

# The Crisis, the Accord and Summit Communique



What they mean for workers



by Anna Pha
Jack McPhillips



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**Second Revised Edition** 

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by Anna Pha Jack McPhillips

#### Second Revised Edition

With a new chapter dealing with the ACTU Congress held in September and the National Wage Case decision given on September 23, 1983.

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#### Foreward

This booklet is an important contribution to the discussion taking place in the labour movement around the ALP-ACTU Accord and the Communique adopted by the economic summit which followed the election of the ALP Government,

The policies contained in these documents represent a significant departure from traditional approaches formerly adopted by the trade union movement. They were a departure from policies adopted by the 1981 Congress of the ACTU.

This booklet makes an analysis of the documents, the idea that workers and employers have common interests and where this idea is leading the labour movement.

We offer an alternative view and a policy to meet the interests of the working people who are suffering a substantial reduction of living standards and mass unemployment. The many acute problems, which are increasing as the crisis deepens, cannot be treated with bandaids. They call for real changes.

Mr Jack McPhillips is a former National Secretary of the Federated Ironworkers' Union (FIA) and is presently the Chairman of the Central Committee of the Socialist Party of Australia. He is the author of Communists and the Trade Unions and a number of other booklets.

Ms Anna Pha is a teacher holding an MA (Economics/Industrial Relations) and is a competent researcher. She is a member of the Executive of the Victorian Trades Hall Council.

P D Symon General Secretary Socialist Party of Australia This booklet has certain specific but limited aims. It seeks to:

- \* make a statement of the position occupied so far by the Socialist Party of Australia (SPA) in relation to the current economic crisis affecting the capitalist sector of the world and in particular the economy of Australia;
- \* examine and compare the periods of the early 1930s and the 1980s and the differing stands and decisions of the Australian Council of Trade Unions (ACTU) in the two periods;
- \* consider the terms of the ACTU-ALP Accord and the Economic Summit Communique;
- \* estimate the specific proposals contained within the two documents, especially as they relate to the welfare or otherwise of the workers;
- \* consider the real purposes behind the Accord, the convening of the Summit Conference and of its Communique;
- ★ offer an estimate of the nature of the current economic crisis and its likely aftermath; and finally
- \* submit some proposals to meet the situation.

# The crisis is not new or novel

The current crisis afflicting the whole capitalist world including Australia, is not new, novel, or unprecedented, and it was not unheralded.

Despite the complex character of the crisis and the many factors involved in it, its cause is not a mystery.

A series of decisions by the leading bodies of the SPA made during 1982 and 83 reflect the view of the SPA as to the nature of the crisis, its continuance, its threat to the living standards of the workers and to the stability of the economy.

As far back as May, 1978 the SPA issued a statement titled Steps To Meet The Crisis which opened by saying:

"The economic crisis currently afflicting the capitalist world will not simply disappear. It may undergo some transformations but these will only replace one period of crisis with another and at best provide temporary relief in some areas of economic activity.

"The economic history of capitalism shows economic development taking the form of repetitive cycles marked by phases of boom, crisis, depression, recovery.

"Some economists point to the fact that the passage of time has brought around the commencement of another cycle without the recovery phase of the current cycle being completed and without the individual capitalist economies or the capitalist world as a whole returning to the level of peak development achieved in the previous cycle.

"The prospects are for a continuation of the current crisis and the early entry into a further crisis. It will develop on an economic level much lower that that from which the current crisis developed. That means the carrying over into a new period features and consequences of the current crisis thus making crisis a permanent feature of capitalism.

"All this emphasises the inescapable fact that economic development in capitalist society is, by nature, beyond control and consequently is an unplanned repetitive process of recurring crises."

Developments between the publication of those views in May, 1978 and today (August, 1983) emphasises the accuracy of the observations then made. They apply with full force to the position existing today.

The publication Steps To Meet The Crisis went on to say:

"The crisis is revealed by a variety of continuing problems including: international trade problems; balance of payments deficits; government budget deficits seriously aggravated by heavy expenditures for war purposes; unstable international currency exchange rates; much less than full use of existing capacities to produce; overproduction in some areas; restricted and inadequate investment of capital in additional or renewed plant and equipment; continuing price rises; reduced purchasing power of wages and salaries; increasing number of unemployed with larger numbers being unemployed persons under 25 years of age and an increasing incidence of long-term unemployment.

"Associated with those problems arising from the economic crisis there is an extension of the areas of the economy dominated by big business, an increase in the size of big business itself; further growth of multi-national corporations; increasing bankruptcies (including large enterprises and finance institutions) and an extension of government involvement in association with big business.

"These problems and developments are made worse by a crisis of the international monetary system, an energy crisis and a crisis in relation to the environment."

All of these features exist in even more aggravated form today in the Australian economy and Australian society.

Whereas some people at that time and now seek to find the cause of the crisis

in some areas of government policy, or in surface manifestations, the Socialist Party of Australia in its 1978 publication indicated a more far-reaching view as to the cause of the crisis and made the following points:

"The state of crisis developed, and has continued in all capitalist countries, despite the fact that the governments and administrations are very varied and do not represent any one political party.

"Having in mind the variety of governments and their frantic efforts to find a solution to the problems created by the crisis, it is obvious that the cause of the crisis is deep-rooted and is not to be found in the vastly differing policies of those governments and administrations.

"The crisis follows an unprecedented period of economic boom in the capitalist world despite a number of far-reaching steps intended to prevent the very crisis which has occurred.

"These circumstances show that the crisis is the inevitable result of the operation of the system of capitalism itself and the laws and basic features determining the development of capitalist economies.

"These include: the drive for maximum profit; the contradiction between the social character of economic activity and the private acquisition of the profit from such activity; the associated contradiction between the capacity to produce and the capacity of the market to purchase what is produced; the further development of monopoly of the economy and of transnational organisations as a means of coping with the scientific and technical revolution; the market law of supply and demand; monopoly control over supplies and monopoly price fixation as a means of offsetting the effects of that market law; the monetary system, including the role of money, the functioning of the various credit institutions and money markets and the activities of governments in connection with these features; the uneven development of the nations comprising the capitalist world; the planlessness (in the overall sense of that process) of the

## Crisis deep and long-lasting

These concepts and an understanding of them are based upon theories concerning capitalist economic development brought to light and enunciated by Marx, Engels and Lenin. In a systematised form these scientifically based theories constitute what is known as Marxism-Leninism.

The SPA has based itself upon its understanding and application of these theories, to the situation in the world today with particular reference to the

To quote again from the publication Steps To Meet The Crisis:

"This is not the first period of economic crisis afflicting the capitalist world, and afflicting Australia as part of that world, since the end of World War II. But this crisis has lasted longer and has affected more areas of economic activity than any of the preceding post-war crises. It is the first of such crises to simultaneously effect every capitalist nation. The extent of the areas of economic activity affected, its extended duration, its simultaneous occurrence in all

capitalist countries and the effects of those features make this crisis the most devastating since the depression of 1929-33."

Since May, 1978 when the SPA first published its views the economic crisis has become more far-reaching, deeper and more devastating in its affects.

A report from Washington (USA) published in the Sydney Morning Herald, (June 17, 1983) spoke of the recession having "resulted in the highest levels of unemployment and business failures in 40 years."

This description of the current crisis is repeated in many quarters and by a great variety of authorities. That has led many people to compare today's crisis with that of the Great Depression of 1929-33.

However, the features of this crisis, whilst being very similar to those in 1929-33 also contain many differences.

The fact is that this crisis will be much more long-lasting and much deeper in its devastating effects than was the Great Depression. Professor Ted Wheelwright of Sydney University in an address delivered in November, 1982 stated: "....This is no ordinary depression that is going to go away, restoring us to where we were before; it is a deep-seated change in the structure and operation of world capitalism." (Capitalism Today issued by the Australian Marxist Forum Committee)

At the same time (November 21st, 1982) the Socialist Party of Australia Central Committee issued a statement dealing with the economic situation which contained the following:

"The nature of capitalist society and the current crisis is such that neither the crisis itself nor the issues arising out of it and which detrimentally affect the lives of the people and particularly the working people can be resolved, even in the short term by actions or measures which leave the capitalist system intact.

"That fact is emphasised by the many new circumstances existing today which did not exist in the previous period of crisis comparable with today, that is, the 1929-33 depression.

"The vast extension in the area of the means of production and the huge increase in the productive capacity of society, the effects of technological developments as yet to reach their zenith, the emergence of a large number of independent sovereign states, the consequential near total abolition of colonial empires and the resultant restriction of the global area available for invasion by imperialist powers, the crisis in relation to energy sources and the effect of the heavy drain on finite resources of energy and raw materials, the effect of the functioning of the transnational corporation form of economic structure and its political effects, the extensive militarisation of the capitalist economies, have combined to create new circumstances in which the resolution of the economic problems confronting human society as a whole have been made very much more complex and difficult of solution, in fact impossible, without far-reaching change.

"A further and very important factor in the present situation marking a difference between this period of crisis and the period of 1929-33 is the existence, influence and continuing development of the socialist countries.

"It is essential that the workers should realise the real nature of the present crisis and having done that to realise that the solution of the crisis in the most immediate sense and, even more particularly, an end to recurring periods such as now on a more devastating scale require far-reaching actions of a political character.

"It is also essential for the workers to be prepared to take such actions.

"These are urgent issues and impose upon the Socialist Party of Australia and others of a like mind the task of arousing the consciousness of the workers to the real nature of the crisis and the real nature of proposals of collaboration with the employers and the applications of palliatives."

It is clear that not all those who claim to speak on behalf of workers in Australia share concepts advanced by the Socialist Party of Australia and of course, it is to be acknowledged that not all who claim to speak on behalf of the workers of Australia base themselves upon Marxism-Leninism.

#### Some similarities and some differences

Against the background presented here and in the light of the views of the SPA it is of interest to consider, particularly in relation to the position of the trade union movement, some similarities and some differences between the early 1930s and the early 1980s.

In 1925 the Bruce-Page (National-Country Party Coalition) Government was elected on law and order issues with promises of industrial peace. In 1928 that government was returned to office with a reduced majority.

The period referred to and the year 1929 in particular, was marked by constant attacks upon the wages and working conditions of the workers. These attacks by employers had the assistance of the anti-working class Bruce-Page Government.

Massive actions by the timber workers, the miners and the waterside workers were defeated by the Bruce-Page Government with the assistance of a series of repressive Acts including an amended Crimes Act and Arbitration Act.

This brought about a situation in which Prime Minister Bruce considered he could win a snap election and against a background of attacks upon the mounting struggles of the workers he called such an election in October, 1929.

Bruce wrongly estimated the mood of the electorate and in the October, 1929 election the Labor Party recorded a landslide victory under the leadership of James Scullin. Bruce lost his own seat, defeated by J Holloway a leading trade union official in Melbourne.

The Scullin Government came to office with 61.3 per cent of the seats in the House of Representatives but had only 19.4 per cent of the seats in the Senate.

When the Scullin Labor Government came to office the economy was already in a state of severe depression. Unemployment was rising rapidly (1 in 6 workers were unemployed — later reaching 1 in 3) and wages and workers' conditions were under constant attack. The Scullin Government came to office on

a platform of the socialisation of industry and in particular the nationalisation and control of finance companies which was thought necessary to bring about a recovery in the interests of the working class.

Following the extensive industrial action already referred to the workers viewed the election of a Labor Government in a period of substantial economic decline with great hope. The ACTU Congress convened in February, 1930, very shortly after the election of a Labor Government, reflected the high hopes of the workers.

ACTU President Duggan, in an address to that Congress, spoke of the entirely unexpected circumstances in which the Congress assembled. He referred to a political crisis which had happened quickly and which was not anticipated and brought a complete change of the complexion of the government. The same thing was expressed in relation to the acuteness of the depression then existing and the chairman said that in these circumstances the Congress deliberations were something out of the ordinary.

The Minutes of the Congress record these views together with the President's expression that with so many out of work the people were looking to a gathering of this character for a constructive program and a solution to the problem of unemployment. The solution would not be easy but he said "If, with a Labor Government in office, they could not do something to ease the present situation then their position was very desperate indeed."

#### Capitalism denounced by ACTU

A seven member committee, which did not include one communist of the day, introduced a program to the Congress the preamble of which declared: "Unemployment arises from and is inherent in the capitalist system, which is based upon production for profit and not human needs. Only the socialisation of industry (ie., means of production, distribution and exchange) can remove the cause of unemployment."

The Minutes of the Congress reveal that in the debate on this report there were many references to "credit," its role in society and the adverse effect of the credit restrictions then being applied. The Minutes reveal that there was much discussion about the role of a currency, a reference to basing it on the nations' wealth and a reference to Marxist theory concerning the relationship between the volume of paper currency in circulation being confined to the equivalent in gold.

This aspect of the debate was mainly emotion-based and was neither adequately explanatory nor well-based theoretically. However, it did reveal a "pet hate" of the day, namely, the banks and their restriction of credit. The debate on unemployment centred around a proposal to the Federal Government for immediate introduction of a scheme of "National Insurance Against Unemployment." A draft scheme had been submitted by the Labor Council of NSW.

In a lengthy and vigorous debate there were proposals for extensive forms of protectionism, bank nationalisation, the use of bank credit to finance work or sustenance for the unemployed, forms of extensive public works and other

radical, even though impracticable proposals, for example, a pooling of national wealth.

The ACTU had been but recently formed and there was a deal of confusion if not division in the ranks of the Congress delegates with a number of amendments being submitted to these proposals. In the ultimate no firm decision was made with a great deal of reliance being placed upon the then newly elected Labor Government.

One year later a Special Congress was convened in February, 1931, over a period of seven days and held in the Sydney Trades Hall.

By this time the Labor Government of James Scullin had proven itself incapable of meeting the mounting situation. Immediately prior to the Congress the Arbitration Court, as it was then called, had reduced all award payments by 10 per cent.

Opening this Congress ACTU President Duggan said: "We meet in a hush which foretells a tragedy. A quarter of a million of Australian citizens are on the verge of being crushed by the weight and power of the machinery which they themselves have created. Men and women have transformed Australia from a wilderness to a nation, who have produced the wealth which made possible the building of our cities.... These men have an abiding faith in Labor, they cling to it with expectant hope. Press, pulpit and courts deny them a decent standard of living and force them to endure the torture of a living hell. They look to Labor to regain for them their lost employment and standard of living...." (1931 ACTU Congress Minutes, pp.7-8)

#### Positive demands

The Minutes of that Congress record the then Secretary of the ACTU, Charlie Crofts from the Gas Employees' Union, submitting a recommendation on behalf of the Executive which opened with the statement: "That this Executive realising the unparalleled situation confronting the workers with the increasing army of unemployed and the general onslaught on the wages of the workers, states that the time has past for mere resolution, the time has arrived for action." (Congress Minutes, p.15)

The Executive's recommendation called on the Federal Government to declare a state of emergency at once and to take "full control of agencies in Australia"; the government to introduce a shorter working week "with a view to absorbing workers in industry"; the restoration of the 10 per cent wage reduction imposed by the Federal Arbitration Court; in the event of the court proceeding further with its "onslaught on the workers' living standards or refusing to restore the 10 per cent reduction imposed" the Executive of the ACTU be empowered "to call upon any section of workers in industry to stop and/or impede production until such times as the living standards of the workers are restored"; a deputation from the Congress to proceed immediately Cabinet."

The Congress actually adjourned pending a return from Canberra of the

delegation elected for purposes of placing Congress proposals before the Government.

On Saturday, February 21, 1931, the ACTU President reported to the Congress. The Minutes record the following:

"The President reported that the delegation appointed by Congress had waited upon the Prime Minister, Mr Scullin, the Attorney-General, Mr Brennan and the Treasurer, Mr Theodore, and had placed before them the request of the Congress for a state of national emergency to be declared and that the Government take control of all agencies of production and distribution in Australia." (Ibid p.30)

The delegation reported that the representatives of the Government had rejected the proposals on the grounds that they did not have the constitutional power and they considered that the exercise of such a power would be a source of danger.

The same Minutes on the same page record the following: "In the course of the interview the Attorney-General had admitted that the Government was such in name only. The Senate and outside agencies were sufficient to hold up anything that the Government might do in the interests of the workers." (Ibid p.30)

The Executive recommendation was the subject of eleven amendments. The main amendment was submitted by E A Chapman, a delegate from the Australian Railways Union in New South Wales. His proposal called for a general strike.

Of the other ten amendments all except two called for forms of industrial action and were strongly worded concerning the cause of the economic crisis and the imperative need for the workers to struggle.

There was a very deep division in the Congress itself. The debate as recorded in the official Minutes of the Congress revealed substantial dissatisfaction with the position of the Labor Government and some of the speakers, being leading members of the Labor Party in the trade union movement, expressed substantial disillusionment about the position of the Government.

In the ultimate, because of the divisions and the highly developed sense of frustration and anger, the Executive's recommendation and all the amendments were defeated.

But the debate revealed a very strong class position on the question of the crisis then affecting the country, its cause and its solution.

## A socialist-oriented "Left"

These feelings were not confined to the speeches of known communists amongst the delegates. They were stated with equal vigour by prominent and well-known members of the Australian Labor Party.

During the debate on the proposal by the Executive, and in a further debate subsequent to the rejection of the Executive's proposal and all the amendments, many strongly worded speeches were made concerning the position of the

Labor Party Government and the nature of the issues confronting the Congress.

The Congress Minutes recorded such points of view as the following: "All governments in Australia represented one class of people, the ruling.... The Labor Government now carried on as executives for the capitalist press." (p.17)

An amendment submitted to certain proposals contained the following: "That the leadership of this Congress has failed utterly to respond to the elementary demands of the working class. Instead of striving honestly to initiate a policy that would turn the fight against the capitalist offensive to smash wages, groups of trade union bureaucrats in control of this Congress, from Holloway to Garden, have spent a weeks' time trying to create more illusions, about Labor politicians solving our problems, in spite of the notorious fact that these politicians have not fulfilled one of the promises they have made to us before they were elected to office." (p.42)

Another motion submitted to the Congress but not carried contained the following: "That in view of the manifest incapability of the ALP and Nationalist Party to solve the economic problems of the working class, namely, wage slavery, unemployment, poverty, etc., this Congress calls on all unions and workers to cancel their connections with the ALP and the Nationalist Party." (p.43)

In the month following the ACTU Congress the governments of Australia headed by the Commonwealth Labor Government signed and introduced the infamous Premiers' Plan which was dictated to them by Sir Otto Neimeyer representing the Bank of England. It was by this plan that all forms of government expenditures, including such items as pensions, were reduced by 20 per cent.

In September, 1932 a further Congress of the ACTU was held in Melbourne.

In the period between the Special Congress of 1931 and the Ordinary Congress of 1932 the Labor Government had been removed from office and replaced by a reactionary government led by the Labor renegade Joseph Lyons.

This state of affairs was brought about by the deepening of the economic crisis, the failure of the Scullin Government to deal with the crisis, the pressure of the agencies of the Establishment of the ruling class and divisions within the Parliamentary Labor Party.

This was also contributed to by the failure of the trade union movement to provide the workers with a clear cut lead and a fighting policy to protect that class from the onslaught of capital.

In the changed circumstances the basic pro working class ideological concepts of the trade union movement revealed in the Congresses of 1930 and '31 were continud at the 1932 Congress.

A policy drafted by the Congress prepared in pamphlet form and distributed to the workers opened by saying: "Congress, realising that unemployment cannot be solved under the present system of capitalism, therefore calls upon the trade union movement to unite on the basis of replacement of capitalism by the social ownership of the means of life, and the abolition of the wage system, and instructs all branches of the ACTU to work for unity on this basis alone."

Under the heading "Policy for alleviating unemployment" the Congress declaration said: "Congress, realising that unemployment is intensified by wage reductions and consequent lower purchasing power of the community, that excessive machine production displaced human labour to an alarming degree, which cannot be reabsorbed in industry; this Congress, representative of the whole of organised labour throughout the Commonwealth, declares that a halt must be called in reduction of wages policy of the Federal and State governments and employing class; demands the restoration of all wage reductions and, with a view to utilising in industry as many as possible of the unemployed, a 30-hour week of 6-hours per day and a 25 per cent increase in wages.

That the unions be called upon to refrain from approaching the Federal Arbitration Court or any State Tribunal as individual units on the question of standard hours for the fixing of the basic wage without the consent of the ACTU in Federal jurisdiction or the appropriate authorised branch of the ACTU in State jurisdiction."

#### Capitalists not seen as workers' friends

We will never know for sure whether the call for a general strike in opposition to the attacks upon the workers by the ruling class and as a means of rallying the class to defend its position and attack the class enemy would have succeeded.

It may well be that such a move would not have had the success that its proponents suggested but the vigour of the movement displayed by such proposals stood the workers in good stead in subsequent periods.

There are some things, however, we do know of that period.

Firstly, the divisions in the working class movement, the savage attacks which had been launched on it, and the dismal failure of the Scullin Labor Government to live up to the expectations of the working class, left that class, to a substantial degree, at the mercy of the employers and the reactionary governments which represented their interests.

We also know that certain features of the debate revealed the existence of a fighting left wing force.

During the debates at all three congresses (1930, '31 and '32) delegates argued for socialism and made comparisons with the progress of workers in post-revolutionary Russia.

Delegates pointed to the displacement of workers by machinery, the need for reduced working hours, higher wages, and increased consumption.

They discussed the need for international solidarity to counter the massive extension of the capitalist system internationally.

Terms such as "working class sentiment", "class division", "world capitalism", "employing class", "abolition of the wages system," and references to Karl Marx were commonplace at those Congresses.

It was a strongly held belief that workers should not have to pay for the crisis of the capitalist system and one delegate on this question referred to the

"shibboleths peddled by capitalist agents, univeristy professors and others. (1932 ACTU Congress Minutes, p.25)

The capitalists were not seen to be the friends of the working class nor a group of society with interests in common with the working class.

To sum up it could be said that the ACTU in the period 1930-32 identified the cause of the crisis — the system of capitalism — and called for a change in the economic system to achieve the emancipation of the working class. It also sought immediate reforms such as increased wages, shorter hours, nationalisation of banks, public works programs, and immediate relief for the unemployed.

All of these measures were seen as putting the workers' interests first before those of capital.

Workers were seen as the victims of a system which was not a fault of their own. They should not be made to carry the burden of that system on their shoulders.

## What of the 1980s?

The 1980s opened with a reactionary anti-working class government still holding office after four years in government. Most of the State governments were of the same political calibre.

The decade was also marked by a continuation in somewhat incipient form of an economic crisis mounting throughout the capitalist world and developing in circumstances in which an earlier period of crisis had not fully worked itself out.

There had been increasing attacks upon working class organisations and in particular, the trade unions through a series of legislative actions by the government.

In the early part of the decade a near 7-year long practice of wage indexation related to price movements was ended.

This state of affairs led to a wave of wage actions and wage increases following the Congress of the ACTU in September, 1981.

These wage increases were almost entirely the result of agreements between employers and unions and their achievement involved very limited industrial action by workers. The rises were substantial and took the unusual form of two instalments. They were accompanied by unprecedented undertakings by the unions not to make any further claims during the currency of their awards.

Because of the form taken by the wages campaign, that is, increases sought in individual awards and individual industries, the increases won were not universally applied to all workers. There was a national campaign only in the sense that a number of unions were moving to obtain increases somewhat coincidentally. However, even in that form of campaign the claims were not common.

This process was in accord with the wages policy decision of the ACTU 1981 Congress. The left forces had sought a decision which would have resulted in a truly national campaign with some form of common demands. However this was rejected in favour of an amended recommendation from the ACTU Executive which called for the development of campaigns for "industry by industry or occupation by occupation" demands by the unions.

This resulted in a process in relation to wage claims of "catch and kill your own." At the time the wage increases were obtained there were varying estimates of the number of workers who did not receive any of the two instalment wage increases resulting from the "catch and kill your own" process or had received only part of one or other of the instalments. But the number was quite considerable.

In addition to these wage increases, there was agreement for a reduction of the standard working week to 38-hours over a wide area of employment.

This reduction in hours by agreement and subsequently written into awards by Arbitration bodies, followed a protracted period of guerilla like campaigning by the unions on almost an establishment by establishment basis which resulted in a reduction of the standard working week to various levels from 35 up to 38 per week.

## Shorter hours at a price

This guerilla campaign was also accompanied by an unprecedented process of trade-offs by the unions in the form of what was called "cost off-sets" in return for a reduction in hours.

These cost off-sets resulted in the reduced weekly hours costing the employers little or nothing. They took the form of sacrifice by workers of a number of conditions wrung from employers over a period of time and relating to questions of washing time, walking time, manning scales and other factors. These sacrifices by the workers made labour available to employers for exploitation and profit-making purposes for longer periods than would otherwise have been the case with reduced working hours.

This process of trading in relation to shorter working hours was referred to in a Discussion Paper prepared by Anna Pha for the SPA Central Committee in a Discussion Paper prepared by Anna Pha for the SPA Central Committee in a Discussion Paper prepared by Anna Pha for the SPA Central Committee in a Discussion Paper prepared by Anna Pha for the SPA Central Committee and published in February, 1982. It said:

"Productivity bargaining is the means by which many of the shorter working weeks are being negotiated. Labour's share of the benefits of increased productivity and the "trade-offs" (called "off-sets") is a shorter working week. The productivity bargaining has usually involved "negligible costs" to capital, consistent with the wage indexation guidelines.

"The shorter working week has not been negotiated as an entitlement as labour's share of national productivity gains, but has been bought for a price. This is not consistent with the SPA's or the ACTU's policy for the sharing of the existing productivity gains.

"The price being paid for the shorter working week needs to be examined very carefully.

"In most cases, these off-sets have included an increased output per worker per hour and the giving away of many hard-earned union conditions."

The Discussion Paper gives examples of the type of conditions being "given away" and goes on to say: "In addition to the above are new procedures for handling disputes.

"The conditions referred to above (and being given away) were only won after years of often bitter struggle, and in such cases as the manning of equipment or work breaks, they were won because it was a question of the health and safety of workers.

"Other conditions were also won for good reasons and should not now be 'up for sale.'

"The savings to capital brought about by these changes in conditions is in most cases, quite substantial. For example, the elimination of a 15-minute afternoon tea break and 10 minutes paid showering time at the end of a shift at one Victorian firm saves \$114,000 per annum for less than 140 workers.

"For the same company, restriction of sick leave entitlements saves \$48,000, elimination of meal allowance payments as tied to overtime saves \$17,000, elimination of change of shift penalties saves \$51,000, manning level changes saved \$663,000, and so on.

"Agreements such as these have involved savings to capital of millions of dollars.

"With some of the current agreements, the trade-offs result in only a reduction of 20 per cent to 30 per cent of the hours reduction stated. A 40-hour week which previously included tea breaks, shower breaks, machine starting and stopping times was, in fact, a 37-hour actual working week. The tradeoffs in such instances have involved a 'price' for a five hour per week reduction but in reality the reduction is often closer to two hours a week."

In many instances the trade-offs or off-sets were made in return for only a 38-hour week and in other instances were associated with agreements restricting work practices and even strike actions.

#### Crisis signs in 1981

At the time of the ACTU Congress in September, 1981 the development of the world crisis affecting the capitalist countries was already well advanced and was being reflected in the position of the Australian economy. For example, in the quarter ending September, 1981 the total number of people registered as looking for full-time or part-time work was 396,000, that is, 5.8 per cent of the

This was up on the figure for the previous quarter ending June which was 361,000 (5.3 per cent) an increase of 9.7 per cent in registered unemployed in just 3 months.

Prices were continuing their years' long process of rising and in the quarter ended September, 1981 the Consumer Price Index (CPI) showed an increase of 2 per cent over the June quarter and for the year ended September, 1981 the increase in prices, as measured by the CPI, was 9 per cent.

These features marked the beginning and early part of the 1980s and were main aspects of the background to the 1981 ACTU Congress. They were a preface to the rapid development of the crisis in the economy. They are a backdrop against which is to be seen a number of developments revealing a markedly different attitude by the trade unions to the problems confronting them in the 1980s to that adopted by the trade unions to the problems, similar but not identical, in the 1930s.

The decisions of the 1981 ACTU Congress reveal that it "sensed" the mounting economic difficulties rather than being conscious of their extensive character and effect. The Congress decisions contain a very lengthy statement under the heading of economic policy. Stripped of a great deal of unnecessary verbiage it contains some worthwhile and generally acceptable proposals.

However, little is said to indicate the need for substantial change in the economic system to cope with then discernable, and subsequently prominent, features of the situation. For example, there are no specific proposals for public ownership of decisive sectors of the economy and the word "socialism" is not even used or hinted at.

This may be excused but not forgiven on the grounds that the economic crisis, already developed and further developing, was not as clearly discernable in September, 1981 as it was a mere six months later.

However, that basis for excuse cannot be used in connection with the ACTU specially convened conference of affiliated organisations held in September, 1982.

At the time of the conference the worldwide crisis of capitalism had already developed to a high stage of acuteness and with great rapidity was having farreaching effects in Australia.

In the year ending September, 1982 the CPI had increased 12.3 per cent. The September quarter increase in the CPI was 3.6 per cent and was the second highest quarterly increase in the previous eight consecutive quarters.

Unemployment at 506,000 persons seeking full-time or part-time work, represented 7.3 per cent of the workforce and at that time represented the highest level of unemployment since the ACTU Congress in the September of the previous year.

The ACTU leaders were not unaware of this state of affairs as is revealed by some of the statements issued from Executive meetings during 1982.

## ACTU's "Incredible Proposal"

It was against that background that the ACTU convened the meeting of affiliated unions September, 1982, and issued a paper setting forward proposals dealing with the questions of "the state of the economy, hours and wages and salaries."

However, the proposals advanced at that meeting on behalf of the Executive, including a proposal that the workers should, by contributions from their wages, finance a scheme to provide employment, reveals either a total misunderstanding of the situation confronting the workers or a desertion of their best interests by the ACTU leaders.

The position of the ACTU at the 1982 conference to the issues then confronting it is revealed in press reports of the day.

The Sydney Morning Herald (September 3, 1982) referred to objections and criticisms of the ACTU "state of the economy" document by left-wing speakers as being directed to:

- \* a proposal to forego half the benefits of tax indexation in return for a national employment fund;
- \* a pause in the shorter working week campaign;
- ★ an inference that workers, through wage claims, were partly to blame for the recession.

The report referred to a speech at the conference by Mr P Clancy, National Secretary of the Building Workers Industrial Union (BWIU) in which he said that workers were the victims not the instigators of the recession. The Sydney Morning Herald quotes Mr Clancy as follows:

"Yet the document says we should be careful not to blame the government or external factors.

"One gets the inference that it is seeking to assign some blame on the workers, lining up in its ideological thrust with the campaign that wage demands have caused the recession.

"The danger in this document is that workers will feel that somehow they are to blame and that somehow their wages should be restrained.

"The document also proposes the setting up of an employment fund, paid for by the workers foregoing tax indexation worth \$4 a week. I find that an incredible proposal."

The proposals thus criticised by P Clancy were being advanced by ACTU leaders in the period of the anti-working class Fraser Government. No wonder the *Financial Review* in its editorial of September 6, 1982 said: "Fraser should listen to the ACTU."

The same issue of the Financial Review, in an article by Michael Stutchbury quotes the then ACTU Assistant Secretary, Bill Kelty (now ACTU Secretary), as having told the conference "The trade unions have an obligation to accept responsibility because I believe that the trade union movement can in fact affect the level of unemployment, can affect the level of prices and can be a very cogent force in the determination of the state of this economy."

#### Workers to pay

Some analysis of this Conference and the proposals advanced by the ACTU Executive and the contrasting positions of the ACTU in the economic crisis

period of the 1930s and the economic crisis period of the 1980s, has been made in a publication of the Socialist Party of Australia entitled ACTU Policies on Unemployment by Anna Pha.

Having quoted from sections of the ACTU 1930 Congress Minutes the analysis goes on to say:

"This understanding of the cyclical phase of overproduction and under consumption, and the note that unemployment is inherent in capitalism is in sharp contrast to the level of debate and decisions taken at the 1982 special conference on employment.

"Delegates to this conference were told by the leadership: 'We are not here to debate systems or apportion blame' — delegates were there to 'adopt practical measures.' (Vice President, Fitzgibbon)

"The executive recommendation to the conference reflected this stand, although several contributing 'causes' were identified. These centred around the governments' fiscal and monetary policies.

"The document adopted on employment referred to 'unrestrained wage and price inflation', the need for us 'to be competitive as a trading nation', and the need for a 'stable economic environment'. (Page 5) The stability referred to by Fitzgibbon in debate was the need for 'wage stability.'

"Implied in this concept and others such as the proposed 'off-setting' of a future wage increase for national health insurance was the acceptance of the idea that 'one man's wage increase equals another man's job' or that wage increases cause inflation which causes unemployment.

"Thus one of the causes of the crisis, and in particular unemployment, underlying the 1982 document's approach was the idea that workers' wages should be restrained and that workers needed to take responsibility to bring about a recovery.

"In both 1930 and 1982 the ACTU did recognise the situation as political and economic, but as outlined above in 1930 the ACTU blamed the system of capitalism, and in 1982 appeared to lay blame on government policies and workers' wages.

"The 1982 Conference did not question the system of capitalism, but sought economic solutions within the existing system such as changes in fiscal and monetary policies. There were not even demands for nationalisation, such as those made for the nationalisation of banking at the 1930 Congress.

"Instead the path to recovery was seen to lie with 'cooperation with and from employers,' and with workers having to pay for recovery, share the responsibility, after all, as Fitzgibbon put it — 'who else was going to pay for it.'

"These calls for cooperation, sharing the responsibility and other proposals ... for a social contract, are reformist and class collaborationist. They deny the nature of the class struggle, do not serve the interests of the working class, and are in sharp contrast to the class position adopted by the ACTU in the early 30s."

The approach adopted by the ACTU leaders in the crisis confronting them in September, 1982, laid the basis for the subsequent attack upon wages by way of a compulsorily imposed wage freeze which the ACTU denounced but failed to resist, the adoption by the ACTU of the ACTU-ALP Accord, its participation in the National Summit Conference and its support for the Communique issued by that gathering.

# The Accord and the Communique — The gospel of class collaboration

Three events and some associated documents highlight the consequences, the inevitable consequences, of the departure by the ACTU in this period of crisis from the clear working class line followed by that body in the crisis at the beginning of the 1930s.

These events were the decision of the Arbitration bodies to impose a freeze on wages from the end of 1982, the Federal Unions Conference in February, 1983 and the Economic Summit in April, 1983. The documents referred to are, first, the formal decision of the Australian Arbitration Commission of 23rd December, 1982 which imposed the wage freeze, the Accord between the ACTU and the ALP and the Communique issued from the Summit Conference.

The line of the ACTU leaders in relation to these events and the documents which received their endorsement reveal them preaching not the divine gospel of discontent but the devilish gospel of class collaboration.

The line of the ACTU leaders revealed at the September, 1982 conference of affiliated organisations was even more clearly revealed and further developed at the conference of affiliated organisations convened by the ACTU on February 21st, 1983.

This line which we have described as a form of class collaboration was revealed specifically in the document known as the ACTU-ALP Accord. This incomes policy.

The specific terms of this document had been in the drafting for approximately 2 years before it was finally adopted by the trade unions. But the ment for longer than that.

In general this thinking was in no way new. It had been advanced several times in the period of the last sixty-odd years.

It is thinking which is based upon the concept of the eternal existence of the present order of society, that is, capitalism, and the need for the workers to join with the capitalists in ensuring its perpetuation.

Following World War I a movement based upon these concepts was developed in Britain with a knight of the realm, Sir Arthur Mond, being prominent in its advocacy and organisational steps to have it implemented. This movement became known as "Mondism" and Sir Arthur visited Australia to propagate the idea. Later it was propagated by the Labor Prime Minister Ben Chifley and by Prime Minister Menzies.

None of these efforts had any substantial success but that has not stopped an incessant campaign of an ideological character aimed at influencing the thinking of the working class in this and other capitalist countries aimed at perpetuating their own thraldom.

However it was left to the latter-day reformist minded leaders of the ALP and the trade union movement to give tangible and substantial form to this concept.

That was the real purpose of the Accord, of the Summit Conference and of the Communique emanating from the Summit.

This conclusion is based upon the actual wording and estimates of a number of speeches made by leading figures of the ALP and the ACTU at a number of gatherings.

The idea of an agreement or accord between the unions and the Labor Party was brought to light by the then leader of the Labor Party Opposition in the Federal Parliament, Mr W Hayden at the 1981 Congress of the ACTU.

He informed the Congress that the ALP had already "begun discussions with ACTU President, Cliff Dolan and other trade union leaders ranging over the whole area of an equitable, sensible prices and incomes policy." He went on to make the following points: "What the Labor Party is offering is a climate in which government, unions and employers can co-operate in a wage fixing system that is fair, systematic and responsible. It will be a system — complemented by just and equitable social and economic programs — that will bring justice and, above all, harmony back to the whole community.

"It can be done through co-operation and association between the Labor Party and the trade union movement. But I remind delegates that — if the unions are not prepared to tap this special association and if, as a consequence, we cannot harness this potential — the only alternative will be the blunt unselective economic tool of monetary and fiscal policy which bears so unfairly on those least able to bear it."

So there we have it, co-operate with us in our efforts to administer this capitalist society or oppose us and we will still administer it but more harshly from the point of view of the workers.

That is strange language from the leader of a party which at least calls itself social democratic. But perhaps it is not so strange, perhaps after all it is, to borrow a quote, "par for the course" for such parties.

The thinking which provided the basis for the purposes of the ACTU-ALP Accord and of the Economic Summit and its Communique were also revealed in speeches by the now Prime Minister R J Hawke both before and after the above speech referred to by W Hayden.

The first speech was delivered on August 12, 1981 to the Industrial Relations Society of NSW and was titled "Industrial Relations in Australia; How We Got Where We Are, Where Are We Going Now?"

The second speech was delivered at the 1981 Investigator Lecture at Flinders University on October 7, 1981 and titled "Australia Ahead — Navigation Aids For Unknown Waters."

The third speech was delivered at the Summer School of the Institute of Political Science in Canberra on January 30, 1983.

All of these speeches showed R J Hawke already holding developed ideas aimed at encouraging collaboration between the trade unions and the employers in relation to a number of areas of economic activity in which the interests of the workers and their employers are, in fact, diametrically opposed.

These speeches became a prelude to the policy speech he delivered on behalf of the Australian Labor Party as its Federal Parliamentary leader in connection with the Federal elections of March 5, 1983 which resulted in the sweeping victory of the Labor Party.

#### Invalid analogy

In the speeches and in the election campaign he repeatedly equated the position that confronted Australia as a nation in the period of the Second World War with that which confronted the country in the current economic crisis.

That analogy is invalid. In the period of the Second World War there were external dangers that confronted all the people of the nation alike. There were genuine common interests amongst the people irrespective of their social position as capitalists or labourers. In the circumstances the working class as a whole and its organised bodies responded to the dangers irrespective of the differences existing between the workers as a class and their exploiters.

It should also be noted that despite that stand on the part of the working class and its organisations no such full-blooded approach to common interests marked that of the employers as a whole. During that period there were those who sought to take advantage of the situation. This was exampled by the position of BHP Pty Ltd when it closed its steel works in Newcastle in the course of a dispute with members of the Federated Ironworkers' Association. The closure took place at a time when Australia was threatened by the Japanese militarily.

The history of the time records the fact that the then leaders of the Ironworkers' Association sought and obtained the support of the then Prime Minister, Mr John Curtin, to compel BHP to open its plant under a special order issued by the government in accordance with certain war-time powers it possessed.

No such situation exists today comparable with that of the Second World War.

However, Mr Hawke used the analogy to a substantial extent for the purpose of encouraging the development of a point of view which was ultimately to lead

the trade union movement into a stage of collaboration with the enemy of the working class, not for the purpose of solving common problems but for the purpose of ensuring the protection of the economic system of capitalism and the bearing by the workers of the main burden of economic crisis of that system.

Mr Hawke accompanied the use of this analogy by donning the cloak of John Curtin war-time leader of the nation and wearing that cloak, adopted the stand of a national leader calling for consensus, co-operation and reconciliation between classes, inappropriate to the present period.

That analogy and that posture from a national leader calling for joint efforts to meet a so-called "common threat," were used to validate the development of concepts of "Australians coming together" and the idea much beloved by so many Labor Party parliamentary leaders that the government they lead represents all the people and not just the working class on which the party of its parliamentary representatives rely for support.

It was a period in which the workers anticipated and looked for the defeat of the anti-working class Fraser Government and the election of a Labor Government, but the Hawke speeches facilitated extensive calls for unity and provided a substantial part of the background against which the Accord was adopted by an ACTU convened conference of affiliated organisations on February 21, 1983.

The adoption of the Accord, associated with the desertion of a sound working class position by the left forces of the unions, facilitated the convening of the National Economic Summit Conference and the adoption, with active and vigorous support from the ACTU leadership, of the Communique issued by the Summit.

That in turn created the circumstances in which the ACTU advocate before the Australian Arbitration Commission proposed support from the Commission for wage restraint and a continuation of the freeze or pause on wages by another means.

# The Accord — Some main features

While the main aim of the Accord is long-term in nature and purpose the document also contains some immediate and mid-term objectives in relation to the trade unions and workers wages and salaries.

Just as the main and long-term objective needed cloaking, so also did the more immediate and mid-term objectives. They could not be presented too bluntly or standing on their own.

Consequently the Statement of Accord contains a number of proposals of benefit to and attractive to the trade unions and the workers. However, none of these are new and none were introduced for the first time in the Statement of Accord itself.

Some of these proposals were already the subject of decisions by earlier ALP Federal conferences and were contained in the policy statements of that body. Some were outlined, indeed quite a number were outlined in the speech by Mr Hayden to the 1981 Congress of the ACTU. Some were already referred to in the speeches by Mr R J Hawke which we have mentioned as really containing indications of the long-range objective of the Accord.

All of the proposals, so attractive to the unions and the workers, were included in the policy statement by Mr Hawke as Leader of the Opposition in connection with the March 5th Federal elections or were contained in separate policy statements made by various spokesmen for the ALP or could have been included in those statements.

None of them needed the Accord nor any separate and special endorsement by the trade unions.

Their inclusion has to be seen in relation to proposals for wage restraint which is the main immediate and mid-term objective of the Accord.

Proposals for wage restraint would have been totally inappropriate and unacceptable had they been included in the Labor Party policy statement or in any of the other earlier speeches and documents to which we have referred.

## Unions' acceptance of wage restraint needed

Wage restraint was possible only on the basis of agreement with the trade unions and consequently it was included in the Statement of Accord along with the other proposals attractive to the unions. These latter served as a form of 'burley' used by fishermen to attract fish to the bait.

Their inclusion was also necessary to achieve another purpose of the Accord which was to have the unions accept the concept of wage levels being a determining factor in the level of prices, a cause of unemployment and a factor contributing to economic instability.

Acceptance of that idea was essential for acceptance of the idea of wage restraint and acceptance of wage restraint was possible only on the basis of acceptance of the concepts of consensus, co-operation and reconciliation between the trade unions and the ruling Establishment in Australia and between the workers and their employers.

Approval by the unions of the idea of wage restraint and their acceptance of the concepts on which such a proposal is based is revealed by the terms of the Accord dealing with the question of wages.

Some of those who voted for acceptance of the Accord are now seeking to claim that this acceptance was based on an undertaking by the government to support the maintenance of real wages, by their full indexation in accordance with the movements of prices.

In support of that they quote the following sections of the Accord which are published under the heading "Elements of policies for prices and incomes." "Both organisations, (that is, the ALP and the ACTU) agree that such policies must remain flexible to some degree but there are various fundamental features

of effective prices and incomes policies that are essential to its acceptance and continued viability.

"These features are:

The policies should aim to ensure that living standards of wage and salary earners and non-income earning sectors of the population requiring protection are maintained and through time increased with the movements in national productivity."

Standing on its own that provision must mean that the ALP agrees, and as a government it must agree, to the regular automatic indexation of wages on a quarterly basis in accordance with movements in the CPI and, in addition, to periodical increases in the level of real wages in accordance with movements in national productivity.

We leave aside any consideration of what may or may not be meant by the expression "national productivity."

If, in fact, that provision of the Accord stood on its own and was in no way qualified by other provisions also accepted by the unions, then it would be legitimate for the unions to break with the Accord in the light of the fact that the Government did not support the maintenance of living standards for wage and salary earners in the 1983 National Wage Case. It opposed the claim by the ACTU for certain immediate increases in wages and the immediate application of automatic quarterly indexation in accordance with movements of the

However, that particular provision of the Accord does not by any means stand on its own.

Under the heading "Wages and Working Conditions" the Accord says: "The principles of wage fixation should be such as to provide wage justice to employees while seeking to ensure that wage increases do not give added impetus to inflation or unemployment." (This is one of the many references in the Accord which indicates acceptance of the idea that wage increases are a main if not a sole cause of price inflation and high level unemployment.)

The same provision of the Accord goes on to say: "The maintenance of real wages is agreed to be a key objective. It is recognised that in a period of economic crisis as now applying that this will be an objective over time."

This paragraph points to the bugbear of the expression "through time" or "over time." In the earlier paragraph the reference to "through time" is applied to increasing the wage in accordance with the movement of national productivity but in this paragraph the use of the words "over time" implicitly means that the adjustment of wages in accordance with the movements of the CPI will not be automatic but is an objective to be achieved over a period of time and is related to inflation and unemployment.

The Accord goes on: "In formulating claims for improved wages and conditions at the national level the unions will have regard to Government economic policies and will consult with the Government on the amount of such claims." This provision is obviously intended to restrict wage claims in the light of Government economic policy and is not by any means a commitment by the

Government that automatic quarterly cost of living adjustments will automatic cally apply.

The following paragraph of the Accord states: "Both parties recognise that if the essential conditions of the centralised system are met that there shall be no extra claims except where special and extraordinary circumstances exist. The no extra claims provision will apply to both award and over-award payments."

This is a commitment by the unions that there will be claims only of a national character limited to national productivity and quarterly cost of living adjustments. It virtually rules out other claims. (In a later section of this publication we refer to our view on the centralised wage system and the value of that system for the workers.)

The last paragraph of the section headed "Wages and Working Conditions" states: "Bargaining based upon achieving increased productivity via changes in work practices or procedures as a means of reducing hours at negigible cost increases, will continue to be supported, provided the standards created are not in excess of community or emerging standards, and, if possible, involve the standardisation of hours within the enterprise or industry."

This is obviously a commitment on the part of the unions to continue the practice of associating claims for reduced hours with agreement on cost offsets a matter referred to earlier.

As one means of enforcing a wage restraint policy, the Accord, under the heading of "Prices" refers to the establishment of criteria in relation to price increases and contains this point: "In this regard the amount by which wages tivity will not normally be allowable as the basis of a price rise." This is an in relation to wages or working conditions outside of those prescribed in awards. (We will observe on this aspect again in relation to the Summit Communique.)

In relation to taxation the Accord says. under the heading "Taxation and Government Expenditure": "On taking office the Government will substaning the tax scale so that the tax burden will not rise automatically with agreed that in the context of concerted Government action in respect of job the provision in the Accord for restructuring of tax scale and the easing of the this same heading of "Taxation and Government Expenditure" goes on to say:

"In the event that economic or social circumstances at some future date necessitate, in the view of the Government, a general rise in taxation, the effect to it."

(This acceptance by the unions of anticipated higher taxation was reflected also in the speech made by ACTU Secretary W Kelty at the Summit Conference, to which we will refer subsequently.)

Just how far this document represents an accord, that is, an agreement between the ALP and of course now, the Federal Government, and the unions is revealed by some other Accord provisions and a comparison of how they have been observed by the Government.

In setting out why incomes and prices policies are necessary the Statement of Accord says: "In contrast to the Fraser Government's assertion that a wage freeze will make more funds available for employment, the reality is that a reduction in demand, through severely reduced real incomes for most of the population, is bound to accentuate economic recession and increase unemployment. Additionally, when the freeze is over the original problem of achieving non-inflationary growth remains, and indeed, is made more difficult of achievement by the inequitable distribution of income resulting from the freeze."

Despite that statement the Government, in the 1983 National Wage Case, took a line which in fact maintained a form of freeze on wages and was opposed to the full claims of the ACTU which themselves fell far short of restoring and maintaining the purchasing power of wages.

Under the heading "Elements of policies for prices and incomes" the Accord states: "There must be continuous consultation and co-operation between the parties involved."

There was no consultation between the parties involved in the Accord in relation to the opposition by the Government to the ACTU claims in the 1983 National Wage Case and as the unions have pointed out there was no consultation in relation to the decision by the Government to increase taxation on lump sum superannuation payments.

Again under the heading "Wages and Working Conditions" the Accord says: "To protect the purchasing power of wages and salaries the adoption of a system of full cost of living adjustments will be strongly supported in tripartite consultations and before industrial tribunals." As already pointed out the Government, far from strongly supporting a system of full cost of living adjustments before industrial tribunals in the 1983 case opposed the adoption "of a system of full cost of living adjustments."

#### ACTU abandons wage claims

In total these provisions mean that the unions have accepted an extensive process of wage restraint and reduced living standards by:

- ★ limiting wage claims to national claims for increased wages based upon the movement of national productivity periodically;
- ★ limiting wage claims to the quarterly automatic adjustment of wages in accordance with the movements of the CPI;
- ★ the strict limitation of any other claims for increased wages to those that fit under the category of "exceptional circumstances;"
- ★ being prepared to accept less than full indexation of taxation and to in fact accept increased taxation.

The Government, apparently working on the assumption that it has tied the unions up with restrictions has not honoured obligations made under the

Accord in relation to wage claims and, in particular, full maintenance of the purchasing power of wages by indexation in accordance with the CPI move.

Both the Government and the unions have proceeded in this connection on the basis that the restriction of wages was necessary because wage levels were the determining factor in price levels, in the level of unemployment and even of economic instability.

In the 1983 National Wage Case, the ACTU set out facts showing that there had been no general increase in wages to compensate for a 9.1 per cent increase in prices between March and December, 1982, a 2.2 per cent increase in prices for the quarter ending March, 1983 and a further price increase of 2.1 per cent for the June quarter, 1983.

In total this meant an increase in prices without any wage compensation between March, 1982 and June, 1983 of 13.4 per cent.

However, interpreting the Accord as meaning that the wage adjustments in accordance with price movements would be achieved "over time" the ACTU abandoned making any claim in relation to the 9.1 per cent increase in prices occurring between March and December, 1982, and pressed only for a 4.3 per cent increase in wages to compensate for the whole of the increases in the period between March, 1982 and June, 1983.

Furthermore, it was anticipated that even if an increase was achieved it would not be payable before September by which time further price increases would have occurred.

The ACTU revealed every indication of accepting the proposal of the Government that instead of the ACTU claim for immediate restoration of automatic quarterly adjustments to wages in accordance with the CPI they would accept half-yearly adjustment of wages in accordance with price movements and these to commence in the middle of 1984.

The ACTU advocate virtually pleaded with the Full Bench of the Arbitration Commission for an immediate 2.2 per cent increase in wages and the restoration of quarterly cost of living adjustments on the grounds that this was provided for in the Accord and if it was not instituted, she warned the Commission, wages would not be controlled but would again, as she put it, get out of hand.

In addition to these particular features of the approach by the ACTU to the Accord and the supposed agreement in that document to the restoration of not prevent different approaches to wage claims by the Government and the

For all these reasons we assert the Accord is a fraud. This contention is emphasised by other aspects of the Accord and the Federal Unions Conference of February 21, 1983 which adopted it.

## Positive features restricted

There are a number of provisions of the Accord which find favour with the unions but it is noticeable that these provisions, or rather their institution, is dependent upon agreement by the employers.

Some sections of the trade union leadership associated with the acceptance of the Accord are placing much emphasis upon the Economic Planning Advisory Committee (EPAC), and some references to what is called workplace democracy.

The EPAC us purely an advisory body. It has no authority to intervene and it is not going to plan the economy at all. It is merely going to serve as an advisory body to the Government for purposes of government economic planning.

The employers have representation on that body and to imagine that the leading corporations of this country are going to agree to any interference with their planning is to stretch the imagination too far.

In connection with the prices surveillance machinery it is to be noted that the guidelines make provision for prices to be increased so as to give a fair return on investment, to maintain profit levels and to provide for further investment in each of the companies concerned.

This body will have no power to execute decisions and it will do little more than monitor the increases and if it disagrees with what is being done draw attention to it.

As to the processes of workplace democracy and the workers having some say in affairs this must be viewed in the light of what has already occurred in the steel, mining, car industries and the railway services.

The practices followed show management deciding upon what is going to be done. This will be followed in the future despite all the provisions suggested in the Accord.

The extent to which the Accord in any way binds the Government or guarantees anything to the unions and the position of the employers was spelt out at the Federal Unions Conference on February 21st by Mr R J Hawke. It was also made clear in a statement released by the ACTU officials and commented on by ACTU President Dolan immediately after that conference.

Stating "We accept what the ALP leader Mr Hawke said at the Special Unions' Conference" Mr Dolan quoted Mr Hawke in the following terms: "We as a Government will certainly not be your hand maiden and this historic document, the Accord, makes it clear you do not expect that. At no point have you asked of us that any one of these issues is a sole prerogative between you, the trade union movement and the Australian Government.... in regard to every one of these issues — wages, tax, health, immigration — you have to understand, agree and take it as proper that there will be just as much opportunity for consultation with the employers as with you."

Endorsing this Mr Dolan in the statement issued on behalf of the ACTU said: "We do not have expectations that our policies will be adopted by govern-

ment, but that in key areas, mechanisms will exist to enable us - like the

Mr Hawke made his statements to the union conference before the vote was taken and yet despite the presence of a left-wing grouping only one person

The final document which was placed before the conference was not available to many delegates until they arrived at the conference on the Monday morning, The earliest some unions received their copy was the previous Friday,

The ACTU officials and the right-wing trade union leaders who agree with the concepts on which the Accord was based, were not so disadvantaged. But most important is the fact that representatives of the left-wing had participated in some drafting and amending of the Accord from its earlier wording prior to the Federal Unions' Conference.

This possibly explains why those persons, whilst joining with everybody else in declaring that the document was a total document and could not be adopted in part and despite the features that we have referred to voted for it as did the

# The Summit Communique — Some further main features

The main purposes of the Statement of Accord were furthered at the National Economic Summit Conference convened by the Federal Labor Government in Canberra from 11-14 April, 1983. That fact is revealed in the Communique which was drafted by a committee including representatives of the ACTU.

The Conference consisted of Government Ministers, State Premiers, community leaders, top ranking heads of main business corporations, heads of employers' organisations and the ACTU Executive.

The Communique was adopted unanimously, except for Queensland Premier Bjelke-Petersen. Speakers from the ACTU Executive participated in the discussion urging adoption of the Communique.

There was, of course, no reference in the Communique to any change being necessary in the economic or social order of Australian society. On the contrary there was public recognition by all concerned of the need to retain capitalist

Paragraph 9 of the Communique states: "The preservation of the private sector as a profitable operating sector is essential to Australia's well-being and to encourage job creating investment both within Australia and abroad." Paragraph 55 refers to the objectives set for the Summit and the last of these stated reads as follows: "...to reach agreement on arrangements and machinery to monitor and continue the work of this conference, especially in regard to continuing the process of consultation and co-operation between governments,

business and unions, initiated by this conference itself." The paragraph goes on to express satisfaction at the degree to which the objectives set for the Summit had been met and then states "the participants express the hope that this is the beginning of consensus not the end."

Early in the Communique (paragraph 2) the participants express themselves as being "conscious of the need to work together to meet the challenge of Australia's gravest economic and social crisis in 50 years."

In these references there is clearly reflected the agreement by union representatives in collaboration with the representatives of governments and big corporations to implement the class collaborationist processes instituted by Prime Minister Hawke by way of consensus, co-operation, joining together for allegedly common aims.

In relation to the agreement between the unions and the ALP concerning wages, as set out in the Accord, the Communique repeats a good deal of what was agreed upon and takes at least one aspect of the Accord a little bit further.

Paragraph 8 states: "It is a legitimate expectation that income of the employed shall be increased in real terms through time in line with productivity."

Paragraph 18 says: "The trade union movement also recognises that while the maintenance of real wages is a key objective, in a period of economic crisis, as now applying, it will be an objective over time."

Paragraph 20 states: "It is recognised that if a centralised system is to work effectively as the only way in which wage increases are generated a suppression of sectional claims is essential except in special or extraordinary circumstances proved before the centralised wage fixing authority." (Emphasis added)

The emphasised words seem to take the provisions of the Accord a little further than did that document.

It now seems that, in total, the ACTU has put its name to a scheme for a centralised system of wages by way of national wage claims limited to movements in national productivity and periodical adjustment in line with the CPI with no other wage claims being permitted except "in special or extraordinary circumstances" and the existence of those circumstances must be proved before the Commonwealth Arbitration Commission.

Earlier methods of wage fixation, including centralised forms, were not as restrictive as the proposals to which the ACTU has now agreed.

Even the guidelines adopted by the Commonwealth Arbitration Commission during the period of wage indexation from 1975 to 1981 were less restrictive than the proposals contained in the Accord and the Summit Communique.

Repeating the Accord in relation to taxation the Summit Communique in paragraph 31 says: "The Summit recognises that any requirement for increased aggregate public expenditure may need to be met substantially from taxation which may require increases in taxation or less than full tax indexation."

In total, the attitude adopted by the unions through the Accord and by the ACTU leadership through the Communique amounts to a means of restricting

wage levels, accepting tax increases and accepting processes related to consensus, co-operation and Australians advancing "together" for mythical common interests. All this is for the purpose of maintaining and strengthening an economic system and a social order which brought about "Australia's gravest economic and social crisis in 50 years."

#### Summit speeches amazing

The extent to which certain trade union leaders have gone in this process of collaboration is revealed in speeches made by members of the ACTU Executive at the National Economic Summit Conference.

At the beginning of his speech, the first made by an ACTU representative at the Summit Conference, Mr C Dolan expressed the trade union movement's attitude of welcoming the conference "....because we believe that this Summit can mark the beginning of a new and successful era in government, union-employer and community relations." He goes on: "The ACTU has increasingly sought solutions in co-operative approaches. Our attempts at implementing policies have led to greater and greater emphasis on the need for co-operation and consensus not conflict and discord." Mr Dolan went on to quote with approval the point of view advanced by Prime Minister Hawke in his speech as Opposition Leader in the following terms:

"Policies of division, the policies of confrontation — the deliberate setting of Australian against Australian.... have no part in the true Australian way." (National Economic Summit Conference Documents and Proceedings Volume 2, Record of Proceedings, p.12-15)

ACTU Secretary, W Kelty takes the thinking behind Mr Dolan's remarks further. Here are some quotes from his speech: "However, the Prices and Incomes Accord is not seen by the trade union movement as an expression of our own sectional interests, rather the reverse." "Firstly it does not deny the basic industrial realities of life and consequently establishes an opportunity for improving industrial relations by reducing conflict...."

"Thirdly, the policies are committed to increase employment and growth. We recognise that increased employment demands an increase in the economic fortunes of a substantial number of corporations in this country.

"Fourthly, by the processes of consultation inherent in the agreement a between unions and employers can provide the basis for long-term improvements in the way this country perceives disputation. We have the opportunity, through the Accord, to establish a lasting understanding of our mutual task."

"Let me say openly to those employers who sometimes misunderstand the perceptions of the trade union movement that we accept that enterprises need to establish increased employment. The trade union movement in this country ideological lemmings." (Summit Proceedings pp.33-34)

This is strange talk coming from a leading official of a trade union body

which does have an ideology, to some extent embodied in its objective, of the socialisation of the means of production, distribution and exchange.

It is also a far cry from the type of speeches made in the name of the ACTU and referred to by us earlier at the ACTU Congresses in the period of the Great Depression and held in 1930-31-32.

On the question of workers economic interests Mr Kelty's speech contained the following: "We accept that seeking the achievement of lower rates of inflation and higher levels of employment will involve moderation in wage demands. We say that openly and we recognise that as a basic fact." (Summit Proceedings p.30) Here is one more piece of evidence of the acceptance of the totally unfounded theory that the level of wages is a main factor in determining the level of prices, unemployment and even economic crisis.

Mr Kelty in his speech went on: "...we have accepted that the catch-up and the continued maintenance of real wage rates is an objective over time. Consequently when faced with that reality the ACTU put that proposition to a Special Unions' Conference. That proposition has been accepted as being both the reality and the expectation."

"We accept unreservedly that if a centralised system is to be implemented there must be a suppression of sectional interests. The trade union movement cannot have it both ways. We recognise that as a fact. We accept that, if a centralised system is to be implemented and if the essential conditions of the prices and incomes policy are, in fact, met there will be a suppression of such sectional interests and wage rates will be adjusted essentially on a one tier basis through a centralised wage system." (Summit Proceedings p.35)

Mr Kelty indicated that the ACTU accepted that there would almost certainly be less than full indexation of taxes and even some tax increases. (National Economic Summit Conference, Documents and Proceedings, Volume 2, Record of Proceedings p.30-36)

Mr Kelty was smart to make a point about ideological lemmings but by what right does he invite the trade unions and the working class to act in practice as lemmings and as his bidding?

#### Fitzgibbon spells it out

Mr Fitzgibbon, Senior Vice President of the ACTU and formerly General Secretary of the Waterside Workers' Federation (WWF) added to this line of thinking in his speech to the Summit Conference. Near the beginning of his remarks he says: "The ACTU calls on the parties of the Australian community to eschew long held attitudes and fancies that narrow the perceptions and for them to exhibit a willingness to try for consensus in the interests of the nations' future.

Turning to some specific points Mr Fitzgibbon said: "The ACTU has to deliver its side of the Accord in return for support for a centralised wage system and supporting policies." Then, in a manner of speaking, as a warning to the employers he said: "I ask those delegates who are employers and businessmen whether they can afford, as users of labour, not to return to a centralised wage

fixing system. First let us understand what is meant by a centralised wage fixing system as proposed.

"The ACTU means a system by which one centralised authority determines a wage case for all workers covered by Federal determinations. The determination is then applied to all — no more, no less.

These remarks were intended to spell out the fact that the ACTU accepts the concept of no sectional wage claims. Thus, conceiving a centralised wage system as proposed by the ACTU to be an effective means of restraining wage levels and limiting the basis for wage claims, the ACTU Senior Vice-President scolded employers for failing to see its value for them.

No doubt members of the WWF will be interested to learn that their own former General Secretary pushed for an agreement that would mean an end to the separate process of what is called "contracting" in relation to waterside workers' wages. The process of past years from 1967 to 1982 in relation to waterside workers' wages has, under Mr Fitzgibbon's proposals, ceased.

Dealing with the Accord, and making clear that it is not a matter for the unions and the Labor Party alone, Mr Fitzgibbon's speech said: "I also deal with the suggestion that the Accord assumes that the unions have a major say over government decisions. The Accord does no such thing. If anybody can show me that in the Accord I am prepared immediately to go back to the trade union movement and accept that it should be varied. But the Accord does say that there should be input and consultation. But remember that it does not just say that there should be input and consultation from the unions; it says there should be input and consultation from all the essential elements of society. That is the way it should be." (National Economic Summit Conference Documents and Proceedings Volume 2 Record of Proceedings pp.55-58)

These comments spell out the fact that the Accord, while named as being between the ALP and the unions is in fact, and as earlier revealed by the statement of the now Prime Minister, R J Hawke and the ACTU President, C Dolan, is an accord relating also to the employers.

Mr Fitzgibbon spoke upon three occasions at the Summit. We have quoted from his first speech and drawn attention to the fact that he virtually warned the employers against turning their back on the centralised wage system which, as he saw it, was of value to them. In his second speech he defended the employers against press accusations of being "in disarray."

His third speech was devoted to urging adoption of the Communique which as a member of a committee he had assisted to draft just as he had assisted to

We refer to only one more of the speeches of the trade union representatives at the Summit, that of Mr Simon Crean, a Junior Vice-President of the ACTU and General Secretary of the Storemen and Packers' Union. Mr Crean's speech contained the following observation: "Significant concessions on the part of the trade union movement in demonstrating its preparedness to share the burden were made at the Special Unions' Conference in September of last year. What we have put, therefore, is not new in itself. The fact that many participants here see it as new only demonstrates the need for an on-going basis on

which our preparedness to co-operate and share the burden can be discussed."
(National Economic Summit Conference Documents and Proceedings. Vol.2 Record of Proceedings p.85)

The references we have made to the Accord, the Summit Conference Communique, speeches by the trade union officials at that gathering and to other sources of information, validate the contention we advanced earlier that the real purpose of the total process was to enmesh the unions in a process of class collaboration and to weaken the position of the workers in the inevitable conflict between capital and labour and this particularly in the light of anticipated future developments.

## ACTU officers abandon Congress decisions

The stand of the ACTU officers we have quoted and the views they express are contrary to the letter and the spirit of decisions of the ACTU Congress of 1981.

That statement can be supported by some brief quotations from the Congress decision on wages policy. Under the heading "Basic Objectives" the ACTU Congress decision sets out certain principles on which "wage justice is based." These principles include "an adult minimum wage for all employed persons consistent with an ability to maintain a reasonable standard which reflects all changes in relative living standards."

Under the heading "The maintenance of the real level of wage rates" the Congress resolution states: "Congress states that it is essential, that wages must be rapidly adjusted to account for movements in prices to ensure that the objective of restoring and maintaining the purchasing power of wages and salaries is met. Only through full wage indexation and tax indexation will the real purchasing power of wages be maintained. Congress reaffirms its view that automatic quarterly cost of living adjustments, based on the published six capitals CPI figure is the most appropriate method of achieving this objective. Further that wages must be adjusted to reflect national productivity increases.

"Congress rejects the concept that wage increases should be restrained in order to direct a greater share of the national income to profits."

That latter statement is entirely contrary to the concepts in relation to wage restraint on which the Accord is based.

The Congress resolution on the question of wages repeats in several instances the demand for "full automatic quarterly wage indexation." The wages policy resolution of the Congress goes on to say: "The trade union movement has consistently maintained the right to bargain collectively, both in the context of individual award reviews, and in the case of over-award payments. Wage increases above the minimum award rates, negotiated or by collective bargaining or incorporated in voluntary agreements or awards, are essential parts of trade union's wages policy. The application of this aspect of ACTU policy has achieved increases being negotiated by collective bargaining and will be continued by affiliates where wage levels are not consistent with wage justice.

"Congress reaffirms its belief that wage increases should, through national

wage cases, individual awards and over-award payments, both within and outside the Conciliation and Arbitration system, continue to form the basis of wage fixation in this country."

The concept of a centralised wage system such as is envisaged in the Accord and as pressed for by ACTU officers at the Summit Conference is completely contrary to the binding decisions of the ACTU Congress on the question of wages.

A careful reading of the ACTU wages policy decision will show that, overriding the governing body of the ACTU, that is, its Congress, the ACTU officers and, unfortunately, the affiliated unions at a conference, have set aside the Congress decisions in relation to wages policy.

## No accord on 1983 National Wage claims

The National Wage Case of 1983 revealed some of the proofs of the exercise and, in many respects, brought "the chickens home to roost,"

The documents we have referred to plus the Federal Unions' Conference and the Summit Conference created a deal of confusion. This affected the position of the workers and the 1983 National Wage Case proceeded without any visible signs of active support for the claims being made.

This confusion was added to by the hesitant nature of the case presented by the ACTU and the manner in which it "backed and filled" about the actual claims. We have referred to this earlier and emphasise it now to demonstrate in practice the effects of the Accord.

Our references to both documents show that despite the claim by some that they support the Accord but not the Summit Communique, the fact of the matter is, that the Summit Communique is based upon provisions in the Accord and on the speeches made by ACTU representatives at the Summit Conference.

Those speeches were made on the basis of the Accord providing the speakers with a brief for the statements they made and the views they emphasised.

Despite all the "hoo haa" about accord between the Labor Party and the unions, about consensus and reconciliation and the avoidance of confrontation, referred to exist irrespective of political rhetoric.

All the rhetoric at the command of Prime Minister Hawke and others cannot abolish the objective existence of classes in Australian society and the conflicting interests between the two main classes — labour and capital.

In addition to the confusion and hesitancy about the ACTU claim and the advocacy in support of it we had the spectacle of the government virtually mitted that.

The ACTU conceded that the Accord per-

We had the spectacle of the employers no less vigorously opposing the claims of the unions than they have done in previous cases irrespective of the speeches made by the representatives of big corporations at the Summit and irrespective of the talk of common interests.

Having in mind what has been said about the Accord, the Communique and the speeches of the ACTU representatives at the Summit Conference it is no wonder that Sir Roderick Carnegie speaking immediately after Mr Kelty described the speeches of Federal Treasurer Paul Keating and Mr Kelty as "incredible speeches."

It is clear that the employers were not in disarray. Any semblance of confusion on their part can be attributed to the fact that, having heard the speeches of ACTU officers, they could hardly believe their good luck.

It may well be that some of the employer representatives had not awakened to the fact that the ACTU leadership was no longer their enemy and having failed to realise that fact did not talk in the necessary conciliatory tones.

However, as Mr Dolan's final speech revealed, all that was overcome in the course of the Summit Conference itself. He said, referring to the Communique: "I repeat that we have a document which can provide and, in fact, does provide, a blueprint for the future." (Summit Proceedings p.200)

Mr Fitzgibbon was no less enthusiastic in speaking in support of the adoption of the Communique. In that, his third speech, he said: "It (the Communique) recognises the very serious nature of the economic problems that this nation faces and the challenge that all of us face in order to turn them around. It accepts for the first time I think in Australia's history that almost a totality of the community accepts that we have a common interest."

Referring to some of the terms of the Communique and growing more enthusiastic Mr Fitzgibbon says: "I think that is a tremendously significant achievement on the part of the Australian community. It is one that I think is unique in the whole world. It has never been done before. It is a unique experience, and perhaps we will provide a model for other people." So the capitalist countries are "bugged" with common problems which are seemingly insoluble but "up bobs" the geniuses of Australian capitalism with a formula for a solution which had escaped all others. Childish egotism!

It seems that if the Communique provides "a blueprint for the future" as claimed by Mr Dolan or "a model for other people" as claimed by Mr Fitzgibbon then, from the point of view of the Australian working class, the future will be very grim and "other people," whoever they may be, will be well advised to reject the "model" that is, of course, except for the big corporations.

# Abdication by the Left

The speeches from which we have quoted were made by representatives of two groupings in the leadership of the trade unions viz: the centre and the right.

However, the attitude by those forces recognised as representing the left in the trade union leadership shows them virtually abdicating the field, and in many respects, lending their weight to the process of class collaboration.

We have already referred to the fact that some representatives of the left of

the trade union leadership did participate in the drafting of the Accord as it was finally presented to the ACTU Conference of affiliated unions on February 21, 1983.

It has already been publicly recorded that only one person in that conference voted against the Accord. This does not mean that only one person at the conference had any views against the Accord.

Some persons occupying a position in the left had participated in a discussion on the evening before the conference of unions. At that discussion opposition to the Accord was frowned upon and, allegedly for the purpose of presenting a united front of the unions in support of the Labor Party, then seeking government, all forces of the left were called upon to support the Accord.

That objective was further served by the decision that only three speakers from the left forces would seek the floor at the conference.

These circumstances inhibited, if they did not in fact debar, persons with an opposition view from raising it on the floor of the conference.

A further inhibiting factor was the openly expressed point of view that the adoption of the Accord was necessary to assist the election of the Labor Government by publicly demonstrating that the unions would co-operate with a Labor Government.

In the first place, no such demonstration was needed to ensure the election of the Labor Government and the election results show that.

In the second place, if a restriction on the part of wage rates was necessary for the good of the economy and if collaboration between the unions and the employers was essential for "national interests" then both those conditions were required irrespective of the government in power.

(We will deal later with the contention that the Statement of Accord was possible with a Labor Government because of other concessions it would make to the unions and not possible with an anti-Labor Government because no such concessions would be made.)

One of the chosen speakers for the left, urging adoption by the conference of the Accord as then before the gathering, declared it to be a better document than the one he had previously opposed. He went on to warn that the conference should make its decision with its eyes wide open and declared that the adoption of the Accord meant the end of collective bargaining in relation to wage rates and working conditions. He added as a saver that until such times as we reach the stage of being able to have a socialist society he would go along with the concepts in the Accord. This was one of only three occasions when the word socialism was mentioned at the conference.

A second speaker from the left declared that the document was not perfect and would be open to interpretation. That could only mean interpretation, as he said, one way by this union, one way by another, one way by the government and of course, one way by the employers. However, despite this he urged support for the Accord in the interests of unity.

The third chosen speaker for the left was nearly ecstatic about the Accord. He spoke of the need to stop being like the "cocky on the biscuit tin," on the outside looking in. He declared that we wanted to be on the inside with a say in things. He saw the Accord as providing the opportunity to have a say in the running of things. The proceedings in the 1983 National Wage Case hardly reflect a state of affairs where the unions are on the inside having a say.

All three speakers declared, as did every other speaker at this conference, that the Accord was a single whole, a total entity, and could not be adopted in

This stand meant that the left, despite a difference in language, adopted the parts. Accord in full as did the forces of the right and centre.

It is known that persons, present at that conference, from what are generally regarded as left-wing forces were opposed to the Accord. However the stand taken openly by the left through its three chosen speakers and the failure of others to speak up despite their opposition resulted in the left abdicating and leaving the working class without an effective voice in opposition to the Accord.

It may be that at that time the real purpose of the exercises to which we have drawn attention, namely, the enmeshing of the trade union movement and the working class in a process of class collaboration, was not obvious to the leftwing forces. We find that a lame excuse but events since then cannot be justified on the same weak ground.

#### Metal unions

The AMFSU quarterly journal for April/June, 1983 reports that union's National President as follows: "Perhaps the most important aspect of the National Economic Summit Conference was the recognition by employers' spokesmen that the burden of economic crisis cannot continue to be shouldered by the workers alone." The logic behind that conclusion escapes us and is not borne out by developments since then, particularly the 1983 National Wage Case.

The AMFSU National Council met in May (10-12), 1983 and was addressed by one of its National Research officers, E Wilshire. Mr Wilshire drew attention to the need for implementation of an "appropriate industry policy" to support control of prices and incomes. His address contained references to the decline in the level of employment in manufacturing industry, an area of concern to the particular union, and then went on to say: "There are real structural weaknesses in the Australian manufacturing industry and the economy in general. The solution is with tripartite planning based on agreement between government, unions and employers in all sections."

He supported this contention about the value of tripartite planning and the involvement of unions with employers and governments by references to the Accord and placed great emphasis upon the value of "consultation" with unions. In general this speech strengthens the concept of class collaboration but the Council decision took that process even further.

The AMFSU decision "welcomes the unanimous acceptance of unions affiliated with the ACTU of the Statement of Accord...." It contains the declaration "For this union the Accord is essential and historic" and goes on to give

a number of reasons for this all of them associated with anticipations of real value coming from the Accord and includes the following statement: "Substantially increased rights for the workers over the introduction of technology, redundancy and retrenchment, the formation of industrial development policy. and the health and safety at work."

We feel sure that large numbers of metal workers in the auto industry, the steel industry and many sections of the metal manufacturing industry will wonder just where the AMFSU National Council finds the inspiration for such anticipations.

Those anticipations can only be real if the employers completely alter their approach to economic questions and there is absolutely no evidence of that occurring.

The AMFSU National Council decision advances what it calls "the way to achieve the maintenance of real wages over a period of time." Its proposals are for wage increases greatly in advance of those claimed by the ACTU in the 1983 national wage campaign.

There can be no quarrel with the claims they advance but they do not seem to be very seriously advanced having in mind some instructions issued from the National Research Centre of that union in its bulletin dated 23rd May, 1983. Under the heading "National Wage" the bulletin contains the following information for members: "The ACTU and ALP Accord, endorsed by our union, provides for an agreement that all wages will be fixed by central wage fixing authority, the Australian Conciliation and Arbitration system. This was also agreed at the Summit Communique which has been widely circulated.

"Officers have contacted the NRC seeking advice on the making of wage claims outside the Accord principles and so it is necessary to make it clear that individual wage claims must be discussed with the national officer responsible for the industry in which the claim is contemplated.

"However, general claims must be seen in the light of the union's policy in support of the Accord and there is no way in which a straight wage claim can be disguised to avoid the application of the Accord principles."

So having embraced the Accord and apparently, judging from the statements, also the Summit Communique, and laying great emphasis on the prospective participation of workers in deciding issues affecting them - a very remote prospect — this union body then determines upon a wage claim which it is not pursuing, and then warns its members that they are not to make any claims outside of the Accord and in the end accepts also that there will be only a limited increase in wages this year based upon CPI movements for two quarters with "a lag before any claim for catch-up can be contemplated."

If there was any reason for confusion in the first place by representatives of this union there is none now. They then add to this by an endorsement in their National Council minutes of "initiatives taken by the metal trades' unions in sponsoring jointly with metal industry employer organisations a series of 'job and industry' forums throughout Australia."

# Repeat performance

An example of what the National Council of this union was endorsing is provided by a forum which had been organised and held in Victoria before the neil meeting.

This was a forum organised by the metal trades unions and Metal Trades Industry Association. The keynote speakers at this forum under the title of "Jobs and Industry" included ministers of the Victorian Government, the Minister for Commerce and Industry in the Federal Labor Government, Senator Button, J Halfpenny the Victorian Secretary of the Amalgamated Metal, Foundry and Shipwrights' Union and the Victorian Director of the Metal Trades Industry Association of Australia.

The purpose of the forum was to draw together in tripartite effort, governments, employers and the unions.

This tripartite effort was to be directed at reviving, strengthening and maintaining a strong manufacturing industry in Australia but this was not to in any way affect the ownership and real control in the manufacturing industry. For all practical purposes relationship of capital to labour was to be maintained.

However, there was a proposal for some say by workers and unions in the industry but this was to be on the basis of co-operation of the employers.

Another example of what is intended in this connection is to be found in joint decisions by the Metal Trades Federation of Unions in South Australia and the Metal Industry Association of South Australia being the dominant metal employers group. They jointly held a half-day seminar on the topic: "Industrial Survival." For this purpose employers were asked to book shop stewards off the job with pay for that half-day to enable them to attend the meeting. This is a continuation in practice of the concept of the workers and their employers having common interests which are to be served by some form of joint action.

This was a procedure followed by the metal unions in 1978 when a much longer seminar was organised in New South Wales. Large numbers of shop stewards were booked off the job and paid for by the employer and then with an audience of union representatives the metal employers representatives in speeches to the gathering, explained to the workers that the real problem facing the metal industry was the level of wages.

In the next election held in what was then the AMWSU, a leading figure and national organiser, Jim Baird, was defeated by a candidate who, some forces claim, was sponsored by and supported by Santamaria's National Civic Council.

The most acceptable explanation for that defeat was that J Baird was the union official most actively associated with the Metal Industry Award and that award had been neglected over a period of time. This occurred in a period when a great deal of attention was being devoted to seeking a basis for co-operation with the employers.

That same process is in train again now with left-wing forces as leading participants in the process.

This approach by the AMFSU, a left union force, is consistent with the approach on which the Accord is based — common interests between capital and labour requiring reconciliation and co-operation.

#### **Building industry unions**

In July, 1983 the building unions concluded a document in association with the main section of the building industry employers.

The drafting of this document of agreement was preceded by a number of familiar processes such as the lodging of some claims by the unions on the employers, some industrial action to support those claims, then a period of negotiations.

In the case of the building industries the original claim included a demand for a \$40 per week wage increase and a 35-hour week.

In the process of negotiations the \$40-per-week wage increase was abandoned in favour of negotiations around a series of increases in allowances and the demand for a further reduction in working hours from 38 to 35 was deferred for consideration when the next agreement or award is made in 1985.

The process of industrial action was interrupted by a union proposed moratorium for one month.

The talk of the unions during this period centred around the question of the need for "stability" in the industry and improved industrial relations. It was made clear that improved industrial relations and industry stability in the form of a restriction on industrial actions was available at a price.

The final agreement on which the tradesmens' unions in the industry produced a resolution urging endorsement by the workers provides for just that improved industrial relations, so-called industry "stability" and the payment of a price for it by employers.

It is worth referring to some aspects of this agreement to indicate how, in relation to this industry, the tradesmens' unions were prepared to go a long way down the road of collaborating with the employers.

The document itself is titled "Memorandum of Understanding for the Improvement of Industrial Relations in the Building and Construction Indus-

Its opening paragraph refers to "the resolution of issues frequently the subject of disputes and developing more satisfactory procedures for the peaceful settlement of disputes and generally improving industrial relations in the building and construction industry." The document, together with several attachments, provides a number of processes for achieving this stated purpose. It also provides for some increased payments to the workers, members of the

One attachment covers the increased payments to be made and the factors in recognition of which they are to be made. They include increases in a number of allowances peculiar to the industry but also provides "A Building Industry

Recovery Procedures Allowance of \$7.50 per week shall be established."

Related to this payment and worth quoting as indicating the objectives which were apparently satisfied and warranted the increased wages, the memorandum of understanding contains the following:

"The parties agree that in developing agreements, policies, and the guidelines for the improvement of industrial relationships in the building and construction industry, the prime objectives to be considered are:

- (a) to settle the award dispute in a manner consistent with the economic strategies of the Federal government and to improve the efficiency and stability of the building and construction industry;
- (b) to eliminate the incidence of widespread industrial action in support of claims for increased wages or better conditions of employment, and to minimise the level of industrial disputation on other issues;
- (c) to achieve wages and conditions that are fair and equitable having regard to the state of the economy and the circumstances prevailing in the building and construction industry;
- (d) to adjust allowances in accordance with past practice having regard to changes which have taken place within the building industry;
- (e) to meet regularly to consider emerging and recurring industrial relations problems; and
- (f) to maintain dispute settling procedures and to improve the operation of these procedures and, in particular, the level of commitment to undertakings that there will be no interruptions to work."

## An amazing contradiction

A leading figure in the main union associated with the negotiating of this memorandum of understanding and with pressing its acceptance by the workers, made a number of very interesting observations in a speech prior to the conclusion of negotiations.

It is not possible to reproduce this speech in full but the following quotes are adequate to demonstrate a very confused approach to the issue of the Accord and its actual implementation. Our quotes from this speech are as follows:

"All study of the labour movement history, nationally and internationally, shows that in periods of economic recession social democratic governments seek to resolve the problem by accommodation of the working class to the needs of the ruling class. This was the basic approach of the election campaign of the Labor Party with the emphasis being on bringing Australia together, of reconciliation and consensus. (The same applies to the Accord.)

"Our political study and experience makes it clear to us that this policy, this idea, is obsolete, that it cannot work in conditions of capitalism."

In connection with the Accord the speaker said: "There are different estimations of the ACTU-ALP Accord. Some give it unqualified support, others adopting a negative approach, while others give it some qualified support.

"It is clear that the original initiators and authors of the working paper

produced in August last year, which is the basis of the document which later became the Statement of Accord, wanted to tie the trade unions to the economic policies of the ALP.

"They wanted a compliant trade union movement, one which would accept limitations in wage movements and other economic policies which would help overcome the capitalist crisis. This is the way they saw it, the essence of such an approval is class collaboration, whether the authors intended that to be the position or not.

"It is clear also that there is a big difference in interpretation of the Accord as between the ALP members of parliament and the trade union activists,"

Later in this same speech the speaker said: "As stated earlier the approach by the left forces to this Accord is to regard it as a positive document which is a weapon of struggle for progress, not to be regarded in any sense as a document limiting the rights of the working class.

"In essence the Summit and its Communique has not changed the basic class alliance and the struggle between the various class interests in this capitalist society will continue." (Quotations from: Today's situation and the left. Contribution by Pat Clancy at Australian Marxist Forum Seminar, Sydney,

It is difficult to understand how the speaker can possibly equate his endorsement of the Accord at the Federal Unions' Conference on February 21st, 1983 and his approval of the document emanating from the negotiations with the building industry employers and his statements in the speech which we have

We submit that he is speaking with two different voices the difficulty is to know which is the real voice.

## A communist approach

In relation to this memorandum of understanding the members of the Plumbers' Union and of the Builders Laborers' Federation at meetings convened to consider the terms of the document and held in July, 1983 rejected the document.

The main basis for the rejection was the opinion of the leaders of those two unions that there were too many strings attached to the increases and they were not prepared to trade the unfettered right of workers to act as they see fit in support of any claims, no matter what price the employer was prepared to pay

It is little wonder that the building employers were most disturbed by the rejection of the memorandum of understanding and hastened to threaten the BLF with the revival of a claim for the deregistration of that union. (Following some further negotiations with the employers these two unions, claiming some easing of the restrictions on their strike rights, accepted the Memorandum.)

There is not on our part any criticism of wage increases being obtained in any form for workers. Our criticism is directed at willing and conscious agreement with employers to trade any form of restriction on industrial action by workers in return for a sum of money or any other consideration.

Our concern is not so much with the immediate effect of such a trade-off. It is with the longer term effect of the development of a concept of common interests between capital and labour and with the extent to which the nature of the agreement, the terms in which it is cast and the thinking on which it is based contributes to strengthening the main purpose of enmeshing the unions and the working class in a process of collaboration with the class enemy.

The working class attitude to strikes and strike rights was set out in a SPA publication titled Communists and the Trade Unions by Jack McPhillips.

Under the heading "Strike rights not for sale" this publication says: "Because of its tremendous value to the workers, communists hold that the right to strike is not for sale. Such a sale sometimes occurs in connection with concessions by employers in return for a no-strike agreement or perhaps more frequently in return for "a settlement of disputes procedure clause" by which strike action is delayed and frequently delayed beyond the point for effective action.

"Irrespective of the value of the concessions in return for which such nostrike, or delayed strike agreements are made, they are detrimental to the workers. Firstly, they deprive the workers of, or blunt their use of, the strike weapon so essential for the class struggle and secondly they tend to inhibit the use of the strike weapon in connection with issues outside the agreement, e.g., political and solidarity issues.

"Forms of agreements which abolish or in any way restrict the workers' right to take any form of industrial action which they consider is necessary tend towards "class collaboration." They should be treated with grave suspicion and avoided."

Some of those associated with the building industry agreement, seeking to hide the class collaboration features to which we have pointed, endeavour to present the wage increases the agreement contained as a break-through against the wage pause.

However, two things contradict this. Firstly, the major portion of the wage increase was by way of increases in special forms of payment peculiar to the building industry itself and could not be used for purposes of "flow-on" or as precedents for other industries. Furthermore, long before the agreement was entered into, the co-architect and supervisor of the wage pause, the Arbitration Commission, had agreed that increases in site allowances in the building industry were not contrary to the guidelines associated with the wage pause.

In addition to that, at the time the agreement was being defended the wage pause in its original form, that is, as determined by the Arbitration Commission and by governments, had in fact ended and been replaced by the national wage case proceedings. A main feature of these proceedings was the emphasis upon the centralised system of wage fixation and the virtual outlawing of any forms of sectional wage increases.

With the emphasis being placed upon the centralised wage system in that form as part of the Accord, the building unions were dependent upon the ratification of the increased rates prescribed in the agreement by the Arbitration Commission and the big question confronting them at that time was whether or not the whole of the amount involved in the agreement constituted a sectional wage

To present this agreement as a great victory and a break-through for the working class against the unjust wage restraint is to "guild the lilly."

The fact of the matter is that the leaders of the building unions and in particular those of the tradesmen's unions, supported the Accord including its restrictions and all its prohibitions on sectional wage increases.

#### There are no common interests

The activities we have mentioned in connection with the metal unions are based on an assumption of common or joint interests between capital and labour. But these two social forces are diametrically opposed and do not, at any stage, assume the form of common interests.

A state of economic crisis, which affects the metal industry as such does not create common interests.

The difficulties confronting the metal industry do not arise from any faults on the part of workers. They stem from the operation of economic laws which affect the development of capitalist society and no amount of conferring or pretence at joint or common interests will alter that position unless the alteration includes basic changes in society, in the ownership and control of industry, and the direction of economic development.

The achievement of such changes is possible only in opposition to the employers.

The memorandum to which the building unions have put their names is similarly based on an assumption of joint or common interests between the employers and the workers in the industry.

To the extent that there are some joint interests they are not basic and concern only aspects of operations within the industry. An example of this could be the question of safety or forms of contracting and the so-called cash economy.

These are important questions but do not warrant concern for stability of the industry or improved industrial relations or any form of restriction on strike rights.

Implicit in the acceptance by unions of the concept of industry stability goes the concept that the instability is contributed to by the workers or by their

No doubt in this rather turbulent industry and, by its very nature it is bound to be turbulent in the industrial sense, there have been instances where disputes have assumed some sense of anarchy. But this does not mean that industrial disputes are themselves a cause of industry instability or are necessarily

Furthermore the leaders of the building industry unions themselves were

parties to the acceptance of the Accord and this clearly provides for a form of parties to the acceptance and the elimination, indeed, as is pointed out in statements from the Full Bench in the 1983 National Wage Case, the actual prohibition of sectional wage claims.

It seems odd that these people being parties to such a concept now manoeuvre a scheme which, at least implicitly if not explicitly, restricts the right to industrial action in return for a form of sectional wage increase.

In total the activities we have mentioned of both the metal and the building industry unions contribute to the concept of common interests between capital and labour and the need for collaboration between those two social forces to solve common interests.

In the speech already quoted P Clancy indicates that this is not "a goer" but in practice he accepts that it is "a goer."

The need is to bring workers to realise the cause of the crisis and the need for basic changes to even alleviate the effects of the crisis and, secondly, to encourage the workers to take action aimed at compelling the necessary changes.

Prominent spokesmen for the building industry unions, including P. Clancy, make frequent reference to the fact that the workers do not see the position as do those occupying an advanced political position. These views are a form of excuse for not taking matters as they stand to the workers and seeking to win their conviction.

In practice what these people are doing is frankly expressing their views and even their condemnation of the principles on which the Accord is based in the sanctity of a small debating group of like-minded people, but fearing to take those who truthfully hold to a communist position.

That attitude hardly measures up to the responsibility of leadership in the working class movement and it certainly has nothing in common with the position of those who truthfully hold to a communist position.

This course runs counter to the process of encouraging workers in the belief that some solution or even alleviation of conditions is to be found in the assumption of common interests between capital and labour and the possibility of joint action to serve those interests.

# Claims of positive sides to Accord

Defenders of the Accord and, in particular, sections of the left, claim that the Accord has many positive features which overcome the negative aspects of it.

This claim concerns the sections of the Accord which refer to a centralised system of wage fixation, economic planning, price surveillance and some forms of say in respect to individual industries by workers and their trade unions.

Some observations on these alleged positive aspects of the Accord will show that they were intended to serve the purpose we have already mentioned, that is, "burley to attract the fish".

## Centralised system of wage fixation

There is nothing new, mysterious or magical about a centralised system of wage fixation.

In varying forms, and effective to differing extents, there have been such systems since the first basic wage was established by Judge Higgins of the Federal Arbitration Court in 1907.

The subsequent introduction of regular, automatic and quarterly adjustments of the basic wage in accordance with the movements of a statistician's Price Index strengthened the concept of a centralised wage system, particularly since the basic wage was applicable to the vast majority of wage earners and constituted for most, the major portion of their wage. The second portion of the wage was known as a secondary wage and took the form of marginal rates assessed as compensation for certain factors associated with particular occupations. The compensation was higher in occupations where skill was required or where responsibility was exercised.

For many years the process in relation to wage assessment was for the unions to seek an increase in the basic wage which took the form of a national wage case in relation to Federal or Commonwealth awards. State Arbitration Tribunals fixed their own basic wage but a study of the figures will reveal that despite the fixation of wages occurring in different arbitration jurisdictions the amount paid over a period of time was comparable.

The arguments in relation to these wage applications were concerned primarily with what were called "needs" and "the capacity of the economy to pay", the amount sought.

It was the practice for the secondary wage or margin, to be assessed in relation to each individual award and even each separate classification.

This developed the process of unions seeking to get as many as possible of the occupations classified and then to obtain a marginal rate for each

This resulted in many awards containing a large number of classifications but many of them carrying the same margin rate. The Federal metal award contained some 100s of classifications as did the State awards covering the BHP steel works at Newcastle and the AI&S steel works in Port Kembla, NSW. However, the number of differing marginal rates did not equal the number of different classifications as many of the classifications carried the same marginal rate and in many instances the difference between marginal rates was very small. In relation to the steel awards for some time the differences were as little as 6d (5c) per week. (That does not mean the margin was 6d or 5c per week but the difference between margins was of that infinitesimal

This process also amounted to a form of centralised wage fixation. There were certain standard factors available for use in determining whether a particular classification should carry a margin. In addition to skill and responsibility there were special features that were not covered by a special rate limited to being paid when certain conditions existed. There were special

features of an occupation which existed all the while, such as hot, dirty, heavy or even dangerous work.

The centralised aspect of fixation of the rate for margins was enhanced by the fact that for many years the margin for a fitter was taken as the measuring rod for all margins. Those with classifications covering occupations similar to that of a fitter carried the same marginal rate. For many years rates for tradesmen were almost identical. Those with some additional skills or additional responsibilities to those of a fitter got a higher margin and those with less skill got a lower margin. As a result of this state of affairs there were well known and established guidelines used by the arbitration bodies and accepted by the unions for assessment of both the basic wage and margins even though, the latter were assessed on the basis of each award and each occupation.

## Centralised controls

It was this centralised feature of the assessment of both the basic wage and margins which enabled the Commonwealth Arbitration Court in February, 1931 to reduce all wage rates under its control by ten per cent.

It enabled the same arbitration body in 1953 to apply a freeze to margins and to abolish the system of quarterly adjustment of the basic wage.

A change occurred in 1956 when the Arbitration Commission increased the basic wage and proposed annual reviews of the basic wage and periodic national cases for increases in margins. The arguments for increases in the basic wage and for margins became almost identical and were closely related to questions of capacity to pay.

This had two main effects. Firstly, it strengthened the process of centralised wage fixation since margins were now determined on a national basis, in the main, as was the basic wage.

The second change effected in this period was to strengthen the employers argument for the abolition of the concept of a basic wage and a secondary wage in the form of margins and the establishment of the concept of "a total wage."

The total wage was introduced in 1967 and followed closely after a work value case conducted in relation to margins in the Metal Trades Award. This matter was spread over a period of approximately 15 months and resulted in a very substantial increase in margins in the Metal Trades Award, particularly for tradesmen. It was one of the very few occasions in which a claim for a wage increase was conceded in full. (That applied to the claim made on behalf of the tradesmen for \$7,40.)

In the following decade there were a series of actions to obtain increased margins based on "work value" considerations and a substantial increase in over-award payments in certain industries took place.

This latter form of payment had reached such a level that in the 1967 decision concerning the Metal Trades Award the Arbitration Commission opened the way for these over-award payments to be absorbed in the increase that had been granted thus tending further to strengthen the concept of a centralised wage system.

The process of over-award payments as a means of getting wage increases became even more intense after the establishment of the total wage concept and continued up until the decision of the Arbitration Commission in April, 1975 to institute, in a differing form, the previously existing process of indexing wages in accordance with the movement in prices.

In the earlier period indexation applied only to the basic wage but in 1975 was applied to the total wage.

### Wage controls by indexation guidelines

The introduction of indexation of the total wage was accompanied by a number of restrictions which limited, or which were intended to limit, wage increases outside of the periodical indexation process, to certain narrow grounds.

The guidelines and method of indexation was called "the indexation package" and this package included a provision requiring the unions to "substantially comply" with the guidelines.

The Commission departed from the declared intention of regular quarterly adjustments in accordance with the movement of the CPI and in the total period of the operation of this method from June, 1975 to June 1981 the majority of the decisions were for less than full indexation and in the latter part of the period wage hearings took place on a six-monthly and not a quarterly basis. During the whole period in which the wage indexation and its guidelines were in operation the process of centralised wage fixation was strengthened to such an extent that there was a very sharp decline in industrial action and all but a small percentage of the increases in award wages was due to wage indexation decisions.

The abandonment of wage indexation by the Arbitration Commission weakened the process of a centralised wage fixation system. Between December, 1981 and July, 1982 on the basis of a "catch and kill your own" policy a number of unions sought and obtained substantial wage increases. The general pattern for this was the increases in the Metal Industry Award of \$25 as a first instalment in December, 1981 and a second instalment of \$14 in the middle of

As with over-award payments so with the wage increases of the 1981-82 period, not all workers were recipients.

The ACTU was unsuccessful in the post-indexation period in its attempts to gain an increase through a national wage case based on the Metal industry

With a sharpening of the impact on Australia of the economic crisis afflicting the capitalist world steps were taken to again increase the authority of a centralised wage fixing body but with the specific aim of holding wages down.

The Fraser Government imposed a freeze on the wages of its employees and became parties to an application to the Commonwealth Arbitration Commission for a freeze on the wages of all workers covered by Federal awards.

This freeze was decided upon by decision of the Arbitration Commission on

# 1983 Wage Case weaknesses

However, in combination the Federal Unions Conference of February, 1983, the Accord which that conference endorsed, the Economic Summit Conference, the speeches made there by the ACTU representatives and the conference Communique, left the ACTU, and through that body, the workers in a weak position in the 1983 National Wage Case. The unions:

- \* Pleaded for an increase in wages of 4.3 per cent based upon the CPI movement for the quarters ending March and June, 1983 even though the index had moved by a total of approximately 13.4 per cent since March of the previous year.
- \* Set aside the claim for the remainder of the 9 per cent due from price increases until some future date as a form of catch-up claim. (On the basis of previous experience of catch-up claims for unsatisfied wage indexation, this claim is "on the never never.")
- \* Faced calls from the employers and from the Full Bench of the Arbitration Commission during the National Wage Case for the ACTU to discipline unions acting to obtain increases for their members outside of the National Wage Claim.
- \* Were threatened by the Arbitration Commission Full Bench that it may consider with-holding any indexation of wages from members of unions seeking sectional wage increases and that it may require the individual unions to give guarantees of acceptance of a centralised wage system on a single tier basis — the national claim and no sectional wage claims.

Thus the centralised wage system conceived of in the Accord and the Communique and by the Arbitration Commission is more restrictive in relation to wages than any other period of wage fixation by Arbitration except in the 1931-34 period.

This penalty, and such it is, was more firmly spelt-out by Prime Minister Hawke on August 9, 1983 when in Brisbane he informed the Brisbane Chamber of Commerce that each union would be required to "sign on the dotted line" its acceptance of no sectional wage claims as the price for receiving any national wage increase.

This was subsequently supported by ACTU Secretary W Kelly.

So, with the willing assistance and active participation of the trade unions as a whole, the aims of the Accord and Communique are achieved:-

\* A restriction on the level and movement of wage rates and an acceptance of the employer's arguments as to the cause of the present crisis and its solution.

- \* An acceptance of the economic crisis as part of the system of capitalism and acceptance of the retention of the capitalist system.
- \* Collaboration between labour and capital to cope with the economic crisis effects and this mainly by placing the burden of the crisis on the backs of the workers.

# Centralised wage systems not entirely negative

The current experience does not mean that there are no positive aspects to a system of centralised wages. In some circumstances they can be advantageous to the workers.

We would make that assertion even in relation to the now conceived system of centralised wage fixation based upon what is called "one tier" wage fixation,

In the first place a centralised wage system in that form can concentrate the attention and efforts of the whole of the working class upon one main wage claim.

This would greatly assist those sections of the workforce whose organisational strength and economic impact is insufficient to ensure increased wage levels. Furthermore, it would enable the marshalling of the whole of the resources of the trade union movement around specific wage claims.

However, this will necessitate much more than arbitration proceedings conducted in a vacuum and much more than carrying supporting resolutions at

If such a system is to really serve the purposes of the working class then it must be associated with industrial action and persistent campaigns organised

This would lend the wages struggle great political significance and in many respects give to economic struggles of the workers conducted through their trade unions, a political content it would not otherwise possess. The beneficial "spin-off" for the workers' struggles, from this process would be considerable and extensive.

However, it must be pointed out that in an earlier period from 1956 to 1975 there were national wage cases but in no instance where these associated with

Similarly there was no campaign of mass activity associated with the 1983 national centralised wage claim.

The last time there was such mass activity was in relation to the basic wage claim initiated by the unions in 1949. This campaign involved extensive propaganda and stop-work meetings in wide sections of industry and resulted in a comparatively substantial increase in the basic wage at the end of 1950.

Without resiling from what has been said concerning the positive aspects of a centralised wage fixation system it is clear, that without attendant mass activity, such a system strengthens capital and weakens labour in the contest which arises inevitably between these two social forces.

This same danger accrues from one tier wage assessment concepts; restrictive guidelines in relation to wage assessments; penalties for "non-compliance" including the penalty of withholding any wage increase to those pressing sectional claims or any other effort to improve wages or working conditions outside of national claims.

Finally, we note the following: no system of wage fixation, no formula for wage assessment and no method of dealing with wages, either by Arbitration or by collective bargaining can guarantee a result favourable to workers. Such a result stands the best chance of success when the struggle over wages is conducted on the basis of an unqualified recognition of the class nature of the wages system under capitalism and the irreconcilable contradictory interests of labour on the one hand and capital on the other in relation to the price to be paid for labour power.

Earlier references to the ACTU 1981 Congress decision on wages policy show that "one tier" concepts of wage assessment and restrictions to national arbitration proceedings are contrary to ACTU policy.

Those responsible for the Accord and those who have given it their support ignore these facts, certainly in practice.

## Economic planning

The Economic Planning Advisory Council is provided for in the Accord and referred to in the Communique and is considered to be one of the positive aspects of the package. It has now been established and is operating.

The title of this Council gives the key to its role and its value. It is purely an

It is not established for the purposes of planning the economy. Conseadvisory body. quently it will not interfere in any way with the market oriented freeenterprise system of capitalism. On the contrary it is intended to strengthen

Its purpose is to advise the government in relation to government economic planning and policy and in the final analysis whatever is done in the area of economic planning will be determined by the government itself.

The government is not obliged to act on any of the decisions, recommendations, or findings of the Economic Planning Advisory Council (EPAC).

In today's circumstances and at the current level of development of Australia's capitalist economy, in its stage of State-monopoly capitalism, the role of the State is to cooperate in the development of monopoly capitalism and that is the purpose to which EPAC will be directed.

In the document circulated to the participants in the National Economic Summit Conference, the objectives of EPAC are spelt out. Paragraph 3 of that document states the objective as follows (in part):

to improve the quality of government economic policy and

(ii) to enhance community understanding and support for the government's economic policies.

The first is called "the policy input objective" and the second is described as "the community participation objective."

Paragraph 9 provides a brief description of a form of extensive comprehensive planning of the economy and paragraph 10 states, "The government does not envisage that EPAC will become involved in economic planning of

Other pointers to the role of EPAC are contained in the following quotations from the document circulated at the Summit Conference:-

Paragraph 11 says, "It is intended, however, that EPAC should eventually participate in what might be called broad indicative planning."

Paragraph 17, "The government....has an obligation to ensure that EPAC is responsive to the government's needs and requirements and that it focuses on those policies which are of direct concern and relevance to the government."

Paragraph 7, "In establishing EPAC the government seeks only to provide a reasonable level of public participation in the formulation of its economic

Paragraph 1, "EPAC is seen by the government as the main vehicle through which it will continue, on an on-going basis, the process of cooperation and consultation begun with the National Economic Summit."

Paragraph 5, "The government believes that EPAC will encourage a greater spirit of cooperation and understanding, facilitate economic policy co-ordination, and underpin the operation of the Prices and Incomes Policy."

The idea of EPAC did not arise with the Accord or the Summit Communique. It is part of the Labor Party's platform adopted at the Party's National Conference in 1982. It is referred to on pages 41 and 42 of the platform under the section titled "The Economy."

In the latter end of the section on the economy dealing with the Economic Planning Advisory Council reference is made to "instruments" which the Labor Government would use "to ensure effective implementation of the national strategy". Amongst the instruments referred to are "...publicprivate sector competition, joint public-private sector ownership and public ownership, including nationalisation."

There is no reference to such processes in either the Accord or the Communique.

# ACTU policy dumped

As though to emphasise the harmless nature of the approach by the trade unions to the question of capitalist private enterprise, Mr C Fitzgibbons speaking on behalf of the ACTU to the Economic Summit Conference said: "In speaking in this section of the debate which is concerned with manufacturing industry development, I want to make it clear that we have no intention of taking over anybody in the manufacturing industry". (National Economic Summit Conference, Documents and Proceedings, Volume 2, page

To put it mildly, that thinking does not accord with the letter of or thinking behind ACTU policy.

That declaration should have further reassured BHP's representative at the Conference Mr Brian Loton, who earlier had congratulated Mr Dolan and Mr Kelty "on their contribution to this debate here and to the wider Australian community."

The Summit Communique did not spend very long on the Economic Planning Advisory Council. It is referred to in only two paragraphs, one of which, paragraph 54, says, "EPAC will expand the information base available for economic policy formulation through broad indicative planning."

The Economic Planning Advisory Council now established includes as members some leading representatives of Australia's big corporations. A body including such representatives, and confined to "indicative planning" and fulfilling the role of an advisory body to the government in relation to its economic policies is not likely to threaten in any way the continued existence of capitalist free-enterprise, big corporations and multi-national bodies.

Such a body including as it does representatives of the trade unions can and almost certainly will assist to tie the unions into maintaining and strengthening the free-enterprise system.

Since this body was provided for in the platform of the Labor Party there was no need for its inclusion in any kind of agreement, such as the Accord, with the trade unions.

It was included, as were some other provisions, as a means of obtaining trade union support to enmesh the unions themselves in forms of class collaboration.

Policy decisions of the ACTU Congress of 1981, in particular, decisions concerning economic, resources, environment and pollution policies, even though falling short of what is required to meet the current situation, envisage actions much more far-reaching than can be achieved by EPAC.

These policy decisions have strong points concerning control over multinational corporations and include proposals for extensive public ownership in certain areas and for direct government involvement in a number of areas in the economy. The ACTU has socialisation as its objective.

It is these policies and objectives that the trade union movement should be fighting for and that fight has to be waged against the big corporations, not in collaboration with them.

EPAC is for purposes of collaboration by the unions with big corporations.

# Price Surveillance

Prices as a factor affecting incomes are a central feature of any incomes/ prices policy. With the Consumer Price Index (CPI) showing a continuing rise in prices, more attention tends to be given to the question of controlling

prices. For some, this is a complementary means of controlling wage levels, For others and, particularly the workers, the demand for control over prices is made urgent by the need to protect the purchasing power of wages.

The Price Surveillance Authority referred to in both the Accord and the Communique is regarded by some in the trade union movement as one of the positive features of both documents and particularly the Accord. For those who so strongly advocate the Accord the provisions in relation to prices is considered to be a justification for their departure from ACTU policy in relation to wages and their support for wage restraint.

However, those who look to the provisions of the Accord and the Communique to control prices will look in vain. The Price Surveillance Authority will not be able to control prices and it is not intended to.

Under the free enterprise capitalist system and, more particularly in its statemonopoly stage, effective control over prices is impossible without the exercise by the government of far-reaching powers and without substantial interference with the profit-making processes of the capitalists.

The government does not intend any such interference. The loose and ineffective wording of the documents relating to the process of prices

It is necessary to emphasise from the beginning that nothing more than "surveillance" is proposed or intended in relation to prices. This contrasts with the approach to wages. Wages are to be controlled, prices are subject only

The document dealing with the Prices Surveillance Authority distributed at the Economic Summit says that the Authority is to "... monitor, and as necessary assess the justification for, price increases planned by selected corpora-

It is intended that only certain corporations and certain public authorities are to be subjected even to surveillance in relation to prices. These prescribed corporations and public authorities need not fear the consequences of surveillance or complain against discrimination.

Under the heading of "Role of the Authority" the document states: "... Private firms must be profitable to maintain employment and investment levels, and price increases may be necessary from time to time to ensure an adequate return on capital. The function of the authority will be to draw attention to and thereby attempt to discourage those pricing activities which involve exploitation of exceptional market power or which reflect income increases that do not conform with agreed guidelines." (Emphasis added)

## Price rises guaranteed

Under the heading "Criteria to assess prices" the government document states: "The Authority will, after appropriate consultation with the Treasurer, develop a set of pricing guidelines or principles that 'prescribed' corporations/ public authorities will be expected to observe. These guidelines might take into account factors relating to cost, profitability, investment requirements,

employment etc." (Emphasis added)

Other sections of the government document, indicating the limited intention in relation to prices and their control, provide: "Prescribed corporations/ authorities will notify the Authority of intended price increases, together with reasons for the increase and relevant financial data...It is envisaged that there will be legal sanctions against prescribed firms which fail to notify, but not against firms which fail to comply with the findings of the pricing authority." (Emphasis added)

So the corporations and authorities to whom the surveillance will apply will be legally required to notify the intention to increase prices, to have those intentions investigated but they will be under no obligation to take the slightest notice of the findings of the pricing authority.

As to the corporations and others not subject to surveillance of their prices by the authority the government document says only "...the government will expect all price setters to have regard for the pricing guidelines or principles outlined by the Prices Surveillance Authority." (Emphasis added)

These restricted concepts and intentions in relation to prices as part of the incomes/prices policy elaborated in the Accord are in fact echoed by the provisions of the Accord itself.

Under the heading of "Prices" the Accord speaks of the establishment of a pricing authority "....which will be given legislative criteria by which it must assess the validity or otherwise of price rises sought by corporations and the public authorities within its jurisdiction...The legislative criteria will be designed to ensure that enterprises do not earn profits beyond levels necessary for the maintenance and the expansion of the enterprise, that real wages of employees are protected, and that unnecessary cost increases are not reflected in higher prices. In this regard the amount by which wages may increase beyond that warranted by increases in prices and national productivity will not normally be allowable as the basis of a price rise." (emphasis added)

That paragraph recognises the need for profits to be high enough not merely to maintain an enterprise but to enable its expansion in today's circumstances of high technology and heavy capital costs. It means accepting that price rises will occur and be sanctioned for the very purpose of enabling the expansion of enterprises.

It is also worth noting that in the same paragraph there is another restriction on wage increases. The second part of the paragraph is intended to ensure that there will be no sectional wage increases thus strengthening the restricted concept of a centralised system of wages to which we have already pointed.

#### A fraud and a trick

The Economic Summit Communique devotes only two paragraphs numbers 26 and 27 - to the Prices Surveillance Authority. Part of paragraph 26 says: "Many employers believe this is unnecessary but they are prepared, together with the government and unions, to be involved in an examination as to the most appropriate form and functioning of a prices surveillance mechanism."

Addressing the Economic Summit on this question Mr Brian Loton of BHP said: "It is accepted that if an industry is not fully exposed to price regulation by market forces there is a case for price surveillance. The object should be to ensure that the benefits of not being exposed fully to market forces are not used to impose unreasonably high prices on users. Perceptions as to what constitutes unreasonably high prices may vary. A useful guide will be profitability in relation to funds invested."

Just what Mr Loton had in mind in connection with price surveillance is revealed by the pricing activities of BHP itself.

One week after the Summit Conference BHP increased its prices by 4.3 per cent across the board and since then has announced further price increases. The *Financial Review* on July 19, 1983 in reporting the steel price increases said, "BHP price rises are expected to be only the beginning."

On July 28, 1983 the *Financial Review* headed an article on further steel price increases "Latest BHP price rise will hit construction industry." It is known that steel price rises run through the economy.

It is also worth noting that long before the establishment of the prices surveillance authority a number of government authorities announced increases in their prices.

Perhaps a guide to properly estimating the proposal for a prices surveillance process is to be gained from the Sydney Morning Herald (August 1, 1983) in an article by Mr Ross Gittins the paper's economics editor who concludes his article by saying: "But, as Mr Dolan no doubt knows, the Hawke Government is just as aware as the Liberals were of the need to restore business profitability. And you don't do that by holding down prices.

"The Government has made it crystal clear that the PSA will not be limiting price increases; its purpose is largely symbollic. It makes the successor to the 'equitable'."

If one accepts as do the Accord, and the ACTU spokesmen at the Economic Summit, that capitalism is an acceptable system and that no changes should private enterprise on a scale required by private enterprise, wages need to be restrained and prices merely kept under surveillance.

It is possible to control prices but it is not possible without substantial interference with the private profit making processes of capitalism. The nothing to control prices.

# **Industrial Democracy**

Under the heading of "Industrial Democracy" and elsewhere proposals are advanced for unions, and in some instances workers themselves, to have a of the economy.

A section of the left which is endeared to this idea uses these proposals, only hinted at in the Accord, as a justification for acceptance of the Accord.

This is the process by which the cocky is to come off the outside of the biscuit tin and be given a position inside. Reference was made to this earlier in connection with the enraptured support given to the Accord at the Unions' Conference on February 21 by one of the left speakers.

So far as the Accord is concerned this favoured process is referred to only briefly and in somewhat remote terms in connection with industrial relations and industry development policy. Some further reference, in little better form than a hint, is made under the heading "Planning Processes."

The references to economic planning contained in the decisions of the ACTU 1981 Congress and to some extent in the Accord itself, contemplate something more than the establishment of an organisation to advise the government on economic policy. Despite the suggestions contained in those documents there is no provision in the EPAC for workshop or worker participation.

It seems that what is popularly referred to as "community involvement" in economic planning is satisfied by the presence in EPAC of four representatives of the ACTU and one representative of the Australian Council of Social Services (ACOSS). The only other references to what might be regarded as a suggestion along the lines of so-called industrial democracy is contained in the Accord as follows. Under the heading of "Industrial Relations Policy" "The Government will support the establishment of rights for employees through their unions to be **notified and consulted** by employers about the proposed introduction of technological change. The Government will also support the establishment of fair redundancy protection for workers including a requirement on employers to **consult with unions** in redundancy situations." (Emphasis added.)

Under the heading of "Industry Development Policy" the Accord provides "consultation is a key factor in bringing about change in industry. This consultation will be extended to industry, company and workplace level." (Emphasis added.)

This hardly seems the type of proposal that would have the left in raptures, but such is the case.

Certainly none of the provisions of the Accord now referred to achieve or are intended to achieve the objective named by the National Council of the AMFSU at its meeting on May 10-12, 1983 in the following terms: "National Council believes that unions and workers have a right and a responsibility to have a substantial say over the directions of national economic and industry policies."

There is no reference in the Summit Communique to any form of participation by the unions or even of worthwhile consultation on issues concerning management policy. The Accord and the Communique do nothing more than propose that the employer having decided upon a line of management action

should "consult" (in practice probably "inform") the unions and the workers, Neither document provides that "unions and workers have a right and a responsibility to have a substantial say over the directions of national economic and industry policies."

## ALP policy better than Accord

Interestingly enough the official policy of the Australian Labor Party adopted by its 35th National Conference in 1982 goes much further than does the Accord on the question of industrial democracy.

In the section of the policy dealing with Industrial Relations and under the heading "Industrial Democracy" the program of the ALP provides: "A Labor Government will encourage and support industrial democracy schemes based on the following principles and objectives." It then goes on to set out a number of objectives a main one being: "(d) industrial democracy schemes shall be developed having regard to the individual needs of the industry or enterprise concerned and to the social and human needs of the workers in the industry or enterprise. The schemes may be of a representative and/or participative form.

"Representative forms of industrial democracy entail worker representatives being elected by workers in an enterprise to committees, councils, decisionmaking bodies and boards of the enterprise. Participative forms of industrial democracy involve self-managing groups of workers or semi-autonomous work groups at all levels within an enterprise."

The following paragraph of the program states: "in order to promote industrial democracy a Labor Government will — (b) introduce legislation, where necessary and after consultation with employers and the union movement, to facilitate the introduction of industrial democracy schemes based on the above mentioned principles."

If in fact, schemes of industrial democracy can really assist workers in any way then the provisions of the ALP Platform are very much better than the vague references in the Accord. The unions would be much better advised to fight for the implementation of the Government's own program as enunciated

With these and other provisions already contained in the official ALP Program, which were decided upon before the Accord was adopted by the unions, it is clear that the provisions of the Accord outside of those which tie the unions to the concept of collaboration and acceptance of wage restraint were quite unnecessary - they were already contained in the Labor Party's

However it must be noted that even the ALP Program still speaks of industrial democracy being introduced in consultation with employers. It is really stretching the imagination too far in the light of experience to assume that the managements of such organisations as Western Mining Corporation, Conzinc Rio Tinto of Australia (CRA), BHP, GMH and other similar bodies, are going to agree to surrender any effective say or control over management

These proposals are also not new. In one form or another they have been operating in a number of European countries for many years, in some instances, as a result of legislation.

However, it has not prevented development of economic crises in those countries and it has not enabled the workers to avoid the consequences of the crisis in the form of large-scale unemployment and other adverse effects.

The Hawke Labor Government has to date not shown even the slightest inclination to interfere with the rights of capital and there is no reason to assume that the government will, without agreement by capitalist enterprises, interfere in any way with their management rights and private profit making objectives.

Worker participation in management without a change in the economic and social order of society will not alter the nature of capitalism. Without that alteration the workers' interests cannot be fully served.

However, even to the extent to which some form of so-called "industrial democracy" can be of assistance to workers it will be obtained only as a result of intensive struggle against the capitalists.

In those circumstances the left is misleading the workers when it claims that the Accord enables the cocky to come off the outside of the biscuit tin and get a say inside.

# Unions' line must change

The line adopted by the unions in relation to the Accord and the Economic Summit Communique must change if they are to serve the interests of workers and meet the further and new challenges already confronting them in every area affecting the lives and well being of workers and their families.

Our description, as class collaboration, of some aspects of this line and of the views advanced by some leaders of the unions does not stem from any cantankerous type reaction on our part to the prospect or the fact of like minded forces co-operating for the benefit of society.

This view is based upon class concepts. In a class-based society such as exists in Australia and in every other capitalist country the interests of the two main social forces — capital and labour — are diametrically opposed and are an antagonistic contradiction.

There is, except upon very rare occasions, no basis for collaboration between capital and labour on issues arising in the areas of economics, politics and social life.

All the experience of the working class movement shows that where collaboration between these antagonistic forces is developed the result is detrimental to the interests of labour.

The existence of this state of antagonistic contradiction, of irreconcilable differences, is borne out in life and in practice. It was revealed in the 1983

National Wage Case, in the sackings by many companies in recent times, in the strenuous opposition by employers representing capital, to the efforts of unions representing labour, to obtain adequate compensation for loss of employment. It is being shown that the process of collaboration is serving the purpose of restricting the level of wages and boosting the level of profits.

In the longer term such collaboration will, if it succeeds, have even more far-reaching detrimental effects upon the working class.

# **Future Prospects**

Towards the end of the financial year 1982-83 and the beginning of the financial year 1983-84 the media carried a variety of reports concerning prospects for the world economy and for the economy of a number of individual countries including Australia.

Some of the forecasts jubilantly proclaimed the end of the crisis. Others, however, spoke only about the crisis "bottoming out" or "turning the recovery corner." They were couched in terms of "should", "could" or "may" and all of them used many "ifs."

Since nothing lasts forever and no state of affairs is permanent the current phase of the crisis which has marked the capitalist world for slightly more than three years, will pass. However, nobody amongst the forecasters is prepared to speak of a new or long lasting period of upward economic development.

Some of the analysts and forecasters speak of a period of hesitant recovery in some sectors of the economy over a period of about two years to be followed by yet another period of crisis.

This inevitability of recurring crises in a capitalist system was referred to at the beginning of this publication in extracts from the SPA's "Steps To Meet The Crisis". The Australian Financial Review (August 2, 1983) in an editorial under the heading: "The point of the recession" said: "All the great economists have understood the key function of recession. It is a period of reorganisation and stocktaking which cannot be stopped and should not be hindered by Canute like postures. The shakeout should be assisted, not obstructed, accepted not decried. It is the very means by which an economy moves from a path of lower growth to one of higher growth. It is a crucial part of the internal dynamic of the kind of economic system in which we live."

Here is an example of not merely the fatalistic acceptance of the inevitability of recurring economic crises but almost joyful acceptance of them as being a good thing. Of course it is accepted that there will be casualties but then, that being inevitable it is of little consequence to such people as the

Despite the variety of estimates on the degree of economic upturn everybody agreed and accepted that there would be no lowering and possibly an increase in the level of unemployment.

The most optimistic of the three scenarios of possible economic development presented by the Government to the National Economic Summit Conference did not anticipate anything better than the possibility of a drop of one per cent in the workforce unemployment level over a period of three years.

# Deeper and new problems

In addition to this rather common feature of the estimates of the future all agree that new problems are already presenting themselves and will aggravate the natural cyclical processes of economic development in the capitalist countries.

These problems arise from high level technological development greatly increasing productive capacity; from the unequal development of the world's nations; from the effect of the intensive development of the transnational form of economic unit and the inability of the world institutions, for example, the United Nations Organisation, to develop a code for control of transnational corporation operations; from the rejection by leading industrialised capitalist nations of the United Nations decision calling for a New International Economic Order and from the failure of world trade to develop in accordance with the needs of the world's nations.

New and far-reaching problems will also develop from the instability and threatened near collapse of the capitalist monetary system. There is a need to replace the present system largely dominated by the American dollar with a new and all-embracing world monetary system not based upon any national currency. There is strong resistance to any change in the world monetary system, especially by US imperialism so desperately fighting to retain the dominance in the world monetary system of the American dollar.

Other problems will arise from what is called the energy crisis. This concerns not alone the question of the price of energy which tends to fluctuate in accordance with certain market conditions but also from the increasing need for energy supplies for the world's nations to develop, and from the finite nature of the sources of energy.

Problems of a new kind will arise in relation to environmental and ecological

Some of these problems are global both in character and effect and coupled factors. with the emerging concept of a world economy, consisting of differing systems, require action on a world basis.

For the capitalist sector of the world economy a further factor is the competition between the two main systems in the world — capitalism and socialism. In this competition socialism is proving itself evermore to be the superior system. Despite difficulties in the development of advanced socialist economies they are not badgered with the same decaying influences that afflict and effect the capitalist countries.

Casting a shadow over all is the continued and increasing danger of war and in particular, nuclear war on a world scale.

This danger not only threatens the world as we know it if such a war should occur but the processes of preparing for such a war have a devastating effect upon every aspect of life and is detrimental to the interests of the workers

## Unions must be unfettered

The global changes referred to are already affecting Australia. The issues and the problems arising from them are already present in the Australian economy and will become more obviously present and have extensive influence on economic development.

We are repeatedly informed that many of the sectors of the manufacturing industry which are now in substantial decline or have gone out of existence will not be restored even in a period of full recovery.

We are reminded that many of the jobs, that is the occupations that previously were available to the labour force, will not be again available.

There is, without doubt, in view of the global changes mentioned, a need for the restructuring of Australian industry and the economy at large.

There is the growing realisation of the need for the introduction of what are called "high-tech" industries in Australia. But they are capital intensive not labour intensive industries

All this is well known to the main sections of capital. To some extent their need to prepare for these developments is involved in moves being made to strengthen employer organisations.

There is some kind of contest between the professional representatives of employers and the corporate heads of the main companies.

This had led to the establishment of a new employers' organisation which it is intended should include amongst its leading figures the main corporate leaders who were at the summit conference.

This may be based upon the concept of the possibility of better relations, from the point of view of the employers, with the trade unions if corporate heads are talking directly to trade union leaders as occurred at the summit

This means that the working class will continue to face tremendous problems. The trade unions have a very important part to play in their solution.

No solution to these problems or even alleviation is possible without some substantial changes in the order of society and these changes cannot be brought about as a result of consensus, co-operation or reconcilation between capital and labour. They can be achieved only as the result of substantially changing the private profit making processes of the so-called free enterprise system of capitalism and that means changes brought about in opposition to the forces representing capital.

Anything which handicaps the trade unions in the necessary actions to defend the workers from the effects of further capitalist deterioration and the problems we have listed is to be rejected by the unions and by the workers.

Policies of the unions if based upon the principles which lead to the Accord and the Communique will mean only that the workers will be involved in actions to save the capitalist system and, far from changing the current relationships, the domination of the employers will be strengthened.

Some recognition of this need is indicated in the decision of the AMFSU National Council of May, 1983 to which we have earlier referred. "It is appropriate for the trade union movement to participate in the development of economic policy providing the objective is not simply to restore the inequalities of the past and present which have contributed to the economic crisis. It is not our task to restore the economic system with the same characteristics as the present one." (Emphasis added)

That stand is to be applauded but the AMFSU official support for the Accord contradicts the stand indicated in the National Council decision.

# **Proposals for Change**

Are there circumstances in which workers should co-operate with the government and other forces in society?

Such circumstances would exist in a socialist society where the workers would be directly involved in decision making on all aspects of the development of the economy and where the results of producing material wealth and services would not be acquired by private profit makers.

The necessary change to a socialist society is possible only by substantial political action supported by the majority of the people and opposed only by

These circumstances exist in some countries at the present time and the a minority. processes leading to substantial change are developing.

Some of the objective conditions which will develop actions leading to a socialist change in society are developing in Australia. They will develop further in the future.

But at this point in time the necessary circumstances which would produce such a change have not reached a stage of sufficient maturity. Consequently a change to a socialist society is not the order of the day in Australia.

However, the global changes taking place and their effects on Australia and the developments within Australia itself will develop a higher level of maturity, permitting and enabling the revolutionary change necessary to establish a socialist order of society in this country.

The development of those circumstances will be assisted by the level of struggle by the working class itself and in that process the trade unions have a very important part to play.

Those struggles will arise in the period between now and the maturing of the more far-reaching circumstances which we have mentioned.

To ensure the greatest benefit for the workers in today's struggles and in the ultimate movement for basic change in the nature of society it is essential that the workers' organisations and, in particular, their trade unions, be unhindered by any form of compromise or class collaboration with those opposed to the changes necessary.

It is also likely that in that intervening period and in the development of necessary struggles in that period the workers could co-operate with governments and other forces in society and in that process accept certain restraints upon the working class and its organisations.

However, even in the period falling short of a socialist society that cooperation and acceptance of those restraints must be associated with actions aimed at bringing about substantial changes in the private profit making processes of capitalism and in the market orientated free enterprise system about which some people boast and in the process of those changes there must be extensive participation by the working class and its organisations.

The decisions of the ACTU 1981 Congress and the platform of the Australian Labor Party as determined by its 1982 National Conference contain policies which would be beneficial to the workers and would assist the development of even further change.

However, the parliamentary leaders of the Australian Labor Party are again showing a capacity, when in government, to desert vital aspects of the platform of their own party and the ACTU leaders have, as already indicated, shown an equal capacity to ignore decisions of the ACTU Congress.

This makes necessary the development of action to compel the maintenance and extension of the policy decisions of both the ALP and the ACTU and to enforce the implementation of these policies by Labor Governments and the trade unions.

Such actions do not permit co-operation and reconciliation with those class forces in society whose interests will be threatened by the implementation of the policies we have adverted to.

In the course of these struggles it will become obvious that some of the leading forces in the Labor Party and the trade unions will prove incapable of implementing the decisions of their own organisations. This will reveal the need for changes in the composition and ideological position of the trade union leadership and the election of governments capable of implementing policies which run counter to the interests of capital, but in the interests of the

The Socialist Party of Australia has advanced a series of propositions around which it proposes there should be organised the maximum unity of forces accepting the need for change and prepared to join in the struggle for it.

# For a New **Democratic Economic System**

The SPA's proposals were adopted by the Party's Fourth Congress in 1981 and taken together constituted a call for a new democratic economic system.

We do not regard these proposals as the last word to be said on the matter either by the SPA or by other forces seeking change.

They require an extension of certain powers already available to the Australian government, the creation of some powers it does not at present possess but which are already exercised by the governments of other capitalist countries. Above all they require a re-direction of the government policies and the use of its authority.

The current crisis and its devastating effects already present the need for far-reaching struggle around a range of issues of profound importance. We see the trade unions playing a prominent and, in some respects, a decisive role in these struggles. Our policy is for unity of all available forces in the struggle for change.

The solution to the recurring economic crises and the deep political and social problems is to be found in the replacement of the capitalist system by a socialist one. That does not mean that nothing can be done short of such a change in the social order, but even effective alleviation of the worst features of the crisis requires far-reaching changes in the "free enterprise" system and the drive for maximum profits on which it is based.

We recognise that the proposals we make are not capable of implementation in any circumstances that do not include a government totally different to those which we have experienced in Australia (including the Hawke Government). We also recognise that such a government can emerge only as a result of the necessary struggles of the people against adverse aspects of the capitalist economic order.

The essential elements of the SPA's call for a new democratic economic system are as follows:

# Direction of the economy

The Federal Government must be given, and must firmly exercise, control over the direction of economic development. Such control must extend to capital investment, availability of raw materials and labour, and must be aimed at comprehensive, co-ordinated, balanced development of the economy with increasing emphasis being placed on development of and domination by

The establishment of government departments and agencies necessary for the public sector. the purpose of developing overall and sectional planning in accordance with the above concepts and the use of government power as above to ensure capital investment and the use of materials and labour to fulfil the plans developed and to prevent the use of such resources in any way detrimental to such fulfilment.

Supplementing bodies established by the Federal Government for these purposes with appropriate forms of authoritative organisation at the state and regional level and all such bodies to be associated with especially established committees consisting of representatives from academic areas, trade unions, environmental organisations and other genuine and representative community organisations. These latter committees to be empowered to meet with the authoritative organisations and to submit proposals for further elaborating or amending overall or sectional plans.

The government to take over and conduct, as publicly owned enterprises, all existing enterprises above a certain size involved in areas basic to the economy and its further development including manufacturing, building, resources, transport, finance, commerce, land used for commercial purposes, rural, the media.

This takeover process to be on a planned basis commencing with such areas as resources, selected areas of manufacturing and finance and proceeding in accordance with the plan and without interruption. Continued participation of private enterprise in areas occupied by government enterprise to be on a basis restricted as to size, i.e., capital investment, number employed and profit potential and as necessary subsidiaries to government enterprise. Compensation for those involved in the ownership of enterprises taken over by the government to be limited to shareholdings of a size to be determined and so that any such compensation is limited to private and small shareholders and paid at the market or par value of shares whichever is the lesser.

A maximum size for privately owned enterprises in other areas of the economy to be determined in accordance with the requirements of the plan for comprehensive, co-ordinated, balanced development of the economy. This process to be associated with dismantling of any existing forms of conglomerates or integrated ownership of enterprises, the prohibition of any forms of "takeover" and the prohibition of forms of multiple ownership of

Where any maximised enterprise requires enlargement to maintain its economic viability in the light of technological developments or for purposes of the economic plan such enlargement to be determined by the appropriate planning authority and on the basis of government participation by capital investment or government ownership with appropriate compensation to be

In connection with rural industries the process of nationalisation to be directed at company organisations in this sector and the same limitation as to size now proposed in relation to industry to be applied to the rural area. Further that the government owned section of this area and the private section co-operate to enable the application to the whole area of the most technically developed methods and also development of forms of producer and consumer

co-operative organisations. A prime aim in this area to be the replacement of existing forms of industrial-agricultural developments based on joint of existing control of co-operatives of co-operatives.

Restructuring of the economy to be determined by processes necessary to achieve the determined plan for comprehensive and balanced development of the economy and associated with firm treaties providing, through trade and other avenues, for participation in forms of an international division of labour.

## Capital raisings

Necessary capital raisings to be determined by a planned process of reproduction and extended development of both government and private enterprises in accordance with the requirements of the plan for comprehensive and balanced development of the economy. Capital funds to be acquired by the compulsory allocation of portion of profits in private enterprises, government loans to such enterprises where such are warranted for purposes of economic viability of any private enterprise having in mind national plan needs and from private investments by individuals. Capital investment in government-owned enterprises to be made from accumulated profits of such enterprises, taxation, government loan raisings and from special forms of investment funds contributed by the public.

Foreign investment to be strictly controlled by the government, sought only as required for purposes of the national economic plan and on terms and in forms which prevent foreign ownership or control of any enterprise. Development of foreign investment to be associated with the development of overseas interest through foreign trade in accordance with the national economic plan.

#### Finance

Strict control of the movement of money in and out of the nation with such movements being prohibited for speculative purposes or under circumstances detrimental to the purposes of the national economic plan.

Strict government control of interest rates with these being fixed at levels so as not to deter necessary consumer expenditure and at differential levels aimed at encouraging investment of savings, both private and corporate, in government loan raisings. Interest rates on loans made by the government to private enterprise for purposes of maintaining their necessary economic viability, and credit made available through finance institutions to be fixed on differential bases favouring smaller enterprises and enterprises having a greater value for the national economic plan. Interest rates on loans and credit made available for personal purposes to be lower than those operating for investment purposes and related to the purpose of the loan or credit arrange-

The government to exercise firm control over the level of credit made available for total purposes and over the total level of money forms for purposes of distribution of available goods and services. 71

#### **Profits and Prices**

These to be firmly controlled having in mind the need for profitable economically viable enterprises for purposes of the plan for comprehensive and balanced development of the economy, the general level of income of individuals and earnings available from interest on investments and savings.

#### International Trade

International trade to be under direct government control with such trade in basic areas, e.g. major commodities, resources, major manufactures, patents technical know-how, to be entirely in government hands.

For purposes of development of international trade the establishment of appropriate forms of government departments and organisations and these to include representatives of the private sector of the economy and the trade unions.

While seeking to develop mutually beneficial trade with all countries willing to trade with us, special attention to the development of trade on a reciprocal basis with nations in the areas of Asia and Oceania and emphasis on the development of trade with the socialist nations of the Council of Mutual Economic Assistance (CMEA). This latter trade to be developed as part of economic co-operation and reciprocal specialisation between Australia and the CMEA.

Development of foreign trade to be associated with encouragement of overseas investment on the basis of such investment being repaid in products from the area of the investment and this process without the investment being associated with resultant foreign ownership.

The use of tariffs, import quotas and preferred nations treatment to be confined to purposes and areas essential for successful application of the national plan for the comprehensive and balanced development of the economy and applied consistent with foreign trade obligations.

## Government Activity

Extend government activity in areas of social security, national development, public works and in appropriate forms necessary for the successful implementation of the national economic plan. This activity to be associated with maximum efficiency, strict observance of economy in the use of resources, i.e. finance, labour and materials, and to be subject to frequent review so as to ensure firm control over the size of administrative apparatus.

#### Taxation

Income from various forms of taxation to be assessed in the light of the requirements of the national economic plan and extended government activities and expenditures, to be conditioned by the income from nationalised areas

of the economy and other government activities and fixed, in relation to of the economy and, on the ability to pay and, in relation to other forms of taxation, on the need to restrict increases to living costs.

# Participation in Management

In addition to the inclusion of representative persons on planning and associated bodies, as already proposed, details of the national plan for comprehensive and balanced development of the economy, and any periodic amendments to it, together with explanations of the plans and purposes, to be widely publicised, and representative organisations be authorised and encouraged to arrange wide discussions of such plans and purposes and the outcome of such discussions, including any proposals, to be placed before the authoritative planning bodies for consideration.

In all nationalised enterprises and other areas of government activity and in all private enterprises above a certain size, (e.g. numbers employed, role in relation to the national economic plan), forms of organisation to be established at job or other similar level, (e.g. job committees, joint union enterprise committees, etc.), to enable maximum participation of workers in consideration of all proposals relating to the management, administration and development of the enterprise or administrative area concerned. All such organisations, and formal trade union bodies, concerned with the workers involved to be encouraged and assisted to consider the functioning and management of the enterprise or area in the light of their own welfare and in the light of the national economic plan.

Such organisations to also be entitled to elect, in a manner to be prescribed, a determined number of persons on to management and administrative bodies of the enterprise or area and such persons to be responsible to the organisations electing them.

## Foreign Policy

Development of the economy of Australia is substantially dependent upon foreign trade — exports and imports — and the development of that trade is related to foreign policy.

Consequently Australia's economic well-being is best served, and in fact assisted, by a foreign policy based on the principles of detente and the concepts of the peaceful co-existence of nations with differing social systems.

Accordingly we propose a foreign policy based on, and aimed at the strengthening of, these principles and concepts as a necessary part of the national plan we propose for the comprehensive, co-ordinated and balanced development of the economy.

The proposals we have enumerated are not a series of immediate demands. They are in essence and purpose more far-reaching than such demands.

Adoption of our proposals will not change the system of capitalism or abolish the causes of economic crisis which arise within the system. They are however, necessary alterations to the operation of that system for alleviation of some of the adverse effects of its operation and if adopted they would provide a basis for a subsequent and necessary change to socialism.

That necessary change is the objective of the Socialist Party of Australia. We make clear that there is no easy path to that change and the change we consider so necessary will come only as the result of a multiplicity of struggles in support of more immediate demands of the people of Australia.

Added material

# The ACTU Congress and the National Wage decision

Certain main decisions of the 1983 Congress of the Australian Council of Trade Unions (ACTU) and the September 13, 1983, National Wage decision of the Australian Arbitration Commission confirm to a substantial degree the main conclusions reached in the earlier part of this booklet.

These conclusions were based upon the —

- \*Adoption in a formal manner by the unions, through the ACTU, of the theory that the level of wages was a determining factor in the level of prices and unemployment and that the containment of wages was necessary for recovery from economic depression;
- \*Formal acceptance by the unions of the need to increase profits at the expense of wages:
- \*Acceptance by the unions of a restriction of wage rates by a form of centralised wage fixation operated by the arbitration bodies limited to periodical adjustment of wages related to movements of the Consumer Price Index (CPI) and abandonment of a wages "catch-up" for 1982 price increases;
- \* Agreement by the unions that there were common interests between capital
- \*Adoption by the unions of concepts of responsibility to assist to resolve problems of capitalism by agreement and co-operation with the employers and participation in processes of tripartite conferencing between governments, employers and unions;

- \*Abandonment by the unions of the need to change the social order in Australia from capitalism to socialism as a necessary means of resolving economic and other problems in favour of the workers and the adoption instead of policies of class collaboration aimed at retaining capitalism and helping it to "work;"
- \*The inadequacy of government proposals for economic planning and price
- \*Rejection in practice by the employers of any restriction of their "rights" control; as employers to take all and any steps they consider necessary to protect and advance their private profit making interests.

# **ACTU** Congress Desertion

Several decisions of the recent Congress of the ACTU, if and when acted upon by the Government and the unions, will be of benefit to the workers.

But its main decisions amount, in many respects, to a desertion of the real interests of the workers and a departure from previous and long-standing policies of the trade union movement in Australia.

These main decisions are those relating to wages and salaries, economic policy and industry development.

Each of these Congress decisions is marked by repeated declarations reaffirming adherence to the principles of the Prices-Incomes Accord. In combination they amount to acceptance of the concepts of wage restriction, cooperation and tripartite conferencing between governments, employers and unions as envisaged in the Accord, the speeches at the National Economic Summit Conference and the Communique issued by that conference. None of the decisions contemplate any change in the system of capitalism.

The Congress decision on "Economic Policy" states: "Congress applauds the Labor Government for its initiative in convening the National Economic Summit Conference, that conference representing a first step in the implementation of the Accord and the start of an ongoing process of consultation between government and other sectors of the community, including the trade union movement."

The word socialism was used twice during the four and a half days of the Congress and upon one of those occasions it was used for a derogatory purpose. It did not appear in any of the proposals from the ACTU Executive and those proposals constituted the business before the Congress. It was included in one paragraph of a resolution submitted by the BWIU and adopted by the Executive as an addendum to a rule proposal from the Executive. The addendum called for a propaganda campaign to make the ACTU objective, which is socialism, better known.

The nearest the Congress came to a socialist concept is a "cloudy" paragraph in the "Industry Development" resolution which said: "Congress supports the extension of the public sector, based on the criteria of the provision of public sector services according to need and government intervention in the public interest. Congress believes that the size of the public sector should relate to the needs of the community and the total efficiency of the economy "

The decisions on "Economic Policy" and "Industry Development" make many references to economic planning and even to the unions "increasing their role in planning." But all this is to be done through co-operation. consultation and tripartite conferencing between governments, the employers and the unions i.e., with the agreement of the employers.

## Hawke and Willis make it clear

The resolution submitted by the Executive on the matter of "Wages and Salaries" provided the test as to the character and content of the Congress which is the governing body of the Australian trade union movement.

On the first day of the Congress and some sessions before the wages resolution was dealt with, the Congress was addressed by Prime Minister Hawke. He said: "The principles of wage fixation being pursued by the Government provide a basis upon which all parties can participate in and benefit from the system." (Emphasis added)

It is an interesting and significant development that a former industrial advocate of the ACTU, now finds, in his new role as Prime Minister, a system of wage fixation benefiting both employers and workers.

The employers were not impressed by this new-found proposition because in the National Wage Case they opposed the positions adopted by both the Government and the ACTU.

Unions through the Accord have agreed to wage restraint and co-operation with employers, but employers on their part have yet to be known to abandon their class interests.

Referring to the Government's stand in the National Wage Case, Prime Minister Hawke went on to say: ". . . we supported full indexation on a sixmonthly basis, on the condition that there should be no extra claims. It is the Government's firm view that any union not prepared to give a firm commitment to no extra claims should be denied the national wage increase. If such an undertaking is given and later breached this should also be taken into account when national wage increases are being considered in relation to the union.

"The Government has argued that ratification of sectional settlements should be refused unless the Commission judges that special or extraordinary circumstances apply. It is for the Commission to ratify such agreements. The Government for its part would not support any increase in allowances which amounted to a disguised wage increase. The Government would also be concerned that particular attention be paid to the possibility of flow-ons. Such possibilities must at all costs be prevented."

The same thinking was put to the Congress by Industrial Relations Minister, Ralph Willis in a later speech.

# ACTU Congress reforms

The resolution on "Wages and Salaries" subsequently put to the Congress by the ACTU Executive conformed with the views of the two Ministers.

It advanced only the demand for the maintenance of the real value of existing wage rates by automatic quarterly adjustments "based on the published Eight Capitals CPI figures" and for productivity increases.

This resolution listed "substantive developments which have occurred" since wages policy was last examined by the 1981 Congress including: "an historical agreement in the Metal Industry, involving an effective 'no-extraclaims' provision, in the context of settling claims for prices and productivity" and "the development and acceptance of the Prices and Incomes Accord by

Clearly indicating the agreed upon nature of the much boosted Metal the trade union movement." Industry wage increases of 1981-82 the resolution said:

"The Metal Industry Award, which became the focus in establishing the community standard was freely negotiated, ratified by the Commission and was essentially unopposed. That agreement has represented a new starting-point for the trade union movement." (Emphasis added).

This must be the first time that a wages standard agreed upon by the employers and ratified without hesitation by the Arbitration Commission has achieved the status of "a new starting-point for the trade union movement." It is known that the "no-extra-claims" provision of that agreement was the deciding factor for the employers, the Commission and for the then existing anti-labour Fraser Government.

Needless to say this decision re-affirmed in unequivocal language adherence Dissent is denounced

The debate on this resolution, the best debate of a poor Congress, added to the provisions of the Accord. to the commitment of the unions to wage restriction.

Gail Cotton (Food Preservers' Union) came to the ACTU Congress fresh from a successful struggle by members of her union employed at the Heinz and Plumrose food preserving plants in which they won a \$16-per-week across-the-board wage increase. She spoke strongly on the need for the unions to pursue wage claims as decided upon by their members. She declared that to obtain any national wage increases her union would give any necessary undertaking and then proceed to push for any other wage claims decided upon by members. She declared that the \$16 increase recently won was part of their "catch-up" of the 9.1 per cent increase in prices which was not pressed in the ACTU national wage claim. 77

After expressing these views Gail Cotton was roundly condemned by ACTU Secretary W Kelty and forcefully criticised by L Carmichael (AMFSU). She was treated as thought she had committed some heinous crime against the workers instead of having assisted to win a substantial wage increase for the members of her union.

In combination the speeches by the two Ministers (Hawke and Willis), the Congress decision on wages and the content of the Congress debate on the wages resolution constituted a clear message to the Arbitration Commission in relation to its then awaited national wage decision.

# Arbitrators adopt wage restrictions

One week after the Congress concluded the Commission gave its iniquitous decision in which it adopted in full the proposals submitted to it by the Hawke Government and contained in the speeches to the ACTU Congress by Messrs Hawke and Willis.

Intending to ensure strict adherence by the unions to a restrictive centralised system of wage fixation and their sole reliance on arbitration in relation to wage rates and conditions, the Commission laid down eleven "principles."

These "principles" cover: national wage adjustments; national productivity; other claims; work value changes; standard hours; anomalies and inequities; paid rates awards; supplementary payments; allowances; first awards and extension of existing awards and conditions of employment.

Every "principle" is directed at restricting unions in making claims on behalf of workers and to ensuring that intention. One of the "principles" is a form of totally unprecedented penalty provision.

Making clear the diabolical purposes of the "principles" the Commission's decision, under the heading "The Principles" says: "In considering whether wages and salaries or conditions should be awarded or changed for any reason by consent or arbitration, the Commission will guard against any contrived arrangement which would circumvent these principles."

"The Principles have been formulated on the basis that the great bulk of wage and salary movements will emanate from national adjustments. These adjustments may come from two sources - CPI movements and national productivity. Increases outside national wage whether in the form of wages, allowances or conditions, whether they occur in the public or private sector, whether they be award or over-award must constitute a very small addition to overall labour costs.

"The Commission will guard against any Principles other than Principles 1 and 2 being applied in such a way as to become a vehicle for a general improvement in wages or conditions."

Having made its purposes clear the Commission then provides for six-monthly adjustments each February and August "in relation to the last two quarterly movements of the eight-capitals CPI unless it is persuaded to the contrary by those seeking to oppose that adjustment." (Emphasis added).

That was identical with the wording of the "guidelines" accompanying the Arbitration Commission's re-introduction of indexation in April 1975: It was the "guideline" which enabled governments and the employers to oppose the unions' applications for indexation and which enabled the Commission to introduce "partial" i.e. less than full indexation of wages to meet price rises

The Commission also provides for periodical applications for changes in as measured by the CPI. "wages and salaries or changes in working conditions" on account of national productivity but no claim will be considered before 1985.

# Another penal power

Every other claim for improvements in pay and conditions must be processed and decided in accordance with eight other "principles," all of which are restrictive in their wording and intention.

In addition to that series of restrictions the now well-known "Principle 3" contains the totally unprecedented provision including the following terms: "No application for a national wage adjustment to an award will be approved by the Commission unless all the unions concerned in the award give an unertaking that for the duration of those Principles they will not pursue any extra claims, award or over-award, except in compliance with the Principles."

That provision is by any measurement a "penal power."

Such a condition has never previously been associated with any formula for wage fixation. No such provision was associated with wage fixing processes during the thirty years of automatic quarterly full indexation of wages in accordance with official price indices which was ended by the arbitration tribunals in 1953, nor during the nineteen years (1956-1975) of annual national

The "guidelines" accompanying the re-introduction of wage indexation in April 1975 included a requirement for "substantial compliance" with thee wage cases. guidelines by the unions. But that provision pales into insignificance when compared with the restrictions and penal provisions of the 1983 National

During those three earlier periods, each of which was marked by a form of centralised system of wage assessment and determination, the unions were free to, and in fact did, pursue other wage claims outside the centralised system and its procedures.

Despite all that, the unions on October 6, 1983, gave the commitment Unions bend the knee required by the Arbitration Commission in terms accepted by the Commission. The proceedings were, in several respects, unprecedented.

The commitment required by the Commission from the unions was read to the assembly, the Commission members, government, employer and union representatives by ACTU Secretary Kelty. A proposed variation to awards increasing wage rates by 4.3 per cent and encompassing the required commitment was submitted to the Commission by J Halfpenny (AMFSU) on behalf of the metal unions and each union involved in the four specific awards being dealt with by the Commission in that proceeding then, and in a manner of speaking, "nodded their heads" in agreement with Halfpenny and gave the commitment on behalf of their union and its members.

The exact terms of the commitment as recorded in the official transcript of the proceedings and to be written into the award are "It is a term of this award (arising from the decision of the Australian Conciliation and Arbitration Commission in the National Wage Case 1983 ...... the terms of which are set out in print F2900) that the unions undertake for a period of two years they will not pursue any claims, award or over-award, except where consistent with the principles." (The blank space is to contain the Case Number of the particular application to vary an award.)

That provision is now to be inserted in every other award to which the national wage decision is to apply. It is somewhat ironic that J Halfpenny, who for many years was an outspoken advocate and vigorous activist for wage increases by means of over-award payments obtained on a factory basis and outside the arbitration tribunals, now presents, on behalf of a group of unions regarded as militant pacesetters in the area of wage increases, a proposal abandoning the wages struggle except for half-yearly indexation adjustments to be decided solely by the Arbitration Commission and binding the unions as they have never been bound before.

The formal statement to the Commission by ACTU Secretary Kelty and some of the verbal submissions made by J Halfpenny indicated that the unions were basing themselves on the ACTU-ALP Accord. Reference was made to the need for recognition of "the essential conditions of the centralised system" and these "essential conditions" were defined in the ACTU statement as "the adjustment of wages for prices and productivity over time." (But not before 1985)

The reference to adjustment of wages for prices is qualified by the Accord itself which provides: "The maintenance of real wages is agreed to be a key objective. It is recognised that in a period of economic crisis as now applying that this will be an objective over time."

In relation to the commitment to no further claims the unions have been "hoisted on their own petard."

The pattern for this provision was copied by the Commission from the wage settlements, especially by the metal and building unions, at the end of 1981. Leaders of the AMFSU in particular boasted of how they had so conscientiously honoured the undertaking of "no further claims" as a condition of the 1981-82 wage concessions so willingly made by the employers. It must be emphasised that the Commission's 1983 National Wage decision is fully in accord with the submissions made during the proceedings before the Commission on behalf of the Hawke Labor Government and which received de facto acquiesence from the ACTU.

# "Catch-up" lost forever

It is worth noting that the ACTU 1983 Congress resolution on wages and salaries is contradictory in itself and in two sections contradicts the Accord, the Commission's decision and the commitment given to the Commission by the ACTU and the individual unions.

Sections numbered 2 and 3 include the following: First, a clear demand for "The restoration and maintenance of the real level of wage rates" and calls for "... automatic quarterly cost of living adjustments based on the published

But there has been no restoration of wage rate levels. Some workers have eight-capitals CPI figure." still not received the so-called metal wage increases of 1981-82 and all workers are, even after the recent 4.3 per cent increase 9.1 per cent down on 1982 real

Both those wage issues were part of the recent national wage claims by the wage levels. ACTU under the heading of "catch-up." The "metal trades catch-up" has now to be dealt with in accordance with the new "Principles" laid down by the

But the 9.1 per cent is, so far as the Commission is concerned, lost forever. Commission. Dealing with this matter the Commission's decision says the ". . . catch-up is contained in the unions' claims (item 4) . . . which says that the claim is 'to be pursued over a period consistent with economic progress." "It then says that ". . . the ACTU did not make any submission on this part of the claim and did not ask us to grant any part of it now . . ." The Commission declared: "We do not wish to generate unrealistic expectations. In the light of the Principles we have formulated, there is no scope in any future national wage increases beyond CPI movements and productivity. As we said earlier, we see the pursuit of this part of the claim as inconsistent with the whole concept underlying the new centralised system."

So, the Commission has rejected the claim for indexation of wages to meet the price rises which occurred during nine months of 1982 and the commitment to no further claims given by the unions debars them from making a claim for that loss in the future.

Furthermore, there is to be no automatic or quarterly adjustment as called for by the ACTU Congress and neither the Commission's decisions nor commitments by the government under the Accord guarantees full indexation of wage rates in accordance with CPI movement.

# ACTU Congress gave guidelines

The ACTU Congress decision on wages goes on to say: "Congress rejects the concept that wage increases should be restrained in order to direct a greater

share of the national income to profits."

But that is precisely one of the purposes of the Accord, the speeches at the National Economic Summit Conference, the Communique issued by that Conference, the Arbitration Commission's decision and the commitment given by the unions to the Commission on October 6.

Other provisions in the Congress decision on wages which also stand in contradiction to the position now adopted by the leaders of the ACTU and individual trade unions include:

"The trade union movement has consistently sought to achieve its objectives through a combination of national and minimum wage increases, individual award agreement reviews and over-award payments and tax indexation."

"In seeking to increase wage rates the trade unions have been committed to direct negotiation, conciliation and arbitration."

"The trade union movement has consistently maintained the right to bargain collectively both in the context of individual award reviews and in the case of over-award payments. The application of this aspect of ACTU policy has achieved increases being negotiated by collective bargaining and will be continued by affiliates where wage levels are not consistent with wage justice.

"Congress reaffirms its belief that wage increases through national cases, individual awards and over-award payments both within and outside the conciliation and arbitration system should continue to form the basis of wage fixation in this country."

These firm declarations contained in the ACTU 1983 Congress decisions are the guidelines which must be followed in relation to the wages struggle if the unions are to serve the best interests of their members.

The restrictions on wage levels imposed by the Accord, the Hawke Government, the Arbitration Commission and the unions' commitment to the Commission's "principles" should be rejected by the workers and action developed by them on the basis of the 1983 Congress decision.

## Only wage restrictions are urgent

While speed has been the essence of the contract in relation to restricting wage levels as part of the Accord, uncertainty marks the future in relation to what are termed "supportive" policies and actions.

There is already conflict surrounding the role and authority of the economic planning mechanism (i.e. EPAC) and of the surveillance of prices (i.e. Prices Surveillance Authority - PSA.)

However no haste is contemplated in relation to these and other matters of concern to the workers.

Prime Minister Hawke, in his speech to the ACTU Congress, quoted with approval a submission by the ACTU during the recent National Wage Case in the following terms: ". . . it was never perceived that all the individual provisions, commitments, goals in the Accord would be achieved in the first term of office. . . . it is something that will be gradually implemented over

But wage restriction is a matter for immediate implementation. Everything years, not months." else can take its time — this year, next year, sometime, never! The employers' position is clear. For them there is no accord. They strongly opposed the ACTU National Wage claim. They denounced as inadequate the commitment given by the unions to the Arbitration Commission in relation to no further claims and pressed for a totally unequivocal commitment in accordance with the Commission's decision and not in accordance with the Accord. They have commenced to absorb the 4.3 per cent National Wage increase into existing over-award payments. They have continued to dismiss workers.

In the earlier sections of this publication we contended that the Accord, the Summit Conference and the Communique were intended to enmesh the unions in extensive processes of class collaboration contrary to the interests of workers. We said: "the Accord is a fraud."

# Our contentions confirmed

The ACTU Congress decisions and the national wage decision confirm those contentions and help to validate, from the workers' point of view, proposals of the Socialist Party of Australia on the way forward for the working class.

Earlier, we spoke of the abdication by the left.

That process was further developed at the ACTU Congress. There were present delegates with "left-wing" views. But they were either totally unorganised or, to the extent to which they were organised, became a force merged with the allegedly "centre" forces.

Since the Congress evidence has emerged that there is serious concern at these trends in the trade union movement.

The need is for this conern to be transformed into action to reject the class collaborationist concepts on which the Accord is based and, to develop instead, policies and actions based on truly working class principles. A reflection of what is needed is to be found in the Manifesto of Social Rights, signed by union representatives at official and job level, and in the SPA proposals set out earlier in this publication.