AFTER THE LONG BOOM: THE MINING INDUSTRY AND CAPITAL RESTRUCTURING

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This paper examines the effects of the Australian mining industry on the restructuring of capital in Australia in the 1970s and 1980s. It suggests that the mining industry has played a specific role in transforming the expression within Australia of the increasing internationalisation of capital, associated with the end of the post war boom. One significant expression has been in Australian manufacturing industry, and the paper argues that the internationalisation of capital through the mining industry has left Australian manufacturing without a strong momentum towards internationalisation - either through trade or investment.

There are significant implications for contemporary economic policy in Australia. There have recently been published two works on policies for Australian industry: Ewer, Higgins and Stevens' Unions and the Future of Australian Manufacturing, and the ACTU-TDC report Australia Reconstructed. The general approach of these works represents an increasingly popular 'left' alternative in Australia: a roughly Swedish style of economic management, involving a programme based on union-management-state co-operation and a policy package to stimulate domestic industry (read manufacturing) in order to secure full employment. Yet neither work sees the need to explain the end of the long boom in the international economy, nor how that development was expressed within Australia.Certainly, they present graphs and tables which identify economic decline in the mid 1970s, but these are presented descriptively: there was recession because the graphs show a downturn. Thus, the strategies they propose for the 1980s arise, analytically, in an historical vacuum. The 'solutions' are offered without first asking the cause of the problem.

To pursue the historical analysis draws attention to the international dimensions of economic change: the extent to which the logic of accumulation in periods of recession requires that capital acquires a higher level of mobility internationally. Accumulation has, in the past 20 years increasingly broken ties with national units. International mobility depicts a key way in which capitals of all kinds have responded to recession. It is by ignoring this underlying logic that Ewer et.al. and Australia Reconstructed can offer solutions which are narrowly national in perspective. In short, both works can be seen to provide a solution only by assuming the problem away.

Our analysis must therefore start with the end of the long boom, and its manifestations within Australia. While the end of the long boom is popularly dated at 1974-75, such a precise dating suggests that all tendencies arose at the same time and the boom sudenly gave way to recession in the form of a collapse. The process of capital restructuring

at the end of a boom, so as to create anew the conditions of profitability, is not just the result of the end of a boom, but the process by which capital is devalorised and reorganised as conditions of profitability change. Thus, the post-war boom in the international economy should not be seen to have ended abruptly, but was asociated with a series of tendencies which culminated in the slump of the mid 1970s.

Following Mandel and Aglietta(1), the analysis must start from developments in the international economy in the 1960s, with emphasis being placed on the relationship between international investment at that time in the Australian mining industry, and the beginning of the end of the boom. That is, the object is to show that the investment in the Australian mining industry in the second half of the 1960s and 1970s was integrally related to a process of international restructuring which reflected the pending demise of the boom conditions which had lasted since the late 1940s. Moreover, the role of the Australian mining industry in capital restructuring suggests why many Australian manufacturing industries went into decline with the end of the boom.

There are three general questions to be posed: first, what was happening to international investment in the Australian mining industry in the second half of the 1960s; second, why was capital restructuring into the mining industry at this time when the boom in the international economy is generally recognised to have lasted into the mid 1970s; and third, how was local 'Australian' capital responding to this restructuring process?

THE RESTRUCTURING OF INTERNATIONAL CAPITAL INTO THE AUSTRALIAN MINING INDUSTRY IN THE 1960s

The process of capital restructuring on an international scale can be thought of as having two interrelated aspects. One is the reorganisation and international relocation of productive capital within industries. The other aspect is the movement of money capital across space and between industries in search of higher rates of profit. Both aspects of restructuring were apparent in the Australian mining industry in the 1960s. Capitals already engaged in mineral production began to relocate productive capital towards Australia, and internationally mobile money capital, seeking new investment outlets, was attracted by the prospective profits of the Australian economy and its mining industry in particular.

Our analysis focuses particularly on this latter movement, as the most generalised aspect of the restructuring process. However, some mention should first be made of the international relocation of productive capital within the mining industry. In general, this can be explained by a number of conjunctural forces existing in Australia, in particular, the coincidence of mineral discoveries; technological developments in mineral extraction, processing and transportation; changes in the international demand for minerals (asssociated particularly with Japanese industrial development); and possibly even the desire of mining companies to produce in a stable economic and political environment.(2) Consequently, from the mid 1960s onward, there was a tendency for international mining companies to relocate their investment towards Australia.(3) The relocation of bauxite and alumina production from the Caribbean to Australia is a conspicuous case in point.(4)

To a large extent, this relocation of mineral production both predated, and was the precondition of, the general international movement of money capital towards the Australian mining industry, for it was international mining companies, not the local mining companies, which pioneered the resurgence of the Australian mining industry in the 1960s. The importance of the international relocation of mining company investment is emphasised in research by Rose in the late 1960s:

> Based on interviews with certain of the major overseas mining companies which have come to Australia in recent years, it appears that several of them have made a decision to allocate a certain portion of their worldwide exploration budget to Australia. They have come to realise that in terms of current technology large, unexplored areas still exist here. Many consider the probabilities of financial success considerably greater in Australia than in their own countries.(5)

It was the success of this productive investment which provided the conditions for the profitable movement of international money capital generally towards the Australian mining industry in the process of restructuring.

Hence, the second half of the 1960s saw a major increase in international investment of money capital in Australia. Investment more than doubled from $450 million in 1963-64 to $1500 million in 1970-71 (Table 1). Of this international investment, the mining industry took an increasing share, so that by the 1970s the mining industry received over thirty per-cent of direct foreign investment in Australia. From 1963-64 to 1970-71 foreign investment in the mining industry increased ten fold, with expansion particularly in the period 1966 to 1969.(6) Britain and the United States dominated this international investment in Australia. Most of the expansion of investment in the mining industry came from the United States. In the four years to 1970-71, the mining industry attracted about 40 per cent of the United States' direct investment in Australia, and about 20 per cent of British investment.(7)

TABLE 1

Annual Inflow of Private Overseas Investment in Companies in Australia, by Domicile of Investor, 1963-64 to 1970-71
($ million)

	United Kingdom	United States	Canada	Other	Total
1963-64	198	202		53	453
1964-65	263	245		75	583
1965-66	266	307	14	101	688
1966-67	119	277	15	98	509
1967-68	389	393	38	141	962
1968-69	472	314	24	211	1,021
1969-70	354	439	25	207	1,025
1970-71	549	486	46	412	1,493

Source: Australia, Department of the Treasury, Overseas Investment in Australia (Canberra 1972), 17

This dominance of United States' and British investment, and the expansion of the mining industry as the recipient of investment, must be understood in terms of two major determinants of the outflow of capital from both the United States and Britain in the late 1960s. First, in the second half of the 1960s there is evidence that the average rate of profit in both countries was falling. For the united States, this can be seen in the evidence assembled by Nordhaus, Shaikh and Aglietta,(8) and for Britain, in the work of Glyn and Sutcliffe.(9) This is to be recognised as a decisive factor in the international economy, for the second half of the 1960s became a period of substantial outflow of capital from both the United States and Britain, as individual capitals sought investment opportunities which might maintain the rate of profit on capital. Second, and in response to the above tendency, the state in both Britain and the United States sought to restrict the outflow of capital in the late 1960s, as currency was leaving each country at an exceptional rate.(10) In the United States, these restrictions took the form of controls on direct foreign investment, accounced by President Johnson in January 1968. In Britain, policies to reduce the outflow of capital took the form of devaluation of the pound sterling. Thus, the movement of capital into the Australian mining industry occurred despite the imposition of national controls on the international restructuring of capital.

These considerations indicate that investment in the Australian mining industry was undertaken both as a part of a systematic international restructuring of capital and with the expectation of high rates of profit. In this respect, a statement made in 1967 by Sir Val Duncan, Chairman of Rio-Tinto Zinc Corporation Limited of Britain, the parent company of Australia's largest mineral producer, CRA Limited), is informative:

> While projects continue to grow in size, restrictions on the free movement of capital are increasing. The two great capital exporting countries, the US and Britain, have both imposed restraints on the movement of capital overseas.
>
> ... [The] rest of Western Europe shows no signs of being able or willing to meet the shortfall of investment funds caused by US and British restraints.
>
> There is in fact a breakdown of international co-operation in the provision of capital flows for investment purposes.
>
> Some movement of funds will no doubt continue across the frontiers for very high priority undertakings, but while these restraints last we may have to face a temporary period when many desirable projects will have to be postponed because they cannot be financed.(11)

A statement such as this, made as early as 1967 by a large international corporation, is evidence that the end of the long boom should not be identified at 1974-75, for the contraction of international accumulation commenced almost a decade earlier. Moreover, it signifies the importance of the Australian mining industry as a 'very high priority' in the international restructuring process.

THE RESPONSE OF 'AUSTRALIAN' CAPITAL (12)

In contrast with this rapid movement of international capital in the 1960s, local Australian industrial capital was remarkably slow to restructure into the mining industry. A substantial movement did not start until the 1970s. One illustration of this delay was that domestic trading bank loans to the mining industry were slow to grow (only 2.9 per cent of loans in 1969, but 7.4 per cent in 1971.(13) This growth was associated with the commencement in 1968 of the Australian Resources Development Bank; a bank owned collectively by trading banks to provide funding to large-scale mineral projects. Its formation derived from the reticence of individual banks to take on the perceived risks of mineral investment. Similarly, the formation of the State's Australian Industrial Development Corporation, which commenced operation in 1971 was a belated attempt by the state to redirect investment towards the mining industry.

More significantly, locally-mobile money capital was distracted in the late 1960s by a purely speculative boom in the market for mining company shares. This stock market boom raised several hundred million dollars equity in local mining companies(14) but, as later became clear, this did not involve a real restructuring of local productive capital towards the mining industry. This boom was focussed on generally small, newly floated companies, most of which had no real asset backing and many of which had meteoric stock market rises based on false reports of mineral discoveries. Their basis in the mining industry proper was minimal. International companies, by contrast, with higher share prices, and extensive international asset backing, were not subject to the same speculation. Higher prices reduced the relative percentage gain of stock market increases, and international asset backing made prices less sensitive to events within Australia. Their growing investment of productive capital in the mining industry continued regardless.(15)

This stock market frenzy created the <u>appearance</u> of a restructuring of 'Australian' capital with money capital flowing, at enormous rates of return, into 'mining' companies. But because these companies invariably had no real basis in production, appearance belied essence. In 1971 the boom ended suddenly and predictably, with most of the new 'mining' companies defunct. The absence of any real restructuring of local <u>productive</u> capital then became apparent. It was only after the end of the speculative boom that 'Australian' capital started to restructure at the level of <u>productive</u> capital. But by then, the prime investment targets in the mining industry had been taken up by international capitals. It is at this time that 'Australian' capital called for, and received from the state, strict controls on the level of foreign investment within the mining industry (the requirement of 50 per cent local equity, introduced by the Whitlam Government). This provided local capitals with a means to gain access to the Australian dimension of international restructuring after they had seemed, at the end of the 1960s, to have missed the boat. The ideology of nationalism was therefore used to facilitate the belated restructuring of some of Australia's largest companies which had formerly eschewed the perceived risks of investment in the mining industry. One of the main beneficiaries of this was CSR Ltd whose (then) head of planning later acknowledged:

> We quite cold-bloodedly used the rising Australian economic nationalism and the beginning of the resentment against multinationals.(16)

While CSR itself is now a 'multinational', Australia's economic nationalism of the 1970s served the profitability of so-called 'Australian' capital more significantly than it did any notion of a collective social and economic interest within Australia. Moreover, so long as international restructuring of capital involved investment in the Australian mining industry, local 'Australian' capital could participate in this international process within Australia itself, and under the auspices of the Australian state. Yet this was a short-sighted solution for Australian capital accumulation. It showed that Australian capital lacked an international perspective of restructuring.

THE INTERNATIONAL RECESSION PRIOR TO 1974-75

If the expansion of international investment in the Australian mining industry is to be linked directly with the process of restructuring at the end of the long boom, it remains to be explained why this process arose long before the slump of 1974-75. Why was the end of the boom prolonged so far into the 1970s, if it had already commenced by 1967?

This intervening period is to be explained largely by the existence in the late 1960s of a glut of international liquidity, giving rise to an accelerating expansion of international credit. The explanation by the Bank for International Settlements for this growth of liquidity has been summarised by Brett:

> [T]he major sources identified in [BIS] reports are the dollar deficit incurred by the US on the one hand, the oil surpluses of the OPEC countries on the other. The effect of the dollar deficit predominated from the late 1960s to 1973, and again from 1977 to 1979; the oil supplies from 1974 to 1976 ... It is not clear how much of the growth of this market derives from pure credit creation and how much of it is the outcome of a growth of investible surpluses hoarded for want of profitable investment opportunities.(17)

This liquidity, expressed as worldwide credit expansion, particularly through the growth of the Eurodollar market, gave rise within the international mineral industry to dramatic price increases through the creation of additional purchasing power. The tendency was for credit to be advanced on an international scale only in part to the circuit of industrial capital (M-C ... P ... C' -M') (i.e. the production of value), as the profitability of production had been generally declining since the mid 1960s and international liquidity itself could not resolve that decline. Significantly, liquidity in the early 1970s was advanced more in the circuit of merchants' capital (M-C-M') which does not involve the production of value, so that the creation of additional purchasing power in the early 1970s was not matched by equivalent increases in the level of production.(18) The effect of international liquidity was therefore the international inflation which characterised the early 1970s.

The consequence of credit being advanced in the circuit of merchants' capital (M-C-M') and its reciprocal, the circuit of commodity capital (C-M-C') was that the so-called 'comodities boom' of 1972-73 was essentially a speculative boom; that is, not supported by an equivalent expansion in the <u>production</u> of value in the circuit of industrial capital (M-C ... P ... C' -M'). This is essentially Mandel's position when he states:

> The long-term tendency of the average rate of profit to decline had made itself felt since the end of the sixties, even during the second half of the sixties. The appearance of excess capacity in a growing number of important industrial branches and the increasingly speculative character of the successive phases of prosperity were the most revealing sign of this. The 1972-73 boom was almost entirely speculative.(19)

According to Mandel, this speculation was directed largely to raw materials:

> The 1972-73 upsurge of global demand was to some extent attributable to miscalculations in the conduct of monetary and fiscal policies. In relation to the buoyancy of private demand that materialised, these policies proved excessively expansionary from the standpoint of controlling inflation. They fúelled a widespread investment boom that was further driven, during its later stages, by emerging limitations on productive capacity.
>
> ... [S]everal distinctive features of the boom help to explain why a sharply higher rate of price inflation developed in 1973 and 1974. Among these were the high rates of price increase sustained through the 1970-71 economic slowdown ...
>
> ... A second distinctive feature of the (1972-73) boom was the magnitude of the increase in many primary commodity prices, even apart from oil ... In important respects, the escalation of commodity prices must be seen as responsive to the boom itself; a special aspect

> of this response ... was anticipatory buying in a climate of inflationary expectations, real or threatened shortages of various materials and uncertainties regarding the future values of currencies.(21)

The speculative content of the 1972-73 boom is addressed more directly by the Bank for International Settlements:

> One important factor (of the heavy speculative buying of commodities that occurred during the 1972-74 price boom) was the hedging and speculative activity prompted by widely fluctuating exchange rates, accentuated in some cases by increasing difficulties in securing raw-material supplies. A tangible aspect of the situation was the accumulation and hoarding of large stocks of raw materials by manufacturers.
>
> In major countries where measures of changes in real inventories are available - Japan, the United Kingdom and the United States - raw-material inventories were run up dramatically in 1973 and the first half of 1974. In each of these countries inventories had been stagnant during the preceding eighteen months. The reversal of this cautious inventory behaviour first exacerbated and then prolonged the pressures on commodity prices already stemming from the intense world demand for finished goods.(22)

The significance of the tendency towards speculative stockholding of raw materials is illustrated in the fact that raw material stocks held by manufacturers in the US, Japan and the UK, which had remained constant from 1968 to 1972, suddenly tripled in 1973 and the first half of 1974.(23) This international speculative demand for raw materials gave rise to massive increases in export prices and volumes, particularly for Australia's two major minerals, iron ore and coal. However, by 1974 the speculative boom in commodities had finished. The longer run tendencies towards recession, which had commenced in the second half of the 1960s, were again clearly apparent by 1974-75. Thus, the boom of 1972-1973 does not deny the essential tendency towards recession which began in the late 1960s and developed during the 1970s. Indeed, as a primarily speculative boom, the period 1972-1973 had its origin in, and was an expression of, an underlying tendency towards recession. For this reason, an important part of the story of recession and restructuring is lost if the beginning of the recession is only dated from 1974-75.

RESTRUCTURING AND THE AUSTRALIAN ECONOMY

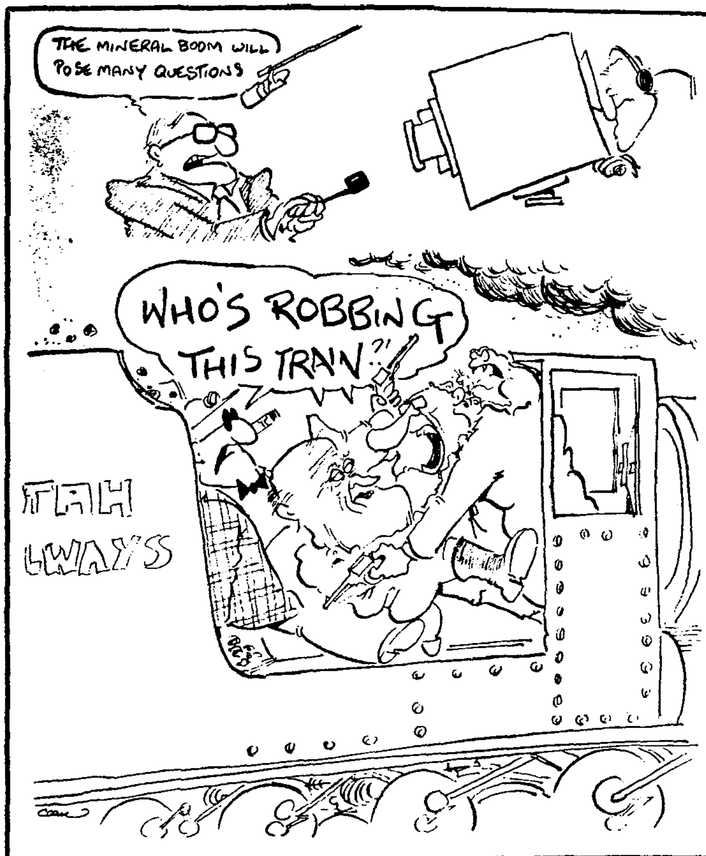
For international productive capital, the limitations of investment in the Australian mining industry were already apparent by 1971-72. This is frequently explained purely politically, associated with the election of a nationalist Labor Government in 1972, which reputedly 'scared off' foreign capital. Yet it appeared that foreign capital continued to flow into Australia as before, if somewhat abated. The real change for Australia was that the international relocation of productive capital as

part of a global restructuring was transformed into a flow of speculative money capital with quite different motivation and objectives.

In December 1971, the Australian Government, contrary to Reserve Bank and Treasury advice, did not adjust fully the value of the Australian dollar with the devaluation of the US dollar, thereby affecting a devaluation of the Australian dollar against both gold and sterling. This is recognised to have left the Australian dollar undervalued, and the decision led to a speculative movement on the Australian dollar.(24) In the late 1960s the large surplus in the capital account of Australia's balance of payments was associated with the international relocation of productive capital into Australia, but by the early 1970s the growing surplus on capital account was associated with a speculative movement of money capital, deriving from the effects of the end of the long boom on international currency markets. This change in the nature of captial inflow into Australia was identified clearly in 1972 by the Melbourne Institute of Applied Economic and Social Research:

> Whereas in 1969-70 one important aspect of [the high rate of capital inflow] was the finance from overseas of large scale mineral development in iron ore, coal and other minerals, this real investment is now at a much lower level; nevertheless the massive capital inflow continues. It seems that it is no longer being sucked in for the finance of real investment but that much of the inflow represents currency speculation. International companies have thought it worthwhile to borrow overseas and to hold funds in Australian currency, and the growth of merchant banks in Australia has encouraged large Australian companies to borrow overseas.(25)

Yet while, in the early 1970s, international productive capital had already reduced its movement into the Australian mining industry, Australian capital had already reduced its movement into the Australian mining industry, Australian capital was just starting its major expansion there. The commodities boom of 1972-73 perpetuated in Australia the image of the local mining industry as a source of unlimited future wealth. This served to prolong the restructuring of local productive capital towards the mining industry. Many of the largest companies in Australia, such as BHP and CSR, developed extensive mining investments in the early 1970s and a number of smaller mining companies, such as Santos and Bell Resources, expanded rapidly by attracting local money capital as well as securing access to international credit willing to enter Australia. In particular, there were profits to be made in the early 1970s by buying into extant mining projects, where the risks and costs of exploration and initial development had already been undertaken. Australia's new foreign investment controls were important here, for they required 50 per cent of new investment in the mining industry to be 'Australian owned'. Thus, 'Australian' capitals were given privileged access to existing mining operations in the process of expansion. But an effect of this privilege was to obscure to Australian capital, for a number of years, both the limits to new investment in the Australian mining industry and the international dimension of capital restructuring.



With the end of the 'commodities boom' in 1974 and the slump of 1974-75, mineral prices and profitability in the Australian mining industry fell. It became increasingly apparent that the local mining industry was not a sustainable solution for the restructuring of 'Australian' (or international) productive capital. Politically, the mythology of the mining industry was perpetuated into the late 1970s, with promises of state subsidies to encourage extensive aluminium smelting and petrochemical industries.

So from the mid 1970s, the international dimensions of restructuring were becoming more significant. 'Australian' capitals which had earlier restructured towards the Australian mining industry continued to invest in the mining and mining-related industries, but increasingly outside of Australia. The most conspicuous case in point is BHP's internationalisation as a mineral producer rather than a steel producer.(26)

Two significant points follow from this. First, it was not until the mid 1970s, that 'Australian' capitals' participation in the international restructuring of capital involved them in a significant movement of capital outside of Australia. Second, those 'Australian' capitals large enough to participate internationally in the restructuring of productive capital did so predominantly from their new base in mining and simply-transformed mineral products, rather than from their earlier bases in manufacturing. The effect was to leave Australia's manufacturing industries largely neglected in the international process of restructuring. While capital stock in manufacturing had grown at 5.1 per cent per year in the 1960s, it grew at only 0.6 per cent per year in the 1970s.(27) As a result, the past fifteen years has seen many of Australia's manufacturing industries becoming less competitive on an international scale. By 1985, manufacturers made up only 13 per cent of Australia's commodity exports (down from the long boom average of 20 per cent), and almost 60 per cent of these were simply-transformed mining products (especially basic metals and petroleum and coal products).(28)

This has popularly been described in Australia as a process of 'deindustrialisation', following the thesis of Bluestone and Harrison in relation to the United States(29) and Singh and Thirlwall in relation to

Britain.(30) It is not the purpose here to explore whether Australia fits the same pattern as suggested in the United States and/or British theses; it is to emphasise that the current state of Australia's manufacturing industries is not primarily to be explained by the popular notion that the 'international economy' has allocated to Australia the role of mineral and agricultural producer.(31) Nor is it to be explained, as by Ewer et.al., simply in terms of inappropriate government policies and institutional structures within Australia.(32)

While there may be some evidence of these sorts of propositions, more critical has been the way in which 'Australian' capital itself has responded to the end of the long boom in the international economy. Specifically, 'Australian' capitals' delayed response to the end of the boom and their belated internationalisation has systematically served to direct the restructuring of 'Australian' capitals through mining and mining-related activities, while the internationalisation of more traditional manufactures has all but failed to develop.

The consequence is seen in the composition of Australia's internationally active manufacturing industries. Of Australia's manufacturing exports, simply-transformed mining products make up the majority. In addition, of Australia's direct foreign investment abroad in manufacturing, two thirds in the period 1977-78 to 1982-83 has been in these same industries.(33) The more traditional, non-mining related manufacturing industries have failed to develop a significant basis, in trade or investment, in the international economy.

It can at least be hypothesised that, had local capital in Australia responded more immediately to the end of the long boom, with some movement of productive capital into the local mining industry in the 1960s, the attraction of mining investment in the 1970s would have been less pronounced and sustained (as it was for international capital). But this is only speculation, and it cannot be known where capital would have been directed at this time had it not entered the Australian mining industry. What is clear, however, is that capital was leaving manufacturing in search of greater profitability elsewhere.

CONCLUSION

The restructuring of capital on an international scale is not simply the response of capital to a sudden economic slump, for the tendency of capitalism towards periodic recession is inherent in the process of accumulation, and the mobility of capital is an integral part of this process. As the world economy moved into recession, it was to be expected that internationally mobile capital would be moving to locations and industries where the rate of profit is higher.

Evidence would suggest that the Australian mining industry met this condition of profitability in the late 1960s at a time when the rate of profit was falling in both Britain and the United States. In this respect, the rush of international investment into the Australian mining industry at this time was a manifestation of the downturn in the international economy. Indeed, this is no more than any variant of economic theory which assumes mobility of capital would contend - that capital moves from activity of low and falling profit to activity of higher and increasing profit, and the larger the difference in relative profitability, the greater will be the move.

Just as this international movement of productive capital into the Australian mining industry in the late 1960s was an expression of the end of the long boom in the international economy, so, from 1972 to 1974, the rapid increases in raw material prices which gave rise to the increased profitability of mineral production in Australia, were also an expression of international speculative instability. Thus, the two 'booms' in the Australian mining industry - the boom in productive capital in the late 1960s and the boom in commodity trade in the early 1970s - were both tied into transformations in the international economy which directly expressed the tendency towards recession.

Yet local capital in Australia was slow to read the signals. It was slow to enter the Australian mining industry; slow to redirect accumulation away from the industry; and slow to internationalise its accumulation. The growth of the mining industry led to the false conclusion by Australian capital that restructuring was a national, not an international process, and involving the 'discovery' of new industries, not the inernational reorganisation of old industries. As a result, the internationalisation of 'Australian' capital which eventually developed in the 1980s has borne little relation to Australia's manufacturing industries.

The approach of Ewer et.al. and Australia Reconstructed serves to perpetuate the myth that 'new' domestic industries can be discovered so as to support localised accumulation. They believe that manufacturing can play this role. Yet the clear response of capital to the end of the long boom was, in general, not to look to internationalisation from a base in Australian manufacturing. The only way in which an economic programme can reverse this conspicuous choice of capital is through some combination of wage cuts and subsidies to profits to control the conditions of profitable accumulation in locally-based manufacturing. In this respect, it is difficult to contend that such a programme can be called 'progressive' in a socialist sense. Perhaps the most basic lesson of this century is that 'alternative accumulation strategies' which challenge particular decisions of capital but without challenging the system of capital provide no alternative to the crisis of accumulation.

Footnotes

1. E. Mandel, The Second Slump (London 1978); M. Aglietta, A Theory of Capitalist Regulation (London 1979).
2. These issues are discussed in detail in H. H. Raggatt, Mountains of Ore (Melbourne 1968).
3. See R. McKern, Multinational Enterprise and National Resources (Sydney 1976), passim.
4. International Bauxite Association, The Changing Structure of Bauxite, Alumina and primary Aluminium Industries over the Period 1961-1982 (Jamaica 1978) (IBA/SC-PR/iv/8/78 and IBA/EB/xii/16/78).
5. P. Rose, "Aspects of Financing the Mineral Industry in Australia", Australian Economic Review (4th Quarter 1969), 13.
6. Australian Bureau of Statistics, Foreign Investment 1971-72 (Ref. no. 5.20).
7. Australia: Department of the Treasury, Overseas Investment in Australia (Canberra 1972), 21.
8. W. Nordhaus, "The Falling Share of Profits", Brookings Papers on Economic Activity 1 (1980), 169-208; M. Aglietta, A Theory of Capitalist Regulation, 287; and A. Shaikh, "National Income Accounts and Marxian Categories" (Unpublished papers, New School for Social Research, N.Y., 1978).
9. A. Glyn and B. Sutcliffe, British Capitalism, Workers and the Profit Squeeze (London 1972), Ch. 3.
10. Ibid, 147-50.
11. V. Duncan, "How RTZ Financed its Growth", Australian Financial Review (March 21, 1967), 2-3.
12. The concept of 'Australian' capital is used to designate those capitals which produce and reproduce predominantly within Australia. It does, however, have an unfortunate association with the nationality of the owners of capital. The current analysis is not contingent upon the nationality of owners, but focuses directly on the pattern of production of individual capitals.
13. Australian Bureau of Statistics, Banking and Currency Bulletin, Nos. 6-9, 1967-68 to 1970-71 (Ref. no. 5.1).
14. Australia, Senate Select Committee on Securities and Exchange, Australian Securities Markets and Their Regulation (Canberra 1974), Vol. 1, 4.
15. Ibid, passim. See also T. Sykes, The Money Miners: The Great Australian Mining Boom (Melbourne 1978) esp.45.
16. B. I. Aldrich, quoted in "CSR: How Australia's Policy Helps a Sugar Giant Rush into Minerals", Business Week (January 19, 1981).
17. E. A. Brett, International Money and Capitalist Crisis (London 1983), 212.
18. In this context, Brett (ibid) notes the importance of private corporate sector surpluses entering the international banking sector in response to weakening investment activity.
19. E. Mandel, The Second Slump, 183.
20. Ibid, 183-84.
21. International Monetary Fund, Annual Report (Washington D.C. 1975), 6-7.
22. Bank for International Settlements, Forty-Seventh Annual Report (Basile 1977), 36-7.
23. Ibid.
24. R. Snape, Submission to the Senate Select Committee on Foreign Ownership and Control, Official Hansard Report (Canberra, September 5, 1972).
25. Institute for Applied Economic and Social Research, "The Australian Economy", Australian Economic Review (1st Quarter, 1972), 14.
26. See B. Fagan, "Australia's BHP Ltd", Raw Materials Report, Vol. 4, No. 4, 1986, and 'Industrial Restructuring and the Emergence of Australian Based Transnationals', University of Sydney, Transnational Corporations Research Project, Research Paper.
27. Australia, Bureau of Industry Economics, Productivity Growth in Australian Manufacturing Industry (Information Bulletin No. 8) (Canberra 1985), Appendix 6. See also K. Gibson and R. Horvath, "Global Capital and the Restructuring Crisis in Australian Manufacturing", Economic Geography 59:2 (1983).
28. Australia, National Export Marketing Strategy Panel, Lifting Australia's Performance as an Exporter of Manufacturers and Services (Canberra 1985), 6.
29. B. Bluestone and B. Harrison, The Deindustrialisation of America (New York 1982).
30. A. Singh, "UK Industry in the World Economy: A Case of De-industrialisation?" Cambridge Journal of Economics,4 (1980); A.P. Thirlwall, "De-industrialisation in the United Kingdom", Lloyds Bank Review (1982)144.
31. In particular, see G. Crough and T. Wheelwright, Australia: A Client State (Melbourne 1982) Chs. 4-6.
32. P. Ewer, W. Higgins & A. Stevens, Unions and the Future of Australian Manufacturing (Sydney 1987), Ch. 5.
33. Australia, National Export Marketing Strategy Panel, Lifting Australia's Performance, 68-9.

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