the attack on the Chinese revolution deals with the Cultural Revolution of the late 1960s. Memoirs of people who suffered during that period has become something of a genre in recent times. This book is the most commercially successful of these.

The next main focus of attack is the Great Leap Forward of the late 1950s. This review will look firstly at the author's treatment of that period and then move on to the Cultural Revolution.

## **The Great Leap Forward**

The author trots out the standard denunciation of the Great Leap Forward (GLF) as an act of folly that lead to economic anarchy and waste. We are told about the exaggerated reporting of production figures, the ill

considered earth works, the waste and the tyranny of local officials keen to report over-achievement of targets.

I am not in a position to assess how successful or otherwise the GLF was in pushing forward industrialisation. Nevertheless, most treatments of this period can be faulted on two counts.

Firstly, immediate economic outcomes should not be the sole criteria for assessing the success of the GLF in pushing forward industrialisation. What it did was make millions of peasants familiar with industrial activity - a vital prerequisite for future economic development. It was also in line with a strategy that Mao called 'walking on two legs', whereby you rely on both modern industry and small scale labour intensive local industry. This policy makes perfect economic sense in a backward country.

Secondly, the underlying strategy of the GLF was one of linking production with a political revolution that mobilises mass involvement and initiative, and struggles to develop ways of superseding bourgeois relations in production. Such a process of mobilisation is not a dinner party and like everything else in this world entails risks. If you stuff it up you learn from the experience and determine to do a better job in future. You don't throw up your hands and say - my god the landlords and capitalists were right after all. Of course it is always safer to just follow the course already mapped out by existing society. But if you are going to do that why bother having a revolution?

When it comes to the establishment of the communes which emerged at the same time as the GLF, the author dwells on some of the temporary ultra-left aberrations such as free food and pay unrelated to work performed. Given her political preferences this is natural. However, one could just as well dwell on the mammoth achievement of collectivising ownership in agriculture. This was a necessary task for any socialist revolution in a backward country and it laid the basis for significant economic development in subsequent years.

## **Famine**

The author blames the GLF and the establishment of communes for the crop failures and famines that occurred from 1958 to 1960. Errors

included the failure to stockpile grain, irrational hype about abundance and misconceived earthworks. Mao said that the food shortages were 30 percent due to human error and 70 percent to natural disasters. According to Jung, Lui shao-shi claimed the percentages were the other way round. In a 25 page chapter on the famine Jung dismisses the importance of natural disasters with the following remarks:

Another cause mentioned was 'unprecedented natural calamities.' China is a vast country, and bad weather causes food shortages somewhere every year. No one but the highest leaders had access to nationwide information about the weather. In fact, given the immobility of the population, few knew what happened in the next region, or even over the next mountain. Many thought then, and still think today, that the famine was caused by natural disasters. I have no full picture, but of all the people I have talked to from different parts of China, few knew of natural calamities in their region. They only have stories to tell about deaths from starvation. (p. 311)

The Chinese press at the time claimed that there had been natural calamities of an order unknown for a century. Surely this cannot be dismissed in such an offhand way. After a quick library search I came across the following account of the natural disasters by a professor of geography at the University of Hong Kong. I do not intend to adjudicate on the matter but simply present this very different account of the importance of natural disasters. Others, perhaps, can research it further.

From reports appearing in the Chinese Press the food crisis, which developed in 1960 and has since caused so much world comment, appears as the cumulative result of three bad agricultural years. In 1958 400 million mow of the total cultivated area of 1 600 million mow were affected by extremely adverse weather, floods or insect pests, and conditions reached disastrous proportions on as much as a quarter of this area. The next year was described as the worst of the decade for the farmer and the total area affected rose to 600 million mow. Nevertheless, increases in agricultural production were reported in both years, and the commune system received the credit for these achievements. In 1960, however, the total area affected by 'natural calamities' rose to an unprecedented 900 million mow, of which 300-400 million mow suffered heavily. There is some evidence - though no direct official statement has been made - that the production of food grains reached only the level of 1957 (that is, about 185 million tons as against the 1959 production of 270 million tons) and that the cotton crop was particularly small also. The worst of the 'natural calamities' of 1960 was undoubtedly drought, which prevailed over widespread areas of north China. The provinces of Hopeh, Honan, Shantung and Shansi, all important wheat producers, were affected over areas totalling 60 per cent of their cultivated land. In some parts dry spells lasting more than a year were reported. In

Shantung, for example, there was no water in eight of the twelve principal rivers for part of the year. The province had to receive continuous help: foodstuffs, medicines and clothing were supplied from Chekiang, Kiangsu, Fukien, Kiangsi and Anhwei provinces as well as from Shanghai, and units of the army were sent from Fukien to help with relief work. Central Honan experienced a 300-day drought which started during the winter wheat sowing in 1959. A report from Honan in late June 1960 described the drought situation as serious and stated that some areas had not been sown with summer crops. The volume of flow of the Hwang Ho through the province at this time was only two-thirds that of the previous year. In Shensi a drought of 100 days' duration in the autumn of 1959 was followed almost immediately by a similar dry spell extending well into 1960.

Typhoon damage during 1960 was unusually severe in the northeast and in the coastal provinces of Kwantung, Fukien, Kiangsu and Shantung. Between 1 and 5 August the heaviest rain in living memory fell in south Manchuria during the passage of a typhoon and flooding occurred on such a wide scale that even industrial production was interrupted. Fushun received 203 mm (8 in) of rain in six hours on 4 August. The waters of the Hun and Tungchow rivers burst the dykes flooding the great West opencast coal-mine and many smaller pits. The Penki mines and some factories there were also flooded, while at Anshan the steelworks had to suspend operations. The damage to farmland can best be judged from the interruption of railway services. The Shenyang-Dairen line was cut in no less than forty places by flooding and that from Shenyang to Changchun in twenty-two places. In the south, Kwantung, the country's second largest rice producer, which in 1959 had experienced the worst floods of a century along the East River, was struck in May and June by typhoons in the Swatow area and in October by two that passed across the south of the province within a week. As a result of the May typhoon 1.82 million mow of crops were inundated on the Swatow plain. The damage from that of June extended north into Fukien; in the Swatow area alone 60 000 homes were reported damaged. The destruction caused by the autumn typhoons can be gauged from the fact that they flattened 70 per cent of Hainan Island's late rice crop. Serious floods occurred along several rivers during the year. To take one example, along the Han river, the Yangste's largest tributary, the biggest water crest for twenty-five years was experienced early in September and a million people had to be mobilized from the farms to strengthen the dykes and fight the floods. In addition, an important consequence of the drought and floods was the rapid increase in insect pests over large areas. Shantung, Honan, Kiangsu, Anhwei and Liaoning were all reported to have been badly affected. (Dwyer, pp. 262-4)

## The Cultural Revolution

Like most commentators Jung considers the Cultural Revolution an unnecessary and unnatural aberration. To her mind its was due to various flaws in Mao's character, such as a desire to impose uncritical acceptance of his views, an eccentric and unreal utopian vision and a love of social conflict for its own sake.

For Mao and other revolutionaries, the Cultural Revolution was a necessary struggle against part of the political leadership that wanted to take the capitalist road. The danger had already been heralded by developments in the Soviet Union and Eastern Europe where the revolution had been turned on its head.

Mao concluded that under socialism there is a new bourgeoisie inside the ruling communist party and hence there is an ongoing class struggle. After his death the reality of this bourgeoisie was confirmed by the rise to power of people like Deng Xiaoping. Socialism is now a phoney facade and the revolution has been reversed. The communes have been disbanded, private industry introduced on a large scale and workers reduced to wage slaves.

The aim of the Cultural Revolution was in general terms described as the three stage process of Struggle-Criticism-Transformation.

The struggle against and overthrow of those persons in authority taking the capitalist road; criticism and rejection of the reactionary bourgeois authorities and the ideology of the bourgeoisie and all other exploiting classes; and the transformation of the education, literature, and art and all other parts of the social superstructure that do not correspond to the socialist economic base.. (Document from April 1967 quoted in Chen p 265)

In industry this transformation included:

- the replacing of one person management with revolutionary committees;
- the establishment of three-in-one-combinations of cadres, technicians and workers to solve problems in production and R&D. This among other measures aimed to break down the narrow division of labour;
- getting away from the profit motive and relying on the enthusiasm and initiative of workers; and

- elimination of irrational bureaucratic rules.

Mao characterised the process thus:

'Struggle-criticism-transformation in a factory, on the whole, goes through the following stages: establishing a three-in-one revolutionary committee; carrying out mass criticism and repudiation; purifying the class ranks; consolidating the Party organization; and simplifying the administrative structure, changing irrational rules and regulations and sending office worker to the workshops.' (Mao, quoted in Report to the Ninth Congress, pp. 42-3.)

In education a number of policies were introduced in an effort to ensure that intellectuals became servants of the workers and peasants rather than intellectual aristocrats seeking a privileged way of life. All students joined the workforce after finishing high school. Only after 2 years out in the real world would they be eligible to apply for university entrance. A major factor in selection was the views of one's workmates. After completion of their courses graduates were then expected to go back to where they came from rather than hanging around in the more comfortable big cities. There was also a policy of combining learning with doing. In bourgeois society the division of labour causes a breach between the two. One of the tasks of communism is to bring them together. There was also a policy of eliminating competitive examinations and getting the better students to help the slower ones.

During the Cultural Revolution there was a struggle to promote cultural works that served the revolution rather than revisionism and capitalist restoration. This included theatrical works that had been suppressed by the conservatives who previously controlled the cultural field. There was also a mass movement to involve workers and peasants in activities such as writing poetry and short stories.

### **Capitalist roaders**

The author tries to discredit the attack on capitalist roaders. The likes of Lui Shao Shi are made out to be passive victims rather than fascists and saboteurs. The rough time experienced by radicals hardly cracks a mention. In particular, there is no reference to the revolution in Shanghai, during which the capitalist roaders put up a stubborn struggle to retain power and repressed the rebels.

as leftwing in form but right wing in essence. Like the right they broadened the attack, alienated the middle ground that needed to be united with and won over, and engaged in factional activities to preserve their position. As a result the process of struggle-criticism-transformation was blocked. Such transformation required real changes in the way things were done, and this was something these phonies could not deliver. Furthermore, to be workable it was necessary to win over and rehabilitate most of the old cadres, and that is something that threatened their power.

*Wild Swans* is sprinkled with cases where the author confuses the ultra-leftist and Maoist lines, or at least fails to make the distinction. Here are the more prominent examples.

A big area where the lines are confused is on the relationship between revolution and production.

In a number of places the author refers to production being disrupted or brought to a standstill by radicals (see pages 522, 565 and 618). This is a straight parroting of the present Chinese government.

There were three positions on the relationship. The right attacked any revolutionary activity as sabotaging production. The ultra-left denounced any concern for production as a 'using work to suppress revolution'. The left accepted some disruption because of the imperatives of revolution but basically saw the revolution boosting production by focusing mass movements on unleashing the enthusiasm and creative energies of workers and on struggling against revisionists attempts to stifle this.

It is significant that one of the main slogans of the Ninth Congress of the Chinese Communist Party in 1969 was 'Grasp revolution, promote production'. This counters both the ultra-left and the right.

Jung also claims that Chiang Ching, and fellow radical Kang Sheng, stirred up factional fighting and ordered the army to arm the red guards (p. 471). That is untrue. The army was ordered not to back any particular faction but to support left policies and the creation of grand alliances of mass organisations. They were then to assist in the establishment of revolutionary committees based on the three-in-one combination of rebels, old cadres and the army.

It certainly needs to be said that the Maoists were greatly constrained in their ability to deal with ultra-leftism. It was not just a case of a handful of disrupters. Ultra-left errors were rife in the movement comprised as it was of inexperienced activists. Hence the struggle against the ultra left had to be put off because at that stage it would have been used as a dampener on mass action and a pretext for the right to put the lid back on and suppress the genuine left by accusing them of being ultra leftists. It was a rather complicated business.

A good book to read on how the ultra-left operated is *Inside the Cultural Revolution* by Jack Chen. He was a victim of these types in the Foreign Language Institute. Another book on this subject worth looking at is *The Rise and Fall of Lin Piao*.

Two people whose behaviour fitted the ultra-left mould were the Tings. These were the husband and wife team who persecuted the author's parents. The author tells us that they were proteges of Chen Boda (Chen Po ta) and fell from power when he fell. Her father was released from the May 7 school at the same time.

While it is dangerous to assess Jung's parents without some other sources of information about them, I will hazard the guess that they were the middle ground who needed to be won over to the revolution rather than died in the wool reactionaries. They were certainly not revolutionary. The author provides enough information about them to indicate that they could not tell the difference between communism and their left elbow. Like a lot of officials, they had joined the Communist Party because it seemed the only party that could get China out of its semi-feudal and semi-colonial mess. They were not motivated by any great understanding of the communist political agenda and they were quite happy to plod along with the conservative policies that dominated before the Cultural Revolution. To use a couple of Maoist catchphrases, the approach to them would have been one of 'curing the disease to save the patient' and 'helping more people by educating them and narrowing the target of attack'.

No denunciation of the Cultural Revolution is complete without a slanderous onslaught against Comrade Chiang Ching. Jung does not fail us in this respect. However, her contribution offers nothing new, being just a rehash of tripe sprouted by the present regime in China. (See pages 447-8.) The basic message is that Chiang Ching was motivated by petty

jealousies rather than politics. On the contrary, she was engaged in a highly political struggle in the cultural field. Prior to the Cultural Revolution this field was the preserve of conservatives (even if they called themselves communists) just as it became that once again after Mao's death.

## By way of conclusion

It would be good to be able to say that *Wild Swans* at least has value as a focus for debate on the Cultural Revolution. Regrettably we cannot, because such a debate would require a revolutionary voice out there in the public arena. At the moment that voice is effectively absent.

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# SORTING OUT THE FAMILY

*Tom Saunders*

Conservatives complain that the break down of the traditional family has badly affected the upbringing of children and the general moral fabric of society. We are told that the idyllic family where kids were given the right mix of nurturing and discipline to put them on the right track in life has been shattered. Liberalised divorce laws and the condoning of extra marital sex have undermined the long term commitment to marriage and to marriage as the basis of child rearing. Now we have kids being brought up by single mothers who cannot cope adequately with the task of parenting. Even where the marriage is still intact kids are packed off to child care while the mother heads off to work.

Hopefully this is a reasonably accurate characterisation of the 'family values' point of view. Now how should progressives respond to it?

## **Lone mothers**

Let's start by looking at lone mothers. This refers to both mothers who were single from the start and those who have separated from the father.

At their most emotive conservatives claim that society is being overrun by unmarried teenage mothers and that they have taken this wicked path because of a general decline in moral standards and the financial inducement of welfare entitlements. The main flaw with this argument is that the vast bulk of society resists this 'temptation' and that the problem is mainly confined to underclasses (eg ghetto blacks in the USA) where a range of particular social pathologies are at work. It boils down to whether you see the solution in controlling the perverse behaviour of people living in sub-human conditions or in eliminating those conditions.

We are told that couples do a better job of child rearing than lone mothers. This is obviously a silly generalisation to make. For example, one can easily imagine an economically well established and mature women doing a better job of parenting than plenty of traditional couples. As for the epidemic of divorces, the point is often made that a broken marriage is generally better for the kids than a festering union.

No doubt there are benefits in having more than one person with the status of parent. However, a sensible and loving single parent is better than a couple where one or both are monsters.

## **Gay baiting**

Often glorification of the family is part of a gay baiting exercise. Homosexual relationships are said to be 'unnatural' as opposed to the traditional heterosexual marriage. Perhaps homosexuality is unnatural from the point of view of reproducing the species. However that does not seem to be a problem given that the human race is not in danger of being underpopulated. If homosexuality is genetic, it is 'natural' in a very real sense. If it is not genetic, well I guess it is 'unnatural', like most things in human life - houses, clothes, cooked meals, cars, aeroplanes, language and so forth.

## **Is the family falling apart?**

Is the family falling apart? Not really. It is just being transformed. The traditional family is being superseded by a new type based on greater sexual equality and sequential monogamy. This will not be as stable as the traditional family of old, but it will be more stable than many marriages of the past 20 years that were collapsing traditional ones.

This new form of marriage has the potential to be a much better environment for child rearing. Working women make better mothers than domestic drudges. And men who participate in family life rather than sitting in an armchair reading the newspaper make better fathers.

Of course the transition from the old to the new family is not a smooth process. The new does not emerge at the same pace as the old crumbles. Women find themselves taking on a double burden of work within and without the home while men are slow to take on domestic responsibilities. This is a matter of breaking down entrenched habits and values, and also changing labour market arrangements to ensure greater flexibility in working hours for both sexes.

## Feminists and single parenthood

Feminists often challenge the claim that the two parent family is typical. While this may be prompted by the laudable desire to ensure that lone parents are recognised as an established and legitimate part of the social landscape, it is still nonsense.

In its most extreme form we have the claim that the two parent family is now in the minority. This is possibly based on looking at two parents families with dependent children, as a proportion of *all* family units, including those *without* dependent children. In Australia they are only 44 percent when measured this way. However, if you take out the families without dependent children - most of whom are aging couples with 'empty nests' - the picture is very different. If we look just at families with dependent children, 82 percent have two parents while only 16 percent have one parent.<sup>1</sup>

Furthermore, there are two reasons why even this figure of 16 percent overstates the extent that single parenthood is considered an alternative option.

Firstly, in most cases single parenthood was not a first choice but rather the result of a separation. According to the Australian 1986 Census, only 20.5 percent of the 324 171 lone parents recorded were never married. By the same token, unmarried mothers only made up 18.9 per cent of recipients of sole parent pensions in June 1991.

Secondly, for most lone parents their current position is a "transitional" form of family unit, not a permanent alternative to a two parent family. They do not stay lone for long but remarry. There is a high rate of remarriage among divorced persons and an increasing number of 'blended families'. The average duration of the lone parent pension in Australia is only two years and the main reason for discontinuation is the formation of new relationships.

## Conclusion

Marriage and the family is a field of study badly needing the attention of sensible and rational progressives. At the moment it is dominated by all sorts of nonsense both from conservatives and from the politically correct.

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<sup>1</sup> Australian Bureau of Statistics (1991) *Labour Force Status and Other Characteristics of Families, Australia, June 1991*, Cat. No. 6224.0.

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# IS SMALL REALLY SO BEAUTIFUL?<sup>1</sup>

A lot of people have a problem with bigness. They do not like industrial giants and they certainly do not like multinationals. They are opposed to economic concentration and centralisation. We are told that 'small is beautiful'.

They claim to hanker for an economy based on small scale decentralised industry with self-sufficient communities producing just for their own needs. According to this view the individual is not overwhelmed and everything is on a 'human scale'. However, if we critically examine self-sufficiency, decentralisation and smallness, they are not quite so simple..

## Self-sufficiency

Self-sufficient production is the opposite of socialised production.

With self-sufficient production there is no division of labour between communities. They even produce their own tools. Hunter-gatherer, slave-owning and feudal societies to varying degrees tend to fit into this mould.

With socialised production there is a society-wide division of labour. Every unit of the economy receives inputs from other units. And unless, the economic unit is the last in a chain and supplies the final good to the consumer, it in turn supplies inputs to other economic units. In other words the economy becomes one big organisation. Socialisation is a matter of degree. Firstly, there is the geographical extent: village, province, country, the globe. Secondly there is the degree of complexity or specialisation - the number of stages involved in the production of the final good.

To date increased productivity, higher standards of living and greater leisure have been inseparable from increased socialisation of production.

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<sup>1</sup> Based on an article that originally appeared in *Strange Times* No. 6 July 1987.

## Decentralisation

A lot of the decentralisation one hears about is illusory. Decentralised activities may rely on highly centralised one. For example, if you wanted decentralisation of the power supply with everyone having their own windmills, there is nothing to say that windmill production would be very decentralised. Windmill production on a large scale would require considerable output from metal industries, and mass production facilities. In fact one of the reason why there is not greater use of windmills for electricity generation is that it would be so extremely capital intensive. The necessary investment would be huge and it would cost far more than existing forms of electricity generation.

Another example, is the apparent decentralisation provided by the personal computer. The PC opens up a lot of possibilities for the individual and for small scale activities. However, it is dependent on many extremely centralised activities, eg hardware production, research and development and telecommunication networks.

Quite often it may be far less oppressive for things to be centralised in other peoples' hands and out of one's own control. For example, with centralised electric power, all you need to do is flick a switch and you have electricity. Generating your own supply could be quite a burden given the maintenance and refuelling involved.

Until about 20 years ago quite a lot of homes had decentralised hot water supplies. In many cases (at least in Melbourne) hot water was provided by briquette (coal) heaters. Every morning some member of the household would have to go down to the bottom of the yard to fetch a bucket of briquettes and some kindling, refire the heater and then wait for the water to heat up. It is unlikely that anyone feels oppressed by the replacement of briquettes by electricity or gas. It is more likely to be the other way round.

## Decentralisation and Smallness

Decentralisation and smallness are generally seen as twin ideals. Ironically, with technological advance and the continuing division of the labour process, you may find the number of people at any particular phase of the production process becoming smaller while production actually becomes more centralised. For example, a few large factories may produce the world's supply of a particular

good, nevertheless, with increased automation, the number of workers may be quite small - they simply have to "supervise" the robots.

## **Level of Decision Making**

With a totally self-sufficient economic unit, all decisions are made at that level. Because you make everything that you use or consume (clothes, dwelling, food and implements) , you make all the decisions.

Once an economic unit is no longer self-sufficient, some of the decisions are made outside it. If you no longer make your own plow but purchase it, you are no longer directly involved in the decisions about how that plow is produced. This is delegated to economic units specialising in plow production. If you purchase your plow, you must be producing for the market as well, otherwise you would not have the money to effect the purchase. This means that at least some of your production is for others rather than yourself which means you have to be guided by society's requirements for your product with respect to quantity and quality.

## **Size and the Individual**

In a number of respects there is no essential difference between management of a large organisation telling a sub-unit that x number of widgets are required by other sections of that organisation in the next month and a small supposedly independent widget producer producing for the market. Both are at the mercy of what others require. As for the work environment, in theory both could be just as 'enlightened' in their industrial relations practices and industrial democracy. Both could be run by the workers in the small unit.

## **Smallness and Self-Sufficiency in the Past**

There is nothing inherently enlightened and non-oppressive about smallness and self-sufficiency. Slave-owning and feudal societies fitted this mould and they were very oppressive.

## **Concluding Comments**

1. A small organisation can only be a sub-section of some higher level of organisation which in turn is a sub-section of an even higher level. At the top of the hierarchy is the economy as a whole. This hierarchical relationship exists regardless of whether the organisation is a small business or a division of a large corporation. If you really want smallness you will have to go back to small scale peasant society or hunting and gathering where every small economic unit is self-sufficient.

2. The liberation of the individual must be sought within a non-oppressive collectivist (big) framework rather than an individualist (small) one. Increased economic centralisation and concentration under capitalism contribute to creating the conditions for this.

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# DESKILLING DEBUNKED<sup>1</sup>

*David McMullen*

The technological changes that have accompanied industrial development during the last one hundred years or more have led to the elimination of a whole range of old work skills. It is often argued that this process has meant the polarisation of the work force into a shrinking minority of highly trained workers on the one hand and an expanding majority who are confined to increasingly unskilled, tedious and repetitive tasks on the other. This approach owes much to the work of Braverman and it has been very much the prevailing orthodoxy in some quarters. This article aims to refute this "deskilling" thesis.

## Shop floor approach

The deskilling theorists conjure up the picture of a typical shopfloor producing a particular product or range of products. Originally work was performed by skilled craftpeople. These were replaced by machine operators. And with automation, the machine operator is replaced by unskilled machine minders or process workers. A similar picture of deskilling is painted for clerical work and retailing. This approach has a number of weaknesses.

You could be excused for thinking that in days gone by every blue collar worker was a craftperson or skilled machinist. No mention is made of the navvies who built the roads and laid the railway tracks, the coal miners with their pick and shovel, the army of illiterate domestic servants or the factory fodder ground down by toil in the "satanic mills" of the nineteenth century.

It may well be that a particular technological change in a factory leads to a skill dilution at the point where it is introduced - the elimination of skilled machinists being a typical example - but nevertheless the skill level in the sequence of production as a whole may still be raised. Also, there have been massive shifts of workers into totally new industries, so that what may have happened in older industries is far from the whole story. Over the period, jobs in agriculture have

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<sup>1</sup> Originally published in *Readings on Technology and Change*, Community Research Action Centre, Clayton, 1986

shrunk significantly, those in the service sector have expanded dramatically while those in manufacturing expanded until the 1960s and are now contracting. Furthermore, the jobs eliminated by technological change are by no means confined to skilled ones. The word processor has meant the end of a lot of routine typing work through its ability to generate standard letters. The new generation of computers are eliminating the menial task of key punch operator. Input entry is now being performed by a whole range of more skilled staff via their desk top terminals. The containerisation of ship cargoes has significantly reduced the number of wharf labourers. Road making and excavation machinery has meant the end of lot of pick and shovel work. And most important of all, robots are currently abolishing most assembly line work.

Another mistake made by the deskilling theorists is that when looking at recent or current technological changes, they assume that the knowledge incorporated in the new machinery (or software) is typically the knowledge of the worker. It thus appears obvious that the change involves deskilling. However it is only in a very early stage of industrial development that this can be considered the general form of the process of technological change. Industry has long since generated a internal division of labour in which it is no longer primarily the knowledge of blue collar workers that governs the process but rather that of technicians and engineers.

## **Education and general ability**

Comparing skill levels is complicated by the fact that job skills of the past were specific to a particular task whereas now they are more likely to take the form of general abilities based on a higher level of education. These modern "skills" are those necessary for job mobility and for coping with changing production processes.

Deskilling theorists dismiss the increasing level of schooling as "teen-minding" - a form of disguised unemployment that has nothing to do with work requirements. They argue that standards are slipping and that what is taught during this extended period of schooling used to be taught in much less time. (Braverman, p.439) Maybe now that secondary education is no longer confined to the "educated classes" the average standard has temporarily declined. However, the fact remains that the average level of education of the population as a whole has been raised.

There is a tendency to take for granted the abilities acquired by a general education. For instance, an average nineteenth century worker would have considerable difficulty in filling a modern low-skilled clerical or retailing job. These jobs may not be over demanding, however, they cannot be performed by someone who is illiterate and dead ignorant. A general education level also means people can pick up tasks with far less training. Braverman in derogatory fashion refers to the fact that it only takes six months to a year to train a computer programmers (Braverman, p.444). Sure, but try turning it into an apprenticeship for uneducated 15 year olds, the traditional method of training workers. It would become a five year course overnight!

Even aside from general schooling, technical training has expanded considerably. Thirty one percent of the Australian labour force has trade, technical and other certificate qualifications and 9.5 percent have degrees. This is a workforce that is supposed to have been subjected to over a century of deskilling!

Braverman suggests that growing signs of dissatisfaction with work are indicative of the fact that work is becoming increasingly routine and lacking in skill. However, his argument is somewhat weakened by his admission that the dissatisfaction is greatest among the better educated (Braverman, pp.34-5 and p.441). This would seem to suggest that the increased dissatisfaction is due to people's expectations being greater. Modern industry requires a worker with a higher level of education and general level of ability. However, at the same time it thereby creates someone who is less likely to be reconciled to the hierarchy and tedium that management normally still imposes on the labour process.

## **Division of labour**

As we have noted, the accepted wisdom claims that technological change is leading to an increasingly rigid division between a skilled minority who know what is going on and a majority who simply carry out repetitive and mindless tasks. In actual fact, the changes taking place are doing the opposite, and the elimination of the old skills is an important part of the process. Let us start by looking at the effect of the "microprocessor revolution" in the office. Firstly, as already mentioned, the wordprocessor is eliminating a lot of the more routine typing tasks. Secondly, there are signs that "word originators" will be doing an increasing share of their own typing, given that virtually everyone will have a terminal on their desk. Once voice recognition comes on the scene the need for

typists will be greatly reduced if not completely eliminated. Furthermore, senior staff are also finding themselves doing the work of file clerks, as they search for information on their desk top terminal. A similar breakdown of the division of labour can be found in the newspaper industry. The journalist is increasingly taking on the job of the typesetter. Instead of using a typewriter the journalist types the story directly onto a computer that formats it for printing. In terms of the deskilling debate you could say that the task of file clerk and typist is upgraded by being merged with "managerial" work and that the task of typesetter is upgraded by being merged with that of journalist. (Of course, there is no suggestion that the person filling the original position is necessarily upgraded as tasks change. For instance, many typesetters are simply being thrown on the early retirement scrap heap. But that is a separate issue.) In manufacturing, automatic drafting equipment (ADE), computer aided design (CAD) and computer aided manufacturing (CAM) are eliminating our reliance on a "technocratic elite" with years of specialised training and experience. Instead these processes will be accessible to anyone who is "computer literate" - and within a generation that will mean most people.

Certainly, there is no denying the fact that management practices have had a tendency to thwart this erosion of the division of labour and to make work tedious and limited for as many people as possible. Adler cites various situations where lack of staff development has meant that the potential of new technologies is scarcely tapped. In some cases wordprocessors are used simply as fancy typewriters, flexible manufacturing systems (FMSs) are used like very inflexible conventional automated assembly lines (Adler, p.18) and computer aided design systems (CAD) are used as if they are nothing more than electronic pencils (Adler, p.16).

## Conclusion

To conclude, the retention, rather than the elimination, of the old skills is the source of hierarchy in production. The time spent learning and applying such skills is time not spent learning and applying a broad range of abilities. And it is only when the average worker has this broad range of abilities that we will be able to dispense with authoritarian management practices. We want a society where everybody is engaged in the decision making, research and development side of production. Let's leave the manual work to the robots and menial mental tasks to the computers.

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# WE WERE NEVER GREEN

## *Raging Red*

Ron Brunton, a conservative from the Institute of Public Affairs in Melbourne deserves our thanks for confirming that the radical student movement of the late 60s had absolutely no links whatsoever with greeny politics<sup>1</sup>. He proves his point by going through old copies of the Monash University student newspaper *Lot's Wife* from 1960 to 1971. Monash was by far the most radical Australian campus during that period. For the whole of the 1960s Brunton only found two stories on environmental issues - one about conservation written in 1964 by a zoology student and one on pollution written in 1967 by a proponent of nuclear power. It was only in late 1970 that environmental stories began to appear in *Lot's Wife*. They then quickly became a torrent. However, by that time student radicalism had abated.

This is in line with my own recollections. In 1970 I read an article in a radical American paper about something I had never heard of before called 'environmentalism'. The article dismissed this new phenomenon as an attempt to divert people from the class struggle.

Brunton also makes the point that the mainstream showed much more interest in environmental concerns. While *Lot's Wife* ignored them the daily press regularly covered them. He also mentions that the Australian Conservation Foundation was founded by conservatives such as Malcolm Fraser and Sir Garfield Barwick.

Brunton reminds us that it was the extreme right, eg, the League of Rights and the anti-fluoridationists, that first used ecological issues to attack liberal capitalism, and they said very similar things to greenies today. Brunton could also have mentioned that the Nazis had a greeny tinge - the intimate relationship between the Volk and the Land as revealed in the German equivalent of dreamtime legends.

This 1970 quote from the League of Rights could have been written by a modern day greeny.

If present policies are continued, Australia will become a type of offshore island quarry for foreign interests. ... We stand for conservation in all its aspects and oppose the rape of our

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<sup>1</sup> See *IPA Review* Vol. 46 No. 3 1993.

environment and resources to feed an economic monster which progressively ceases to serve true human needs.

Brunton aims to discredit the left by making out that it belatedly took up green politics as an act of opportunism. He is right about there being a lot of opportunism involved but it wasn't by the radical left. This greenyness was part of a different brand of politics and generally involved different people. On campuses the distinct break was associated with a complete turnover of students - the radicals of the late 60s mostly entered university in 1966-68 and had left by 1971.

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# REVOLUTION IS THE ONLY SOLUTION!<sup>1</sup>

Just look at the conditions we live under!

- chronically high unemployment;
- a stagnant economy;
- declining real wages;
- long hours at jobs that are stunting and demeaning, with bosses breathing down our neck; and
- innumerable social ills such as neuroses, substance abuse and brutality - all arising from poverty and alienation.

These conditions are appalling and unnecessary. Changing them requires a revolution that replaces the present social system based on private ownership of economic resources with one based on collective ownership.

## Eliminating unemployment

Attempts to solve the problem of unemployment by tinkering with the present system are futile. The cycle of booms and recessions is an unavoidable part of capitalism.

We need a revolutionary government that takes over private industry and uses control over its revenue to ensure sufficient spending to fully employ economic resources. This takeover would begin with existing large scale industry and eventually cover the entire economy.

## Process of continuing revolution

With the capitalists deprived of power and ownership, a process of continuing revolution can begin which will eventually transform society and people's lives.

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<sup>1</sup> This is a revised version of a pamphlet that appeared in *Red Politics No. 1*

Workers will come to control production rather than being controlled by it. They will change their work from a form of slavery into an activity that is satisfying and fully exercises their creative powers. It will become an end in itself rather than an irksome means to an income. The purpose of production will change from profit making to serving the common good. The average person will become a part of the political, intellectual and cultural life of society, and cease to be an alienated outsider.

### *Transforming work*

On coming to power a revolutionary government, at the head of a mass movement of workers, will undertake a number of immediate major changes to the nature of work. These include:

- security of employment;
- the elimination of petty bossing and authoritarianism;
- greater democratic involvement in workplace decision making, and worker supervision and scrutiny of management decisions and actions;
- the reorganisation of work to provide greater variety and a more equitable sharing of the thinking and creating;
- shorter and more flexible working hours to fit in better with the rest of people's lives;
- more time for training and education; and
- an increase in the pace at which menial tasks are eliminated by new technology.

More fundamental changes in the nature of work will develop as the average worker acquires the skills and ability needed to perform work that is diverse, interesting and empowering. In particular these include organisation and communication skills, and technical and administrative knowledge.

The ground is being prepared for these changes even now under capitalism. The average worker is better educated than in the past; and the division of labour that confines people to narrow tasks is being undermined by new technologies. These

have eliminated many menial jobs and require a broad range of abilities based on a general education rather than the old narrow craft skills.

A critical feature of the transformation of work will be the elimination of the managerial hierarchy that we presently take for granted. A lot of what managers do stems from the fact that work is performed by alienated 'wages slaves'. This requires a hierarchy of petty bosses whose job it is to tell those beneath them what to do and to make sure they do it. These people are also responsible for ensuring that production processes are working smoothly and that the quality of output is up to standard.

To the extent that workers experience work as a something they want to do and are willing to use society's resources responsibly (as discussed below), the need for supervision vanishes. This changing attitude to work plus the acquisition of the requisite skills and abilities also means that they can take on the monitoring of processes they are involved in and of product quality.

Once the abilities are acquired and the division of labour eliminated, much of the intellectual labour that is monopolised by management such as the planning and organisation of production can become integrated into the activities of the average worker.

This process of changing the nature of work will be protracted and involve much trial and error. It will also require a struggle against conservative habits and those who actively oppose change.

### *Production for use rather than profit*

The revolution will transform the purpose of production from profit to use. Resources will not only be fully employed, they will be used far more efficiently to meet people's needs.

- competition will be replaced by coordination and cooperation.
- there will be greater commitment to meeting consumer needs
- there will be an orientation towards consumption rather than accumulation;
- more efficient technologies will be employed. Under capitalism, the profit motive leads to the use of excessively labour intensive methods of production

because of price distortions that **under** value labour relative to other inputs. These have two causes. Firstly, rather than prices tending towards cost, they are distorted by the going rate of **return** on investment that acts as a 'tax' on the use of plant and machinery. **Secondly**, the capitalists only has to pay part of the cost of direct labour but the **full** cost of the indirect labour previously incorporated in non-labour inputs.

While unemployment and the business cycle can be eliminated simply by government control over revenue, the development of a new impetus to production to replace the profit motive **will** depend both on the transformation of work into something people want to do for its own sake (as already discussed) and on the desire to serve the common good.

### *A new relationship to society and a change in human nature*

This desire to serve the common good will result from a basic change in 'human nature' and the individual's relationship to society. This in turn will stem from both the new empowering role in production plus a fundamental change in all other areas of life which will see people becoming full participants in the political, intellectual and cultural life of society. While they were wage slaves this was not possible both because of their limited level of personal and intellectual development, and their subordinate mentality. And of course it was ruled out by elites maintaining a stranglehold on these areas of life. There will also be more leisure time to engage in these activities, both because of on-going increases in productivity and a greater freedom to choose shorter working hours than was the case under capitalism.

A better upbringing will be an important part of the individual's new relationship with society. Children will be surrounded by adults with healthier personalities and a greater range of abilities. They will no longer be segregated into schools, which sever the link between thinking and doing. Instead they will participate actively in production and in society.

### *Withering away of the state*

The supreme reflection of the revolutionary transformation of society, and the individual's place in it, will be the withering away of the state. This will occur

over a number of generations. With social ownership there will no longer be mountains of legislation relating to private property rights and the regulation of industry. Where rules and standards are needed they will be voluntarily agreed to without the sanctions of law. The economic and social development accompanying the revolution will create a global society, so there will be no national wars and no armies. Police forces will become a thing of the past. With people no longer alienated from society and with an automatic right to a share of output, theft and misuse of property will be rare. For the same reasons anti-social and pathological behaviour will be far less common. Where somebody needs to be restrained this can be achieved through informal measures rather than through a standing police force.

## **Drawing on past experience of revolution**

Modern history has seen a number of working class revolutions. The main ones were the Paris Commune, and the Soviet and Chinese Revolutions. Each took the struggle further than the previous one before being overcome by the strength of the counter-revolution and by unfavourable socio-economic conditions. In the case of the Soviet and Chinese revolutions these defeats were inflicted not by counter-revolutionary armies but by concealed reactionaries holding high office in the revolutionary government.

The regimes established in the Soviet bloc by these reactionaries are the ones we saw crumble a few years ago. Despite empty talk to the contrary, no one can seriously argue that these regimes were communist or that their demise represented the 'death of communism'. Revolutionaries welcome their overthrow - it has increased the pace of change in these countries and assists the eventual re-emergence in them of revolutionary movements.

There is nothing surprising about long term historical processes meeting short term setbacks. Nothing in this world develops smoothly. Take, for instance, the long and arduous transition from feudalism to modern capitalism. Feudal ideas and practices turned out to be very resilient indeed.

These defeats were not the result of an inherent flaw in the revolutionary agenda. They were defeats of a fragile and immature process taking place under the

unfavourable conditions of socio-economic backwardness and limited experience. They were not the defeats of developed and robust communism.

In its early stages socialism is still essentially a capitalist society. There is still the division of labour and elites. There is inevitably a faction within the political leadership who are keen to make themselves into a new bourgeoisie. They do not want to push society forward; instead they want to preserve and even strengthen the capitalist aspects of the new society.

Capitalist legacies have to be transformed as conditions allow and conservative elements in society defeated. This will not be a smooth process but rather a series of revolutions over a whole historical epoch.

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# REVOLUTION, THE ONLY SOLUTION TO UNEMPLOYMENT

This article was originally published in the September 1982 issue of the Discussion Bulletin, journal of the Red Eureka Movement. The article is only noticeably dated where it discusses the now defunct Soviet Union.

(Note: A number of comments on earlier drafts of this section have pointed to the conclusion that it really ought to be rewritten completely. However, it seems better to get the thing out, and allow others to comment as well. Please bear in mind that this was originally intended to simply round off the paper "Unemployment and Revolution" in DB 11, by suggesting that revolution is a more "practical" solution to the problem of unemployment, than the various other "left" schemes to deal with it, that were analysed there.<sup>1</sup> It is not intended to satisfy people's desires for a meaningful answer to the general problem of "revolution", but merely to say something about what a revolution could do about unemployment. Unfortunately everything, like everything else, is related to everything, as well as being a class question..., which makes it very difficult to complete an acceptable article about anything...)

In its normal state, capitalism has become an obsolete oppressive system that ought to be got rid off. A relatively small minority recognise this and are consciously anti-capitalist, but the masses continue trying to satisfy their needs within the system rather than by overthrowing it. So there is no real possibility of overthrowing that system and attempts to do so degenerate into futile reformism and/or terrorism, whatever the "revolutionary" rhetoric.

But during periods of economic crisis, the contradiction of capitalism sharpen and the possibility of actually getting rid of it arises. A substantial proportion of the population is drawn into active political struggle as they confront questions of what society is to do to get out of its impasse. There is no crisis that the ruling class could not resolve if it was allowed to, but with the masses politically active, the possibility arises of the ruling class not being allowed to, and of people taking things into their own hands.

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<sup>1</sup> This paper is available on request.

In boom conditions, capitalism develops the productive forces at its maximum rate. That may be far slower than would be possible for a communist society, but there is no basis for comparison, so the obstruction is not so noticeable.

The "development of the productive forces" is not some abstract question. It means concretely that the wealth of society is increasing, not just materially, but also culturally and in every direction. Opportunities for development are open and people who want to better their own situation can do so by grasping those opportunities. Most workers can expect better jobs, with a higher standard of living and better conditions. Capitalists can find opportunities for profitable investment. International trade is expanding and the different nations, classes and sectional interests are fighting over their share of an expanding "cake". Such fights may be acute, but there is always room for compromise about who benefits more, when nobody is actually asked to accept being worse off than they are already. Reforms may be fought bitterly, but there is scope for reform without shaking the whole system apart. Within a "pluralistic society", there can still be "consensus".

In crisis conditions all this is reversed. The cake is contracting and the fight is over who is to bear the loss. Among capitalists the fight is over who is to survive and who is to eat whom. Between capitalists and workers there is no room for compromise. Reforms become impossible and even past achievements may be rolled back. "We can't afford these luxuries any more". Within the working class too, there is less unity as people find themselves in "hard times" where it is "everyone for themselves". The "social fabric" unravels, consensus breaks down and capitalist society stands revealed as based on sharply antagonistic interests.

The last major capitalist crisis was the Great Depression of the 1930's. Subsequent economic fluctuations, including the present one, have not amounted to much more than "recessions", so the inevitability of capitalist crisis has been forgotten until the next crisis again smashes the illusion. But even in "recession" the sharpening of contradictions can be seen, together with the complete inability of the reformist "left" to come up with any serious alternative program. All the signs point to a gathering crisis, much deeper than the 1930's, and the necessity for a serious revolutionary alternative opposed to trying to patch capitalism together again.

Internationally, overproduction intensifies the struggle for markets between imperialist nations as well as between individual financial groups. International conflicts that could have been resolved peacefully become intractable because the economic barriers have gone up and there is no room to manoeuvre. The

"underdog" or "latecomer" imperialists can no longer hope for a place in the sun by peaceful competition in an expanding market. They can only expand at the direct expense of the established "status quo" powers and so they seek a re-division of the spoils by force. Despite its costs and risks, for them war becomes a more attractive alternative to economic collapse.

On questions of war and peace, the general "left" attitudes are perhaps even worse than the whining domestic demands that capitalists should continue running things but should do so more humanely and with less unemployment. Just as they shut their eyes to the real impossibility of continuing capitalist prosperity and "demand" a boom economy, they also shut their eyes to the real inevitability of imperialist war and "demand" peace. Pretending that the Soviet superpower is not aggressive, and that its arms build-up is not preparation for war, but a figment of Reagan's imagination, becomes another way of avoiding the critical issues of war and revolution.

Workers have no stake in the existing imperialist division of the world nor would they have a stake in the proposed new one, they do however, have a stake in opposing aggressive predatory wars and the accompanying overt denial of national and democratic rights. (The first world war was a different situation not arising directly from an economic crisis, in which both sides had essentially similar expansionist aims). As we had to fight the fascist powers in the second world war, we would have to fight any fascist power that launched a third world war. (Although the Soviet Union still describes itself as "socialist, if it actually launched a third world war, the correct description of "social-fascist" would be more widely understood.)

If we fail to defeat social-fascist war preparations, we could be stuck with fascist domination holding up social development for decades. If we fail to organise independently around our own revolutionary program, we could be stuck with social development continuing sporadically in capitalism's self-contradictory manner, lurching forward to the next crisis and the next war. If we get our act together, while the bourgeoisie's act is in a mess, then we have a world to win.

All this relapse into the barbarism of crisis and war occurs as an obvious result of capitalism itself. Workers are unemployed, goods and services are unsaleable, plant capacity stands idle, and consumers are forced to do without, for no "unavoidable reason". All that stops the continued expansion of wealth and opportunities is the capitalist system of production for private profit. All that is needed for the unemployed workers to use the idle plant to produce goods that

people want and need, is a communist system of production for use instead of profit.

## **We need a program**

Obviously we are not in a revolutionary crisis right now, and no question of overthrowing any western government arises immediately.

But a major economic crisis and/or a world war would certainly lead to a revolutionary crisis. The question of an alternative to capitalism will certainly be posed. Capitalism will survive if we let it. Crises can resolve the contradictions temporarily and allow a new period of expansion until the next crisis. The outcome of the 1930's crisis was the post-war boom, not communist revolution in western countries. In retrospect this appears hardly surprising, since the Communist Parties devoted themselves to fighting fascism on a purely defensive basis, and advanced slogans like "Make the Rich Pay" that implied no intention to abolish capitalism.

In its present state of confusion, the left in advanced countries is hardly capable of even fighting fascism let alone challenging the bourgeoisie for power, let alone winning that challenge. There is even a strong tendency to be "soft" on social fascism and adopt a tolerant, apologetic or defensive attitude towards the overt denials of national and democratic rights by the Soviet Union. This can only make it easier to undermine those rights in the West as well. Certainly no movement unable to defend bourgeois democracy against ("socialist") fascism can hope to overcome the limitations of bourgeois democracy and replace it with communism.

Fortunately however, the confusion on the left is so great there is at least a chance the existing "left" movements and ideologies will disintegrate completely before the actual crisis breaks out, and there will be room for something new and genuinely revolutionary to emerge.<sup>1</sup>

The task of building a revolutionary left is at present primarily destructive - exposing and undermining the reactionary ideology of the present "left". But we need to at least think about construction at the same time. The aim of destruction

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<sup>1</sup> The process of "left" disintegration has progressed considerably since this was written (ed.).

is to open the way for a revolutionary left that is fighting for progress rather than reacting against capitalism, and that is quite serious about winning political power to actually implement the social changes it is fighting for, instead of whining about the present rulers of society.

It has been said often enough that there can be no blueprints for the future because the people themselves will decide how to build the new society as they are building it. Fundamentally I agree with that, and will therefore refrain from attempting to present any blueprints. Nevertheless, it is appropriate to put forward a few ideas for discussion about what a revolutionary government might do to start building socialism. Consistent refusal to do so suggests that we are not fair dinkum about having an alternative. "No blueprints" is often a cop-out excuse for "no ideas".

Revolutionaries need to have a "program" that is more than an analysis of the present society and a promise for the future. We need to develop a clear statement of the concrete measures a revolutionary government would aim to take, so people can decide whether or not they want to fight for a revolution. Too many "parties" talk about "revolution" in the abstract, and none at all seem to be serious about it concretely.

These days people are rightly cynical about the "policies" and "programs" of political parties, whether "revolutionary" or not. Revolutionary Leninist ideas are widely discredited by the sterility of their apparent supporters, and Marxist concepts that sum up important truths from the history of revolutionary struggle seem empty because they have been repeated so often as banalities. One hesitates therefore to use the word "program", let alone "party", for fear of being taken for yet another loony with pat simplistic answers to all the world's problems.

Nevertheless, in a crisis situation, people will judge according to how the measures proposed by revolutionaries compare with those advocated by the existing regime. It will be a very real life and death question for a revolutionary party to have clear policies to deal with unemployment and similar questions. If the revolutionaries do not form a political party that aims to take power from the old regime then the old regime must continue. It will not just disappear in a burst of anarchist enthusiasm. If the revolutionary party does not propose policies that are more desirable and effective than those of the old regime, then why should anyone support a revolution? Even if there was a revolution, there would be a counter-revolution when the new regime failed to solve the problems that had discredited the old regime in the first place.

So we need to go beyond denouncing what the existing regime is doing and start offering constructive alternatives, even though any such proposals are bound to be half-baked at this stage. Reformists will make constructive proposals as to how the present regime should deal with problems, with or without a change in the political parties administering the regime. Revolutionaries will make proposals about how a new regime, a workers' state or "dictatorship of the proletariat", would cope with these questions.

Only left sectarians will talk about revolution in the abstract, without having in mind anything so mundane as taking political power and running the joint. But unfortunately the "revolutionary" organisations in western countries are overwhelmingly sectarian. Their concern is to defend their own organisations and "principles" and not to make revolution. A discrete veil is usually drawn over the question of what a revolution might actually do about unemployment or anything else for that matter, because the alleged "revolutionaries" have no idea what they would do, and have not even thought about it. This does not worry them much, because they are not serious about actually establishing a new regime, but only wish to denounce the present regime more extravagantly than a "mere reformist" would denounce it.

So let us talk about what communist revolutionaries should do, if we had the political power to do it. No doubt anarchists will disapprove, and insist that discussion of government policy implies we are bureaucrats no better than the old regime. But the choice society faces at present is between revolutionary government or counter-revolutionary government, and the road to abolishing all government lies first through establishing a revolutionary government (but certainly doesn't end there). Therefore if we want to eventually abolish the state, we need to start exchanging views about proposed government policy now. The reformists talk about government policy because they are perfectly serious about governing, and there is nothing "unrealistic" about this intention of theirs. Revolutionaries should do so too, for exactly the same reason. Those who disdain to talk about government policy obviously have no belief in either reform or revolution, but only a slave's inclination to whinge occasionally.

The discussion below will not go into the many problems of building a new society and transforming human nature. It will not sketch any exciting vision of how wonderful a new society could be, but will discuss the more mundane problems of what a revolutionary government could do about unemployment in a society that still had not been transformed. Obviously this is not the main point of a revolution. It would be just as boring to have a revolution simply against

unemployment as it would be to have one to improve living standards. But this is an article specifically about unemployment.

In the first phase of communist society, the period generally known as "socialism", there would still be wage labour and commodity exchange through money. It would be quite impossible to abolish these social relations left over from capitalism all at once.

People would not work if they were not paid for it, and they would grab whatever they could get if they did not have to pay for what they consumed. Production would still be geared to market exchange. Basic social relations would still be bourgeois. There would be a bourgeois society in which the bourgeoisie no longer held political power.

A revolutionary government would presumably come to power only as a direct result of a profound political and social crisis, like the last Great Depression. Very likely too, it would arise in the aftermath of a devastating world war. Either way, or both ways, the new regime would be faced with severe economic dislocation including unemployment, as well as all the problems of a regime born in civil war. So what should it do about unemployment?

Obviously a revolutionary government should not attempt to deal with unemployment by any of the methods currently proposed from the labour movement. It could not simply reduce working hours, or raise wages, or increase government spending etc. From the previous analysis we know that these measures would not work in a market economy.

"Revolution" does not mean that we would "demand" that the multinationals do this or that. It means that we, the working class or its advanced sections, take over the running of industry and make the decisions ourselves. To eliminate unemployment, a revolutionary government would have to proceed with abolishing the market economy.

That will be a long struggle and there will certainly be setbacks. The democratic revolutions in Europe were spread over hundreds of years interrupted by various wars and counter-revolutions. They culminated in the establishment of the modern imperialist powers and not some "utopia". That result was a lot better than the medieval feudal societies that existed before. The democratic revolution was worthwhile and the sordid power struggles undermining feudal power were important. The Russian and Chinese revolutions suffered reversals too. But they, and their power struggles, were worthwhile. The coming Communist revolution

will also be protracted and tortuous. But it has to start somewhere and we ought to be discussing it now.

It may seem odd to be discussing concrete economic policy for a regime that is nowhere near existing yet. But it is no more odd than the usual discussions of how to make capitalism work better, or how to retreat from it.

## **Expropriating big business**

The first step towards abolishing the market economy and eliminating unemployment, would be to establish state control of the labour market by expropriating the big businesses that employ the large majority of workers. It would not be a matter of "kicking out the multi-nationals", but of taking them over, and advancing on the basis they have already laid.

Most likely it would have to be done on an international scale. The world economy is already "transnational" and we certainly would not want to retreat from that to any kind of economic autarchy in the name of "independence".

Expropriation of capitalist property obviously relates to what the revolution could do about many other concrete problems as well, and also relates to implementation of the maximum program, towards socialism and communism. But in an immediate sense, the state taking over most industry is not in itself socialism, but can be state capitalism. It is only a pre-condition for socialism and a pre-condition for abolishing the market economy. Nevertheless, we will not discuss other aspects of the transition to communism here.

In Australia, like other advanced capitalist countries, a very large part of the labour force, about one third, already work for the state at one level or another, or for public corporations like Telecom, or government owned corporations like Qantas. These are already state capitalist industries.

Most of the rest of the labour force is employed by large corporations, often transnationals, whose owners play hardly any direct role in administering them, but are purely passive shareholders or bondholders. These firms could be converted to state capitalism by simple decrees transferring ownership to the revolutionary government, and by the cancellation of government debts. They would remain capitalist because they would still be employing labour to use it for making profit by selling goods on the market. But expropriation without compensation would undermine the economic basis of the old bourgeoisie, and

pave the way for communism. It would make the state responsible for hiring and firing the bulk of the Australian labour force, and therefore place the state in a position where it could take responsibility for employment and unemployment.

Many other workers are employed by small firms that are really little more than outside workshops for the big corporations, or "self-employed" in the same, completely dependent, situation. It would be difficult to simply establish state capitalism in these enterprises by decree. But taking over the big corporations on which they are dependent, means making them dependent on state owned enterprises. Control of the big firms would make it possible for the state to influence hiring and firing by the small firms, and so establish state control of that part of the labour market indirectly.

Naturally there is no great problem for a capitalist state to nationalise capitalist industries when it is necessary to the continued survival and development of capitalism - and no great benefit either. A revolutionary state doing it for revolutionary purposes is another matter.

The major obstacle to all this would of course be the state power of the previous regime, including local and foreign armies, navies and air forces, as well as terrorists, saboteurs etc. But we are talking about measures to be taken by a new state that rests on the power of the armed working class, so we may assume that these obstacles are being overcome through revolutionary civil and national war.

There are still a number of major economic obstacles that would persist even after victory in a revolutionary war. Let us look at a few examples.

First, the directors and top management of big industry, whether public sector or private, would side with the present ruling class against a revolutionary government. Unlike the owners as such, these people do play an important role in the actual organisation of production, and can not simply be dismissed by decree.

Second, many lower level executives, engineers, public servants and so on, who play an essential role in production, could not be relied upon by a revolutionary government, even though they have no direct stake in the other side. They see themselves, and are seen by others, as "middle class" (although their real status might be better described as upper strata of the proletariat, since their income is obtained from wage labour, not property ownership).

Third, there are substantial sectors of the economy, even in the most advanced capitalist countries, where people are still self-employed or work for small employers who do play a direct and important role in the actual organisation of

production - for example, farmers, shopkeepers, professionals such as doctors, and a good deal of small manufacturing, construction and services enterprises. These could not simply be taken into government ownership by decree, nor are they all directly dependent on firms that could be. They would have to remain for some time as a "private sector" (quite different of course from the present "private sector" dominated by huge transnational corporations).

Certainly capitalism is already replacing small shopkeepers with supermarket chains, and family farms with agribusiness. Doctors will eventually be forced to work for salaries and so on. But it takes time, and a workers' state would want to do it less blindly and destructively, and with more attention to the problems faced by the people concerned, than under capitalism.

As long as there was a private sector, relations between it and the state sector would have to be based on commodity exchange through money, and this would remain true even when privately owned businesses were being transformed into co-operatives as part of the process of socialisation. In connection with the private sector, there would still be a labour market. This would continue until the state sector was able to offer jobs doing everything that needs to be done, on terms more attractive than the private sector. That could be quite a long time.

Fourth, there are links between the ownership of bigger industries and smaller ones, and even links to the savings, superannuation and insurance funds, and housing and consumer finance, of ordinary workers and working people. We cannot simply expropriate share holdings and assume we have hit only big capitalists.

These problems all have to be faced up to, if we are serious about solving unemployment, because we cannot solve unemployment without expropriating capitalist private property in this wholesale way. International ramifications are left aside, on the assumption that we are talking about some sort of world revolution, at least in the advanced capitalist countries together. But that whole question needs to be gone into as well.

It may be repetitive to again emphasise that eliminating unemployment requires wholesale expropriation of capitalist private property. But usually this central point is left out entirely. The "socialists" and "communists" who agitate about unemployment without focussing on this issue, must in fact be demanding a solution within capitalism. They could not possibly believe in socialism or communism, or they would mention it at least occasionally, if only in their prayers.

## Central planning

Assuming we are able to solve the above problems, how would the establishment of state capitalism allow the revolutionary government to deal with unemployment? And how could it avoid becoming some drab, boring and repressive system like East Germany?

Economically, it would be a "fairly straightforward"(!) question of subordinating the state capitalist enterprises to a unified central plan, instead of production for the market. Socially and politically, this would be part of the same process that transforms capitalist production for profit into communist production for use, and wage labour into communist labour for the common good.

Since most workers would be employees of state enterprises, "manpower planning" or rather "labour force planning" could be carried out seriously. Instead of independent hiring and firing from a pool of unemployed, there would be a planned allocation of labour. Individual workers would all be permanent employees of the public service, not liable to hiring and firing as in private industry.

At present about 5% of the labour force are in career public services and there are also career services in some corporations like Telecom and BHP. In general these workers do not get hired and fired according to the needs of capital investment in their industries. Their firms manage such a large sector of the economy in a centralised way, that they are able to engage in labour force planning alongside their other investment planning and transfer and promote workers within the firm's career structure. There seems no reason why similar personnel practices could not be very quickly extended from 5% of the work force to 80% or 90%, thus establishing complete state control over the labour market. (A large section of the Japanese labour force are "permanent" employees already, with another large section being "casuals" to provide the slack necessary in a market economy).

This would not in itself eliminate unemployment, as witness the present staff ceilings and cutbacks in the public service, and the redundancies from the state sector dominated economies of the Soviet bloc and China. But it would create the minimum organisational prerequisite for the government to take responsibility for unemployment. After all, if the government is not the main employer, it is not responsible for employment, so how can it be responsible for unemployment?

As well as control of the labour market, the revolutionary government would have in its hands, all the operating revenue and profits of big industry, and therefore the decisive funds for investment. Instead of the present anarchic distribution of investment through the capital markets, there could therefore be a planned allocation through the state budget. This, and this alone, makes it possible to eliminate unemployment, simply by making full employment an essential criterion of planning. As long as firms decide their investments privately, and hire and fire accordingly, there can be no real "labour force planning". Once investments are centrally allocated, then the labour force can be planned too.

A single central plan would co-ordinate the requirements for labour of different occupations and skills in each industry and locality, and indeed in each establishment. The plan would take into account changes in labour force participation, the education system, immigration and emigration flows etc. The same plan would allocate funds for investment, together with the labour force required by that investment.

Far from discouraging new technology, to save jobs, the plan would facilitate its speediest implementation, to provide leisure. But the same plan that provided funds for a labour saving innovation in a particular industry or establishment, would also provide for the transfer and re-training of those workers made redundant, and the investment of funds in the industry that is to employ them, or the reduction in working hours that goes together with increased productivity.

The decisive point is that things would not just be left to "sort themselves out" through the interaction of wages, prices and profit rates on investment, and the consequent formation and absorption of a pool of unemployed. No matter how much state ownership and "planning" there may be in a market economy, if production and investment decisions are at all regulated by "the market", they must to that extent be allowed to "sort themselves out" through market movements, including unemployment.

A fundamental distinction should be recognised, between this kind of central planning, in a state owned economy, and the sort of bureaucratic planning implied by "statist" proposals mentioned earlier. Here we are not talking about government "controls" imposed on separate, privately owned enterprises from above, while those enterprises are still basically geared to employing workers to produce goods for sale at a profit on the market. We are talking about a transformation of the enterprises themselves, in which they cease to be separate entities, and become social property working to a common social plan. That involves a political struggle, by the workers in the separate enterprises and in the

whole society. It implies a social revolution as profound as abolishing the ownership of slaves by slave owners.

The same distinction should be recognised between the central planning we are talking about, and that which exists today in the Soviet bloc and China. The "economic reforms" of the 1950's in the Soviet bloc, and more recently in China, established the same kind of relationships between central planning authorities and separate enterprises geared to the market, as were described as "statist" rather than "socialist" in section 6 above. Some forms remain similar to socialist central planning, but the content is commodity market relations and even the forms increasingly resemble those common in the west.

The injustices of slavery and serfdom were eliminated by abolishing the social institutions of slavery and serfdom themselves, not by prohibitions against maltreatment of slaves and serfs. The injustices of wage labour, including unemployment, will be eliminated by abolishing the social institution of wage labour itself, not by directions to employers to treat their workers better.

## **Labour policy**

The planned allocation and transfer of labour need not be bureaucratic like the present public service, although it probably would be at first. It can be made far more flexible than the freest labour market, simply by leaving enough vacancies unfilled all the time, to allow a wide choice of jobs. Industrial conscription has been required in both capitalist and socialist economies under wartime conditions, but it can never be the peacetime norm in any post-feudal society.

Under capitalism, easy job changing only occurs in boom conditions. In a planned economy it can be deliberately maintained all the time, at the expense of some loss of efficiency in the establishments that have unfilled vacancies (but with an overall gain in efficiency due to labour mobility).

Imbalances would inevitably occur, but could be corrected by revision of the plan. Apart from other miscalculations, the plan would also have to take into account unplanable variations in the demand for labour by the relatively small private sector, just as it would also have to correct for other anarchic movements in market forces generated from that sector.

Even capitalism is normally able to maintain an approximate balance between the demand and supply for labour, with only the market price mechanism as a

regulator. So there seems no reason to doubt that unemployment could be rapidly abolished with central planning. This has been the case even in relatively backward socialist countries like China, where the state sector was a relatively small part of the economy compared with agricultural co-ops. Only since the widening of market relations between separate enterprises has mass unemployment become a problem there.

In advanced capitalist countries like Australia, a revolutionary government would immediately have control over a far larger state sector than either the Soviet Union or China had when they were socialist. The remaining private sector would be insignificant in comparison, so there should be little problem.

At first however, the relations between state owned enterprises would still be market relations, just as the relations between Qantas, TAA, Vicrail and the SEC are market relations today, with all the anarchy and waste that implies. The struggle to subordinate them to the plan, would be part of the struggle to solve the basic economic problems of transition to communism.

Simply directing state owned enterprises to adhere to a central labour force plan could not work while they were still basically oriented towards a market economy. If the products have to be sold on a market, and there is no market to sell more of that product, then its no good having the government telling a state owned firm to hire more workers. Those workers might just as well be paid unemployment benefits direct - their services are not required.

Labour force planning can only work to the extent that labour power is not a commodity that is purchased to produce other commodities for sale on the market. When production is being carried out by society as a whole, rather than by separate enterprises engaged in commodity exchange, then society can allocate its labour times, as well as other resources. To the extent that separate enterprises exchange their products, then they must buy their labour power too, and to the extent that labour power is bought and sold, it cannot be allocated according to a central plan.

A necessary requirement for centralised labour force planning would of course be centralised wage fixing. Enterprises could not be free to determine their own wage rates if labour is being allocated between them according to a central plan. Otherwise the allocation of labour would be influenced by wage rates as in any other market economy. At the same time, as long as people still work for wages rather than for the public good, wage incentives will be required to attract workers from one industry or occupation to another, if unemployment or other forms of

coercion are not to be used. Clearly wages and wage relativities must be fixed centrally - as though the present Arbitration system really did perform the function it purports to. But this also implies moves towards an abolition of wages as payment for the sale of labour power.

In a fully communist society, income would not depend on "wages" at all. Instead of price and wage fluctuations and unemployment, any imbalance in economic planning would simply result in shortages in facilities available for people engaged in various projects, and/or surpluses of things people do not really want. Annoying, but not a major social problem.

But even in the early stages of transition, wages could conceivably be paid directly from the central budget, together with other "welfare" income. In that case enterprises would not "hire" their labour force directly, but from an employment bureau (as occurs now with some kinds of labour such as temporary staff). The rates paid by firms to the employment bureau need have no direct relation to the combined wages and welfare payments paid out of the state budget to the workers concerned. Imbalances can result in state subsidies to employment (or penalties on it), rather than unemployment (or labour shortages).

Similar proposals have been made for capitalist governments to encourage or discourage employment by altering taxes on wages. But there is really very little scope for that when the government's own revenue is dependant on those taxes. Moreover such adjustments could not cope with mass unemployment due to overproduction. It is a very different matter when the government revenue coincides with the whole revenue of big industry, and when central planning ensures a basic balance between production and consumption, leaving only minor deviations to be compensated.

When production is geared to social needs rather than profits, it is quite feasible to cope with increased labour productivity by simply reducing the hours of work required for given wages. Eventually, as technology continues to develop, and social attitudes change, very little work would be performed in "exchange" for wages. But from quite early on, the funds available for investment and job creation would not depend on profits, but could be allocated, just like wages and welfare payments, directly from the total revenue. Productivity increases that increase the total revenue can be used any way society wants. Cutting working hours in a non-market economy would not have the "paradoxical" effect of choking off investment and increasing unemployment due to reduced profits. Nor would increasing foreign aid or social welfare or wages have that effect. The total

size of the "pie" would be the only constraint once there was no mechanism for the economy to "jam up" whenever "profits" had an insufficient slice.

With the transition from wage labour to communist labour, an increasing proportion of incomes would be based on needs (or desires), rather than payment for work (as a matter of right not charity). Correspondingly, work would have to be an increasingly voluntary activity. Wage and welfare increases, and reduction in working hours, could then be planned together with the necessary investments in consumer goods industries, with additional flexibility provided by the increasing "social wage" of "public goods". When work has become a voluntary community service, there is of course no question of a "labour market" to require a "labour policy".

In making the transition, it would be necessary to arrange social services, foreign aid, public benefits, wages, insurance and housing and consumer finance, as well as investment, as allocations from total revenue all at the same time. In expropriating big industry, the revolutionary government would take the whole of that revenue into its hands directly, including those "profits" previously paid out through taxation or via insurance funds to provide pensions etc.

Universal social welfare coverage financed from current revenue rather than "funds", would compensate for most "savings" tied up in share holdings etc, and small property owners could have their property redeemed rather than expropriated. The maximum number of people should gain from the expropriation of big industry and only a tiny minority should be losers. "Labour Policy" would have to embrace policy on these questions too.

## **The struggle for control**

The social revolution required to transform capitalist enterprises into communist collectives obviously involves far more than government decrees transferring ownership. The revolution itself would have produced workers' councils in many establishments, which would have taken over responsibility for management from the previous authorities. But that only establishes pre-conditions for the transformation, without actually solving the problem itself. Moreover, in many enterprises the workers' councils would be weak or non-existent, or a screen behind which the old bosses are still in charge, since revolution develops unevenly.

While the left is in opposition, it seems natural to assume that all problems of control should be resolved by "decentralisation of authority". After all, the people in charge at the top are reactionaries, so the more room there is for lower level units to determine their own affairs, the more chance there is to adopt more progressive policies in at least some places where radicals happen to be concentrated. The problems in other places, where radicals have no influence at all, are simply not worth even thinking about. Often a focus on "local" or "community" issues seems to reflect an acceptance that there is really nothing we can do about national and international issues.

With a revolutionary government in power, the situation should be reversed. The highest levels of the hierarchy should be more radical than the lower levels, and radicals at lower levels would be demanding obedience to government directives aimed at changing the social system, rather than agitating for autonomy where that would mean continuing in the old way. (Of course this can change, if the revolution is defeated and the "revolutionary government" ceases to be revolutionary - but that simply means the radicals are in opposition again - it does not mean that the whole problem could be mysteriously avoided by "decentralisation").

Anarcho-syndicalists seem to imagine that if everybody democratically discusses everything, production units will be able to exchange their products to supply each other's needs, and to supply consumer goods for the workers, with no more than 'co-ordination" by higher level councils of delegates from the lower level establishments. Actually things are not so simple, and any attempt to realise that vision would only mean preserving market relations between independent enterprises, still not working to a common social plan. The concept involves a sort of "parliamentary cretinism of the workplace", even though anarchists and syndicalists are generally well aware that the right to vote can not in itself transform bourgeois social relations into co-operative ones.

So far, modern big industry in the advanced capitalist countries, has always been based on capitalist production for profit, and nobody actually has much experience in how to run it any other way. Indeed many people allegedly on the "left" seem to be unable to conceive of it being run any other way, and dream of somehow going back to a smaller scale of production, for it to be "more human". On the contrary, it was precisely small scale production that was suitable for capitalism, while the development of huge transnational corporations with a single management for entire sectors of the world economy, proves that the socialisation of production makes private ownership an anachronism.

The only experience we have of communist labour for the common good has been in a few "community projects" providing voluntary services to the public. Everything else is based on people working for wages under the supervision of bosses to produce commodities for sale on the market. Often voluntary community projects also end up adopting a boss system too, or remain hopelessly inefficient and get entangled in factional disputes that can not be resolved without a clear chain of authority, and in effect, "ownership". Then they go under and reinforce the idea that capitalist production is the only system that can really work.

We should study the positive and negative lessons of the way small scale community projects and co-ops are managed, as well as studying capitalist management of big industry, in order to prepare for transforming the management of big industry. The mentality that equates "popular", "democratic" and "co-operative" with "local" or "community" projects is a slave mentality that accepts the necessity of a bourgeois ruling class to manage big industry and the affairs of society as a whole. We do not just want to create some free space within which slaves can manage some of their own affairs, although that may sometimes be useful. We want to overthrow the slave owners and abolish slavery altogether.

If modern industry is to be run in a fundamentally different way, then essential policy and planning decisions to run it in that different way will have to be taken by somebody. Whether they are called the workers council, the revolutionary committee, or the state appointed management, somebody will have to take decisions about the sort of questions currently decided by the boards of directors and top management of BHP, the ANZ Bank, the Treasury and so on. More importantly, people will have to take decisions about economic, as well as other questions, currently resolved by the boards of directors of General Motors, ITT, the Chase Manhattan Bank, the Morgan Guarantee Company, Mitsubishi, the Central Committee of the CPSU or CPC and so on. Even more importantly, we will have to take decisions about questions which none of these bodies have the power to decide, since none of them controls the world market, either separately or together.

No amount of elections from below, directives from the revolutionary government, or consultations with the masses will change the fact that these people will be responsible for the policy decisions in industry and will have to know what they are doing. Nor would it change the fact that they are doing the job currently done by capitalists "bosses" and will have ample scope to develop

into new capitalist bosses themselves (and bosses with wider and more totalitarian powers).

Most workers expect to have bosses, and that would not change overnight in a revolution. There would be a tremendous unleashing of workers initiative, but there would also be a strong tendency to retain or return to the old ways of doing things, with new bosses, or even the same old bosses, in charge. Electing new bosses does not abolish the boss system.

The big issues are not decided "on the shop floor", to use a phrase much loved by advocates of "self management". Capitalism is already transferring more and more authority on the shop floor to workers themselves rather than supervisors or lower level line management. This only highlights the fact that questions like unemployment are imposed by market forces outside the control of "shop floor" management, or higher management for that matter.

Elected workers' councils would be in exactly the same position of having to lay off staff, if there is no market for the goods they produce. Revolutionaries have to raise their sights above the shop floor, to places where more important decisions are taken, and to issues on which decisions simply are not taken in a market economy, because there are no decision makers with authority over the economy as a whole, and our fate is still subject to the blind workings of economic laws beyond our control.

If we want a revolution, then left-wingers, revolutionaries, will have to take on the functions of directors and managers of big businesses, as well as government ministries. Not many genuine left-wingers and revolutionaries have any great hankering to be on the board of directors of the Reserve Bank or BHP. But if revolutionaries are not leading the workers' councils to implement a socialist economic policy, then it can only be right-wingers, or unreliable middle-of-the-road "experts" who are doing (or sabotaging) the job of management. Indeed in socialist countries, economic management functions seem to have been breeding grounds for revisionist bureaucrats.

Just saying "the workers will do it" does not solve a thing. Who are these workers who will do it after the revolution, without discussing what they will do, before the revolution? Power will pass from the hands of the bourgeoisie to the hands of the working class, because the working class will put forward a clear cut program to rescue society from the impasse it finds itself in under bourgeois rule. Slogans simply demanding a change in power because it is "more democratic" will get

nowhere. The issue of "who decides, who rules" only arises in the context of "what is to be done".

Revolution occurs when those who presently hold power are unable to do what has to be done, and when the only way it can be done is for their opponents to take the power to do it. The most class conscious and politically conscious workers will be the ones discussing these problems beforehand, and if we do not have any ideas, how can we expect others to?

## **Socialist management**

The main areas of "management" in a typical capitalist firm are production, personnel, sales and finance. Research and development is another significant area in a small proportion of enterprises.

A lot of production management has become a fairly routine function which could be readily taken over and transformed by workers' councils. Workers should have no difficulty rapidly improving productivity over what can be achieved under a basically antagonistic system of bossing. While workers' productivity undoubtedly improves as a result of capitalist "bossing", the very need for that bossing is itself a demonstration of how capitalism restricts productivity. Slave productivity was increased by harsh overseers, and also by having heavy tools that were hard to break (as well as hard to use). But productivity jumped much more with the elimination of slavery.

Capitalist bossing actually tries to keep workers stupid. "You're not paid to think" is the supervisor's catch cry, as soon as a worker starts saying "I think...". But in fact workers are paid to think much more than slaves, serfs or peasants would think in their work, and they get sacked if they do not think. It is just that they are not supposed to think too much. Moreover modern technology places increasing demands on workers' intelligence and requires a more and more educated labour force in greater and greater conflict with the old techniques of capitalist bossing. Communism would resolve this contradiction and unleash workers' intelligence in production, so that "management", "engineering", "research", "science" and so forth would cease to be restricted to an elite, excluding the contributions of the vast majority. Research and development would become much more widespread, be much closer to production, and require much less "management".

Likewise personnel management is an essentially routine function that will be made much easier by the elimination of "industrial relations" between hostile

employers and employees. There should be no problem organising the recruitment, training and allocation of labour in a plan based on full employment.

Purchasing and sales management does still involve an element of capitalist "entrepreneurialism", although the work is done by salaried employees. But it can nevertheless readily be grasped and transformed, by the employees already engaged in it, and by other workers. The flexibility and dynamism of modern capitalism can be greatly exceeded by unleashing the workers' initiative in this area too, as well as in production, to seek out new needs and new products. Even in a state capitalist market economy, the elimination of useless competition would save a lot of trouble, with unified marketing and supply arrangements under central planning. As the "market" is abolished, the supply function would become another aspect of production planning, rather than a separate problem of "marketing".

The weakness of supply and marketing in socialist economies has been due to the general backwardness of those economies. They are (or rather were) "socialist" only in the sense of having \*had revolutionary governments determined to accelerate the transition from capitalist to communist social relations. As far as the actual level of social development is concerned, the advanced capitalist countries have already reached a higher level, and this includes a higher level of centralised management and a higher level of organisation of marketing and supply, as well as the well known higher level of productivity in most industries. Monopoly capitalism has abolished purely commodity relations in many areas, since the "exchange" is taking place between units under the same control, while labour power, and capital itself, remains a commodity. Although commodity production has been more restricted in socialist countries, as regards labour power and capital, central control of many products was actually less developed than in advanced capitalist countries. The improvements in supply and marketing when socialist countries have restored capitalist market relations does not reflect any inherent superiority of capitalism. It reflects the superiority of free market capitalism over bureaucratically controlled capitalism. A classic cartoon shows a "socialist" factory overfulfilling its production quota for nails (measured by weight), by producing a single giant (completely useless) "nail". The revisionist solution is to find more rational ways for central planners to co-ordinate the factories output to social requirements - mainly by setting goals in terms of market profits rather than arbitrary physical measurements. But exactly the same problem is faced by the top managements of large corporations in advanced capitalist countries. Solutions include the establishment of separate "profit

centres" within the one enterprise, so that local managers will be more sensitive to market profits rather than blindly responding to higher directives.

In both cases the problem is that there can be no substitute for the market in an economy based on commodity production. If social production is divided between separate enterprises with antagonistic interests, then they can really only be brought together through market exchange, the best measure of which is money prices. If instead they are brought together by some other form of external coercion, there will inevitably be some misallocation of resources because the quotas set do not exactly correspond to money - the only measure of social needs in a market economy.

The communist solution is to dissolve the antagonism between separate enterprises so that each is directly aiming to meet social needs as best it can, rather than responding in its own separate interests, to an external compulsion to do so. Setting quotas in terms of numbers of nails, or the price of nails, would not solve the problem (although the latter would improve it). Having a factory management (the workers themselves), who are dedicated to meeting social needs, would solve it completely, since they would interpret planning directives from a social viewpoint rather than a narrow one.

The question of centralisation and decentralisation of enterprise management, is quite separate from the question of abolishing commodity production. One may advocate more local initiative at the same time as completely abolishing market incentives. Indeed it is noticeable that in both China and the Soviet Union, revisionists have strengthened central controls over individual enterprises, at the same time as widening markets relations. Increasing bureaucratic regulation there is necessary for the same reasons that it is necessary here.

Enterprises already under bourgeois management in socialist countries show more initiative when given material incentives and market "freedom", just as socialist enterprises lose their drive when asked to produce just for profit. Overall, supply and marketing workers in an advanced economy working for the public interest should be able to introduce new goods to meet new needs far more dynamically than where this is done only to squeeze extra profit for their employers.

"Socialism" does not imply the restricted range of products available in economically backward socialist countries any more than it implies the lower standard of living, longer working hours or lower cultural levels common in those countries as compared with advanced capitalist countries.

Backward capitalist economies in third world countries have far worse problems with shortages and misallocation of production etc than backward socialist countries have had. There is no reason to anticipate major problems with the replacement of "commerce" by unified supply and marketing arrangements in advanced industrial countries.

Although the above functions of "management" present no special problems, financial management and investment planning is still an exclusive "entrepreneurial" function of capitalists, and it is precisely this that is decisive in abolishing the market economy and eliminating unemployment. The job is done by salaried employees as well as actual capitalists, but many of the employees are accountants, lawyers, bankers, investment analysts and so on, not ordinary workers.

We shall consider this problem in more detail than other "management" problems.

## Investment planning

How do you decide whether to build a steel mill, or a hospital, or a thermal or hydro-electrical power station? Not just by democratically consulting steel workers, or hospital patients, or construction workers, or delegates from all three and others concerned. There must be some definite economic criteria for decision making. It is no good just saying we will build socially useful things like schools and hospitals instead of profitable things like steel mills or power stations. You need steel to build schools and hospitals, and you need electric power to run them.

The contempt a lot of "left" intellectuals have for industrial development, let alone "finance", reflects a lack of seriousness about really doing anything. It implies either that we expect capitalist industry to somehow produce these things for the public benefit, or we postpone social change until everything can be produced free by magic (or we reduce our living standards below the appallingly low level that capitalism has managed to achieve).

At present the only criterion according to which goods and services are produced and investments are made to produce them, is market profitability. Some public services superficially have different criteria, but the "cost-benefit analysis" they use includes interest on capital as part of the costs, and measures benefit by what would be paid for the service if it was marketable. Government funds can only be invested if the overall social rate of return is sufficient to allow payment of interest on borrowings directly, or by taxes raised from sections of the economy

that have benefited indirectly. Despite loud squeals from the "private sector", no government projects are based on expropriation. It all has to pay for itself on the market, and return interest on the funds borrowed from the private sector.

The actively functioning capitalists today are the financial managers and similar functionaries (or party officials in "socialist countries") who are not the nominal owners of the capital they control, but carry out the social functions of the capitalist controlling it, and live it up accordingly. Both in east and west, ownership is usually mediated via various "trusts" and capitalist luxury consumption owes as much to "perks" as to direct property income.

"Private ownership of capital", in the sense of an individual capitalist directly owning means of production, is fairly obsolete. The difficulty Trotskyists have in finding a bourgeoisie in the Soviet block and China, ought to be just as great in the west, where capital is not usually privately owned by individuals either, and is certainly not passed on legally by inheritance, when death duties can be avoided. There are important differences between being a beneficiary under a trust, or enjoying perks as an executive, in the USA, and having a senior party position in the Soviet Union. But they are not as important as the differences between the bourgeoisie and the proletariat - between those who employ or exploit labour and those who are employed or exploited.

It is a specific function of the capitalist ruling class to allocate investments. It does this rather blindly, and with colossal waste, but it does do it and whatever is wasted, is often a loss to the particular capitalists concerned, as well as to society as a whole.

If the new regime had no criteria for regulating investments there would be general chaos as each workers' council decides what it thinks should be produced and only finds out later that it lacks the necessary inputs or there is no market for the outputs.

In fact to begin with, the old criteria of market profitability would have to be used. To some extent even some of the old personnel, familiar with finance, would have to be used also. They would be disposing of state capital rather than private capital, and getting their perks from that, as before.

Starting from the old system, it would be a long struggle before the new system was really being used for planning, and experience in the Soviet Union and China shows that there is plenty of room for reversals along the way. As long as commodity production and wage labour exists, even the complete suppression of

the old bourgeoisie and its replacement by a genuinely socialist state can not prevent some cadres of that state themselves degenerating into a new bourgeoisie.

Of course the top managers and administrators who can not be bribed or coerced into co-operating can simply be replaced by the workers' councils. But most workers do not even know what they do, let alone how to do it differently, so there will be a pretty strong tendency to continue doing things the same old way. Workers would work, bosses would boss and financiers would finance, if these categories are not systematically uprooted.

Technically, it is not hard to imagine criteria for investment planning that are not simply based on "profitability" in disguise. There is even a substantial branch of orthodox "welfare economics" devoted to the problem of production for use.<sup>2</sup>

But implementing new criteria means going from private production for profit to social production for social needs, and requires fundamentally changing the way things are done.<sup>3</sup>

About 4% of the Australian labour force work directly in the "financial industry", apart from those doing similar work in the industries being financed. That is about half the labour force employed by the construction industry, and most of its effort is tied up with just trying to keep track of who owns what and transferring profits from one pocket to another (and to or from the taxation system), rather than actual investment planning.

The capitalist parasites are not even very good at keeping track of their own wealth, as is shown by the various multi-million dollar frauds that have been coming to light. They certainly do not do a brilliant job of investing it more wisely and frugally than public servants would, as is constantly suggested by apologists for capitalism. In fact even their investment function is carried out for

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<sup>2</sup> It can be proved mathematically that the capitalist pattern of investment according to the rate of profit can never lead to an efficient allocation of economic resources, and that "marginal cost pricing" amounts to a labour theory of value.

<sup>3</sup> The debate among allegedly "Marxist" economists about the so-called "transformation problem" relates closely to the problems Soviet bloc economies faced in allocating investments without using the traditional capitalist calculations based on an "average rate of profit". A "rate of profit" is essential when enterprises have separate interests, and "marginal cost pricing" is only feasible when they do not. The "optimal" allocation of resources according to a central plan is not the same as the "equilibrium" possible when resources are privately owned - whether competition is "free", "perfect" or monopolistic. "Equilibrium" situations can include unemployed labour and other resources, as long as the rate of profit is equalised and maximised.

them by accountants, advisers, brokers etc who receive a share of the spoils, but are not the actual owners of the capital they invest.

After a revolution these workers could be employed far more productively to ensure that resources are used as efficiently as possible and to keep track of public property so that it is not misappropriated.

There is no great technical mystery about financial work that means it could only be done by and for an old or new bourgeoisie. It just requires a major struggle.

Under slavery, public officials were necessarily slave owners. Under feudalism magistrates were necessarily landowners and under capitalism captains of industry were necessarily capitalists. But social relations change. All it needs is revolution to change them.

## "Experts"

Bourgeois "experts" can work for the new owners of industry just as they used to work for the old ones, being bribed with high salaries if necessary. Or they can work for their own account, as "Nepmen" did during the "New Economic Policy" following "War Communism" in the 1920s Soviet Union. But unless the new proletarian owners at least know what they want, the "experts" cannot be forced to work in a fundamentally new way. In the long run they have to be replaced by the workers themselves, and in the short run they have to be tightly controlled by the workers councils, while the workers develop their own expertise.

In the immediate period after winning power, real control of day to day management in most enterprises would continue to be in the hands of bourgeois "experts" who know how to do it, but only know how to do it in a capitalist way. Where managerial power was not in their hands, effective management would still be paralysed to some extent by the initial incompetence of workers who are taking on unfamiliar functions. No amount of decrees giving power to the workers councils would change those facts, unless we are supposed to wait until the working class has already completely changed, before having the revolution that will change it.

There would be considerable scope for resistance to and sabotage of government economic policy. There would also be difficulty reconciling the different priorities and demands of different sections of the working class itself. Only the practical takeover by the workers could gradually change this situation, and then

only with reversals and a long historical struggle, combining mass pressure from the workers councils below, and coercion and inducements from the revolutionary government above, before the dictatorship of the proletariat has really effective control of even the state sector of the economy, let alone education, culture etc.

Nevertheless, the working class in advanced capitalist countries like Australia is already literate and quite highly educated compared with the workers that took power in the Soviet Union and China. Most "experts" are not bourgeois, but just highly trained workers, perhaps with a few airs. Even the managers and engineers in overall charge of industry at present are themselves salaried employees, mostly at no great social distance from the mass of workers. Engineering is already a basically proletarian occupation. Management not yet, but headed that way.

Where the workers councils are strong, it should not be all that difficult for them to encourage or compel most managers and engineers to cooperate, and take on the functions of those that won't. It will be more difficult where the workers councils themselves are weak, which is bound to be the case in many places, since the revolution develops unevenly. But it would hardly be impossible.

## Conclusion

The problem of abolishing unemployment by having a revolution is nowhere near as difficult as the impossible task of trying to abolish it without one! There is no need to politely cover up the absurdity of "left" schemes for dealing with unemployment within capitalism. We should say directly that these schemes are nonsense and go on to work out the realistic problems of preparing for revolution.

As the Communist Manifesto argued, we should raise the "property question" to the forefront of all immediate, practical struggles. Just how we can have a communist revolution in an advanced industrial society remains to be seen - it's never been done before. But we should be quite clear that this is "what we are on about".

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# THE LIZARDS STRIKE BACK<sup>1</sup>

*Albert Langer*

On 28 February 1995, at 10am, Justice Bollen of the Supreme Court of South Australia will hear charges of contempt against Patrick Muldowney for publicly advocating an informal vote in the Taylor by-election on November 5th, after being served with an order not to do so from Justice Perry. The order was rubber stamped by the Judge in chambers on the day before the election, at the request of the Electoral Commissioner for South Australia, one Andrew Becker, without any opportunity for Patrick to be heard. It was based on s.126(1) of the Electoral Act 1985 (SA) which purports to prohibit public advocacy of an informal vote.

Just to find out what was said about him, Patrick had to pay \$4.50 per page for the transcript, as the Electoral Commissioner refused to supply one without charge (his solicitor, Judith Bradsen, emphasized how expensive it would be for Patrick to defend his legal rights - a tactic the Australian Electoral Commission has used repeatedly to intimidate vote informal advocates in other instances).

According to the transcript, the Electoral Commissioner and his legal representatives misled the Judge by not informing the Court of the following relevant facts:

1) Patrick applied more than a year ago to the High Court of Australia (No. C22 of 1993), for a declaration that there is no such law as s.126(1). Instead they told the Judge that Patrick was 'quite a well-known opponent to compulsory voting' and implied that his High Court case was about that.

2) The Electoral Commissioner had admitted, in paragraph 7 of a draft 'case stated' for the Full Court of the High Court of Australia sent to Patrick on 27 June 1994, that Patrick 'has published and intends to publish material in which voters are encouraged to [vote informal]'. This means that the Electoral Commissioner could have sought an injunction at any time with a proper hearing, so there was no conceivable justification for arranging to do so without notice to Patrick on the day before the election. Instead they just told the Judge that Patrick had sent them a copy of his leaflet 'out of the blue' on the previous day.

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<sup>1</sup> Originally published in *Empire Times*, Vol. 27 No. 1 1995, student newspaper at Flinders University, South Australia. In Australia, voting in elections is compulsory.

3) Patrick has been publicly advocating an informal vote for years and his doing so during the last State general election, December 11, 1993, was reported to the Electoral Commission by officers in charge of a polling booth. Again this means the Electoral Commissioner could have sought an injunction at any time with a proper hearing and again he misled the Judge by implying that Patrick had been expressing opposition to compulsory voting at the last State election rather than advocating an informal vote.

4) Patrick was not present because the Electoral Commissioner had told him of the 11:00 am hearing by a fax sent to *Empire Times* at 9:30 am and a phone call to his home at 10:20 am. Patrick said he would go to collect the fax and find out what it was all about. Instead of telling the Judge that, they told the Judge that Patrick had gone to collect 'a' fax. By the time Patrick got the fax and rang the Court, the hearing was already over.

This suggests the possibility of a deliberate ploy to obtain an injunction the day before the election, knowing that Patrick would not comply with it, so that Patrick could be 'got' for contempt of court even though the injunction as well as the section of the Electoral Act would ultimately be quashed as unconstitutional by the High Court. (There is a real risk that Patrick could be in gaol for months before the High Court deals with the matter).

The general principle is that Court orders must be obeyed even when made in error - the error must be corrected by a Court, not by simply ignoring its orders. On that principle the Electoral Commissioner presumably hopes to 'legalize' its unconstitutional intimidation of Patrick.

There are however other relevant principles such as:

1) The powers of every Court in Australia are just as limited as the powers of every Parliament in Australia by the system of representative Government established in the Constitution. No Parliament and no Court has power to interfere with free elections. Judges simply can't order people not to publicly advocate a lawful vote any more than they can order people not to breathe. The lack of precedent for lawfully ignoring such orders is due to the lack of precedent for such orders being made. (In my own High Court case, No C2 of 1993, relating to similar Commonwealth Legislation, the defendants avoided the possibility of an interim injunction against them by saying that they had no intention of prosecuting me or seeking an injunction against me for similar conduct to Patrick's).

2) People who procure Court orders by fraud are liable for malicious prosecution, professional misconduct and contempt.

Those matters are likely to be raised when Patrick finally gets a hearing on the original injunction, some time in the week of January 30th, as well as at any contempt proceedings on February 28th.

The Electoral Commission at both State and Federal levels has a history of using injunctions to intimidate advocates of an informal vote and to disrupt vote informal campaigns by dragging people into court so they cannot effectively campaign during the election period. (After the order was rubber stamped, Patrick was offered a hearing to have it discharged on election day - which would have been just as effective in preventing him from distributing his leaflet as if he had stayed at home).

Injunctions were used to disrupt and intimidate in Victoria during the 1987 Federal elections and threatened against anarchist candidates in the 1992 Federal elections, forcing them to abandon their campaign. The high cost of defending legal rights and the summary nature of proceedings initiated by Electoral Commissioners for injunctions has been deliberately exploited to achieve a chilling effect. This time they may have gone far enough to demonstrate the unconstitutionality of the laws under which injunctions have been claimed, just as abuse of the defamation laws by politicians ultimately resulted in those laws being declared unconstitutional.

*Empire Times* number 9 [1994] published both the Judge's order and Patrick's leaflet advocating 'Vote Informal'. Here again is the guts of the leaflet, an extract from 'So Long and Thanks for All the Fish', fourth volume in the 'Hitch-hiker's Guide to the Galaxy' trilogy:

'On its world, the people are people. The leaders are lizards. The people hate the lizards and the lizards rule the people.' 'Odd', said Arthur, 'I thought you said it was a democracy.' 'I did' said Ford, 'It is.' 'So,' said Arthur, hoping he wasn't sounding ridiculously obtuse, 'why don't people get rid of the lizards?' 'It honestly doesn't occur to them,' said Ford. 'They've all got the vote, so they all pretty much assume that the government they've voted in more or less approximates to the government they want.' 'You mean they actually vote for the lizards?' 'Oh yes', said Ford with a shrug, 'of course.' 'But', said Arthur, going for the big one again, 'why?' 'Because if they didn't vote for a lizard', said Ford, 'the wrong lizard might get in. Got any gin?'

And here again is an explicit public advocacy of voting informal in both South Australian and national elections. Vote Informal!

## Civil Disobedience

Obviously, if there was a law that made it illegal to publicly advocate a lawful vote against all the parties and their candidates, it would be necessary to resist. Some would do so without sticking their necks out. Others would engage in militant defiance. Resistance would range from underground publications through sarcasm making a mockery of the lizards without openly breaking their laws. For example badges saying 'So Long and Thanks for All the Fish' could be used to express solidarity with people distributing 'forbidden' literature such as the above excerpt from the 'Hitchiker's Guide to the Galaxy'. Both lizards and humans would come to understand the reference.

Side by side with militant resistance there would inevitably be 'Civil Disobedience'. Pompous Christians and the like declaring their infinitely humble respect for the lizards and their laws, parading their Consciences and wringing their hands about their inability to obey an unjust law.

Perhaps the Electoral Commissioner for South Australia imagines that Patrick and myself are engaged in such 'Civil Disobedience' to an unjust law - inviting punishment to appeal to the consciences of the more enlightened lizards and persuade them it would be better to change their laws rather than resort to the degree of repression that would be required to actually enforce them.

If so he is mistaken. Neither Patrick nor myself are breaking an "unjust law". The Electoral Commissioner is not administering an unjust law. He is breaking the law he is supposed to enforce.

In this country, the right to choose freely which lizards shall rule over the humans is not just an aspiration for justice, but a law. It is a fundamental ("constitutional") law valued greatly by lizards and humans alike.

For humans, free elections are a great advance from the days when lizards ruled by "divine right" and could do what they liked. It remains a mystery why humans do not form their own parties and throw the lizards out, but the right to support or oppose any or all of the lizard parties makes a real difference to how we live. The more obnoxious lizards are restrained by the knowledge that humans will choose their opponents if sufficiently provoked. While all the lizard parties converge towards the same basic policies, they are forced to keep a certain distance and maintain a certain degree of choice, by the knowledge that supporters of each party will not bother to vote for it if the differences become too small.

For lizards, free elections are an important safety valve. They know that humans would not submit to rule by lizards without the appearance of consent. The right to choose freely is not a mere constitutional fiction, like the Royal status of the protestant descendants of Princess Sophia, Electress of Hanover, but a fundamental principle of lizard rule. No doubt if humans did wake up and organize their own parties to take power from the lizards, other more fundamental principles such as property rights would require the use of unconstitutional force to preserve lizard rule. But no sane lizard would prefer to rely on the force of a small minority rather than the consent of the majority. There are after all very few lizards who actually own the planet. They are overwhelmingly outnumbered by humans who 'only work here'.

## **Criminal Reptiles**

The Electoral Commissioner for South Australia is not just a lizard administering an unjust and oppressive law. His job is to help preserve and prolong lizard rule by ensuring that elections really are free and fair. Instead of doing that job he is openly breaking the law which prohibits the use of intimidation to interfere with free elections. He is a criminal reptile.

In ordering Patrick not to publicly advocate a lawful vote, the Judge who rubber stamped the Electoral Commissioner's order, and so threatened Patrick with imprisonment for contempt, was not making an 'error of law' in his capacity as a Justice of the Supreme Court of South Australia, any more than bank robbers make an 'error of law' when robbing banks. His job is to help preserve and prolong lizard rule by ensuring that it is seen as the rule of law rather than the arbitrary rule of lizards. Respect for the law requires that Judges obey it. Complying with arbitrary and unconstitutional orders undermines the rule of law.

The Electoral Commissioner and the Judge knowingly and deliberately set out to intimidate Patrick from exercising his lawful right to participate in the election campaign, by threatening him with imprisonment. Any school child should know that is illegal in Australia. A school child might be taken in by an Act of the Parliament of South Australia purporting to make such intimidation legal, especially if he or she was completely ignorant of our history as well as our laws. Such ignorance would not be an excuse, but could mitigate the very serious penalties for political intimidation (three years imprisonment under s.28 of the Crimes Act, two years under s.110 of the Electoral Act, SA). But how could an Electoral Commissioner or a Supreme Court Judge plead ignorance of Australia's

Constitution? Here are some extracts from the High Court's judgment of 12 October 1994 in *Theophanous v Herald & Weekly Times Ltd. and Another*, that would have been drawn to the Court's attention if Patrick had been given a hearing instead of an arbitrary order.

(i) There is an implied freedom of communications with respect to discussion of government and political matters....

(iv) If the Constitution, expressly or by implication is at variance with a doctrine of the common law, the latter must yield to the former.

(v) When the purpose of the implication is to protect the efficacious working of the system of representative government mandated by the Constitution, the freedom which is implied should be understood as being capable of extending to freedom from restraints imposed by law, whether statute law or common law....

(vii) An implication of freedom of communication, the purpose of which is to ensure the efficacy of representative democracy, must extend to protect political discussion from exposure to onerous criminal and civil liability if the implication is to be effective in achieving its purpose...

(xi) Once it is acknowledged that the existing law seriously inhibits freedom of communication on political matters, especially in relation to the views, conduct and suitability for office of a member of the Australian Parliament, then that law is inconsistent with the requirements of the implied freedom of free communication...

As for the theory that one must obey a purported law until it has been declared invalid by a Court:

'It is of course convenient to speak of an unconstitutional law but that phrase means merely that that purported law is not a law at all.' per Menzies J. in *Cormack v Cope*, (1974) 131 CLR 432.

'I was only obeying orders' has been rejected as a defence for crimes against humanity. Perhaps it can still help Andrew Becker if he ever faces criminal charges, since crimes against the constitution are rather less serious. Nevertheless, nobody is required to obey an 'unconstitutional law', because it is 'not a law at all'. However clear the law may be, that isn't much help when public officials are deliberately breaking it and the mass media is ignoring the issue. If you are sick of having to choose between different lizards, join the Vote Informal Campaign. If you still prefer one lot of lizards over the others, but support civil liberties then please help publicize this case and ensure lots of people are watching when Patrick goes to court. Either way, please contact Patrick c/- Empire Times. Help Needed.