

# Social Democracy and Australian Labor

BOB CARR

*"It's about time Australian Labor  
saw itself as part of the rich  
tradition of the democratic left.  
More than ever before we have a  
lot to learn from European social  
democrats."*

Foreword by John Ducker

Published by the N.S.W. Labor Day Committee

## Foreword

It might be said that any moderate Labor man or woman faces a particular problem in working within the labour movement. Mainstream Labor people are fairly easy-going and pragmatic. They lack an ideology. But they come up against other activists who enjoy a sharp ideological commitment, whether to the far-right or far-left.

I think in these pages Bob Carr is saying, basically, that Labor moderates should become a little more interested in theory. That's fair enough. But where do we start? He suggests we should look to the democratic socialists of Europe, to "the rich tradition of the democratic left".

He sees social democrats as having a two-fold commitment — to more equality and to democratic means. There's never been any doubt in my mind that the A.L.P. is a social democratic party. Well perhaps it's time we started being a bit more explicit about the fact. We should certainly try to broaden our contacts with the social democratic parties of Western Europe.

Bob Carr has raised these issues for discussion within the Party. I hope that this pamphlet succeeds in prompting other Labor moderates to compete in the battleground of ideas against those, on the left and right, opposed to the concept of social democracy.

John Ducker,  
President, N.S.W. Branch  
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Australian Labor Party.

## Social Democracy and Australian Labor

There were no international impulses at work in the formation of the Australian Labor Party in the 1890s. Shearers, miners and other workers set up the Party because their unions had been crushed in the Great Strikes. And they wanted to put a clean broom through the corruption and intrigue of colonial politics, dominated as it was by the commercial classes and the squattocracy. The Labor Party, this rough-hewn party of "raw reformers", was born out of Australia's colonial society. It came to reflect many of the values of that society, including its racism and nationalism. Like the rest of Australia it was little interested in what was happening in continental Europe and certainly did not see itself as part of an international movement of labour and socialist forces.

But at this time such an international movement was emerging. In 1893, two years after 36 Labor members had entered the New South Wales Parliament, the Social Democratic Party in Germany was polling 25 per cent of the vote in elections for the Reichstag. It was already the largest party in the German empire and its organisation and press were considered the wonder of the socialist world. The Austrian Socialists, established in 1888, were also superbly organised. Like the Germans they were committed to Marxist doctrine and reformist practice. In 1894, the year that 16 Labor members appeared in the Victorian legislature, the Belgian Workers' Party elected 28 deputies to the most bourgeois parliament in Europe. Two years later the first leader of the Swedish Social Democratic Party, Hjalmar Branting, was elected to the parliament — the Riksdag — with Liberal Party assistance. In 1899 a single French socialist entered the Waldeck-Rousseau cabinet. And the powerful British unions were slowly being converted to the idea of seeking representation in the House of Commons, that brilliant and powerful body of the great 200 families who had been governing Britain for generations.

In short, the industrial working classes of Europe were being marshalled behind banners of what were to become great socialist parties. These parties were already linked with one another: since 1889 they'd been attending meetings of the Socialist International where debates on tactics and principles were creating a climate of international socialist opinion.

Australian Labor was proceeding quietly on its own pragmatic way. But it had little to be ashamed of. It was growing much more rapidly than any European socialist or labour party. Telegrams had flashed around the globe in 1899 to announce the election of the Dawson Government in Queensland, the first Labor Government anywhere in the world. Majority Labor Governments were elected in South Australia, New South Wales and the Federal Parliament in 1910. Five years later when T. J. Ryan led Labor to victory in Queensland, the Party held six out of the seven Australian Governments. By contrast, New Zealand Labour had to wait until 1935 and British Labour until 1945 before forming majority governments. The Swedish Social Democrats had to wait until 1931 and the much-admired West German party until 1966, and then only to govern in coalition. As D. W. Rawson has written, "Australia remained for

many years the only country where Labor governments held office without the support of other parties. A whole generation of the A.L.P. lived through the successes and the disappointments of power before similar governments began to appear in other countries".

*But in more recent times Australian Labor has been outpaced. Some of the European social democratic parties have simply proved more effective than we. More effective, that is, at bringing about irreversible change and reform. It's my contention in this pamphlet that Australian Labor now stands to learn a lot from European social democrats. Some of these parties have proved highly skilled economic managers. As a result, the working classes they represent have been better protected from world recession than ours. Some of these parties are more innovative in matters of organisation. And they all tend to be more internationalist than Australian Labor, a fact that stems largely from their greater interest in matters of theory and ideology, in dialectic and debate. All these features would repay study by Australian Laborites.*

Australian Labor, of course, has not been completely isolated from these developments. The Party affiliated with the Socialist International in the sixties. Presided over by Willy Brandt, the International's vice-presidents include Bruno Kreisky, Francois Mitterand, Olof Palme, Yitzhak Rabin, Mario Soares, Harold Wilson and Gough Whitlam. It's the strongest organisation of its kind in the world today, comprising 56 political parties with a total membership of 17 million, an electoral strength of 75 million and about 20 governments. In Britain, in Austria, in Norway, in Denmark and in Malta democratic socialist currently govern alone. In West Germany they dominate the governing coalition; in Holland they lead it; and they form part of it in Luxembourg and Switzerland. They are likely to return to power in Sweden and are pressing hard for it in France. Reviewing this assembled strength, the late Anthony Crosland observed:

*"Other more extreme parties have to rely on 'ifs' to maintain their plausibility. If only the people were not fooled by the mass media. If only the truth about our society was not suppressed. If only people understood elementary economics; if only they had read Das Kapital. Social Democracy can rely on hard facts, on how people have actually chosen to behave. And to a remarkable extent, they have chosen to vote for us."*

It's about time the A.L.P. took its association with these parties more seriously and paid more attention to their ideas, their achievements, their sense of fraternity, their internationalism.

If Australian Labor is to return to power and entrench itself permanently as the majority party, it can only be helped by closer association with European social democrats.

What, then, is the essence of the loose collection of ideas that one describes as "social democratic"? Social democracy involves two fundamental commitments. They are these:

- a commitment to the constant revision of society, a revision in the direction of more equality
- a commitment to democratic means and a pluralist society.

In the next few pages I examine in some detail what these commitments mean.



Anthony Crosland . . . social democrats don't rely on "ifs".

## Change and Reform

To talk of "the constant revision of society" is to talk of the on-going battle for change and reform. As Anthony Crosland expressed it in his book, *The Future of Socialism*, "The belief that further change will appreciably increase personal freedom, social contentment and justice, constitutes the ethical basis for being a socialist".

Perhaps the Swedish Social Democrats best exemplify this commitment to the constant revision of society. In their record-breaking period of

office, from 1932 to 1976, they tamed and civilised a primitive capitalism, achieving the most extensive network of social benefits in the western world and building the trade unions into the running of the economy. Towards the end of their period in power they presided over the adoption of a new constitution which stripped away the powers of the monarch, established the fairest possible system of proportional representation and did away with the old upper house. In short, they constitutionally entrenched the practices of political democracy.

They also took some radical strides towards democracy in the workplace. In 1973, over the opposition of employers, they passed legislation providing for board-level representation of workers. Also in that year they passed safety legislation which gives shop stewards the right to close down production if they consider factory conditions to be unsafe. In 1974 they passed a job security law and, in 1976, a co-determination law. As a result of this last law a Swedish employer can't blithely close down a plant or shift workers from job to job: by law he's required to provide the unions with all relevant information and to negotiate with them from the planning stages of any change. The 1970s saw great gains for Swedish workers and, as well as enjoying the world's highest real wages, they can now boast more legal rights than workers anywhere else in the world.

"We've achieved political and industrial democracy — in 1979 we'll campaign on economic democracy," a Swedish member of parliament, Olle Goransson, told me. He admitted that in the last elections the Party had only promised to look at this policy of economic democracy.

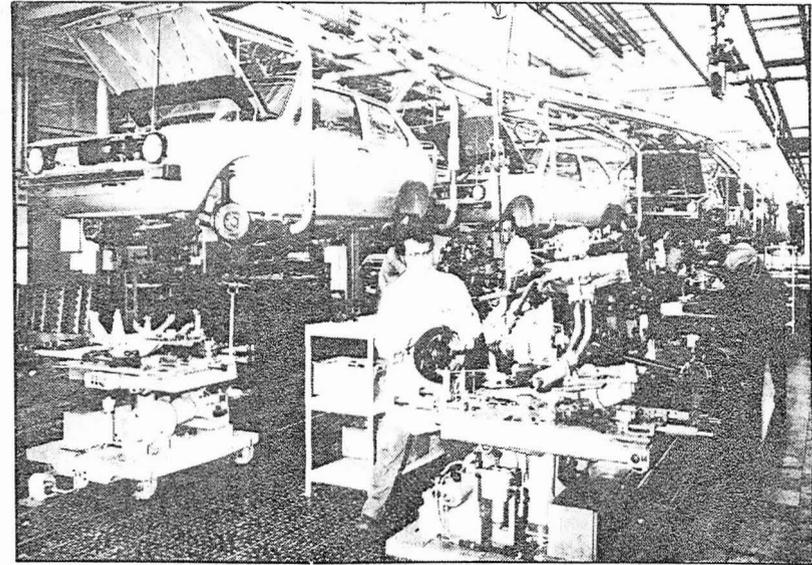
But, now in opposition, the Social Democrats have decided to make economic democracy their next big task. Briefly, this entails taxing the excess profits of companies to create employee investment funds. These funds would be mobilised to buy ownership on behalf of the employees in the country's corporations. Over a period of, say, 20 years there would be a shift in ownership, a spreading of economic power to wage and salary earners and their families. According to an official of the Party, "This would ensure that worker representatives on the board would exert power — not just as representatives of employees but as representatives of chunks of ownership as well."

*This proposal, which became known as the Meidner plan, is undoubtedly the most interesting socialisation proposal to emerge from the European labour movement. While the British Labour Party wearily devotes its conferences to debating further nationalisation of their stagnant industries, the Swedish Party is committing itself to a real democratisation of ownership in a growth economy. They are going to extend the social welfare, political and industrial reforms of their long period in office. They are committed, in true social democratic fashion, to the constant revision of their society.*

### Greater Equality

This constant revision of society is in the direction of greater equality. Not just in matters of income and wealth, but in status and power as well.

The West German and Swedish social democrats, in pushing their programs for industrial democracy are achieving a redistribution of power, away from managers and shareholders and towards working men



*German industry . . . a redistribution of power to the workers on the job.*

and women. In Germany, the 1972 Works Constitution Act enabled elected representatives of the workers to have the final say on matters like safety and job organisation. In Sweden the new safety legislation, as we've seen, gave shop stewards the right to stop production if there's a threat to worker safety. Measures like these amount to a shift in power, a shift to the people that social democratic parties are elected to represent. This is the very stuff of a social democratic program.

Yet social democrats are familiar with the argument, often delivered by Marxists, that inequality has not diminished in our society, despite all the efforts of unions and reformist governments. The reason is the entrenched power of private ownership; and the answer is a massive program of nationalisation. This debate raged most heatedly in Britain, at least until publication of the report of the Royal Commission on the Distribution of Income and Wealth chaired by Lord Diamond. According to the report, as far as post-tax income is concerned, the top 10 per cent of earners now command 21.4 per cent of total personal incomes, compared with 34.6 per cent immediately before the war. The bulk of the shift occurred between 1939 and 1950 but the trend has continued since, though at a slower pace. For, as the Royal Commission concludes, "the combined effect of the tax system, the receipt of transfer payments and direct and indirect benefits in kind is . . . a major redistributive one". For capital wealth, the top 1 per cent has fallen very markedly and that of the top 10 per cent considerably; and this redistribution steadily continues. In short, Fabianism, reformist or labourism — so derided by Marxists — has had a large and measurable social impact, even if there is still a long way to go.

To British social democrats like Hugh Gaitskell and Anthony Crosland

equality was really the first of socialist ideals. To Crosland, in particular, more equality was the antidote to the hostility generated by the British class system. He noted all the signs of class hatred in Britain — “so much resentment, so many unofficial strikes, so many touchy, prickly, indignant and frustrated citizens in politics and industry, with grudges against society and grievances at work, sending telegrams and passing angry resolutions, flocking to meetings with chips on their shoulders, peevishly waiting for someone to knock them off”. And he suggested that this might be traced to “underlying sociological causes, and partakes, even if often sub-consciously of that resentment against social inequality which is characteristic of class antagonism.”

Gough Whitlam took up the same theme when in his 1972 policy speech he saw Labor’s egalitarian program as one to “liberate the talents and uplift the horizons of the Australian people”.

### **Inequality in Australia**

Is continued movement towards equality still a reasonable aspiration in Australia, so long regarded as the most egalitarian of countries?

The facts show that distribution of income and wealth is a little more equal in Australia but, overall, not markedly dissimilar from other nations. In Australia the poorest 10 per cent of families receive only 2.13 per cent of the total income before tax, whereas the richest 10 per cent of families received 23.7 per cent. In effect those in the latter group had incomes on average over 10 times higher than the former. There is an even greater inequality in distribution of wealth.

The Henderson Committee report marshalled the evidence of severe poverty in Australian society. According to the report, at least 18 per cent of Australians are poor. That’s almost one person in five. Yet what makes poverty so hard to come to grips with is that there are now extremes of well-being within the group of Australians categorised as working class. Living in the same street one could find two wage-earning families whose living standards differ widely. One family, a husband and wife in their fifties, with grown-up children, has paid off its home, owns a holiday cottage and finds its two incomes more than enough to enjoy the Australian Dream. The other family, a couple with young children, subsists on one income — say, \$140 a week — and faces heavy rent or mortgage payments, in effect only existing marginally above the poverty line. Making life easier for that battler, without penalising the worker who’s made it, presents one of the most intractable problems for a Labor Government bent on egalitarian reforms.

There are other inequalities within Australian industrial life. These are well documented in the Jackson Committee Report on the state of manufacturing industry: abhorrent, Dickensian working conditions in many process industries; women workers, rising at 3 or 4 a.m., to pack their children off to child-minders and then travelling by public transport to a 6 or 7 a.m. start in a distant factory; the permanent shift worker working when the rest of the world is sleeping and when every bone in his body, tells him to sleep; migrant women workers, harassed by foremen and condemned to the most unpleasant work; widespread, unacknowledged problems of occupational disease and low standards of job safety. All this, of course, exists in a context of run-down factories and

obsolete equipment, working conditions dirtier, noisier and less safe than those in the factories of our industrial competitors. Yet the managers of manufacturing industry are remote from this world and its seething problems. From their head offices usually in the centre of capital cities, they make policy decisions that shape the lives of the operators, foremen and plant managers in the front-line of industrial Australia.

Another inequality in Australia stems from where people live. If Gough Whitlam did anything in his career it was to awaken the electorate to the neglect of services in the new and sprawling western suburbs of Sydney and Melbourne. Australians living in these areas are sorely disadvantaged. A whole batch of Whitlam Government programs were designed to compensate for these disadvantages — the Australian Assistance Plan, the Childrens’ Commission, the needs approach to education and the special assistance to disadvantaged schools, the community health program, the area improvement program and the Regional Employment Development Scheme. These programs offered some hope of a better life to the western suburbs worker, travelling hours each day on cumbersome public transport, his home unsewered and his suburb poorly provided with schools, child-care or hospitals. Equality, in Australian terms, means lifting the quality of his life to a level more comparable with that of citizens in the well-provided suburbs.

Just how far do we go in the pursuit of more equality? Hugh Gaitskell once said equality is a direction, not a goal. And political scientist Bernard Crick has written:

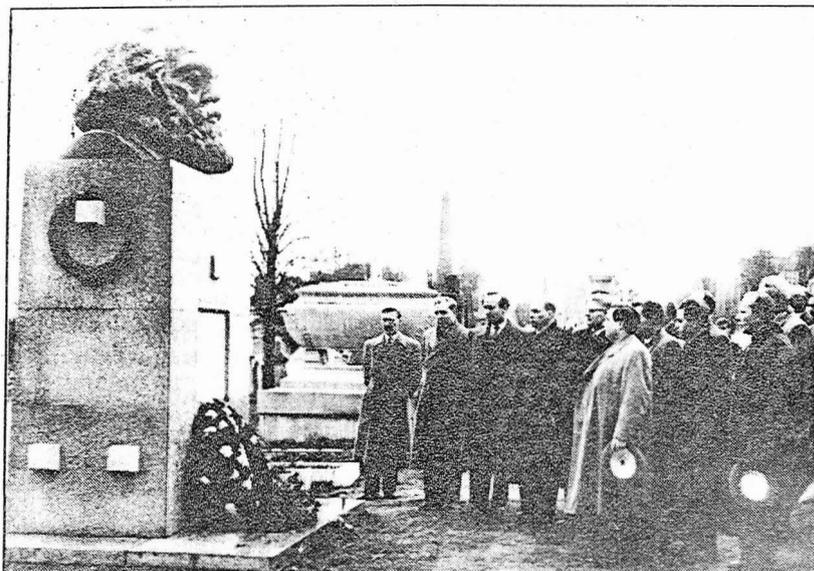
“There is no ‘complete equality’ which can finally be realised . . . But there are many unjustifiable inequalities — not just in theory but so flagrantly in practice. The boot should be worn on that foot. If we believe in the moral equality or the fraternity of all mankind, then all the inequalities of power, status and wealth need explaining and justifying.”

### **Equality and Freedom**

Currently the most serious intellectual assault on the idea of equality comes from conservative thinkers like Friedrich von Hayek and Milton Friedman. They contend that any attempt to regulate free enterprise is sure to bring with it the erosion of political and cultural freedom. The drive for more equality, they argue, can only result in restrictions on liberty and finally in industrial serfdom. “Equal freemen or equal serfs?” they ask. Well, social democrats yield to no one in putting freedom first. So this is a critique that must be faced.

But on weighing the historical evidence it becomes clear that flourishing political freedom, on the one hand, and programs for equality, on the other, are entirely compatible. The largely state-controlled economies of Sweden, Norway and Holland, for example, exist in countries in which there has been no abatement of traditional liberties. Indeed the expansion of the public sector over the last 50 years has been accompanied by a strengthening of political liberties. Even in the United States the emergence of a substantial public sector since the days of Herbert Hoover has proceeded, side by side, with an expansion of political rights and freedoms.

Besides, in every country of the world in which economic collectivism



Karl Marx, democrat . . . far from the figure of popular myth.

now exists the destruction of democratic institutions preceded the introduction of the collectivist economy. It was only after abolition of the Constituent Assembly, the first and last democratic institution that existed in Russia and the establishment of the dictatorship of the central committee, that the collectivist economy was set up. And if the Nazi and Fascist command economies are regarded as a species of collectivism, it is just as obvious that they followed on the violent death of democracy. So moves towards economic equality haven't exterminated democracy — democracy's usually been snuffed out first.

So the conservative dogma against government intervention does not stand analysis. As American philosopher, Sidney Hook, has argued: "When an earthquake levels a city or a plague sweeps a community, we recognise our obligation to alleviate the conditions of the victims. When mass unemployment strikes a society with the effect of a natural disaster, why should our obligation be any less?"

### Democratic Means

*This, then, is the first essential of the social democratic approach: a commitment to the constant revision of society in the direction of greater equality. But social democrats have a second equally fundamental commitment: their attachment to democratic means and a pluralist society. The commitment to equality and change separates us from the parties of the conservative resistance. Our commitment to democratic means and pluralism differentiates us from the totalitarian left — as surely as it separates us from right wing totalitarians. Social democrats are justified in describing themselves as democratic radicals and their parties as the democratic left. The gulf between the democratic and totalitarian*

*left is real, both in terms of socialist theory and contemporary history.*

It's been conveniently forgotten that the father of socialism, Karl Marx, saw democracy as the very essence of socialism. According to Willy Brandt, "Freedom is at the core of Marx". In the 1840s Marx was a moderate, castigating socialists who were taking a more extreme line. To his left were the Blanquists, advocating that a revolutionary elite seize power and the millenarians like Weitling, who saw the lumpenproletarians, including criminals, as an important force for the good society. In contrast, Marx and Engles were insisting socialism could only develop through a mass movement. Certainly after the defeat of the 1848 revolutions Marx withdrew into a two-year Jacobin or insurrectionary phase. But from 1850 to his death in 1883 Marx was far removed from the intransigent figure of popular myth. To the outrage of the purists, he supported the reformist trade unions of Britain and France, welcomed the Ten Hour Law reform and saw socialism being achieved through democratic political struggle.

The socialist Michael Harrington writes of Marx, "As a political tactician, a philosopher and an economist, he regarded democracy as the essence of socialism. This is not a pretty moral tacked on to his system. It was . . . the rigorous conclusion of a realistic analysis of economic and social power." (Michael Harrington, *Socialism*, Dutton, 1972.)

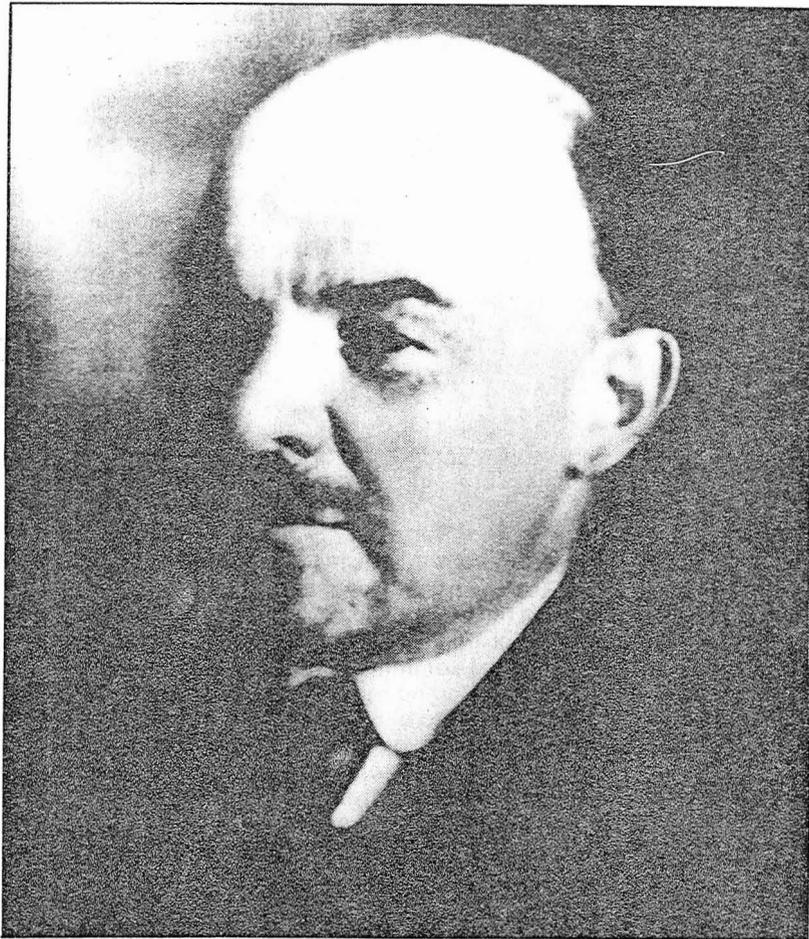
But this essentially democratic Marxism was perverted by Lenin. As other revolutionaries like Rosa Luxembourg recognised, Lenin's concepts were viciously anti-democratic — the idea of a tightly-disciplined party, a party run by cadres not by its members, of revolution from above and of the dictatorship of the central committee. These concepts were Leninist additions to Marx. And, as Luxembourg put it, they enslaved the labour movement "to an intellectual elite hungry for power". In all Communist Parties today the Leninist model persists, even in western European parties, like the Italian, that have now renounced their Stalinist past. So, in ideological debate, social democrats are justified in insisting that these parties face up to their Leninist legacy, not just their Stalinism.

This argument is compellingly put by a social democrat, the German novelist Gunter Grass:

"However critical the New Left imagines itself to be, it keeps going uncritically back to the concept of Marxism-Leninism, which is a contradiction in itself. The correct concept would have to be Leninism-Stalinism. *The break from Marxism came with Lenin. . . . To make a genuine start with de-Stalinization, the first sacrifice would have to be Lenin.* If there had been no Lenin and no single-party system, if the separate Soviet Republics hadn't been deprived of all power, there could have been no Stalin." (My emphasis.)

But the difference between the democratic and totalitarian left is not only conducted on the theoretical level — as two examples from contemporary history made clear.

In October, 1946 the first free elections were being conducted in a devastated Berlin, mostly occupied by the Russian battalions of General Kotikov. The U.S.S.R. was determined that their S.E.D. (the Social Unity Party) would be the victor, thus enshrining by democratic vote Stalin's rule over all sectors of the city. Their opposition were social democrats, back from exile or newly-released from Hitler's camps. To beat them the



Lenin . . . broke with Marx, enslaving labour to an intellectual elite hungry for power.

Russians engaged in tactics that would have made Mayor Daley shrink with embarrassment. The Soviet army provided special food supplies for S.E.D. supporters, refused printing paper for the social democrats, organised overwhelming Communist publicity and banned opposition meetings. Social democrats were beaten up and terrorised. But on the day of the internationally supervised election the S.E.D. only polled 21 per cent of the votes, even in the Russian sector, and Social Democrats were returned as the leading party in 20 boroughs of the city. They had inflicted a crushing defeat on the Russians who then set out to do by force in their own zone what they couldn't accomplish by a free vote.

Portugal provides another example of the real and deep-seated difference between the democratic and totalitarian left. With the

overthrow of the Caetano Government in April, 1974 after 48 years of fascist dictatorship, the exiled democratic parties were very weak. But the Portuguese Communist Party, the most hard-line Stalinist Party in western Europe, emerged as easily the best organised political force.

The Communist Party viewed the Socialists as their principal enemy. And as their Secretary General Alvaro Cunhal admitted in his notorious July, 1975 interview with Oriana Fallaci, their strategy was to delay elections until they could be sure of victory, that is, until their democratic socialist opponents could be eliminated. The Communists obtained a near stranglehold over the media, even seizing the Socialist's newspaper, *Republica*. Meanwhile Moscow theoreticians published articles differentiating between "arithmetical majorities" and "political majorities" — a pretty scary doctrine and one directed primarily at the Portuguese. But finally on April 25th, 1975 in elections for the Constituent Assembly the Socialists polled 38 per cent and the Popular Democrats 26 per cent, making a total of 64 per cent. The Communists polled only 12 per cent. The Portuguese Socialists had stunningly confirmed one fact: social democracy is the political force best able to rally support for democratic institutions. Their important victory has been confirmed in two elections since. As Mario Soares put it, "There will be no Czechoslovakia here, there will be no Poland here. Socialism, Yes! Dictatorship, No!"

*A genuine belief in democracy is what separates social democrats from the totalitarian left. In fact social democrats have a special attachment to democracy because they have always been the first to suffer when democracy expires. They were among the first arrested when the generals seized power in Chile in 1973 and among the first executed in Santiago sports stadium. At the same time, however, independent workers' leaders and independent socialists have been the first victims of the clamp-down on dissent in eastern Europe and the Soviet. It's a sobering truth that if Karl Marx were alive and living in Russia today the only place for such a challenging dissenter would be a K.G.B.-operated psychiatric asylum. Democratic socialists, then, have the unique distinction of being repugnant to both left and right-wing tyrannies. It is, of course, a source of great pride.*

### Social Democrats and Communists in Europe

"We are required to redefine our relations with Communism," Willy Brandt said in 1977, opening a forum organised by the West German Social Democrats in Marx's birthplace, the old German city of Trier. He had in mind the alliance of socialists and communists that was threatening bourgeois rule in France; he was acknowledging the rise of Eurocommunist parties, more independent of Moscow; he was weighing the new climate of detente, a process he had done so much to generate. In his lecture Brandt made two things clear. First, in Germany he saw no basis for alliances with the communists. But he recognised that all socialists had to shape tactics to fit their own national conditions. Second, he had no reservation about detente — differences in ideology should not impede moves to reduce tensions between nations and promote common interests.

At the same conference another German Social Democrat, Professor



Portuguese Premier Mario Soares . . . rallied support for democracy against the totalitarian left.

Horst Ehmke, took this argument a stage further. He pointed out that the Soviet Union constantly reiterates that peaceful co-existence and ideological competition are entirely compatible. German social democrats, he insisted, must continue to promote their constitutional democracy and welfare state as an alternative to Soviet communist society. That's ideological competition. But at the same time this competition need not endanger improved inter-state relations, a point which is naturally important to the Federal Republic of Germany in particular with regard to the U.S.S.R.

This same attitude is valid when it comes to electoral alliances between socialists and communists, as in France. Again, democratic socialists can never forget their own mission. It is they who have represented liberal socialism for over a century, they who have never blindly accepted

dogma, they who have never allied themselves with dictatorship. Frequently forces of the reactionary right and of the communist left have lapsed into authoritarianism and repression. Alone of all the major political strands, social democrats can boast they have never imprisoned, tortured or executed their political opponents. With this proud tradition they can conduct dialogue or enter alliances from a position of strength. For example, Francois Mitterand, leader of the French Socialists, has never hesitated to emphasise that his party leads the French united left. His party is growing faster than the Communists and is outpolling them in by-elections. If the exigencies of French politics have forced the Socialists into a united front, they are the stronger party and — under Mitterand — they will not fear to use that strength to maintain the upper hand.

Incidentally, the movement of European communist parties to a more independent position (even if they have yet to modify their Leninism) confirms some of the fundamental principles of democratic socialists. As Austrian Chancellor, Bruno Kreisky, told the 1976 conference of his party: "We social democrats have no reason to consider it a defeat when the two largest communist parties in democratic Europe formally reject political formulae which belong to the most immutable principles of so-called Marxism-Leninism."

Such ideological considerations are far from the central concern of Australian Labor, the party without doctrines or ideological foundations. According to Robert Murray in his book, *The Split*, Australian Labor has "hollowness at the centre" or, in other words, no common body of ideas that mainstream Labor people can identify with. Thus throughout its history the party has been open to penetration by ideologically cohesive groups, like the Stalinists or the National Civic Council. Labor, as Murray wrote " . . . had to rely on inertia and commonsense, both of which it had in abundance, more than a well-established body of practical ideas" to protect itself from these outside ideologies. So there might be advantages in Australian Labor defining itself more explicitly as a social democratic party, in identifying itself more closely with the rich tradition of European social democracy.

Consider what might have been the case if, in the immediate post-war years, the A.L.P. had seen itself in this light. There would have been no hesitation about combating the Communist Party in the unions because, in their blind and dogmatic Stalinism, the Communists would have been anathema. Equally, the Santamarian N.C.C. would have been identified as the reactionaries they were. Instead Dr Evatt allowed Santamaria to write part of his policies and flirted with Dr Mannix yet at the same time committed politically insane acts that enabled him to be painted as pro-Communist. These were hardly the actions of a leader confident in his social democratic role.

*The absence of a democratic socialist tradition is one of the great weaknesses of the Australian left. Even as late as the 1950s to be "left-wing" was somehow to be pro-Soviet. The debilitated Australian left produced no George Orwell, with contempt for totalitarianism and a patriotic and humane brand of socialism. No thoroughly indigenous radical, like an Aneurin Bevan. No socialist thinker like Michael Harrington, attempting to define a democratic Marxism and dismissing all authoritarianism as anti-socialist.*

## Economic Management

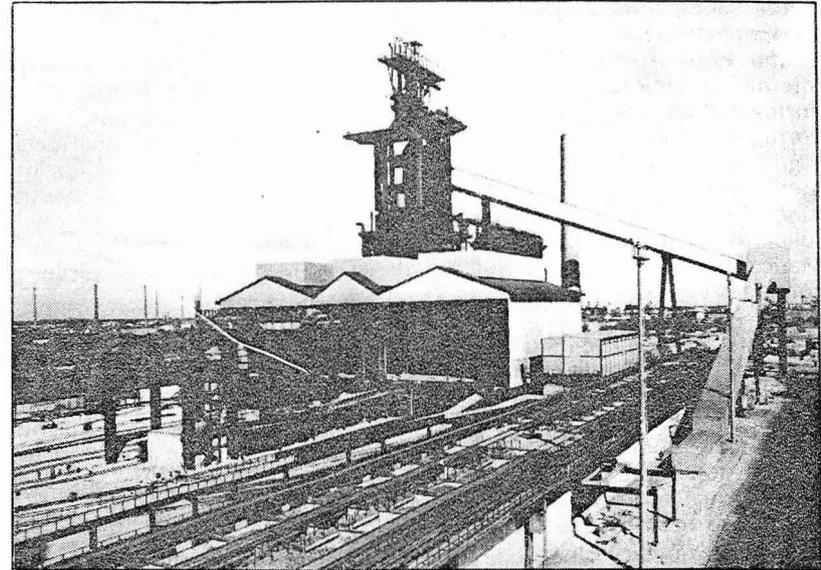
But a clearer sense of our ideological position isn't all we have to learn from the social democratic parties of Europe. There are practical lessons in policy too.

In the 1970s Australians proved themselves to be outstandingly inept economic managers. One British observer wasn't too far wrong when he said it was easy to foul-up the British economy but it took national genius to do it to Australia's. Undoubtedly one of the major lessons to be learnt from the social democrats of Scandinavia, West Germany and Austria is their confident success in economic management. Win or lose, economic management has been acknowledged as their strong point in elections. That could not be said of Australia Labor.

But, to be fair, when it comes to economic management all Australian Governments have unerringly made wrong economic decisions at crucial times, especially in the new circumstances of the 1970s. The McMahon Government presided over a rapid accumulation of reserves and increase in the money supply between 1970 and 1972. And, under Country Party dominance, it refused to offset this with the necessary currency appreciation. There was an over-harsh budget in 1971 and an overexpansionary one in 1972. This all meant that when Labor came to power in December 1972, inflexibly intent on implementing each item in its platform, Australia was already being carried along on an inflationary surge. The 1973-4 credit squeeze, demanded by the Reserve Bank, was a mistaken response, as Gough Whitlam now recognises. So was the July 1973 25 per cent across-the-board cut in tariffs. Tariffs should be a tool of planning and tariff cuts should be gradual and selective. In the already inflationary climate of 1973-4 government spending was expanded too rapidly by the Labor Government. Through a combination of bad advice, inexperience and the pressures of too frequent elections Labor looked like a Government strong on compassion but weak on competence.

Labor's opponents, of course, have been even less competent. In fact, poor economic management is almost a national trait. Every budget of the 1970s has ended up being revised or modified or corrected. The failure of Australian Governments to unwind the wages and prices spiral is held up by economists as a model of how not to run anti-inflationary policy. There has been one sorry disaster after another, from indirect tax increases to Medibank revisions to devaluation. Failure in managing the Australian economy has been bipartisan.

Still, that's little comfort for Labor. During most of its period in office Australian Labor would never have been able to state that economic management was its strongest selling point. Yet this is precisely the claim that some European social democratic parties have been able to make — and in countries no better protected from world economic currents than Australia. In May 1977 I sat with a group of West German miners at a Saturday morning meeting in the Burgerhaus in Kamen, a small town in the Ruhr. Their local Social Democratic M.P. reported to them on the economic policies of the government in Bonn. We have the lowest unemployment outside Austria and Sweden, he was able to boast, and the lowest inflation outside Switzerland. Real wages have continued to increase in Germany and few countries have better economic growth.



*The best economic managers . . . a profitable private sector harnessed to their social goals.*

The simple fact is that West German workers came through the recession of the 1970s better off than their counterparts in Australia.

Much the same argument could be mounted about other countries like Sweden, for example, where in 1978 workers will begin to enjoy five weeks annual leave as another pay-off from their growth economy. And in May 1977 the Labor-led coalition government in Holland was re-elected with a mere 8 per cent inflation rate and an unemployment rate slightly less than our own.

*Why should these countries, in ways more economically vulnerable than our own, be better at economic management than Australia? Why should the party of reform in their system be the natural and best economic manager, but not in ours? How have these governments been able to successfully harness profitable private sectors to the achievement of their social goals? Economic management is the single biggest challenge for the next Labor Government. And our economic spokesmen and advisers could do no better than study the relative success of some of our fraternal parties in Europe.*

## Party Organisation

In a variety of ways the social democratic parties of Europe, especially of Austria, West Germany and Scandinavia, distinguish themselves in terms of their organisation. Their party officials are usually wide-eyed with amazement when they hear just how makeshift party operations are in Australia, just how stunted our research, education and propaganda is.

Here is a miscellany of ways in which these parties beat us hands down. And in which we can learn from them.

**Internationalism.** Sweden, a rich country on the northern rim of Europe, became the first western nation to criticise the Vietnam war back in the 1960s. Today the Swedish Social Democrats sustain a massive international effort, directed mainly at solidarity with their colleagues in Portugal. Branches of the Swedish Party have "adopted" branches of the Portuguese Party; study tours of rank and file Swedish party members regularly visit Portugal. The Swedes conducted a "solidarity action", with their Party members all over Sweden standing on street corners raising funds to send to their embattled colleagues. To them, international solidarity meant more than Olof Palme sitting down at a meeting with Mario Soares. It meant mobilising their entire party behind socialist comrades in another land.

Largely as a result of German and Swedish pressure the Socialist International is determined to establish strong links with the Third World, to break out of the "ghetto of Europe". At its 1976 Conference Willy Brandt challenged the International to become more than a "socialist gentlemen's club" and face up to the "genocide of misery" occurring daily in the poor nations. The Senegalese Socialists were admitted to membership of the International, the first African affiliate. So the Socialist International, representing the left wing of a troubled capitalist affluence, decided to reach out to the Third World.

Social democracy can gain ground outside Europe. In Latin America, in Africa and Asia, the idea of a Third World free of hegemonic powers is beginning to be combined with the search for a third way somewhere between capitalism and socialism.

*Yet Australian Labor has done no international work in, say, Papua New Guinea or the South Pacific. We were not represented at the last Socialist International Conference.*

**Party Education.** At a Social Democratic Party college in West Germany, regular groups of new Party members attend one week courses on "Socialism, from Bebel to Brandt". There's no "hollowness at the centre" of the German Party: education programs like that ensure it has clear ideological foundations and that rank and file members are familiar with them. Party education also helps ensure that working class activists are not browbeaten by university students or professionals — they're equipped to play an active role in Party life.

The Swedish Party also has a highly developed education program for its members, with local branch study groups, week-end schools and week-long courses on Party organisation and ideology.

*The last five years have seen trade union education become established in Australia. There must be a similar effort directed at the political education of the labour movement.*

**Female Participation.** It would be wrong to portray European social democracy as trail-blazing female participation in the political process. But the Swedes have made improvements and are at least monitoring the role of women in their party — as this paragraph from the report of their 26th Congress (1976) makes clear:

"The 350 delegates comprised 109 women and 241 men. The women delegates spoke on 139 occasions altogether as against 286 for the men and accounted for about 10½ hours of the total speaking time

while the men took up about 21½ hours. Thus, relatively speaking, the women were somewhat more active in debates than the men."

## The Constitution

While there's a wealth to be learnt from the social democratic fraternity, politics must be shaped by national conditions. And for Australian social democrats there is one campaign more urgent than all others. And it's a campaign that brings together the two basic commitments — those to the constant revision of society and to democratic means and pluralism. This campaign is the cause of constitutional reform. It's a cause tailor-made for social democrats to champion.

"Our parliaments work within a constitutional framework which enshrines Liberal policy and bans Labor policy," warned Gough Whitlam in his 1957 lecture, *The Constitution versus Labor*. But few Labor people could have foreseen that, not only Labor's program, but its very right to a full-term of office, was to be challenged by the ramifications of the Australian constitution. When we talk of the Australian constitution we talk of a document largely written, as Donald Horne has pointed out, to "flatter Queen Victoria". It was a document prepared about a decade before the Labor Party became an entrenched presence in Australian political life. At the time of the constitutional conventions of 1897-8 the Labor Party was only polling about 20 per cent of the popular vote. As a result there was only one Labor representative at those conventions. But if the constitution had been drafted a mere 10 years later when Labor was actually governing at state and federal level, Labor representatives would probably have comprised a majority. The document produced by such a constitutional convention would have been a very different document, reflecting a different balance of power in society.

As it was, however, the constitution has frustrated the programs of all Labor Governments from Fisher to Whitlam. It blocked attempts to control monopolies before World War I and blocked bank nationalisation in 1947. It enabled the dismissal of the Government in late 1975. Donald Horne described the last event as the result of "the most sustained and corrupting campaign to destroy a government in our national history, with outrages committed against the decencies of our political life, a huge campaign of political misrepresentation and a vendetta journalism so virulent it makes me ashamed to have been a journalist." Whitlam's plea for us to maintain our rage is not only good rhetoric but excellent political advice. During the term of the Scullin Government the Senate blocked all Labor's policies and ensured the Party's eventual defeat in 1931. But the A.L.P. then promptly forgot the cause of constitutional reform, launched no campaign of public education, and lived to be speared again 40 years later by another hostile and self confident Senate. The Lang Labor Government was turfed out of office by a rogue Governor in 1932. Nobody took up the issue of vice regal reserve powers. Labor lived on, to be destroyed 40 years later by another man in top hat and striped trousers.

This time the constitutional issue cannot be allowed to gather dust. There are two ways social democrats can pursue this campaign. First, by lending support to the movement for constitutional reform. This campaign may never result in the completely new constitution that

Donald Horne talks of. But its meetings and conference do add to a climate in which constitutional reform becomes an issue and referenda are more easily carried. It builds up a climate of opinion that would make it tougher for the political obscenities of 1975 to be repeated. Second social democrats must help develop strategies that enable the future Labor Government, faced with Senate obstruction, to ride out the crisis and stay in power. Lionel Bowen, the shadow Attorney General, has already enunciated one plan that involves a Labor Government steadfastly refusing to accept Senate rejection of supply and even refusing to accept High Court jurisdiction in such a matter, as it pertains only to relations between the houses. There needs to be more work in this area, so that the Tories are forced to accept that — if November 11th repeats itself — Labor will not meekly surrender power.

In Australia the party of change and reform will never be given a fair chance until the rules of the game are altered—the powers of the Senate curbed, the viceroy's powers removed and one vote, one value written into the constitution. We may never succeed as completely as the Portuguese Socialists who now govern under a constitution that enshrines democratic socialism and the shop-floor rights of workers. But we should aim to do at least as well as Sweden and West Germany, where voting systems can never deny a majority party the right to rule, and where no upper house or head of state has the power to dismiss an elected government from office in the middle of its term.

### A Rich Tradition

Social democracy is no precise term. One writer has described all major post-war political leaders in Britain — Bevan, Gaitskell, Butler, Macmillan — as constituting a “social democratic consensus”. This is too wide. Others have it that social democracy is dead, long since burnt out since Crosland wrote *The Future of Socialism* in 1956. But this hardly squares with the enormous voting support social democratic parties command today. Nor, for example, with the continued appeal of a Willy Brandt, the new-found vitality of the French Socialists nor with the yearnings in Eastern Europe for “socialism with a human face”. Is there a distinction between social democrats and democratic socialist? Some insist there is, others use the terms interchangeably.

But there is undeniably a rich and proud tradition of the democratic left. It is built on the quest for change and reform in the direction of greater equality. It is committed to democratic means and pluralism. As some may see it, a creeping medium-term approach. But better than the alternatives. As Gunter Grass put it:

“I am a Social Democrat because to my mind socialism is worthless without democracy and because an unsocial democracy is no democracy at all. A bone-dry, inflexible sentence. Nothing to cheer about. Nothing to dilate your pupils. Accordingly, I expect only partial achievements. I have nothing better to offer, though I know of better things and wish I had them.”

*This is the instinctive approach of any party of social reform, including Australian Labor. But the European social democrats can define problems that most of their A.L.P. counterparts cannot even see. Further, the presence of an ideology — however attenuated and compromised —*



*The continued appeal of a Willy Brandt . . . proof of the vitality of social democracy.*

*allows the European socialists to speak about something other than immediate reforms. Secure in their ideological base they confidently defend the position of the democratic left. And, when required, they show some global solidarity.*

The shearers and bush advocates, miners and watersiders, who formed the Australian Labor Party didn't look to the European socialist movement for ideas or ideology. But 90 years later there's less excuse for ignoring fraternal parties of the democratic left. These parties fight the same battles. But with more confidence and clarity — and, in some respects, more competence.