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Title:

Speech at the opening of the United Trades and Labor Council - WEA School: 'Trade Union Problems and Perspectives'

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SPEECH BY DON DUNSTAN AT THE OPENING OF THE UNITED TRADES AND
LABOR COUNCIL - W.E.A. SCHOOL.

'TRADE UNION PROBLEMS AND PERSPECTIVES'.

FRIDAY, MARCH 5, 1971.

(LADIES AND) GENTLEMEN:

THANK YOU FOR YOUR INVITATION TO OPEN THIS SCHOOL THIS EVENING. IT IS THE FIRST SCHOOL OF ITS TYPE EVER HELD IN SOUTH AUSTRALIA, AND AS SUCH, AND FOR OTHER REASONS I WILL SHORTLY OUTLINE, IS OF VITAL IMPORTANCE TO THE LABOR MOVEMENT AS A WHOLE. AT THE MOMENT IN THIS STATE WE HAVE, IN EFFECT, A LABOR-MOVEMENT GOVERNMENT. THE AUSTRALIAN LABOR PARTY IS THE 'MOVEMENTS' POLITICAL WING. THE UNIONS THROUGH THE T.L.C. REPRESENT ITS INDUSTRIAL WING. WE WORK TOGETHER VERY CLOSELY, AS YOU KNOW. WE NEED BOTH WINGS TO FLY. BUT WINGS - LEFT, RIGHT, INDUSTRIAL, POLITICAL OR CLIPPED - SHOULD NOT REALLY BE WHAT MOST INTERESTS US.

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WE ARE IN THE BUSINESS OF REFORM OF THE LEGISLATIVE, ECONOMIC AND INDUSTRIAL STRUCTURES OF THIS SOCIETY. AND WE ARE THE ONLY BODY CAPABLE OF DOING IT IN THIS COUNTRY. THE LABOR MOVEMENT'S PRIME CONCERN SHOULD NOT BE THE CONDITIONS IN COMPONENTS OF THE SOCIETY, BUT THE HEALTH OF THE SOCIETY AS A WHOLE. THE TRADES AND LABOR COUNCIL IN SOUTH AUSTRALIA IS THE CO-ORDINATE REPRESENTATIVE OF ALMOST 50 P.C. OF OUR WAGE AND SALARY EARNERS. AS SUCH, IT IS AN ORGANISATION WHICH HAS A RIGHT, AND MUST BE ACKNOWLEDGED THROUGHOUT THE STATE TO HAVE THAT RIGHT, TO AN INFLUENCE EQUAL WITH THAT EXERTED BY, SAY, THE CHAMBERS OF MANUFACTURES AND COMMERCE. NOT ONLY MUST WE REALISE THAT WE NEED, IN OUR KIND OF SOCIETY, CERTAIN ECONOMIC AND DEVELOPMENT FREEDOMS AT THE CAPITAL LEVEL, BUT ALSO CAPITAL AND SOCIETY MUST REALISE THAT THE INDIVIDUALS INVOLVED IN THE PRODUCTION OR THE PROVISION OF GOODS AND SERVICES ARE A FORCE OF GREAT AND FUNDAMENTAL STRENGTH.

NOW IT SO HAPPENS IN AUSTRALIA, THE UNITED KINGDOM, AND A NUMBER OF WESTERN EUROPEAN NATIONS, THAT THE POLITICAL SYSTEM DIRECTLY REFLECTS THIS DIVISION OF INTERESTS. SOCIAL DEMOCRATIC PARTIES SUCH AS THE LABOR PARTY LINE UP WITH LABOR REPRESENTATIVES - CONSERVATIVE PARTIES LINE UP WITH CAPITAL INTERESTS. OFTEN ON THE ONE HAND YOU HAVE AN ARTICULATED POLICY OF 'SOCIALISM' - AND ON THE OTHER A SCRAMBLE FOR TOTAL UNRESTRAINT AND ECONOMIC FREE-FOR-ALL. I BELIEVE BOTH ATTITUDES ARE WRONG - BOTH ARE MYTHS - ALTHOUGH ONE, THE 'FREE-FOR-ALL-ECONOMY' IS PERHAPS THE MORE DANGEROUS IN THAT IT IS MOST OFTEN BASED ON SOCIAL ASSUMPTIONS THAT ARE AUTHORITARIAN AND DEHUMANIZING. AND SO IT SEEMS TO ME THAT ONE OF THE MOST IMPORTANT FUNCTIONS OF SUCH A SCHOOL AS THIS IS TO QUESTION SOME OF OUR MOVEMENT'S MOST DEARLY HELD IDEAS AND SEE IF THEY'RE STILL VALID ONES.

AND THIS OF COURSE IS ESPECIALLY IMPORTANT NOW, IN 1971, BECAUSE I BELIEVE THAT UNDER GOUGH THE LABOR PARTY WILL BE RETURNED TO FEDERAL OFFICE NEXT YEAR, AND THE PARTY IS GOING TO NEED THE SOLID BACKING OF THE WHOLE MOVEMENT IF ITS JOB OF NATIONAL REFORM IS TO GET DONE.

IT IS ALSO ESPECIALLY IMPORTANT NOW, IN 1971, BECAUSE AS PART OF THEIR PRE-ELECTION STRATEGIES THE LIBERAL PARTIES CAN BE EXPECTED TO GET ROUGH THIS YEAR WITH THE LABOR MOVEMENT AT THE INDUSTRIAL LEVEL. AND THERE ARE CLEAR ADVANTAGES FOR THEM IN DOING THIS - THEY MAY SEE INDUCED INDUSTRIAL STRIFE AND A SNAP ELECTION AS THEIR ONLY HOPE POLITICALLY.

IT'S NOT MUCH OF A HOPE FOR AUSTRALIA, HOWEVER.

AND THEN THERE IS A FINAL REASON WHY A SCHOOL SUCH AS THIS IS IMPORTANT TO THE LABOR MOVEMENT. AND THAT IS THAT OUR SOCIETY AS A WHOLE IS CHANGING SO RAPIDLY AT THE SOCIAL, ENVIRONMENTAL, ECONOMIC, TECHNICAL LEVELS, THAT IT IS ESSENTIAL FOR THE MOVEMENT TO CONTINUE TO EXAMINE ITS ROLE, FUNCTION AND STRATEGIES.

IN GEELONG RECENTLY, AT THE GEELONG LABOR DAY DINNER, I SPOKE AT LENGTH OF THE WAY THE BLUE COLLAR WORKERS WERE GRADUALLY BECOMING OUTNUMBERED BY WHITE COLLAR WORKERS OF THE SAME ECONOMIC LEVEL. I SPOKE OF HOW WHITE COLLAR WORKERS TENDED TO IDENTIFY WITH THE MANAGERS OF THEIR INDUSTRIES, AND ALSO OF HOW THE LEVEL OF TECHNOLOGICAL CHANGE IN INDUSTRIES WAS FORCING THROUGH RADICALLY NEW PATTERNS OF OWNERSHIP AND CONTROL.

IN ESSENCE, I SAID THAT THE OLD IDEA OF TRANSFERRING OWNERSHIP OF MAJOR INDUSTRIES FROM THE PRIVATE SECTOR TO THE PUBLIC SECTOR WAS NO LONGER AN EFFECTIVE ANSWER TO THE STRUCTURAL PROBLEMS OF THE COMMUNITY. FOR INSTANCE IF AN AUSTRALIAN GOVERNMENT NATIONALIZED, SAY, THE AUTOMOBILE AND THE ELECTRONICS INDUSTRIES, WHAT SHOULD WE HAVE? WELL, WE'D HAVE FIRST OF ALL A BUDGET PROBLEM, BECAUSE IN OUR KIND OF SOCIETY YOU DON'T JUST TAKE OVER OWNERSHIP OF SOMETHING WITHOUT PAYING A BILL OR HAVING A REVOLUTION.

THE BILL FOR THOSE TWO INDUSTRIES WOULD BE VERY HIGH, IN FACT IT WOULD BE IN THOUSANDS OF MILLIONS OF DOLLARS. AND WHAT WOULD WE BE LEFT WITH? WELL, WE WOULD HAVE TWO LARGE INDUSTRIES IN AUSTRALIAN TERMS, BUT TWO VERY SMALL ONES IN WORLD TERMS, AND WE WOULD IMMEDIATELY FIND THAT WE WERE CUT OFF FROM THE MAJOR AREAS OF RESEARCH AND DEVELOPMENT THAT THOSE INDUSTRIES NEED TO SURVIVE. FURTHER, WE WOULD ALSO BE CUT OFF FROM THE MASSIVE CAPITAL NEEDED FOR SUCH RESEARCH, AND FROM THE RELATED NEW TECHNOLOGICAL AREAS THAT CONTINUE TO FEED NEW IDEAS INTO THE AUTOMOBILE AND ELECTRONICS INDUSTRIES OF THE UNITED STATES, JAPAN, AND EASTERN AND WESTERN EUROPE. THE FACT IS THAT THE DEVELOPED WORLD IS NO LONGER MADE UP OF UNRELATED NATIONAL ECONOMIC OR TECHNOCRATIC UNITS. EACH IS DEPENDENT ON THE OTHER FOR MATERIALS, CAPITAL AND KNOWHOW, AND DOMINATING THE SCENE ARE AMERICA, JAPAN, SWEDEN AND GREAT BRITAIN IN THAT ORDER.

BUT IF THAT IS THE SITUATION. IF THE INEQUALITIES OF OPPORTUNITY AND SOCIAL MOVEMENT CANNOT BE SOLVED BY THE TRANSFERENCE OF OWNERSHIP, WHAT IS THE TASK OF THE PARTY AND OF THE MOVEMENT?

WELL, THERE SEEMS TO BE TWO MAIN DIRECTIONS IN WHICH INDUSTRY AND SOCIETY IS MOVING. ONE IS TOWARDS BREAKING DOWN CENTRALISM AND ALLOWING THE DEVELOPMENT OF MORE INDIVIDUAL FORMS OF CONTROL OF ENTERPRISES AND AUTHORITIES. THE OTHER IS OF MORE IMMEDIATE IMPORTANCE TO US - THE MAINTENANCE OF AN ECONOMY WHICH CAN PROVIDE THE SERVICES WE WANT, THE DEVELOPMENT WE NEED, AND THE LIVING CONDITIONS WE DEMAND, WITHOUT PERIODIC DEPRESSIONS AND UNEMPLOYMENT, OR BOOMS AND INFLATION.

WE ALSO HAVE TO MAINTAIN THESE THINGS WITHOUT THE SITUATION THAT HAS OCCURRED IN BOTH NORTH AMERICA AND THE U.K. OF INCREASING UNEMPLOYMENT ON THE ONE HAND AND RISING PRICES ON THE OTHER.

NOW WE HAVEN'T HAD MUCH LEADERSHIP IN AUSTRALIA OVER THE PAST 20 YEARS. THE LIBERALS AND THE CONSERVATIVE ECONOMIC INTERESTS OF THIS COUNTRY ARE TRADITIONALLY INCAPABLE OF ASSESSING AND COPING WITH MID-20TH CENTURY PROBLEMS. WE HAVE ONLY TO SEE HOW LAGGARD THEY ARE WITH RETAIL PRICE MAINTENANCE OR RESTRICTIVE TRADE PRACTICES. IT IS THE LABOR MOVEMENT WHICH IS FORCING THAT ISSUE. AND SO THE MAJOR ECONOMIC PROBLEM WE ARE NOW FACED WITH IS PRICES IN GENERAL AND INFLATION IN PARTICULAR. WE HAVE IN AUSTRALIA A FAIR DEGREE OF WAGE CONTROLS - WE HAVE ALMOST NO PRICE CONTROLS AT ALL. IF THE RECURRENT INFLATIONARY SPIRALS ARE TO END THEN IT IS ESSENTIAL THAT THIS NATION AS A WHOLE FINDS A WAY OF EFFECTIVELY CONTROLLING NOT ONLY WAGES, BUT PRICES AND PROFITS AS WELL.

BUT TO IMPLEMENT SUCH A TOTAL ECONOMIC SCHEME, OF COURSE, IS NOT AT ALL EASY IN AUSTRALIA. WE HAVE SECTION 92 OF THE CONSTITUTION - "TRADE, COMMERCE AND INTERCOURSE AMONG THE STATES, WHETHER BY MEANS OF INTERNAL CARRIAGE OR OCEAN NAVIGATION, SHALL BE ABSOLUTELY FREE".

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WE DO NOT HAVE A FEDERAL GOVERNMENT CAPABLE OF FORCING THROUGH, OR AT LEAST GIVING LEADERSHIP AT A PROPER LEVEL, A PROFITS, PRICES AND INCOMES POLICY AND THE CONSTITUTIONAL ALTERATION IT WOULD NEED. AS A MOVEMENT - USING OUR OWN FUNDS FOR INVESTMENT IN THE BREAKING DOWN OF PRICE ARRANGEMENTS OR FINANCE INTEREST RATES - WE CAN ACHIEVE SOMETHING marginally. BUT THE EFFECTIVE SOLUTION CAN ONLY COME AT A POLITICAL LEVEL AFTER A TOTAL PLAN HAS BEEN DEVELOPED, AN EFFECTIVE STRATEGY IS FOUND AND THE LABOR GOVERNMENT AS A WHOLE "SELLS" THE IDEA THROUGHOUT THE NATION. WE ARE MEMBERS OF A MOVEMENT WHICH IS THE LARGEST POLITICAL FORCE IN OUR SOCIETY. WE ARE SOCIAL DEMOCRATS, THAT IS CONCERNED WITH SOCIAL EQUALITY AS WELL AS DEMOCRATIC RIGHTS.

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THERE CAN BE NO ECONOMIC POLICY TOLERABLE TO US THAT DOES NOT INVOLVE BOTH WAGE AND PRICE CONTROLS FOR WITHOUT SUCH CONTROLS THERE CAN BE NO POLICY THAT COMBINES ADEQUATE EMPLOYMENT AND REASONABLE PRICE STABILITY. FURTHER, WAGE AND PRICE CONTROLS ARE ESSENTIAL FOR MAINTAINING A CIVILIZED BALANCE BETWEEN THE PUBLIC AND THE PRIVATE SECTORS OF THE ECONOMY. THE TENDENCY WITHOUT THESE CONTROLS IS EVER INCREASING WAGE RISES BY CORPORATIONS, CONSEQUENT PRESSURES ON THE PUBLIC SECTOR AND THUS THE KIND OF STRAINS WE NOW FIND EXERTED ON GOVERNMENT SERVICES AT BOTH STATE AND FEDERAL LEVELS. NO POINT IN THE HISTORY OF THE LABOR MOVEMENT HAS BEEN WITHOUT ITS DECISIVE POLITICAL PROBLEMS. THE TASK HAS ALWAYS SEEMED IMMENSE. BUT THE TRUTH IS THAT AT THE MOMENT WE ARE FACED WITH QUITE UNIQUE PROBLEMS IN A DYNAMIC AND HISTORIC CONTEXT. THE MONETARY AND FISCAL CONTROLS DEVELOPED BY KEYNES ARE NO LONGER EFFECTIVE IN THE FACE OF SUPRA-NATIONAL CORPORATIVE WAGE PAYING STRENGTH.

THE DEMANDS SUCH CORPORATIONS ARE MAKING ON THE INTERNATIONAL AND NATIONAL ENVIRONMENTS; THEIR WIDE RANGING CONTROL BY SALARIED MANAGERS RATHER THAN BY INDIVIDUAL OWNERS OR GROUPS OF OWNERS; THE DEVELOPMENT OF WORKER-PARTICIPATION IN MANAGEMENT; THE VITAL RELEVANCE OF RESEARCH AND NEW SKILLS; THE INCREASING ABSOLUTE REDUCTION IN WORK-TIME; ARE ALL AREAS OF VITAL CONCERN TO US.

THEY ARE SOME OF THE PROBLEMS TO WHICH THE MOVEMENT MUST FIND ANSWERS THIS DECADE, AND AN EDUCATIVE PROGRAMME SUCH AS YOU HAVE BEFORE YOU THIS WEEKEND IS ONE OF THE WAYS WE CAN START TO DISTINGUISH BETWEEN THE WOOD AND THE TREES OF OUR SITUATION. I THEREFORE HAVE MUCH PLEASURE IN DECLARING THE SCHOOL OPEN.