

Kennett has no mandate!

The Victorian Liberal government of Jeff Kennett has no mandate for the sweeping changes in the public sector and industrial relations pushed through parliament within six weeks of the election.

There is no precedent to rival the cynicism with which the charade of parliamentary democracy was manipulated by Kennett and his ultra-right advisers in the right-wing 'think-tanks'.

It took 5 or 6 years of political ferment to bring 120,000 people on to the streets of Melbourne against the Vietnam War. It took only five weeks for Kennett to bring more than 250,000 into the streets of Melbourne and 30,000 in provincial centres around the State. The massive response to the Trades Hall call for a general strike far exceeded anything ever seen anywhere, any time in Australian history.

It cannot be emphasised strongly enough that this marks a sharp break in the situation in which we are living. During the last year of the Kirner government, industrial action had reached the lowest level ever recorded, and unemployment, by far the greatest deterrent to industrial action, had reached almost 12%, the highest since the 1930s.

During the decade since the Hawke's election, the Accord between the ACTU and the ALP government has eroded the basic training ground of the class struggle in workplace union activity. At the same time, those unions which have defied the Accord, the BLF and the Pilots, have been isolated and smashed. In 12 days from the announcement of the cutting of annual leave loading on 28 October to the general strike on 10 November, unions were flooded with new applications for membership and the work of a decade of class-collaboration was undone.

Kennett has declared class war, and the working class has answered in kind!

And what has been the contribution of Joan Kirner and her rump of ALP parliamentarians? - to bemoan the Kennett's policies which have forced people to take, horror of horrors, industrial action. And, having an eye for the voting propensities of marginal voters, not a word in support of the general strike! After years of privatisation, corporatisation, budget-cutting and union-bashing which only encouraged Kennett in the ferocity of his attacks.

The campaign of industrial action against the Employee Relations Bill, The Vital Services Bill, the Public Sector Management Bill and Kennett's other class-war measures must be maintained. But these laws will not be the only focuses of working class anger. Stimulated by Kennett's

attacks and the upsurge of working class opposition, other disputes will break out against closure of public services and enterprises, against wage-cutting and sackings. All these disputes must be supported and encouraged and united under the slogan of **Kennett has no mandate** - he must call a new election on the real agenda!

The world situation in which this class confrontation takes place is extremely critical.

- * Europe is in enormous crisis - Britain suffers almost terminal paralysis, France is hit by slump, Germany is consumed by social crisis as the cost of re-unification exceeds all expectations. The Maastricht Treaty is on the point of collapse.
- * The United States economy is bankrupt, with escalating poverty and debt, while rapidly losing the industrial competition with Japan.
- * Japan is also being affected by the world recession and is reducing its overseas investment and increasingly coming into conflict with its own working class.

The sceptre of trade war looms haunts the major economic powers of the world. To pretend that there is a free-trade solution in this situation is Alice-in-Wonderland material. Rural Australia is already bleeding to death. The most efficient wool industry in the world can only fill increasing acres of warehouse space with surplus wool. Wheat growers with a minuscule domestic market, competing with subsidised US and European producers can't give their product away. Ostrich or seaweed farming cannot save the day.

Kennett's declaration of class war is not 'foolhardy'. Hewson and Howard as well as Groom and Kennett all understand that the issue is to **defeat** the union movement and impose drastic cuts in wages and all benefits. If Kennett is successful, the resulting misery of Victorian workers will not win Keating the next Federal election. And even if it did, the ruling class intend to pursue their class-war perspective. That perspective can only be defeated by a class struggle perspective in the working class. Kennett must be defeated by the working class.

But Kennett cannot be defeated by industrial action alone. Unless the working class brings forward a political alternative in the fight to bring down the Kennett government, even an indefinite general strike would be smashed and starved out, and Kennett/Hewson's ultimate victory assured. The industrial action is already underway. The need for a socialist political alliance to pose an alternative to ALP class collaboration and Liberal repression is urgent.

US voters reject Reaganomics

The election of Bill Clinton ends 12 years of Republican administrations and 'Reaganomics' in the US. The election of a 'liberal' in the US comes at the same time as the British Prime Minister John Major is facing a possibly terminal crisis after 13 and a half years of 'Thatcherism'. There has been widespread clamour to pull back from the policy of privatisation and full-on monetarism in Britain.

In the US, Clinton has pledged a change in US domestic policy towards increased government intervention and strengthening of the public sector. This marks the failure of a protracted period of the dominance of extreme right-wing economic doctrine in the Anglo-Saxon capitalist powers.

At the same time we have seen serious setbacks towards a unified capitalist Europe, the near breakdown of the long-stalled GATT trade negotiations and intense speculation of the escalation of trade war between the US, Japan and Europe. While it has been the Bush administration which has made the recent US moves in this struggle, this anticipates the coming Clinton administration which is committed to a more aggressive and protectionist US trade policy against Japan and Europe.

A rapid review of the record of Republican and Democratic Presidencies in the US this century will show that for those that lie outside the borders of the US, the 'liberal' image of the Democrats, as opposed to the 'conservative' image of the Republicans, is no cause for comfort.

The 28th President of the US was Democrat Woodrow Wilson, whose notable contribution to domestic policy was the introduction of anti-trust laws. He also fought border skirmishes with Mexico and was the President who took the US into World War I in April 1917.

The Republican Harding (29) was an isolationist, and fellow-Republican Coolidge (30) was famous for the rampant corruption and nepotism of his administration and its policy of laissez faire which led to the growth of monopolies; Republican Hoover (31) gave us the Wall St Crash and clung to the end to his faith that 'market forces' would put things right, as unemployment spread across the entire world.

The Democrat FD Roosevelt (32) gave us the New Deal, and he also took the US into World War II. Democrat Vice-President Harry Truman (33) took over and gave us the Atomic bomb on Hiroshima, the beginning of the Cold War and the Korean War, as well as what was called the 'Fair Deal', the US version of the Welfare State.

Senator MacCarthy's red-baiting saw Truman out of office and brought in the Republican General Eisenhower (34) who dumped MacCarthy when he became the target for red-baiting himself, and fighting in the Korean War was ended.

When the Democrat JF Kennedy (35) defeated Nixon in 1960, the Civil Rights movement in the US cheered, but this certainly did not signal a reduction in US military aggression overseas. Kennedy made the first significant US commitment

to Vietnam, gave us the Bay of Pigs invasion of neighbouring Cuba and the Cuban Missile Crisis which brought the world to the brink of the holocaust.

When Democrat Vice-President Johnson (36) took over, defeating the sabre-rattling Republican Goldwater, we had the Gulf of Tonkin Incident and the full-scale US invasion of Vietnam. Along with Democrat Truman's bombing of Hiroshima, the Vietnam War would have to rank as the two most horrific contributions of the US to the Twentieth Century.

The Republican Nixon (37) will be most remembered for the Watergate scandal, but under Nixon and later Ford (38), the US signed the 1972 Paris Peace Accord and finally withdrew in defeat from Vietnam.

The Democrat Jimmy Carter (39) was another 'liberal' - now most remembered for the abortive attempt to launch a military strike against Iran during the seizure of the US Embassy in Tehran and his downfall in the 'hostages scandal'.

The Republican Reagan (40) gave us 'Reaganomics' which has succeeded not only in pushing unemployment and poverty in the US to unprecedented heights but in making the US the largest debtor nation in history. Reagan also invaded Grenada. Bush (41) continued Reagan's monetarist domestic policy and launched the invasion of Kuwait and Iraq - by far the most significant military commitment of any Republican Presidency.

Clinton is certainly a strange kind of 'liberal'. The Washington Post's Martin Walker sums Clinton's domestic policies like this:

'To the European eye, Clintonism is a rather traditional form of social democracy tinged with an American populism, Keynesian policies plus the electric chair, public investment plus a hundred thousand more cops on the streets. ...

'Clinton takes his health policy from Germany, his job training schemes from Sweden, his vocational education models from Germany again, and his concept of the government's strategic role in economic intervention partly from French planners and rather more from Japan's MITI. But his welfare policies, his commitment to law 'n order, and the kind of economic nationalism he spouted on the campaign trail could very nearly have come from that right-wing ideologue Pat Buchanan.'

The election of Clinton with a decisive majority has also brought the election of a large number of female candidates and other Democrats with more liberal platforms; Gore has a reputation as an environmentalist. The spectrum of US politics is such, of course, that judged from what could be called the 'centre' from any other viewpoint, the election of Bill Clinton remains the replacement of one right-wing anti-communist warmonger by another right-wing anti-communist warmonger. However, it would be facile to leave it at that, for the election does reflect a shift in American politics.

While the advocates of more progressive social policies within the US may see the election of Clinton as a step forward from the Reagan-Bush regime, and may expect increased government intervention in the economy and welfare, Clinton is also committed to opposing foreign investment in the US, and increasing trade protection.

At the same time, the French are being blamed for the collapse of the GATT negotiations, German financial measures required for investment in the East have driven Europe into recession, British commitment to European unity as at breaking

point, and Japan has begun to feel the effects of world recession and is drastically cutting back foreign investment. Far from opening up a bonanza for capitalist expansion, the opening of East Europe and the Soviet Union to capitalism has actually brought about a paralysis of trade. All these factors indicate that we are seeing the rise of a period of protectionism and trade war internationally. The Clinton Presidency is likely to play a leading role in this.

The failure of 12 years of Reagan-Thatcher economics, which

has brought nothing but unemployment and poverty to the US and Britain, and the turn away from these policies in these countries, must be utilised to fight against a belated drive by dry-right Liberals and ALP monetarists in Australia to push these policies as a solution to the drastic crisis that Australian agriculture and manufacturing will feel as a result of the world recession.

Only the planned development of trade and industry can overcome the legacy of paralysis left by 'market forces'.



Economic Irrationalism

A growing tide of political opinion in Britain is drawing the conclusion that Thatcher's economic policy of privatisation and monetarism has been proved a complete failure. Milton Friedman's monetarism has run out of advocates, and increasingly John Maynard Keynes is being pulled off the bottom shelf, dusted off and eulogies to his 'far-sightedness' are appearing in the capitalist press.

Meanwhile in the US, Bill Clinton has been successful in an election campaign which was extremely illiberal from a civil-rights type of perspective, but which from an economic standpoint, represented a 180° turn away from the dry-right monetarism of Reagan and Bush, promising increased government intervention in the economy, with both planning and public enterprises, and protectionist trade policies.

Over the same decade of Thatcher and Reagan, the ALP has also implemented the monetarist line, privatising and corporatising, deregulating banking, reducing tariffs, contracting out, 'deregulating the labour market', micro-economic reforming, etc.

The essential difference between the ALP and Liberals is only that the ALP aims to move into the monetarist 'level playing field' with the co-operation of the leadership of the working class; the Liberals aim to smash the working class organisations and impose the same solution, albeit with greater speed and severity.

There is a lot of talk about 'ideological' people, that 'economic rationalists' ignore the human aspects or care only about their ideology and not the practicalities of economy; of the need to combat economic rationalism with a defence of alternative economic theories, or the immorality of sacrificing human values to economic values.

The reality is however that 'economic rationalism' is about as scientific as Eysenck's theories of racial superiority. Economic rationalism is the simple class standpoint that says that every dollar that a capitalist puts in his pocket has to be taken from the working class. In a sense it is the very antipathy of economic theory. It is simply the expression of the class interests of the capitalist class in the struggle against the working class. Its subject matter is how the maximum amount of wealth can be taken off the working class and pocketed by the capitalist class. It has no interest at all in maximising the total social product. Public sector production is no production at all for the economic rationalist, except in so far as it contributes to the accumulation of wealth in the form of capital.

The prejudice that only private sector activity produces wealth, while all public sector activity is a social cost, is a common 'fetish'. It is true that 'value' in the Marxist sense of the word, can only be created in the production of a commodity for exchange, in the money economy, that only such value can be accumulated as capital. But in Marxist, or for that matter in any economic theory worthy of the name,

wealth is a category which embraces human use-values or their equivalent, not just money-capital.

While it is true that the bureaucratic centralised economies of the former Stalinist bloc were stagnant and backward economies, it is blindingly obvious that (1) they had no private sector (at last until the last couple of decades) and (2) they produced considerable wealth. It is equally obvious that a worker produces exactly the same product whether he or she is employed by a public enterprise or by a private enterprise.

Defence and extension of the public sector must be a central demand in the fight against both Kennett's frontal assault on the working class, and the ALP's policy of gradual strangulation.

The growing world recession originates in the private sector. It can only be turned around by the expansion of public enterprise, producing what people need, the only genuine objective of economy.

The backwardness of many areas of public enterprise both in the capitalist countries, and in the former Stalinist bloc is not at all due to the 'public' nature of these enterprises. On the contrary. It is essential to an understanding of this period in history that only two classes are capable of running a developed economy - the capitalist class and the working class.

In the ex-USSR the working class was politically suppressed, and a parasitic bureaucracy managed the economy 'on behalf' of the working class. The result was a stagnant, backward economy incapable of innovation, except in selected areas of, mostly military, technology.

In the public sector of the capitalist economies, only the most unprofitable sectors are left to the state, which in any case runs them solely as a milche-cow for parasites in the private sector, and deliberately forbids public enterprises from competing effectively with profit-making private companies.

What is required is the establishment of public enterprises, run democratically by the workforce with the aim of providing for social needs, whether they be social and community services or the production of goods and services normally reserved for the private sector. In addition, the workers in the various industries with or without the support of government, need to establish planning bodies, capable of stimulating the planned and productive growth of industry and international trade.

The Commonwealth Bank should be what it was meant by its founders to be - a People's Bank, offering cheap loans to home-owners, small business and farmers.

The ALP is following in the coat tails of the economic thieves in the Universities, right-wing think-tanks and Treasury. Only the trade unions can provide the resources to fight for an economic recovery based on nationalisation and workers control.

Industrial Relations Policy -

Class War or Co-existence?

Kennett has provoked a confrontation with the working class with his industrial relations policy. Groom in Tasmania and John Howard federally share the same policy. This policy is based on high unemployment combined with placing all imaginable weapons in the hands of employers with which to fight the workers, plus a range of measures to actually force employers to confront their workforce.

More specifically, the Liberal policy abolishes arbitration by a 'third party', any obligation upon employers to honour agreements with employees or extend agreements with one employee or group of employees to another employee.

Public sector workers are particularly targeted with the Vital Services Act and the Public Sector Management Act. Combined with the government's powers as the employer of public sector workers these additional powers are to facilitate the breaking up and privatisation of public sector enterprises. The aim of this is both to undermine the organised strength of public sector workers and to destroy the social gains of all workers.

Put simply, industrial anarchy with all the weapons the state can provide in the hands of the employers, with unemployment and state repression to weaken the workers.

Over the last few years the ACTU and ALP bureaucracy has abandoned its former policy of centralised wage fixing in favour of 'enterprise bargaining'. The ACTU had no choice but to abandon centralised wage fixing, for the Accord had so undermined union strength that the ACTU found that they had no bargaining power - they were incapable of organising a strike, they had organised themselves out of any role in industrial struggle.

While encouraging workers to trade-off conditions and doing away with industry standards and awards, enterprise bargaining has recreated after a long absence bargaining in workplaces between workers and employers. Meanwhile, the ACTU has used its position to keep different sections of workers walled off into separate negotiations with each employer.

The Left has correctly fought against the enterprise bargaining policy, endeavouring to involve the largest section of workers in every struggle, and to defend the gains of the past, embodied in awards and other agreements, against erosion by the employers' offensive.

How can socialists fight against this push towards enterprise bargaining from the ALP and its logical extension, the Liberals' individual and collective agreements? When an award or agreement is under threat, then obviously we defend the content of those agreements. But do we defend the form, the legal form, of those agreements? The Liberals

have abolished awards, so do socialists call for the reinstatement of the award system? The Liberals have abolished the Conciliation and Arbitration Boards. Do socialists call for the re-establishment of C&A Boards?

Federal paid-rates awards are regarded by many workers as the ideal form in which wages can be secured, since it is difficult for an employer to change or deviate from a federal award. The same is true for workers too of course. Federal paid rates awards have been for all practical purposes abolished. The Commission won't make them, far less enforce them.

Minimum rates awards have the virtue of protecting minimums while maintaining industry standards in some form. In reality, over-award payments come and go with the ebb and flow of the economic struggle, and minimum rates awards offer little real protection. Even these are going however as the ACTU and the government push workers into 'enterprise bargains' which over-ride awards and break up industry standards, and encourage workers to sell-off conditions.

Section 134, or 'Division 3A' agreements under the amended federal Industrial Relations Act, offer some of the advantages of federal paid-rates awards, but only on condition that workers negotiate separate deals at each business.

Apart from draconian legal sanctions against workers who use industrial action to enforce their agreements, the Kennett Act abolishes all means of legal enforcement available to workers for agreements made with employers.

The whole paraphernalia of industrial legislation, wage fixing and arbitration has been the form in which the gains of the Australian working class have been contained. It has also been the form by which the working class has been tied to the capitalist state.

Under these conditions workers will rightly call for the re-establishment of those forms in which the state has recognised their gains, and consequently we should support the call for a return to awards. In fact, the ALP must be forced to include in its program the promise to repeal all Kennett's laws and reinstate the award system.

However, to make a fetish of these legal forms, or to give them priority, at a time when the state is not protecting workers' gains but smashing them up, would be a grave error.

In times of working class offensive, workers think nothing of overturning an award or refusing to recognise the instruction of arbiters - a rightly so. It is only by overturning awards that better awards are achieved. Kennett has stripped the arena of class struggle bare. What we have to rely on now is first and foremost the basics of working class organi-

sation. In the meantime, any available means of encoding or enforcing agreements should be used.

Industrial struggle alone however is not sufficient to defeat Kennett and his right-wing friends. The last decade of ALP governments has seen only the erosion of workers rights and living standards, as the ALP retreats before the bourgeoisie and integrates Liberal-National Party policies into their own program. Meanwhile, the economic crisis has only worsened and unemployment grown inexorably. In short the ALP has no answer to Kennett and Hewson.

Consequently, while organising a growing industrial resistance to the right-wing offensive, we must also develop

a political campaign in favour of socialist perspectives, counterposed both to the ALP's policy of compromise and conciliation, and the Liberals' policy of capitalist class war.

Even an indefinite general strike, bringing Victoria to the point of being ungovernable, would end only in the defeat of the working class unless a political leadership and a political alternative to the reformist bureaucracy can be built. This means both uniting the working class with a clear perspective of relying upon its own strength and organisation, and also able to unite behind the organised working class, the broad layers of the population threatened with destruction by Kennett's scorched earth policy.

- repeal all anti-union laws!
- don't pay fines! don't sign individual contracts!
- only the solidarity & action of the workers can defend your rights and conditions!
- demand a new election!

Trade Union Policy -

Leadership or Demagoguery?

What are the main tasks of socialists in the trade unions today? An all-out fight to maintain and extend the industrial struggle against the Liberal Party's legislation is an urgent and vital priority.

However, in all but the very short term this is quite inadequate. The current upsurge of the working class and the defeat of the Victorian ALP government offers an unprecedented opportunity to renew the leadership of the unions, bring forward a new layer of leadership in the ranks, and turn over the top layers of the bureaucracy.

This in turn would open up the possibility for completely new experiences and a rapid political development in the working class.

This means two things specifically. In the first place, the base-level structures of the unions must be revitalised. New shop-stewards must be encouraged to take up responsibilities in the current surge of industrial activity, later to provide the source of a new leadership in the working class.

Secondly, there must be an end to the practice of absenteeism and 'oppositionism' on the part of the revolutionary left in the unions. It is not enough to pass good militant motions in the mass meetings and then decry the fact that the officials didn't fight to implement them. Noth-

ing strengthens the trade unions better than winning. And winning requires leadership.

At the moment the Trades Hall Council are leading a campaign of industrial action against the State government. There can be no real victory in that struggle short of a resignation of the government and the calling of a new election. What will happen if the willingness of the workers to fight begins to flag or if Kennett offers some small concession, and Trades Hall moves to call the campaign off? How are we going to fight to take the struggle forward? We will never have better conditions than now to educate new leaders and take positions of leadership away from those that do not want to fight.

The trade unions must be educated in politics, revolutionary politics. The best conditions for such a political education now exist.

Only those who are taking up the responsibilities of leadership will be able to do this work, and only if the leadership they offer is correct.

Those that do not take up the opportunity the struggle for leadership of the unions in this situation and make it their main and over-riding priority, do not deserve to be called socialists at all, let alone revolutionaries.