

Towards an Alternative Economic Strategy

Frank Stilwell

The development of an alternative economic strategy in Australia is a matter of urgency. A process of economic restructuring is taking place which is having a wide range of adverse consequences for many sections of the society. This restructuring is partly the outcome of numerous decisions taken by the owners and managers of business enterprises, resulting in changes in the sectoral distribution of investment (particularly from the manufacturing of finished goods to resource-extraction and energy-intensive processing activities), the relocation of industrial activities, the rapid introduction of new technology and changes in the labour process. In part, the restructuring is also attributable to the role of the state. The policies of the Fraser government have provided the necessary preconditions and have intensified its adverse effects, leading to a five-way squeeze on the working class.

These are: declining real wages for many employees, unemployment for others, cuts in the "social wage", rising costs of housing associated with high interest rates, and an ideological attack based on claims about the excessive power of trade unions, "dole bludgers", and so on.

Is there an alternative? Can a strategy be formulated which does not require the working class to bear the costs of the capitalist crisis and the associated restructuring? What is the role of economic policy in an alternative strategy? These are crucial questions currently confronting political economists in Australia. However, it must be acknowledged immediately that the formulation of an alternative economic strategy - especially one that opens up the possibility of a transition from capitalism to socialism - is immensely difficult. The role of the state is particularly problematic. Some political economists, adopting the traditional Marxist view of the state as "a committee for managing the common affairs of the whole bourgeoisie"¹, reject the state as an avenue for progressive change and put emphasis primarily on industrial struggles and/or urban social movements² leading to an insurrectionary upheaval. This response is understandable: the case against reformism has been well established and piecemeal policy prescription is demonstrably futile because it does not seem to tackle the fundamental structural causes of socio-economic problems. The absence, however, of an alternative economic strategy creates a vacuum in discussions of economic management which the conservatives are all too happy to fill; it also facilitates the ALP's slide into economic conservatism and widens the gulf between the ALP and the parties to the left. Moreover, without an alternative economic strategy, the labour movement is typically forced into a defensive posture, defending wages, employment, the social wage, and so on, against the assault by capital and the state. A rearguard action such as this can affect the pace but not the direction of change.

This article argues that there are economic ideas on which the labour movement can build an alternative strategy. It sets out a possible programme of "radical reforms" which could play a crucial role in transforming the Australian economy. The components include: public ownership, industrial democracy,

national and regional economic planning, expanded government expenditure, wealth taxation, controls on foreign investment and trade, and control of prices, income re-distribution and monitoring the impact of technology on employment. An alternative economic strategy of this type must necessarily be introduced within the framework of the existing capitalist economy, but to be effective it must simultaneously change the nature of the constraints. It will inevitably precipitate some new constraints too! It is certainly not a recipe for a smooth transition from an economy based on production for profit to one based on production for use: rather, it needs to be seen in the first instance as a tactical and ideological measure which can enhance the prospects of such a transition. Looked at in this way, an alternative economic strategy should not be regarded as an alternative to a strategy for change based on industrial and community struggles. Ideally, these elements should be complementary: certainly, as is subsequently argued, its capacity to engender and sustain widespread popular support is the crucial aspect of an alternative economic strategy seen as a political process.

This is an exploratory article, designed to stimulate debate. It sketches out a broad framework for economic analysis and policy needing further detailed elaboration. The argument considers (i) the case for a programme of "radical reforms" (ii) a possible economic policy package (iii) some critical problems and (iv) the alternative economic strategy as a political process.

Economic policy: the case for radical reforms

The formulation of transitional programmes is a long-established concern of socialists. However, in recent years there has been a widening of interest in the development of an alternative economic strategy, largely attributable to the re-emergence of crisis in the international capitalist economy and the associated crisis in macroeconomic management. Keynesian economics, which provided the theoretical underpinning for macroeconomic policy for over thirty years, has been a particular casualty of the crisis. Its inability (at least in its popular "bastardised" form) to explain and resolve the problem of stagflation brought the period of "liberal consensus" in economic policy formulation to a conclusion in the 1970s. The "disillusioned defence of capitalism"³ which Keynes sought to provide has not proved to be indefinitely durable.

With the benefit of hindsight, one can see a general association between liberal-Keynesianism in the economic sphere and social democracy in the political sphere. What was apparently involved was the development of a more humane and equitable socio-economic system through extensions of the role of the state. This sort of "redistribution without tears" philosophy was perhaps best articulated in the Australian context by the ALP under Whitlam; at a time it was a very successful means of broadening the ALP's appeal beyond its traditional electoral base. The fate of that government is well known and, while it would be foolish to attribute it solely to economic factors, there can be little doubt that its failure to cope with the problem of stagflation was of major importance. Consequently, even before the coup in 1975, the Whitlam government with Hayden as Treasurer effectively withdrew from Keynesian-based economic policy.⁴ In retrospect, one can thereby identify a close link between the current economic crisis and the political crisis for Labor. Some consider this as a crisis of social democracy, a revealed inability of reformist parties to manage the capitalist economy in such a way as to institute significant measures of redistribution and social reform.

The demise of Keynesianism and the associated crisis of social democracy has ushered in a period of economic policy dominated by the ideas of the "new right". The policy prescriptions are well-known: stricter control of the money

supply and higher rates of interest, attempts to cut-back governments expenditure, switching government expenditure from welfare-oriented services to forms which more directly subsidise capital, relaxing restrictions on foreign investment, selling of profitable public enterprises introducing more restrictions on trade unions, seeking to depress real wages, and so on.⁵ In effect it is an attempt to resolve economic crisis by inegalitarian measures which depress the economic conditions of the working class, while blaming the victims for the capitalist crisis. In this way the ruling class - and their "scientific representatives" in the economics profession - have filled the vacuum created by the demise of Keynesianism with the diabolical prescriptions of monetarism and the wishful thinking of "supply side" economics.⁶

These policies have gone hand in hand with an accelerated restructuring of the economic system as capital seeks to re-establish the conditions for renewed accumulation. In Australia this has meant a major emphasis on investment in resource development, reflecting the role of the economy in the context of the "new international division of labour".⁷ However, there is considerable doubt about the effectiveness of this strategy. Estimates of the magnitude of the so-called resources boom vary widely⁸ and recent developments in world markets have led to a downward revision in expectations.⁹ It has never been clearly articulated just how a boom in the resources sector might become an engine for pulling the rest of the economy. Moreover, to the extent that such growth does occur, its benefits are extremely concentrated while its costs are widely shared within Australian society. Little direct employment is generated because of the high capital intensity. As well, little indirect employment is generated because of the weak linkages between the export-oriented resource sector and other sectors of the economy. Indeed proponents of "the Gregory thesis" argue that the effects of mineral exports on the exchange rate are likely to lead to a reduction in economic prospects for other sectors of the economy.¹⁰ Growth sectors are geographically concentrated and the associated labour mobility gives rise to major problems associated with the provision of housing and social services in areas such as Gladstone.¹¹ The environmental impacts are a major problem.¹² The high proportion of foreign ownership increases the potential for profits being remitted overseas and for multinational corporations to use transfer pricing in order to minimise tax paid in Australia.¹³ All in all, it is not an attractive prospect.

What is the alternative? An economic strategy is needed to ensure that Australia's resources - human, natural and manufactured - are used in the interests of the society as a whole. That proposition (vague, glib and naive as it is!) provides a starting point, if only because it directs our attention to the features of the capitalist system which prevent the realisation of reasonable social objectives, and it indicates the characteristics that would be required of the new socio-economic system towards which an alternative economic strategy is designed to lead. Two aspects are particularly important. The first concerns the efficiency of resource allocation. Production under capitalism will only occur when the conditions for profitable investment exist; the absence of those conditions generates interruptions to the accumulation process leading to widespread unemployment. Such a system is clearly inefficient since it periodically features large reserves of unused resources co-existing with unfulfilled social needs. Looked at in this way, it becomes clear that what is needed is the replacement of an economic system based on production for profit by an economic system based on production for use.¹⁴ Only then is the systematic tendency to economic crises eradicated (though it must be conceded that this leaves wide open the question of how an economy based on production for use is to be organised). The second aspect concerns how the "interests of society as a whole" are established. The principle of democracy is of central importance here. It is a principle to which there is much

deference in our society, but the most cursory examination reveals that it is systematically violated by the very structure of the capitalist economy, specifically because of the coercive and non-symmetrical relationship between capital and labour in the sphere of production. The extension of the democratic principle from the limited arena of parliamentary politics to all aspects of our lives, particularly our working lives, is necessary if the principle is to be fully embraced.

This is not to say that the transformation to an economy based on production for use and democratic control of production (i.e. a socialist economy) is in itself a solution to the complex problems of inequality, alienation, bureaucracy, social justice, and so on. Nothing could be further from the truth! Rather, the transformation may be interpreted as a necessary but not sufficient condition. What is important to note is that the way in which socialism is achieved is bound to have an important impact on the form which socialism takes. In this respect, the avoidance of totalitarian outcomes is an important consideration in arguing the case for a broadly based alternative economic strategy. The danger is certainly present, especially if strategy formulation takes the form of a "top-down" process: hence the need to emphasise a continuous process of iteration between the ongoing struggles of workers and community groups and the development of an alternative economic strategy.

Unfortunately, there has all too often been a clear separation between the critique of capitalism and the issue of how a socialist system should be organised. The missing link is the identification of the most appropriate means of facilitating and accelerating the transition. This is where the usual dichotomy between reform and revolution enters the debate. Unfortunately it is a dichotomy that obscures the role which reforms can play in generating the conditions for a revolutionary transformation of the socio-economic system. It is of no help to reject reformism purely on the grounds that it does not immediately embrace the great revolutionary socialist vision. To quote one British economist, "reformism is bad as a socialist strategy not because it seeks to reform capitalism but because it advocates only such reforms as capitalism can concede without a challenge being made to the dominance of capitalist economic relations and capitalist economic philosophy"¹⁵ Or, as Humphrey McQueen puts it "the major problem Marxists face is not one of rejecting reform but of how to avoid being reduced to reformists".¹⁶ André Gorz's view of "non-reformist reforms" and Stuart Holland's concept of "revolutionary reforms" are relevant in this context.¹⁷ We need to identify which reforms have a positive impact in bringing about the conditions which make a socialist transformation possible.

Such a concept of radical reform has potentially wide application in many areas of policy. What is involved is the development of policy initiatives which set in motion further processes of a progressive character. However, economic policies are of particular importance: indeed, they must be seen as the most fundamental aspect of a programme of radical reforms because, without changes in economic structure, other socialist objectives in relation to society, culture, and so on are likely to be unattainable. Nevertheless, it is important to recognise simultaneously that radical reforms should also be directed towards initiating revolutionary changes in social values as well as economic structures. Specifically, it is important to recognise the need to challenge the primacy of conventional GNP goals in the evaluation of economic performance. The advocacy of fundamental reforms which are both reasonable and inconsistent with capitalist criteria makes a direct contribution to changing the parameters within which debate on economic policy takes place. Thus, the question to be posed in relation to reforms is not will they help to

ensure a higher rate of GNP growth, but will they contribute to the general rejection of such criteria in favour of a more well-rounded set of criteria, including equity, individual and community development, ecological balance and the achievement of a non-alienating economic and social structure as well as material-well-being. A tall order maybe, but a necessary feature of an alternative strategy which is intended to eventually pave the way for a social as well as economic transformation.

Radical reforms need to build on certain existing institutional structures in order to transform them. This may be regarded as a process of constructing "bridgeheads of socialism" within the capitalist system. In any society there are vestigial elements of previous systems of economic organisation and embryonic elements of others. It is the embryonic socialist elements that need to be developed. In Australia, for example, the two most distinctive institutional features of economic policy are the tariff and the arbitration system. The two are closely interconnected, tariff protection being necessary to ensure the survival of particular industries whose wage costs are raised because of the standardisation of wage levels for a given occupation in different industrial sectors and regions of the nation. Both the tariff and the arbitration system are capitalist institutions. However, both can be seen to have embryonic socialist elements. Under a socialist society a set of institutions will be necessary to regulate external economic trade, and to determine wage payments. In effect, both would then be aspects of a general system of economic planning.

In order to accelerate that transition these aspects of the existing institutions with potentially socialist aspects need to be accentuated. For example, in relation to the arbitration system this means stressing the principle of "comparative wage justice" and the rights of labour to the economic benefits arising from productivity increase while fighting against the thoroughly capitalist principle of "ability to pay". In relation to the tariff, this means stressing objectives other than maintaining the private profitability of inefficient industries in favour of developing economic links with developing nations and planning the development of an economic structure which makes employment less vulnerable to fluctuations in international market conditions¹⁸ and which specifies strict conditions (e.g. in respect of pricing policy, wages and working conditions) which are required of firms in exchange for continued tariff protection.

This sort of approach to the formulation of an alternative economic strategy gives people experience - albeit often frustrating - in the struggle to develop socialist institutions. Thus, in the process of moving towards a socialist transformation, a certain degree of expertise and consciousness is developed which will subsequently be needed for the effective running of such a society. Moreover, it helps to ensure - but does not, of course, guarantee - that expertise is sufficiently widespread to prevent the emergence of new dominant elites. But in effect, the sort of socialism to emerge from a political process based on an alternative economic strategy would probably be a more attractive prospect than one arising from a more abrupt insurrectionary capture of state power. The achievement of a socio-economic transformation is a long process involving learning about alternatives, raising of political consciousness and establishment of interim tactical positions. The outcome may be the better for it.

An alternative economic policy package

What would be the main policy proposals in an alternative economic strategy in Australia? It is necessary now to consider some specific elements

in such a package. There is a major problem here in that the argument in the preceding section of this paper would imply the need for an alternative economic strategy to be formulated through a widespread process of worker and community participation. That has yet to occur. Nevertheless, as a contribution to the initial stages of the debate, it may be useful to set out a possible framework of policies. What follows is a ten point proposal, comprising three fundamental policies concerned with ownership, control and planning; two policies concerned with government expenditure and taxation; two policies concerned with external relationships; and three policies concerned with the structure of prices, incomes and employment.

The three fundamental policies are as follows:

(1) The extension of public ownership into key industries, particularly in respect of natural resources. State ownership of our mineral resource development including oil, gas, bauxite and so on, would provide a basis for using the vast wealth of the nation to satisfy the needs of society as a whole rather than the private enterprises which now exploit these resources. More generally, of course, ownership of the means of production is necessarily a key aspect of the demand for a transformation of the economy to one based on production for use. However, a change to public ownership simultaneously in all sectors is an unrealistic proposition and has not normally been attempted even in socialist-based economies. In the Australian case there are particular legal constraints because of the interpretation of that section of the Constitution which is held to prevent public ownership of this sort by the federal government. The minerals sector offers great possibilities because the resources are subject to Crown ownership except in cases where there are pre-emptive land grants. Major problems of financing development would arise in the short-term but capital expenditure on productive enterprises of this type would eventually generate flows of revenue which could finance further developments as well as providing a basis for expansion of other forms of government expenditure (item 4). The rate of resource development would be determined by the process of national and regional economic planning (item 3).

Eventually, the principle of public ownership would need to be extended to more problematic sectors, including the major manufacturing industries and decisive sectors like finance which give the state real power to boost productive investment. A controlling interest in key firms could provide the potential for major influence, though it should be stressed that the form of control is just as important as the form of ownership (see item 2). In sectors where this extension of public ownership is not possible for one reason or another, consideration could be given to the negotiation of "planning agreements" along the lines of proposals developed in the U.K. Such agreements would be struck between the government and major companies in the private sector as a means of ensuring that they behave in a manner consistent with government objectives. Of themselves such agreements are likely to be relatively ineffective, but they do provide a means of raising the question about the standards by which business enterprises are to be judged - private profitability or social accountability?

(2) The creation of a system of industrial democracy which gives the workforce a greater influence in the running of corporations. In some respects this is the most crucial issue of all, to establish the principle that those who produce wealth should have control over the organisation of the labour process and over the use made of the products of their own labour. The growth of combine committees such as that in Lucas-Aerospace in the U.K. is an example of how workers can plan for socially responsible production. The ultimate objective must be the introduction of workers' control, a demand that will

inevitably be resisted by capitalists precisely because it usurps their function. It is not likely to be an easy transition and careful consideration of tactics is clearly necessary. There has been much debate about forms of industrial democracy which fall short of this position: what is an acceptable interim compromise depends on the circumstances in particular firms and industries. The introduction of forms of workers' control within public-sector enterprises is the obvious starting point.

The obstacles and potential contradictions should not be underestimated. For example, there is likely to be a conflict, at least in the short run, between technical expertise and popular control. Nevertheless, it is clear that democratising industries under public ownership is a crucial policy. Without such democratisation the general character of industrial relations cannot be expected to show significant improvement: the experience of nationalised industries in other countries leaves little doubt of this. What is required is a package of changes in the system of ownership (item 1) and changes in the system of control which provide the basis for a fundamental shift away from an economic system in which inter-firm resource allocation is determined by markets (often characterised by monopoly and collusion) and intra-firm resource allocation is determined by hierarchical authority to one in which resource allocation is based on principles of democracy in the economic sphere.

(3) The other fundamental element is the introduction of a system of economic planning to coordinate the allocation of resources. In a sense, economic planning already exists, as Galbraith has frequently stressed¹⁹ - a system of planning by large corporations so as to reduce the uncertainty of the market and hence to enhance profitability and growth. An alternative economic strategy seeks to replace this by planning to serve a broader range of socio-economic and environmental objectives. At a minimum this would require the establishment of a new federal government department of Economic Planning concerned with defining the broad contours of Australian economic development, taking account of our natural and human resources. Initially, this could be expected to take the form of indicative planning, but increased public ownership (item 1), controls on foreign investment (item 6), and price control (item 8), would facilitate an increased degree of direct control over the allocation of resources, as the rest of the alternative economic strategy unfolds. The emphasis in the alternative economic strategy on industrial democracy (item 2) and the involvement of the community as a whole in the planning process requires some degree of decentralisation in the process by which economic planning proposals are formulated. This raises a possible conflict between planning and decentralised control which may be ameliorated, albeit certainly not resolved, by an emphasis of regional planning. As Papandreou has noted, "to make planning socially responsible to the will and aspirations of the common man (sic), to turn it into genuine social planning, it is necessary to redistribute power - indeed to decentralise it. And this decentralisation, both logically and historically, can hardly be sought along functional lines. It almost inevitably must be sought along regional lines."²⁰ This aspect is particularly important in Australia because of its size, distinct development of the individual States, and striking degree of metropolitan primacy within each State. The development of a system of regional economic planning would involve inter alia further development of the sort of initiatives undertaken by the Whitlam government's Department of Urban and Regional Development. It is also important that demands for industrial democracy (item 2) be linked to demands for democratisation in respect of housing and the provision of community facilities. Thus public control is applied to the sphere of consumption as well as production.

The three policies involve basic changes in the way the economic system operates. They are placed first in the ten point proposal because of their fundamental importance and because all other policy proposals need to be related to them. However, from the viewpoint of timing, they need to be closely linked with other policy measures which provide the necessary supplementary conditions for these changes. It is to these matters that we now turn, beginning with two policies which involve government expenditure and taxation.

(4) A programme of expanded government expenditure to stimulate domestic demand, mobilise unemployed resources and improve the socio-economic welfare of the working class. This, of course, runs directly counter to the current government policy. It may be regarded as a residual element of Keynesian economics in the economic thinking of social democrats and it continues to be influential in the formulation of ALP policy. But it could be taken much further. As Wilenski has pointed out, the proportion of government expenditure to GNP in Australia is actually quite low by comparison with other OECD countries, contrary to the rhetoric of the current government.²¹ Wealth taxation (item 5) could generate an immediate increase in revenues to help finance it, while nationalisation of our national mineral wealth (item 1) could be expected to eventually provide the basis for further increases in expenditure. Another interesting possibility is a national superannuation scheme which uses the flow of funds financing retirement incomes to "buy back" resources producing wealth for social ownership, management and redistribution. Of course, there are problems. For example, it must be acknowledged that the likely response by capital to an alternative economic strategy (as discussed in the next section of this article) could erode the tax base on which the programme of expanded government expenditure is based. However, in the short-term, the expansion of expenditure would make the investment prospects in Australia more attractive, because of the stimulus to the level of aggregate demand (facilitating, in Marxist terminology, the realisation of surplus value). There is certainly much scope for expenditure which simultaneously generates employment and satisfies social needs, e.g. in housing, transport, social services. Putting it this way helps to highlight the desirability of considering the level and allocation of expenditure simultaneously. Such a policy demand re-establishes the primacy of the full employment objective and the responsibility of the government for the allocation of resources for social welfare. This proposal thereby counters the insidious ideologies associated with monetarism and its role in the legitimisation of unemployment and attacks on the living standards of the working class. It also emphasises that expanded government expenditure can aim to achieve more than job creation per se, that it can also meet specific demands that have emerged from particular sections of the community e.g. for retraining schemes, improved education funding and comprehensive child-care facilities.

(5) The introduction of a wealth tax. Such a tax would not only have the role of raising revenue to finance expansions of government expenditure but would also increase the equity of the taxation system. The degree of wealth inequality in Australia is very marked; as Raskall has pointed out in an early issue of the journal, the richest 2,000 people have more wealth than the poorest 2½ million, a degree of relative inequality not dissimilar to that in the U.S.A. and the U.K.²² Such concentration of wealth goes hand in hand with the concentration of power. Moreover, it typically derives not so much from productive effort as from social position; as many studies have shown, inheritance remains the main source of wealth inequality.²³ In recent years, the rate of inflation has been such as to facilitate the generation of vast speculative gains in property, commodity dealings, holdings of gold and

other precious metals and stones, and so on. Initial capital rather than productive effort has therefore been the key to the accumulation of wealth. The demand for a tax on such accumulation is effectively a demand that at least part should accrue to the society as a whole rather than particular individuals who are advantaged by their social origins and class position. It is important that the rate be set such that it would exempt most owner-occupiers from the tax and keep its costs of administration within bounds while generating a significant government revenue at the expense of those who can most afford it.

Next, two policies concerned with external economic relations:

(6) An expanded system of controls on foreign investment. Foreign investment is an important influence on the changing structure of the Australian economy, though, as Hamilton and Marcus have shown, much of it takes place out of past profits of foreign enterprises operating in Australia.²⁴ Its sectoral composition is quite volatile, which tends to intensify the problem of unemployment in the Australian economy.²⁵ Moreover, as Wheelwright has emphasised on many occasions, the growing dependence on foreign capital imposes even more restrictions on the government economic policy than would otherwise exist because of the relationship between domestic capital and the state.²⁶ The control of such investment is a prerequisite for economic management of our resources by the Australian people, though its immediate impact is to favour domestic capital at the expense of foreign capital. The exact form of control which is appropriate needs careful consideration. One possibility is to limit foreign investment to a 49 per cent share in any particular enterprise. A more selective policy would probably be more effective, e.g. prohibiting foreign investment altogether where it merely involves takeover of existing assets but allowing foreign investment in sectors where the capital and/or technological expertise cannot be otherwise provided. Foreign investment under specific contracts, as is done in China and Vietnam, is another fruitful possibility. What needs to be stressed is that these policies towards foreign investment need to be developed, not because domestic capital is any less "capitalistic" than foreign capital, but because dependence on the latter adds yet further impediments to the transition from capitalism to socialism. Moreover, there is a close link between the proposals for public ownership (item 1) and these proposals regarding foreign investment: control of the latter needs to be formulated in such a way as to open up possibilities of the former, including joint ventures and schemes whereby assets revert to public ownership after a specified period of private operation.

(7) The further development of import controls. Without such controls there is always the danger that any expanded demand - such as could be expected to flow from a policy of increasing government expenditure (item 4) - would be largely channelled into a demand for imports, thus by-passing domestic industry and employment and intensifying balance of payments difficulties. This problem is seen by the Cambridge Economic Policy Group in the U.K. as the most recurrent check on economic growth.²⁷ The Australian economy has traditionally been protected by high tariff barriers and, while it must be acknowledged that there are potential conflicts between such a policy and our obligations to assist economic development in the countries of S.E. Asia, it seems necessary to pursue a policy of import controls as a means of guaranteeing the economic diversification necessary for disentanglement from the international capitalist economy. Otherwise the Australian economy is locked into the process of uneven development and economic crises which characterise that system. In retrospect we can see that this was precisely the effect of the 25 per cent cut in tariffs introduced by the Whitlam government. It is this locking into the international capitalist economy that is a cause of recurring problems both for the Australian working class and for the working classes of our third world neighbours. In the long run the latter stand to gain more by having a

socialist Australia as a trading partner, especially if that involves a selective tariff policy, as proposed in the second section of this article. Of course, this emphasis on import controls and on import substitution runs directly counter to the dominant IAC orthodoxy, and thereby challenges the narrowly defined private "efficiency" criteria associated with the principle of comparative advantage which provides the current basis for the formulation of trade policy recommendations. Finally, there are three policies concerned with prices, incomes and the structure of employment.

(8) The imposition of price controls. The policy of expanded government expenditure (item 4) could add to the rate of inflation - though there is no general reason to believe that public expenditure is any more inflationary than the private expenditure which the current economic orthodoxy sees as a legitimate basis for increasing the level of aggregate demand. Price controls could be introduced to stop any such inflationary effects. This would have to go far beyond the operations of a Prices Justification Tribunal: certainly, penalties for non-compliance would be necessary. The resulting "impairments to the efficiency of the market mechanism" which neo-classical economists are always so eager to emphasise could lead to some temporary shortages and imbalances (though a market mechanism which leaves such a high proportion of our resources unemployed can hardly claim high marks for efficiency!). In the medium-term the solution to this is the introduction of a system of economic planning (item 3) under which the output decisions of different industrial sectors are co-ordinated through the public sector. The most important point to stress is that, in much of our economy, prices are already "administered" rather than set by a competitive market mechanism. What this proposal involves is a change in the form of administered pricing away from one governed only by private profitability criteria towards one in which state controls are significant.

(9) The development of an income redistribution policy which ensures that the real incomes of workers rise with increases in national productivity and output. The legitimacy of any economic system depends on some general agreement about "fair shares". The current economic situation is one whereby the real incomes of lower income groups are regularly eroded by price increases while those who derive their income from managerial salaries and from non-wage sources are able to improve their relative economic position. The abandonment of wage indexation brings this whole issue into sharp focus. To turn to collective bargaining is in some respects an understandable response by the Trade Union Movement but it is one which permits strongly unionised and militant groups of workers in key industries to gain, often at the expense of weaker groups of workers rather than at the expense of non-wage income groups. An institution such as the arbitration system will be necessary for the determination of wage relativities in an economy based on production for use. Accordingly, it would seem to be a sensible strategy to formulate strategies designed to develop the system in this direction rather than to press for its demise.

There are two central issues here. One is the relationship between the demand for an equitable distribution of incomes and the demand for workers control: the first would seem to require some form of centralised authority and the other to require decentralisation of power. In a sense, this is part of the general problem of reconciling industrial democracy (item 2) and economic planning (item 3). The solution should involve an iterative process whereby workers demands and proposals are integrated into the planning process, which in turn shapes the conditions affecting different groups of labour. In respect of wages this would require that workers themselves become involved in the formulation of policies regarding wage relativities rather than merely involved in the pursuit of sectional interest. The other central problem

involves the response of business to any policy initiatives which tend to tilt the balance of power in the wage fixing process from capital to labour. If, as seems likely, any such policy causes an exodus of capital (e.g. to free trade zones in countries where wages are depressed), then further opportunities for nationalisation of existing assets (item 1) will be provided.

(10) The development of an integrated employment and technology policy. Proposals for increased government expenditure (item 4) are not sufficient to ensure reduction in unemployment in circumstances of rapid technological change. Indeed it is quite conceivable that in some sectors of the economy expansion could simply create the preconditions for more rapid labour-displacement. Hence the necessity of recognising the structural character of the unemployment problem and of pursuing a means of redistribution of the available employment. These issues have been sharply focussed on the campaign for a shorter working week: it clearly raises the question of the distribution of the benefits of technological progress and involves a struggle to ensure that the gains of higher productivity do not accrue solely to capital. More generally, what is involved in this proposal for an employment and technology policy is the planning of employment opportunities so as to take account of the skills of the workforce and the special position of particular groups in the workforce. The role of women is particularly crucial; given the trend towards increased participation rates, the concentration in particular industries and occupations, the high incidence and of part-time employment. Also deserving of special consideration is the situation in respect of youth employment: the new entrants to the labour market face particular difficulties in a period of economic crisis and the evidence suggests that the incidence of unemployment among young people is as high as 1 in 3 in some areas.²⁸

How an alternative economic strategy can take account of these issues needs careful consideration. To some extent, the problem of youth unemployment, for example, is a reflection of generally depressed conditions in the labour market, and it could be expected to respond to a general public-sector led programme of economic stimulus (item 4). However, the increased incidence of part-time work, especially among women, is a phenomenon which would be unlikely to respond significantly to macroeconomic management, and requires specific legislation regarding job security and safeguards against discrimination. These microeconomic aspects of an employment and technology policy are a necessary supplement to the proposed system of national and regional economic planning (item 3).

The timing and interrelationships between these various policy measures needs careful consideration. Not everything can be achieved simultaneously (even in the unlikely event of an ALP government coming into office committed to this sort of programme!). The ordering of these ten points is not intended to indicate an appropriate sequence of implementation. For example, it may well be that initial emphasis would need to be placed on expanded government expenditure (item 4) so as to generate a job-creation programme and to repair the cuts in the social wage, as well as an emphasis on the control of imports and foreign investment (items 6 and 7) so as to reduce the severity of the dislocations arising in the domestic economy arising from the changing conditions in the international capitalist economy. These policy changes would set other forces in motion, including probably a withdrawal of foreign investment, which could open up opportunities for introducing other elements of the package, such as public ownership (item 1) which would in turn increase the potential for extensions of industrial democracy (item 2), further consideration of these matters is needed in order to transform the package into a specific plan of action.

Similarly, it must be acknowledged that this set of proposals is by no means fully comprehensive; it could be extended, for example, to include other reforms to the taxation system such as the introduction of a tax on commercial advertising expenditure. Energy policy is an important area in its own right and has been treated elsewhere.²⁹ Even more importantly, it must be acknowledged that such package of economic measures needs to be accompanied by a range of other policies, e.g. to reduce the dominance of the media by monopoly capital. Moreover, it is self-evident that the effective implementation of an alternative economic strategy would require much more detailed elaboration of the points outlined here. Indeed, each of the policy areas identified would need to be the focus of a major study so as to identify priority areas and the most effective policy instruments. The objective of this current discussion is simply to provide an overview of a possible alternative economic policy package. A detailed "blueprint" is less important at this stage than a general view of the political processes associated with this sort of approach to policy formulation. Indeed, the impediments to the strategy are enormous, and would be likely render any "blueprint" quickly redundant. This is why the alternative economic strategy needs to be interpreted as part of a process of change. Hence, it is appropriate now to turn to the general question of policy implementation and the problems associated with this approach to the transformation of the economic system.

Critical Problems

What has been presented is a basis for building an alternative type of economy - not a socialist economy but one which is conducive to the remodelling of the economy on socialist principles. Is it workable? This section of the report considers certain critical problems with this approach to policy formulation, drawing particularly on critiques of the strategy developed by the left-wing of the Labour Party in the United Kingdom.³⁰ Four points can be identified as most significant, all of which are pertinent to the appraisal of an alternative economic strategy for Australia. These concern the questionable assumption about the role of the state, the capitalist response, the international constraints, and the relationship of the alternative economic strategy to the class struggle.

First, the advocacy of an alternative economic strategy makes certain assumptions about the role of the state in the transition from capitalism to socialism. At its crudest the assumption is that of the Fabian socialists that the state can be used to effect the full transition through the implementation of economic planning and social reforms, thereby denying the need for a violent attack on the power of the capitalist state. There can be little doubt that this assumption is unrealistic. What of the power of the bureaucracy to subvert the reforms, a problem that was apparent even in relation to the mild reformism of the Whitlam government? What of the possible intervention of the armed forces to safeguard the interests of the capitalists? What of the lessons of Allende's Chile? And, on a more conceptual plane, what of the mountain of theoretical analysis and argument developed by Marxists demonstrating the inherent class nature of the capitalist state and the impossibility of a successful transition of this sort? One sense in which the proposals for an alternative economic strategy could be reconciled with this evidence and theory is to see them as operating primarily in the sphere of ideas, i.e. as playing a role in the development of a socialist consciousness and hence of providing one of the preconditions for an eventual assault on the capitalist state. The argument is not dissimilar to that of Harrington: that the welfare state is a capitalist state but it contains within itself the seeds of a socialist transformation.³¹ Here the argument is that by developing perfectly reasonable proposals for reform which the capi-

talist state is ultimately unable to accommodate, a new set of conditions is generated which makes the transformation more imminent. Another (related) view sees the alternative economic strategy as an aspect of the class struggle within the capitalist state. As the economic role of the state in contemporary capitalism has expanded, the state has become an arena of class struggle, supplementing the more traditional struggles focussed on the workplace. If this is indeed the case, then the alternative economic strategy could conceivably be interpreted as an instrument for extending the power of labour vis a vis capital and thereby linking up with the general capital-labour conflict in the sphere of production. Be that as it may, it must be conceded that the internal constraints within the state apparatus (e.g. the conservative bureaucracy) are bound to prove a major problem.

Second, there are "external" constraints arising from the response by capital to any socialist oriented alternative economic strategy. There is no reason why capitalists should sit back and accept these changes: as historian R.H. Tawney put it, "you can peel an onion layer by layer but you can't skin a tiger paw by paw".³² Of course, capital can be expected to retaliate, and this is precisely why labour governments (including the Whitlam government in Australia) have always been so concerned to reassure businessmen that their election to office holds no threat to their general interests. It should be noted that the sort of alternative economic strategy outlined in this paper would help some sections of capital in the short-run; the expansion of government expenditure (item 4) and the strengthening of import-controls (item 7) fall into this category. More generally, it may be possible to exploit the conflicting interests of different fractions of capital in these circumstances so as to ensure that the assault by capital is not wholly unified. Nevertheless, it remains indisputable that the response by capital to the introduction of a socialist-oriented alternative economic strategy is bound to be a problem of crucial importance. However, what needs to be further demonstrated is that it weighs more heavily against this sort of strategy for change than it does against others. The important question is not whether capitalists will offer resistance in the transition from capitalism to socialism, but whether that results in a tendency to retreat or to press on even more aggressively with the nationalisation of the assets of the non-compliant businesses (item 1) in the pursuit of a more rational and efficient economic structure.

Third - and following on from this second point - there are additional problems arising from the international nature of the capitalist system. Can a single country disentangle itself from the web, particularly one such as Australia so much locked into the international economy? The experience of Chile under Allende is particularly relevant here, since there is now a wealth of evidence on the international capitalist conspiracy to topple that popularly elected government. Even in Australia under the Whitlam government there is clear evidence of the destabilising economic effects of the dramatic withdrawal of foreign investment in 1973-4:³³ whether one considers this to be a consciously political response by capital to an unacceptably left-wing government or merely a rational economic response to new restrictions on foreign investment, the outcome was the same. Clearly, it would be extremely naive to imagine that any radical restructuring of the economy such as that envisaged under the alternative economy strategy would not elicit a significant response from multinational capital. Certainly, this serves to re-emphasise that the proposed programme of import-substitution (item 7) is a necessary corollary to the increased controls on foreign investment (item 6) and extension of the public ownership (item 1). However, it remains undoubtedly true that the potential response of multinational capital is a major stumbling block in the strategy. This could hardly be otherwise; the point which

needs to be demonstrated is that this response to the alternative economic strategy is likely to be more damaging than the response of multinational capital to a more sudden revolutionary transformation to a socialist-based economy. Either way there are bound to be serious short-run problems of dislocations, requiring contingency plans.

Finally, there is the question of the relationship of an alternative economic strategy to the class struggle. Such a struggle is ongoing and is likely to intensify with the growing severity of the capitalist economic crisis, albeit primarily centred on rather narrowly conceived wages and employment issues. One problem with the proposals for an alternative economic strategy in the U.K. is that the role of the policy initiatives in relation to this class struggle is not clearly articulated. At one extreme, it effectively ignores it. Thus, as one socialist critic has put it, the strategy "reduces the workers to cheerleaders who can only encourage the home team, throw toilet rolls at the other side or shout foul at the referee".³⁴ However, this is not necessarily the case, and the strategy could be seen as one which gives a coherence and a unity to the struggles of workers and unions in individual industries (and citizens in regard to particular housing and welfare issues and so on) a genuine reintegration of the political and economic wings of the labour movement. That would depend on there being widespread discussion of the strategy and a commitment to link individual struggles to the more general movement to transform the socio-economic system to one which has a more rational and humane basis. In summary, the effectiveness of the alternative economic strategy in a class-structured society depends on the political processes involved in its development and implementation. It is to these political issues that we now turn.

The Alternative Economic Strategy as a Political Process

Viewing the alternative economic strategy as a political process involves a wide range of considerations: developing widespread involvement in discussion of alternatives to current economic policies, involving the left-wing of the ALP in a dialogue with socialists on a strategy of this sort, seeking to strengthen the general commitment of the ALP to such a programme, gaining office, dealing with a conservative bureaucracy, developing plans to deal with the response of capital to socialist-oriented policies, and developing and maintaining widespread popular support for the policy measures. These issues are crucial to the success of the strategy: indeed, they raise fundamental issues about its very nature and purpose.

A useful initial distinction can be drawn, along the lines suggested by Rowthorn,³⁵ between the tactical and ideological aspects. Tactically, the major issue concerns the role of such a policy package in respect of the process of policy formulation within the ALP. The primary question is whether an alternative strategy is useful for the left in seeking to increase its influence within the party. The answer must almost certainly be in the affirmative: as in the U.K., it is a major advantage for the left to have a clearly articulated policy package. A major issue for the party still is (or should be) to draw the lessons of the Whitlam government: did that government fail because it attempted too much too quickly, or because its political-economic policies were not based on a coherent and widely understood programme for transforming the structure of Australian capitalism? The former view leads to economic conservatism. The latter interpretation is crucial if the Labor Party is to have a progressive role. It is by building on this view that the proposals for an alternative economic strategy can have great tactical value to the ALP left. Put another way, the absence of any such strategy

leaves it impotent in the face of the general slide towards conservative interpretations of the problems of the Australian economy.

On an ideological level, the situation is only a little less clear. As Rowthorn argues "the very act of creating and developing an Alternative Economic Strategy is an important exercise in self-education for socialists."³⁶ It raises key questions about the nature of the transformation of the capitalist economy and forces discussion of practical questions of economic management: this is a useful break from sloganising and demands for "instant socialism". It may also help the left to come to be seen as an alternative political leadership, rather than as an internally divided assortment of social critics, newspaper vendors and subversives. Whether it is widely regarded as a desirable alternative leadership is another matter. However, in a period during which Australian capitalism and its ruling class administrators are intensifying problems for the working class, the potential is present. An alternative economic strategy could play a major role in general community education about the desirability of a major change in direction regarding the future of the Australian economy. Indeed the ideological significance of the alternative economic strategy is perhaps its most important aspect in the first instance. It has a potentially significant educational function both for the committed left and for the community as a whole. Further, it could act as an important rallying-point for an otherwise demoralised political opposition and as a catalyst and coordinating agent for otherwise fragmented struggles by individual groups of workers. Thus, even if the specific programme is never implemented, an alternative economic strategy can have an important ideological function.

However, one must go further and seek to anticipate the political processes associated with the actual implementation of an alternative economic strategy. One obvious issue is the electoral aspect. Could a party committed to an alternative economic strategy of the sort outlined in this article have any chance of gaining office? Is the electorate inherently conservative? Certainly, it is important not to underestimate the problems of gaining popular support. However, this does not necessarily favour a softly-softly approach: as Theophanous points out, "if people are offered a choice between two parties with substantially the same policies, why should they vote Labor, given the nagging doubts as to where the ALP really stands?"³⁷ A more radical programme is not inherently an electoral liability. Indeed, there are a number of aspects of the programme that could fire the imagination of a large part of the electorate e.g. public ownership of Australian resources as a basis for improving the standard of social facilities, the commitment to full employment, control of multinational corporations, and so on. In a period when the inequitable nature of the current economic crisis and of current economic policies are coming to be more widely perceived, possibilities of gaining support for a fresh approach do exist. The establishment of a daily newspaper for the dissemination of left-wing analyses of current issues would facilitate this process.

Turning from the difficulties of gaining office to problems of policy implementation immediately raises the issue of potential opposition from within the state apparatus. The existing bureaucracy could be expected to impede the implementation of an alternative economic strategy. This would suggest the need for a "night-of-the-long-knives" during which conservative bureaucrats would be moved out of key positions immediately upon Labor gaining office. This is not an adequate solution, but would be an important indication of the strength of commitment. The right-wing forces within the state apparatus would certainly re-group. The role of the armed-forces could also be important. This latter aspect is acknowledged most clearly in the CPGB's British Road to

Socialism. Rowthorn also puts it strongly: "unless the power of the Right in Britain's military apparatus is challenged all our plans for radical economic and social change or worthless."³⁸ We must ask, is Australia a democratic country where military coups "simply do not happen"? The safeguards against this are not immediately apparent but the problem needs to be interpreted in terms of a process which involves an extended conflict of ideas, a conflict that takes place in all parts of society, including the military. For the time being at least, as Frances Cripps has argued in the British context, the more important issue is the "media battles"³⁹ to establish the legitimacy of the socialist ideals embodied in the alternative economic strategy.

Finally, what of the response by capital? As noted in the previous section, this is a crucial issue. There is a clear possibility - one might say a certainty - that the immediate effect of new policies limiting the power of capital would be to cause a reduction in investment and hence immediate dislocation of the economy. However, it is possible to envisage contingency plans, including the nationalisation of non-compliant businesses, and the conversion of production to socially useful activities under workers control. The role of the state in expanding its expenditure is crucial in ensuring that the dislocation does not manifest itself in growing unemployment. Also it is possible to envisage programmes of planned industrial development which simultaneously reduce dependence on multinational corporations at the same time as providing opportunities for new investment in industries currently not favoured: i.e. a planned programme of diversification and import-substitution could provide the basis for interim cooperation between labour, the state and some fractions of capital. Ultimately, however, one must concede that all these measures - no matter how effectively implemented - would not eliminate the effects of dislocation. The big question is how such dislocation would be generally interpreted: enter once again the issue of popular support.

Formulating an alternative economic strategy is not primarily a technical exercise. It is a political exercise involving the development and discussion of proposals for dealing with the problems of contemporary society, and the commitment of the majority of the people to its broad objectives. As the recent publication by the Conference of Socialist Economists put it, an alternative economic strategy "would be a break with capitalist forms of economic control and would meet with opposition."⁴⁰ The question of popular support is crucial. How to build it? How to sustain it? These matters have been thoughtfully considered in the pamphlet by Connell⁴¹ which stresses inter alia the need to build social and political movements on the basis of people's individual and collective experiences. While an alternative economic strategy can offer no short-cut in such complex processes, it can potentially act as a rallying-point and means of coordinating a wide range of struggles. Looked at in this way, the tactical and ideological aspects of an alternative economic strategy are of paramount importance.

All in all, it is clear that an alternative economic strategy offers no simple solutions. On the one hand, there are certain aspects of the Australian situation that are relatively favourable to an approach of this sort. Most obviously there is the rich endowment of natural resources. There are also some institutions, particularly those concerned with international trade and with wage fixation that could be adapted to serve as important parts of an economic planning apparatus. If nothing else they have helped already to establish the legitimacy of public regulation of important aspects of economic life. It could also be argued that the capitalist class is not as fully integrated as in the major capitalist metropolises: certainly there is no equivalent to the power of the City of London to undermine an alternative economic strategy. On the other hand there are distinctive impediments, most obviously the existing Constitution and a Federal system which restricts the possibility of

radical changes. It is difficult at this stage to envisage an alternative economic strategy being implemented, but the weight of argument in this paper would suggest that, for tactical and ideological reasons alone, its further development is warranted.

The development of a coherent alternative must necessarily involve not only the political groupings explicitly committed to a socialist transformation but also at least some sections of the ALP, a party which is bound to play a major role in that transformation, for better or worse. Some four years ago, Arthur Gietzelt called for a left-labour dialogue on these issues.⁴² Since then, the AMWSU has sought to initiate discussion on a People's Economic Programme. There has been a significant upsurge of rank and file activity in the production of broadsheets and newsletters which analyse the current political-economic situation as it affects particular industries. The Transnational Cooperative has played an important role in respect of developing strategies for workers' intervention. The Australian Political Economy Movement has also made important contributions to the analysis of the problems of contemporary Australian capitalism. What is now needed is further development, coordination and extension of these sort of initiatives. This article - tentative and exploratory as it is - is written in that spirit.



FOOTNOTES

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1. The quotation comes from K. Marx and F. Engels, The Manifesto of the Communist Party. For a brief introduction to Marxian analysis of the role of the state see the article by D. Gold, C. Lo, and E. Wright that appears as Chapter 44 in El Wheelwright and F.J.B. Stilwell (eds), Radings in Political Economy, Volume 1, ANZ, Sydney, 1976.
2. See M. Castells, City, Class and Power, Macmillan, London, 1978, and the article by Kuhn in this issue.
3. The phrase is Joan Robinson's: see Marx, Marshall and Keynes, Collected Economic Papers, Volume 2, Blackwell, Oxford, 1970.
4. See R. Catley, 'Socialism and Reform in Contemporary Australia', in El Wheelwright and K. Buckley (eds), Essays in the Political Economy of Australian Capitalism, Volume 2, ANZ, Sydney 1977.
5. This last item is not compatible with pure monetarism which sees the wage rate, like any other price, as something with which the government should not interfere. This reflects the general point that the economics of the "new right" in practice are consistent primarily in the sense of serving to legitimise economic and social policies that serve the interests of capital.
6. For a discussion of these economic views see F.J.B. Stilwell. Economic Policy: the New Right is Wrong, Social Alternatives, Volume 2, Number 3, February 1982.
7. See, for example, J. Alford, Australian Labour, Multinationals and the Australia-Pacific Region, in The Journal of Australian Political Economy. No.6, November 1979.
8. See G.J. Crough & E.L. Wheelwright, Australia, The Client State: A study of the Effect of Transnational Corporations. TNC Research Project, University of Sydney, 1981, p.36.
9. For further discussion of this issue see F.J.B. Stilwell, The Coming Depression?, Arena, No.59, 1982.
10. The original contribution to this argument was R. Gregory, Some Implications of the Growth of the Mineral Sector, The Australian Journal of Agricultural Economics, Vol.20, No.2, August 1976.
11. De. Ettershank & P. Morgan, Busting With the Boom: What Gladstone Development Means to People, Brisbane, 1980.

12. See R. Birrell, D. Hill, and J. Stanley (Eds) Quarry Australia? Oxford University Press, Melbourne 1982.
13. For an illustration of this process see G.J. Crough, Taxation, Transfer Pricing and the High Court of Australia: A Case Study of the Aluminium Industry, TNC Research Project, University of Sydney, 1981.
14. This point is further developed in F.J.B. Stilwell, Unemployment: Malfunctioning and Malevolence in the Australian Economy. The Journal of Australian Political Economy, Number 5, July 1979.
15. J. Eaton, Towards Socialism, Spokesman Pamphlet, No.48.
16. The National Times, June 14, 1981.
17. See S. Holland, The Socialist Challenge, Quartet Books, London, 1975.
18. The case for a change of this type was clearly articulated by Jim Cairns in Tariffs or Planning? Lansdowne Press, Melbourne, 1971.
19. See J.K. Galbraith, The New Industrial State, Penguin Books, Harmondsworth, 1969 or Economics and the Public Purpose, André Deutsch, London, 1974.
20. A.G. Papandreou, Paternalistic Capitalism, The University of Minnesota Press, 1972.
21. P. Wilenski, "Tax Myths and the Tax Revolt", The Journal of Australian Political Economy, No.8, July 1980.
22. P. Raskall, "Who's Got What in Australia: The Distribution of Wealth", The Journal of Australian Political Economy, No.2, June 1978.
23. See, for example, C. Harbury and D. Hitchens, Inheritance and Wealth Inequality in Britain, Allen & Unwin, London, 1979. Similar Australian studies have not been undertaken, though there is some general information on inheritance and socio-economic position in L. Broom, F.L. Jones, P. McDonnell and T. Williams, The Inheritance of Inequality, Routledge & Kegan Paul, London, 1980.
24. D. Hamilton and D. Marcus, "Foreign Investment: What is it?", The Journal of Australian Political Economy, No.8, July 1980.
25. See F.J.B. Stilwell, Economic Crisis, Cities and Regions, Pergamon, Sydney, 1980, Chapters 2 and 3.
26. See, for example, E.L. Wheelwright, Radical Political Economy, ANZ Book Co., Sydney, 1974, Part Two.
27. Cambridge Political Economy Group, Britain's Economic Crisis, Spokesman Pamphlet, No.44.
28. F.J. Stilwell, Economic Crisis, Cities and Regions, Pergamon, Sydney, 1980, Chapter 7.
29. See Transnational Cooperative Energy Group, An Alternative Oil Strategy for Australia, Sydney, 1980, and the article by Warwick Richards in this issue.

30. Some of the relevant publications debating the Alternative Economic Strategy are as follows: S. Holland, The Socialist Challenge, Quartet Books, London, 1975; London CSE Group, Crisis, The Labour Movement and the Alternative Economic Strategy, Capital and Class, No.8, Summer 1979; Geoff Hodgson, Socialist Economic Strategy, ILP Square One Publications; Leeds, 1979; Tony Benn, Arguments for Socialism, Johnathon Cape, London, 1969; J. Eaton, M. Barratt Brown and K. Coates, An Alternative Economic Strategy for the Labour Movement, Spokesman Pamphlet, No.47; CSE State Group, Struggle Over the State, CSE Books, London, 1979, Chapter 11; David Cobham, Recent Writings on the Alternative Economic Strategy, Economic Bulletin, No.6, Spring 1980; D. Currie & R. Smith (Eds) Socialist Economic Review, Merlin Press, London, 1981, Part 2; CSE London Working Group, The Alternative Economic Strategy: A Labour Movement Response to the Economic Crisis, CSE Books, London, 1980; S. Aaronovitch, The Road from Thatcherism: The Alternative Economic Strategy, Lawrence & Wishart, London, 1981; and D. Coates, Labour's New Reformism, New Left Review, Number 129, September 1981.
31. M. Harrington, The Twilight of Capitalism, Simon & Schuster, New York, 1976.
32. Quoted in A. Freedman, The Alternative Economic Strategy: A Critique, International, 1980.
33. See the figures on foreign investment presented in A.M.W.S.U., Australia Up-Rooted, Sydney, 1977.
34. A. Freedman, op. cit.
35. B. Rowthorn, The Politics of An Alternative Economic Strategy, Marxism Today, January 1981, p.5.
36. B. Rowthorn, op. cit., p.6.
37. A. Theophanous, Australian Democracy in Crisis, Oxford University Press, Melbourne, 1980, p.374.
38. B. Rowthorn, op. cit., p.10.
39. F. Cripps, The British Crisis - Can The Left Win? New Left Review, No. 128, August 1981.
40. CSE London Working Group, The Alternative Economic Strategy, CSE Books, London 1980, p.8.
41. R.W. Connell, Socialism and Labour: An Australian Strategy, Labour Praxis Publications, Sydney 1978.
42. A. Gietzelt, Labour and the Communists, Nation Review, 2.3.1978.

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