

A COUNTER STRATEGY TO TRANSNATIONAL CORPORATION DOMINATION
AND A TRANSITIONAL PROGRAM TO SOCIALISM

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We are getting started here with a consideration of a counter strategy to the multi-nationals and a transitional programme to socialism.

This question has already achieved a deal of debate in the Australian Labour movement and I will predict that the debate is going to go to much higher levels, as those of us who are concerned with it proceed to get on with it and those who are concerned to stop us raise their efforts do so.

The polemic is here right now and will extend into future activities of the Labour Movement. There are those who are now concerned with the propounding of a positive strategy and a positive programme, and there are those who are devoting themselves very much to asserting that a transitional programme should not be proceeded with.

It is only possible in the discussion about a counter-strategy and a transitional programme to make some passing reference to the main features of background analysis.

Growing Crisis

The real power that dominates capitalist society, including Australian Capitalist Society, is the power of the Trans-national Corporations. This power asserts its will over the National-State and presents itself at the present time in a growing economic crisis in the Capitalist system.

- A. There is structural crisis in the Australian economy itself, particularly with the thirty two thousand comparatively backward, small, and medium scale companies that share less than 50% of Australian productive capacity.
- B. There is a structural crisis in the growing imbalance of growth in mining resources and a deliberate shift out of manufacturing in Australia for investment into mining.
- C. There is a structural crisis arising from world re-distribution of production at the behest of the multi-national corporations, specifically affecting Australia, as it relates to "low wage havens" such as the A.S.E.A.N. countries, along with Taiwan and South Korea and,
- D. There are repetitive signs of a renewed business cycle crisis superimposed, not on a 25 year period of growth as between 1945-70, but on a stagnation of growth since 1974, and which threatens to engulf us it seems by 1979 or early 1980.

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Because of trans-national corporation growth, three or four major corporations dominate each sector of industry. They maintain profitability despite stagnation. By magnified monopolistic practices and State power influence, more readily useable and more manipulative than in any previous time in history they create inflation at the same time as stagnation. The immediate future we face is an unemployed level of between 7 to 8% by February of 1978, along with a continued inflation rate of around 13%.

There are no answers to this to be found in a Friedmanite rationalised description of what exists, or in a fallacious repetition of traditional Keynesian formulae.

That is the picture that confronts us and in particular confronts the working class. Such a few moments devoted to a description of these features does not do justice to the analysis that needs to be propounded at length, and in looking at each of the major features in depth. There is a necessity for wide analysis involving many people to contribute toward a deeper understanding of these and other vital effects.

Four Choices

The Labour Movement in confronting this situation have four choices available, although in my view it finally comes down to only two choices. The first is to join with the trans-national corporations in some form or other; to be accommodated to them, to get what can be got out of the worst, (and this includes blindly carrying out day to day work in the Trade Union and Labour Movement without concern to an overall counter-strategy). And I think that it must be said that significant personages within the Labour Movement are advocating and adopting just such a position. There are some slight differences between them in the way that they propose that it be done, but there is no doubt that there is a common thread that runs through a number of them and their programmes. It is clearly indicative in those who say that not only is a socialist objective some time off in the never never future, but even the reform programmes that they formulate are "off into the future", to quote their own words, "what needs to be done first is to bring equilibrium back to the economy" - whatever that's supposed to mean and however that's supposed to be done. Even the social objective of full employment seems to be replaced with vaguer formulations.

The second possible choice for Labor is a futile repetition of some Keynesian formulae and policies that was advocated in 1972 and which brought Labour to office at the end of that year. It was attempted to be practised in 1973-4, until by that time it was quite clear that the carpet had been pulled from underneath their feet, and that they were not only unable to get the necessary resources to carry through a reform programme based on Keynesian concepts, but that the resources they had had at the outset were withdrawn - taken away, and they were confronted with the result that whatever they did, aggravated rather than being of some benefit to the situation.

The third alternative advocated by some and certainly by those absolutely opposed to any transitional program concept, is a "no compromise" concept; for the total over-throw of the system in one major blow on the expectation that it is possible to develop a mass movement, based on that concept that would be able to carry it through.

The fourth is the concept of a transitional programme that is capable of winning a mass movement into action, but which must be capable of coping with any task that confronts it as it is pursued.

Transitional Program

I address myself to this fourth possibility. I do so firstly because we have experienced for some considerable time, in a number of ways, the empty sloganising approach that, "what we need is socialism" without a strategy to get there. "What we need is to take ourselves out of the system" without any conception as to what has to be done about it.

Or alternatively those that might coin the slogan, "what we need is nationalisation with workers control" and again without any strategy of achievement. There is a distinct difference between having a genuine objective for socialism and having a simple empty slogan to shout from the top of the houses that is divest of any strategy for its achievement.

Achieving any concept of a transitional program, nevertheless must be based on principle. A transitional program is in effect, a compromise, and we are confronted with the necessity of assessing the value of a compromise, i.e. whether or not what is put forward is genuinely based on principle. I'd just like to diverge for the moment to some of the principles that must be taken into account.

Compromise and Principle

First of all a transitional program must mean what it says - that is, that it is open-ended, otherwise it is not transitional. There are those who accuse the advocates of a transitional program as advocating a closed-ended concept and that that is all the objective is. This accusation is a figment of the imagination of those who coin it. There is no such proposition. A transitional program must provide a forward thrust to further advances and transition. Nevertheless it must be genuinely put forward because it is based on the concept of building a mass movement, an alliance of forces of people, some of whom would come into such an alliance purely on the basis that that was the only objective they had. We should hold out our hand to welcome them and their contribution whilst retaining the right to take the movement further forward on the basis of its own experience.

Secondly, the movement to support it must be based on defending and extending the living standards of the workers - the people. There can be no sacrifice of the people's living standards. It is not, as

some accuse us, a formula for a "social contract" for the purposes of refurbishing capitalism at the expense of the working class. That accusation is again as empty as the heads who coin it. There are people in the Labour Movement, of course, who do advocate such a social contract and have done so recently in Perth and at the Labour Economist Conference in Brisbane. They do have in mind that there will be a programme based on a "social contract" in which the cost and weight is carried by the working class for the purpose of effecting some refurbishing of the capitalist system. We are not advocating any alliance with those people, nobody is talking about coming to some agreement with them, and there is no room within the concept of a transitional program that allows for accommodation on that basis. We will argue with them about the error of their ways and we will take a very vigorous stand if they attempt to carry it into practice.

Anybody that supports the concept of a transitional program would need to take that stand, because there would be no effective transitional program for socialism based upon such an unprincipled compromise.

Thirdly, it must mobilise a mass movement genuinely to solve the problems in a fundamental way. That is, it is not a mere refurbishing of the capitalist system at all. It has got to be a concrete challenge to power and privilege, capable of being pursued by the workers concretely in the given current circumstances, but genuinely on the basis of a mass movement character - not a narrow sloganising thing easily isolated and inflicted with defeat.

Fourthly, the movement to support it must be ideologically equipped to defend and extend the gains of the past and any new gains achieved in the face of any specific circumstances that can arise in the future.

Specific Australian Circumstances

One of the principal attacks by critics of the transitional program concept is that it is a repetition of that which has been advanced in Western Europe, and that there are supposed fundamental flaws in whatever has been advocated in Western Europe. By the left in Italy, France and the left of Britain or developments that take place in Sweden or where ever else, and that because some people presume that they can tell the people in those countries what they should do, they fasten their presumption upon whatever analysis is made here. Again, I suggest those people are operating under the delusions of their own imagination.

There are things to be learnt from Western Europe and there are very specific alternative circumstances here in Australia that do not exist in Western Europe that must be taken into account.

I do not pretend to tell the movements in Western Europe how they will proceed in dealing with their circumstances, but one thing

seems to me to be clear that does need to be taken into account in the Australian scene, and that is there is a European background, a tradition which if ignored would be gross stupidity. And in the formulation of any transitional program, we must proceed from the movement as it currently is, not from some height of unreality.

The movement as it is here is conditioned by having been an advanced capitalist country, with a people comparatively highly skilled and educated, with a comparatively high living standard, a developed trade union movement and a modern capitalist state with its effective power diffused throughout society. It is now slipping back in many respects, and that is another one of the features that does need to be taken into account. But Australia is not an under-developed country, it is not something other than the actual context within which we operate. Precisely because of that, I put forward the proposition that a transitional program and counter strategy associated with it, is a correct one in such circumstances. That is, it is one that can have appeal and around which a mass movement can be built.

In fact, I must say, that in the current circumstances the time was never more right for widely advancing such a concept. I might suggest that it will be advanced by significant and substantial forces irrespective of those who believe that it is a wrong approach.

One specific difference however is that we are not Britain or France or Italy, with those various countries on our borders and having numerous other advanced movements capable of rendering each other significant support and solidarity right on each others door-step. The circumstances that surround Australia are those of A.S.E.A.N. A major "low wage haven" of the multi-national corporations in a global strategy, particularly as it relates to Japan and Australia, and a growing military base for "advance defence" of imperialism utilising Australia's vast natural resources. A set of circumstances that just cannot be ignored.

Another part of the Australian reality were the events of November 11th 1975 which equally cannot be ignored. And those, who in their writings, have suggested that the concept of a transitional program advanced in Australia seeks to ignore these factors just simply haven't read the material and haven't understood what is put forward or for their own nefarious purposes they deliberately choose not to do so. Of course, one must ask the question what would have occurred in Australia on November 11th 1975 if Whitlam had refused to take the sack.

One must further ask what is the position that's developing from the "wild west" economy of the north of Australia with the emphasis on mining and resources. The break up of Australia as a nation with the "new federalism", the move in the Northern Territory to State-hood with giving the Country Part more power

in the Senate, the arrangement that is there for greater fragmentation of our nation emerging from the Queensland and West Australian Governments.

All these factors are real in our circumstances, and those on the other end of the scale in this debate who ignore these "Australian" factors in the advocacy of a transitional program, are also deluding themselves, and unfortunately there are some who are advocating the concept of a transitional program, whom I believe do not give adequate weight to these circumstances.

Consequently it is a matter of advancing the concept of a transitional program and a supporting strategy around it, that is aimed at winning mass support and a mass movement on the one side, but making sure that it is prepared and developed and ideologically equipped to meet the circumstances that specifically prevail in Australia, and around Australia.

And fifthly, as a matter of principle in the development of a transitional program and supporting a counter-strategy, it must establish and win the leading role of the working class in the politics of this country, and in the very process of its own development.

What are the available forces for such a counter-strategy around a transitional programme?

Forces Available

Firstly there is the working class facing worsening conditions in regard to jobs, living standards and social services. This now extends out from manufacturing into tertiary areas of employment. Some who believed that they were established in tertiary areas and that they were nicely insulated from the effects of the crisis now face a startling reality in the "soft wear" areas of tertiary industry. For example, they now find that Singapore provides a huge computer installation so that companies in Australia can call Singapore by telephone, submit their programs, have them processed, have the results relayed back by telephone. Again, one of the effects of the A.S.E.A.N. "low wage haven" development.

Secondly, there are the forces in the country side, small medium farmers and those working for the big agricultural corporations.

Thirdly, small and medium scale business. My discussions about these in the recent past have led to the accusation that what is proposed is a counter-strategy based upon an alliance of the working class with small and medium scale business. Some people have siezed onto that for their own purposes. Their efforts are totally irrelevant to an adequate and serious discussion about what is necessary to maximise the forces that are available against the modern capitalist system, including the neutralisation of some.

Practical politics always calls for an analysis and an understanding of the forces that are available that can be of assistance to the leadership of the working class, and that is the crucial part of it. Whatever is done in mobilising various sectors and forces against the multi-nationals, is done under the leadership of the working class. And that applies to the smaller and medium scale business.

Fourthly, there are sections of the people affected by social conditions and circumstances increasingly organised in vital social action movements.

Fifthly, there is the reaction within the nation-state apparatus and the media against the domination and ideology of the multi-nationals.

Six, there is a growing reaction of the people against environmental destruction.

Seven, there is the people's movements in the under-developed and racially discriminated countries and the solidarity movements with them.

Eight, there are the contradictions between the various trans-national corporations themselves. Those that are in mining, those that are in tertiary industry and those that are in manufacturing industry. Those that differ with the confrontation tactics of the Fraser Government.

Nine, there are contradictions between imperialism and the socialist countries. A decisive matter in certain circumstances.

Ten, there are the disarmament and anti-nuclear movements that portend to grow dramatically in the near future over the Uranium issue.

These comprise quite powerful forces, available to be mobilised as a counter-strategy to the trans-nationals. They comprise it on a national scale and on an international scale.

Four Cornerstones

What sort of a transitional program then can be advocated that taps these resources and seeks to mobilise them into a cohesive movement. I wish to put forward four principal cornerstones to a transitional program concept.

Democratic Public Ownership

The first cornerstone that I would advocate is for growing democratic public ownership. I put this in three parts. First, the concept of bringing under democratic public ownership, the commanding heights in each sector of industry and the economy, the commanding heights of what is presently held in the private sector. This would involve somewhere in the vicinity of thirty major companies in Australia.

This is advanced on the basis that it is now historically necessary to extend public intervention, the democratic intervention of the people from simply acting on the consumption side of the economy, as in the past, and extending it into the supply side. Into the profit and capital generating core of the supply side of the economy without which the people are helpless in effecting any real control on the economy.

The second part is that for the sections that would not be incorporated in the direct nationalisation of companies in the commanding heights of each segment, there would be an end to indirect concessions. In its place there would be direct assistance, and direct assistance given only on the basis of public equity in exchange. Therefore it envisages going from the nationalisation of the commanding heights of the sectors to extending public equity and ownership.

Thirdly, the development of a number of planning institutions aimed at servicing the program.

I want to make another point about principle in this. For those in the Labour Movement who would seek to take this third aspect of the first foundation stone which would bear with such things as foreign investment control, a rural reconstruction commission, department of economic planning, A.I.O.C., R.E.D. Schemes, N.E.B. and the like, and take these by themselves away from the concept of the nationalisation of the commanding heights of sectors, and away from utilising the extension of public equity in exchange for public assistance and attempt again at some form of a useless repetition of past Keynesian measures, purely on the consumption side of the economy, it would be not negotiable so far as I'm concerned in a transitional program concept. There is no way of taking this one part of the concept away from extending the public sector and treating it as a stage of development by itself. It is a non-negotiable proposition, because it would if applied in practice simply be a futile Keynesian style attempt at refurbishing the system without coming to grips with the task of having to change the system.

Democratic Control

The second foundation stone for a transitional program is the one of democratic control. That is, democracy by intervention for a re-distribution of power in society and in industry. Starting through industry programs devised and developed by the workers themselves in both public and private sectors of the economy. The joining together of investment planning, work environment and the struggle around living standards into a single process. Bringing the workers together for industry restructure, alternative production, shorter working hours and better work environment conditions. Reaching out from the factories and industries into the localities and the community. Joining up with the social action movements to make a common stream for democratic control as well as democratic ownership and raising the demand for legislation to support industrial democracy by the right to workers intervention in all matters of managerial prerogative leading to self-management in industry. I consider this to be a

fundamental aspect of any transitional program and an inseparable foundation stone from the whole edifice that would be constructed upon it.

Social Objectives of Production

The third corner stone is the defining of the social objectives of production and economic life. I believe that this is essential. It seems to me that no transitional program can be adequately proceeded with, unless it answers such criteria that full, useful employment remains a goal for the labor movement. That production is for social use, that it is for environmental protection and renewal. That it is for overcoming under-privilege and inequality. That it is aimed at raising the creative and cultural level of all the people, and that this provides the orientation for whatever else it is we undertake.

A New World Economic Order

The fourth foundation stone is the concept of a new world economic order. Based on "independence" and "non-alignment". Opposition to military dictatorships, of military blocks. Demanding relations between countries based upon equality and so on. This is also an inseparable part of the concept. Some of the criticism directed at the concept of a transitional program is that it is purely for nationalistic protectionism and does not concern itself with the international requirements of the Labour Movement, that is not correct. That is not what is put forward, nor is it the practice of those who put a transitional program forward. (A stand against the military dictatorships of A.S.E.A.N. economically - because of their "low wage haven" anti-union status as well as politically because of their rising military threat is as important as a stand on the issues of racism in South Africa and Rhodesia. Both relate to strategies of the ruthless global corporations that stand at the heart of modern imperialism).

Based on "Self Action"

Finally, I would just like to say some words about the strategy and a synthesis of utilising the program for the purposes of building and developing the mass movement around it. In synthesis it proposes a movement for democratic ownership and control, based on production for social use and ecological protection inter-related into a new world economic order. It is a conception of a movement that is integrated and cohesive, starting with the workers own experience in their own specific industry sectors, bringing them together for the purposes of developing their own plans, their own concept of the program in their industries, and encouraging them to do so through their own self action, not superimposed from without, but seeking to win the support of the workers themselves in the forging, and the development of the struggle around such a program and plan.

The inter-relationship of that movement with the social action movement, the environmental control movements, the movements for

disarmament, the anti-nuclear and national liberation solidarity movements, so that they flow together, that they come to understand that they are part and parcel of the one process.

I have tried to put together the main elements of the concept of a transitional program, the principles upon which it is advocated, taking into account the specific circumstances of the Australian Labour Movement as it is. I want to repeat that which was put forward when it was first being spoken about, and that it is open for discussion and debate. It is open to modification. Some things in it are not open for negotiation, because they must answer the criteria of a program and strategy based on principle. There are some things which are fundamental, below which it is not possible to go, but I wish to stress that its advocacy is genuine, it is not some pretension to ask for a coalition of left forces, so that those that are prepared to come in and join it are at some later stage simply discarded. It is a proposal for genuinely building a mass movement which is open ended and out of which it can only go forward as the result of agreement, discussion and conviction arising from experience, and the propounding of that experience. It is not something that is just for the purposes of "using up" forces within the Labour Movement.

My recent experience has shown that there is a wide cross section of the Labour Movement now willing to listen to this. They are dismayed with what came out of the Perth Labour Party Conference, they see that in Perth there was a stand on some issues, but the possibility and the potential for the first time in a generation for a viable counter-strategy for social change in this country was not faced up to, it was avoided. Many of those that came into the Labour Movement and gave it vigorous support as the result of the events of November 11th 1975 are now searching around for a better alternative, a better idea, a better conception.

All over the country there is a growing response from the workers, from students movements, from organisations wanting to discuss the concept of what sort of a program it is possible to formulate which goes beyond the limitations of the previously existing and now discredited traditional Keynesian measures that only dealt with the demand side of the economy. The Socialist Movement, the Labour Movement in this country can provide answers that go further and historically those answers are now a necessity.

There is a movement now awaiting to be built in this country. It simply requires the determination to go out and to do it.



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