AFTERWORD

Neither Glory Nor Power: Labour in the Era of Monopolising Capitals

The argument in *A New Britannia* ran thus: from the convicts of the 1780s through to the unionists of the 1890s, settler Australians had pursued individual advancement and nourished racial panics. Those experiences coalesced in the Labor Party, which, therefore, could never be socialist. In short, a hundred years of history had set the nature of the new body before its birth.

This explanation descended from the Italian communist Antonio Gramsci (1891-1937) who had proposed that the history of a political party be conceived within the history of a class, indeed, of an entire society, including its international connections. Gramsci's erstwhile English disciples, Perry Anderson and Tom Nairn, embellished his approach in *Towards Socialism* (1965). Anderson's essay on the 'Origins of the Present Crisis' traced British class structures back to the revolutions of the seventeenth century; Nairn's companion piece, 'The Nature of the Labour Party', carried Anderson's analysis forward from British Labour's roots in turn-of-the-century liberalism. That pair of studies suggested a framework for examining the Australian Labor Party.

Another influence on *A New Britannia* was the Hungarian Marxist Georg Lukacs who had charted a gulf between 'true' and 'false' consciousnesses in *History and Class Consciousness*

(1923). That distinction swivelled on the treatment of class. In *The Making of the English Working Class* (1963), E. P. Thompson rejected defining class as a thing in favour of portraying the collective experiences of its members. The result was a thrilling read but analytically lopsided. Classes are both things and experiences. Every class is a thing, and yet more than that thing. A proletariat is a thing because of its place in the social relations of production. That reification is the outcome of previous conflicts in which the state and a propertied class had deprived smallholders and petty-producers of the wherewithal to be self-sufficient. Thereafter, they had to exchange their capacities (labour-power) for wages. Because those wage-slaves resisted being treated as an inert resource, they made themselves into more than that factor of production. However, that class consciousness would never have been possible had the proletarians not had to sell their capacities as if they were things.

A New Britannia lent on this flow of ideas, arguing that, in nineteenth-century Australia, working-people had produced the false consciousnesses of an escape into landed proprietorship and racial chauvinism. How had the false triumphed over the true? My answer was to deny that there had not been a proletariat in nineteenth-century Australia. If there were no proletariat, there could be no true consciousness. That chain of reasoning may strike you as circular. What remains compelling is the need to identify the class relationships that settler Australians have made.

To write a history of the Labor Party, it was indeed necessary to absorb Gramsci's advice and portray the history of a class and of an entire society, on a global scale. Yet histories do not stretch back, flat and straight. Equally, the writing of history need not take us very far into the past. More telling than any time scale is the understanding of how organisations are transformed around the expansion of capital. It is never enough to know a lot about the past, never sufficient to recog-

nise that '[t]he tradition of all the dead generations weighs like a nightmare on the brain of the living.' The present has to be understood as more than an accumulation of previous events, forever tumbling, like lotto numbers, into variations of themselves. New things happen. What is revolutionary about Marxism is its understanding of the ways through which human beings remake ourselves. The task for historical materialists, therefore, is double-headed: how to acknowledge the uncertainties that surround the making of events (experiences), while recognising the structures around which those contingencies are decided (things).

Whatever the theoretical scaffolding of *A New Britannia*, the impetus for its composition came from opposition to the war that the US corporate state was waging against the Indo-Chinese. The book started life in 1967 as a paper on 'Which party for socialists?'. In the aftermath of Labor's 1966 electoral disaster, anti-war activists were asking why the anti-conscription victories of 1916 and 1917 had not been repeated fifty years later. Where was Australia's radical anti-imperialism? *A New Britannia*'s answer would be that nothing had changed. What needed to change was our understanding of that past. The legend of a once radical and independent people misrepresented the substance of those attitudes, which had been individualistic and racist, neither collectivist nor internationalist.

Russel Ward's *The Australian Legend* (1958) offered a sitting target for an attack on the earlier view of our past. Ward not only gloried in much of the social development of nineteenth-century Australia; he also accepted that the new unionism and parliamentary Labor could be explained by following their social and cultural links back to the convicts. Irrespective of the merits of our books, mine remained a mirror image of Ward's. We shared notions about the past determining the present. For both of us, the Labor Party was the ineluctable outcome of a hundred years of settler Australian experience.

When I referred to Australia's labouring people across much of the nineteenth century as a kind of petit-bourgeoisie, this description paired rising expectations with a bountifulness of material circumstance. The aspirations were much as I described them. Conditions of life were harsher, with recessions bearing down on strata of the chronically impoverished. I underpinned the optimism and the living standards with alluvions to wool and gold, which allegedly softened the process of accumulation and hence relieved the pressure on the labouring classes. In short, a minor aristocracy of capital had made possible a labour gentry. The closest that this account came to connecting the experiences of working peoples to any expansion of capital was to glance at the triptych of a boom from the 1850s to the 1880s, past an economic trough between the depressions of the 1890s and 1930s, and onto affluence after the 1940s.

In place of the several wrongs in that line of argument, it is necessary to ask: what were the class structures of European Australia between 1788 and 1915? Since a class is always a relationship, the answer to that question cannot be found through attention to labouring people. That bias remains the fallacy in labour history. Instead, the analysis has first to delineate the modes of production that have existed across Australia, starting from the Indigenous.

CLASS RELATIONS

Pre-contact Australia was classless and stateless, which is what British jurists meant by *terra nullius*. Thirty years passed before the invaders expropriated more than a few swathes of traditional land. The Europeans did not cross the Great Dividing Range until 1813, remaining in enclaves along the littoral, looking out to sea for their first frontier. Hence, Aborigines still possessed most of the continent until 1838, although van-

quished in Van Diemen's Land. Dispossession advanced between 1828 and 1851, with settlements spreading out from Moreton Bay, Swan River, Port Phillip and Adelaide. Of course, from January 1788 the invaders had had to expropriate some resources, water as much as land. They had less success with the human resource of Indigenous labour.

The British had not arrived with the intention of killing as many indigenes as possible. They would rather have enslaved them. Employment of the 'natives' was not a priority as long as convict labour was available. As that limited-term slavery came to an end, the colonial authorities tried harder to discipline Aborigines into work. In 1840 a West Australian official hoped to 'wean them from their present erratic habits' by making them walk in 'Gangs merely to form a habit' before being taught to bring back fallen timbers for the kitchen fire. Finally, they would be given an axe to cut the wood, 'thus gradually bringing them on by steps to a habit of labour'. In the twentieth century, shortages of labour would lead to the stealing of generations of kids to train up as station hands and domestics. This recruitment softened the impact on capital of White Australia's ban on the importation of coloured labour. To sum up, within the span of 150 years Aboriginal people had moved from their pre-contact communalism, through barter arrangements with the occupiers, towards the wage-labour that typifies capitalism.

In the closing chapter of volume one of *Das Kapital* (1867), Marx distilled his concept of capital as a social relationship into an episode from Australia:

Mr Peel ... took with him from England to the Swan River district of Western Australia [in 1827] means of subsistence and production to the amount of £50 000. This Mr Peel even had the foresight to bring besides, 3000 persons of the working class ... Once he arrived at his destination, 'Mr Peel was left without a servant to make his bed or fetch him water from the river'. Unhappy Mr

Peel, who provided for everything except the export of English relations of production to Swan River!

In reaction to Peel's melancholy fate, the felonious Edward Gibbon Wakefield proposed 'systematic colonisation' for South Australia. This device would prevent immigrants from deserting their duty to the expansion of capital. They would be blocked from buying land for seven years, during which time they would have to sell their labour power in order to survive. The price of land had to be kept high enough to stop the workers becoming self-supporting in a trice, but low enough to encourage them to work for wages out of which they could save to purchase their independence. The failure of Wakefield's system in practice could not tarnish its validity as a paradigm for the power relations between capital and labour, watched over by the state.

Convict labour, as Ken Dallas pointed out, was too valuable to be dumped at Botany Bay. The British used it to establish a naval and trading base on the southern route to China. The class structure of that open-air prison was an exotic, closest to slavery. From 1788 till after the Napoleonic Wars, New South Wales was hardly more than a gaol in which profits could be extracted by swindling the naval and military establishments. Little labour-power was bought and sold for the production of a surplus.

In New South Wales and Van Diemen's Land, the ticket-of-leave men, emancipists and free settlers introduced capitalist relations of production as a subordinate system. For as long as most labour remained compulsory, the colony could not be dominated by the system of wage-labour versus capital. Yet capitalism was also the dynamic element. Merchants replayed their role as a fount of exchange relations. Foreign markets for wool and coal, cedar, seal skins and whale oil added to the social divisions of labour in the colonies. Meanwhile, the convict regime could not reproduce itself, let alone self-expand. Its survival depended on an inflow of limited-term

slave-labourers. From the 1830s, bonded workers from India and China supplemented them. Moreover, the capitalist embryo was nourished through its umbilical chord to the Empire, which was moving towards freer trade.

When was New South Wales made capitalist? At issue is not a bookkeeping query about the quantum of profits, or the proportions of free labour (i.e. wage-slave) against bonded (mostly convict) labour. The decisive factor, as Michael Dunn recognised, is political power: which fraction of the propertied class dominated the state? A divide existed between those masters who had paid the Crown for their land and those who were squatting for free. These tensions were criss-crossed by whether each party relied more on convict labour than on waged labour. Their struggle for pre-eminence manifested itself at the political level with changes to the composition of the Legislative Council, and the introduction of trial by civil juries. Here again, the link to Britain was significant. The shift to freer trade had ended chattel slavery in the Empire by 1838.

The move from slave to capitalist mode in New South Wales was a process. Yet, if a defining moment had to be chosen, it would be the 1840 decision by British authorities to end transportation to New South Wales. The colony then joined South Australia and Western Australia as capitalist. Van Diemen's Land lagged for another thirteen years, purging its old name in favour of Tasmania two years later.

By then, the London authorities had resorted to non-capitalist relations to relieve Western Australia of its Mr Peels. From 1850 to 1868, Britain dispatched almost 10 000 convicts who had to work as directed till the expiry of their sentences. Until the 1890s, the colony's free labour was hemmed in by payment in kind rather than cash (the truck system).

Colonial governments everywhere enforced the Master and Servants Acts, under which to withdraw one's labour was a criminal offence. Impeding the expansion of capital was pun-

ishable by imprisonment, fines and loss of wages. Under the rule of capital, 'free' meant serving its accumulation.

Those historians who can write as if capitalism has never existed find it easy to ignore its permutations. Materialist dialecticians accept the challenge of analysing change at every level. To the extent that capitalism evolves — and it does mostly evolve — the approach that I took over from Gramsci, Anderson, Nairn or Ward retains relevance. Additional concepts are required to deal with qualitative transformations in capital accumulation.

Europeans contacted and settled Australia during four overlapping phases in the geographic extension and expanded reproduction of capitals:

1. brushes with merchant capital, starting from Torres and Jansz in 1606
2. Mercantilism, embodied in the East India Company, from 1788 to the 1830s
3. freer trade between the1830s and the 1870s
4. monopolising capitals from the 1870s.

The fourth stage is called 'monopolising capitals' to indicate a continuing process where competition is intensified between oligopolies. Other writers have referred to 'monopoly capital', which implies that the competitive processes had stopped, leaving a single force permanently in charge. Economists prefer the exacting vocabulary of oligopolies, duopolies and monopsonies. These distinctions are valuable, provided they are not used to sideline monopolising into an exception (as 'imperfect competition') when it has long been the rule in market economies. Lenin designated this era 'Imperialism', a term still confused with colonialism. Although the purposes of colonisation changed as a consequence of monopolising in the metropolitan economies, colonisation, whether direct or indirect, remained of subsidiary, even marginal, importance to the expansion of capital in the era of monopolising.

A *New Britannia* attempted to explain the appearance of the Labor Party without acknowledging that capitalism was being reshaped by that monopolising. If the Labor Party had emerged around 1860, it would have been permissible to trace its nature back through the social forces prevalent in the preceding thirty or so years. In that hypothetical, both causes and their effects would have occurred within the same stage of capitalist development, namely, that of freer trade. That the Labor parties did not appear until around 1890 was not a matter of chance. The expansion of capitals created a need for new organisations with which working people could meet the challenges that monopolising imposed on them. The option of tracing the parties' origins backwards through an uninterrupted past is, therefore, not available. To explain that new political formation is to inscribe monopolising across its birth certificate. Yet no master narrative could predetermine the variety of forms that Labor activists contrived in each of the seven colonies of Australasia. Neither workers nor capitalists could know in advance which moves would advance their interests. All players had to edge, sometimes back, into the future.

MONOPOLISING CAPITALS

The omission of monopolising capitals from my account of the Labor parties' origins cannot be rectified by blending in a body of information. It is not as if the private diaries of the co-ordinator of the 1890 strike, W. G. Spence, had turned up, or as if a major union had been overlooked. Monopolising capitals reconfigured the circumstances through which all the leaders and every union had to choose how best to operate. Hence, inclusion of monopolising capitals into the argument about the nature of the Labor parties requires a recasting of the premises through which all the data are to be understood. To consider

the Labor parties in this way requires some clearing away of previous treatments. A first move will be to step back from the parties' links to labouring people in order to recognise how their emergence paralleled changes to state and society, technology and labour disciplines.

The monopolising of capitals was tossed on a second industrial revolution of internal combustion engines, metal alloys, petro-chemicals, electricity and rapid communications. The enforcement of labour disciplines to suit these technologies had already reduced the unit cost of production. Competition among several medium-sized suppliers in each sales area set in motion a deflationary spiral. Monopolising offered a way out through price-fixing. The refashioned corporation provided the business structure with which to implement that assault on freer trade.

The single most important invention of the late nineteenth century was not a machine but the corporation. This vehicle for monopolising was an advance on the joint-stock company. In 1867, Marx had recognised why the marshalling of money capital was essential for its expansion: 'The world would still be without railways if it had had to wait until accumulation had got a few individual capitals far enough to be adequate for their construction.' The scale of operations meant that family firms could no longer generate the necessary investment funds out of their profits. The extra resources came from the monies controlled by bankers, rather than from the pockets of stockholders.

Australia's position as a trading nation meant that the patterns of monopolising here can be understood only as responses to their advance elsewhere. The oligopolising tendencies inside each nation-market-state intensified their rivalries abroad. Competition among shippers into the Australian run increased, for instance, with the entry of French and German companies after 1880, as their manufacturers bought into the Australian clip. This global connectedness also created

the broad support for the 1889 London dock strikers. Employers, here and there, needed that waterfront to be modernised so that Australian goods could enter and leave more quickly and cheaply. Traders and manufacturers welcomed the strike as a hammer to demolish physical obstacles to the expansion of capital.

Inside Australia, monopolising capitals prevailed among the export industries of minerals, meat, wheat and wool. In the case of mining, the corporations that developed out of Mt Morgan, Broken Hill, Mt Lyell and Kalgoorlie moved away from the speculators who had gained from previous flotations, and towards longer-term accumulation. These mining firms were among the world's first multinational enterprises. Mt Morgan financed Anglo-Persian Oil, and Mt Lyell joined the Collins House group.

In 1914 an Australian engineer, H. L. Wilkinson, could fill a 260-page book on *The Trust Movement in Australia*, devoting chapters to the combines that had taken charge of Australia's industries:

the whole of the sea-borne Interstate carrying trade is in the hands of seven shipping companies forming a combine. In sugar refining one company monopolises the refining industry and fixes the selling price of sugar at a maximum, and the price paid for cane at a minimum. Tobacco is in a similar position ... A large part of the coal trade of Australia is controlled by a ring. In a more restricted area, industries such as timber, lime, bricks, flour, chemicals, manures, jams and many other necessities of life have come under the control of a few wealthy and influential companies and individuals ... they regulate prices and prevent others entering into the trade.

Wilkinson also drew attention to the role of the state in supporting monopolisers through tariffs, centralised wage-fixing and the nationalised industries. The year after his book appeared, CSR had its dominance of sugar refining confirmed by agreements with the Commonwealth and Queensland Labor governments. Like many of his fellow Progressivists,

Wilkinson welcomed the efficiencies that combination brought, yet feared their political clout.

That power had two arms. One was the state itself, as will be discussed below. The other was the self-organising by capitalists. Their constant aims were to disorganise their workers and to manage prices. Monopolising stimulated wider associations among businesses. Pastoralists formed their own union in 1891. Employers from several industries organised a federation in 1904. Their trade bodies supported monthly journals, increasingly on an inter-colonial basis.

The strands in monopolising can be drawn together through two examples at the intersection of agriculture and industry: flour mills and agricultural implements. From the 1870s, stone crushers were replaced by the steel rollers that were needed to deal with harder grain types. This new machinery required far larger investments. James Gillespie and Co. Ltd was capitalised at £195 000; the company was vertically integrated backward to farmers and forward to manufacturers. These arrangements combined with the expanding railways to funnel grain away from rural mills into metropolitan ones such as Gillespie's.

Garnering the crop became the business of H. V. McKay who, from 1885, directed the manufacture of stripper-harvesters. His funds came from rural business partners, supplemented by loans and overdrafts on which he was advised by his bank manager brother. Clem Lack stressed that McKay's triumph 'was almost as much financial as one of manufacturing and supply'.

At first, McKay entered into a price-fixing ring with the International Harvester Company of Chicago. When their agreement broke down, McKay protested against monopoly power. Faced by 1906 with competition inside Australia from the North Americans, McKay demanded a higher tariff. Too savvy to attack a fellow Britisher, he beat the drum to repel 'the American Octopus Trust'. This ploy charmed a local

bourgeoisie anxious to protect its own kind, while upholding Empire trade against the Yankees. Deakin responded with the Australian Industries Preservation Act of 1906. Tariffs became another means to ward off price competition. Protectionism was monopolising by other means.

Because monopolising intensifies competition between the survivors, each capital sought to reduce its unit labour costs in order to steal a march on its partners in price-fixing. To evade Wages Board supervision, McKay moved from Ballarat in 1904 to the north-west of Melbourne, an area since named Sunshine in honour of the McKay brand. The scale of his operations would allow him to install continuous flow. He structured his workforce to serve the machino-facture of components that was displacing manufacture by skilled tradesmen.

McKay's farm machines were themselves indicative of a concentration of agricultural proprietorship. In Victoria between 1891 and 1911, the number of rural labourers doubled to almost 40 000, while the proprietors and working family members remained constant at around 60 000.

The effects from purchasing machines and paying for their maintenance ran through the entire economy. The dominance of the capitalist mode of production from around 1840 had not ensured that the exchange of commodities for money permeated rural production. Whereas reaping hooks and scythes could be made or fixed by blacksmiths for barter, McKay's harvesters required cash payments to outsiders. A comparable transformation came with the drift from hand to mechanical shearing. The hand-shears could be made and fixed on the pastoral property. Machine shears had to be bought in, and they needed external help to repair. Much the same happened after the safety bicycle replaced the horse as a means of personal transport for itinerants. A horse could be bred at home or traded for produce. A new bike required money. The more of their needs, both personal and productive, that the small farm-

ers had to buy in, the more they had to sell of their produce for money. Once they had to produce commodities for sale, they had taken the first step towards becoming commodities themselves. Hence, the cash nexus disrupted sociable relationships, calling forth defensive responses. The displacement of tools by machines increased social divisions of labour in the country-side on top of the technical particularisation required for the production of such machines in the cities.

LABOUR MARKETS

Monopolising capitals could not produce a Labor Party directly. That organisational outcome followed a reformation of labour markets and the extension of state activities.

The forms that capital took in the era of monopolising differed from those in preceding phases. In the 1840s, on the cusp between mercantilism and freer trade, the Sydney iron-master Russell Bros operated as a family firm. In the 1920s the joint-stock company of the iron-steel-coal combine, BHP, epitomised the vertical and horizontal integrations of a monopolising capital. Nonetheless, the feature that these two quite otherwise incompatible business structures had in common was their relationship with their workforces. Both bought labour-power for money. In each case, the surplus value thereby expropriated still had to be realised as profit via the sales effort. Monopolising did nothing to restrict these circuits for exploitation. Rather, it accelerated their turnover.

The four stages of capital expansion given above involved changes to the application of labour-power. When globalisation Mark I had centred on merchants' capital, most labour was still forced, either serf or slave, with manufacturing confined to guilds. Mark II was mercantilism, when free labourers confronted the discipline of clock-time over the rhythms of nature, and with particularisation adding a new

kind of division of labour. Mark III was the free-trade inter-lude when slavery and serfdom were displaced by either 'free labour' or indentured labour, that 'new system of slavery'. Mark IV, monopolising capitals, initiated assembly-line and continuous flows (Fordism) as well as a re-division of labour between nation-market-states.

Our concern is with how, and why, changes to the exploitation of labour within Mark IV led working people to regroup into larger unions and around a parliamentary party.

Lenin perceived that monopoly profits had allowed for an aristocracy of labour among certain skilled trades. Beyond inflating this possibility into an explanation for Laborism, A New Britannia traced no connections between the policies or structures of the labour movement and the varying ways by which monopolising capitals increased their controls over the labour-time they had bought. Following Lenin, I gave no attention to upheavals in the labour process.

At the base of monopolising capitals are two conflicting aims. The first is the attempt to keep up selling prices. Price-fixing, however, can never be universal or permanent. Firms cheat each other, stealing a march on rivals. If one corporation can accumulate more rapidly, it will be able to afford newer technology. With that advantage, it will revert to price cuts for as long as it takes to drive out the competitors. Capital's second need is this accelerating drive to lower unit costs of production. That compulsion brought about the installation of equipment to alter operating arrangements at the workplace. These machines did away with some skills; they also drew on capacities from workers previously considered to be unskilled or semi-skilled. Monopolising capitals, thus, brought on a re-skilling of the entire workforce, some up, some down, others sideways.

Technological advances resulted in contests between equally skilled groups. That was the case with the 1890 strike which grew out of a tussle for status between maritime officers

and ships engineers in the shift from sail to steam. Such repositionings were not a once-only event, but proved continuous; indeed, they proceeded at ever more rapid rates.

Responses from skilled workers were equally multiform. Several Sydney unions formed a Building Trades Council in 1886, separate from the Trades and Labour Council. Other unions sought to exclude competition, whether from less skilled males, from females or immigrants, from Britishers as well as coloureds. Coal lumpers in Sydney, for instance, used their union to ward off immigrant workers by striking a five-guinea admission charge. If competitors could not be locked out, a second tactic was to organise the intruders into a union that would keep them subordinate.

The realignments within the labour market did not sever the emerging industry-wide unions from all the practices of the old trade societies. Militant miners favoured a form of individual proprietorship, 'the darg', under which each man was paid for the volume of coal that he (and his offsider) produced. Before the 1890s, craft unions had excluded poorly paid workers who would have been a drain on the welfare benefits accumulated by trade societies. From the 1880s, some edged away from protecting their relief funds to the preservation of hierarchical divisions of labour.

The Shearers' Union moved to defend its standards in 1891 by creating a General Labourers' Union for shed hands who, left to their own devices, might have disrupted the shearers' award, either by capitulation or hot-headedness. In 1894, the parent body incorporated the General Labourers' Union into the Shearers' Union, but then did not look after these less-skilled members. Faced with the disaster of the 1901–02 drought, the pastoralists assisted in the foundation of the Machine Shearers and Shedhand Employees' Union to shear at lower rates. The employers already had challenged conditions of shearing with two technologies which lowered the socially necessary costs of labour-power. Mechanical shears allowed

for less skilled workers, who could weaken the Shearers' Union. The safety bicycle replaced horses, thereby cutting travel times between stations, and eliminating the costs of agistment.

The Flour Millers secretary denounced an attempt by a few members to maintain what he called an 'aristocracy of labour'. Nonetheless, the Millers' Union stood aside from the 1890 maritime dispute, reserving its funds for its own members. Yet, at the same time, it set about recruiting millers of other grains and organising lorry drivers who could supply information about the movement of non-union flour.

Although Melbourne's Trades Hall Council (THC) sought to preside as a house of lords, its executive could not afford to ignore the cost-savings from new building techniques. In the 1880s, the construction of the Trades Hall relied on cement-workers more than on the stonemasons whose achievement of the eight-hour day in 1856 had laid the foundation for the colony's labour movement.

The positioning of women within the labour market also shifted. Of course, traditional female occupations from domestic service to prostitution remained. The amount of out-work increased, as did the number of women in factories. In the early 1880s, employers used females to depress wages. One response by male unionists was to treat women workers as honorary Chinese and set about excluding them. The NSW Typographical Association refused to admit women and tried to force Louisa Lawson to sack the female operatives whom she employed on her feminist paper, the *Dawn* (1888–1905). Alternatively, the tradesmen organised the women into semi-skilled unions, thereby reinforcing a gender segmentation of the labour market. The Melbourne THC formed the Tailoresses' Union in December 1882 at the instigation of the Tailors' Union. The THC executive acted as office-bearers for the new body, and conducted the negotiations on behalf of the women, despite their own militancy. The outcome was different in Sydney in 1891 when tailors lost their thirteen-week

strike over piece rates. David Jones replaced them with women on sewing-machines.

The Labor Party reproduced these patterns of gender containment. Women did much of the fundraising and routine organising, but were given only a limited voice in policy-making. They were also denied parliamentary berths. In reaction, Vida Goldstein contested federal elections in Victoria between 1903 and 1917 as an independent socialist and feminist.

Monopolising capitals did more than draw unmarried women into the labour market. As investments intensified overproduction, women became the targets of the emerging consumptionist culture. Capitals induced needs to absorb their growing surplus product. These changes gave rise to mass marketeering. The sales effort particularised brand labels, created department stores, commercialised amusements and inaugurated a press paid for largely out of advertising. Because marketing replaced price competition, price-fixing proved as essential to the rise of the New Journalism as it was to monopolising. That connection made it harder for the Labor dailies to survive if they criticised the dominant consumer ethic. (A similar fate awaited Labor radio stations.)

For Robin Gollan, 'the fundamental reason for the new unionism was the fact that the working class was becoming conscious of itself as a class'. This account pictured the reorganisation as the result of thinking. An historical materialist would have asked: what changes in the labour process were making the working class self-conscious? In brief, the answer is that the new unionism and political action around the Labor Party were efforts by wage-labourers and small proprietors to resist their proletarianisation. Farmers battled to remain self-sufficient and to avoid commodity production. In blocking expectations of escape, the newest stage of capitalism fuelled attacks on the wages system in general, contributing to the consciousness of a shared class situation.

LABORISM

The construction of 'new unions' and the Labor parties required dedicated activists to manoeuvre around the expanding machinery of the state. They need never have comprehended the connections between the changes in capitalism and their own endeavours. These Laborites saw themselves as struggling for nobler ends or narrower goals, for universal mateship or municipal suffrage. Unionists, poets and editors might not have conceptualised the conflicts propelling capitalism, yet they could be alert to the troubles that followed. By attending to those complaints, a keener account of working-class defences against monopolising can be construed. The initial burst of parliamentary activism, around 1889–93, was one reaction by smaller interests against a variety of capitalist combinations.

Labour's targets were the twin monopolies over finance and land. The expansion of capital was still tied to the quantity of gold in the world's vaults and in circulation. The gold standard fettered production, and benefited the banks more than any capitalists. These conflicts between the 'money power' and manufacturers were being reshaped as bankers took charge of secondary industries in Germany, Japan and the United States. That integration was much less prevalent in the United Kingdom, where 'The City' made its money by lending to governments across the globe. In September 1890 the threatened collapse of a leading London finance house, Baring Brothers, led to a concentration of banking, and to more watchdog powers for the Bank of England.

Campaigners against the 'money power' need never have articulated the significance of the processes to which they were objecting. Their solutions could be as inept as their analyses. Just as anti-Semitism misdirected the blame, a state bank of note-issue facilitated the interests of the bankers and their major clients. Yet the prominence given to the 'money power' in-

dicates some apprehension of the pivotal place being assumed by financiers in the management of monopolising capitals throughout the world. Working-class opposition to the 'money power' thus had hit on a key element in monopolising capitals as bankers and manufacturers joined together to forge finance capital. The only sugar refiner to stand out against CSR was Millaquin, which was backed by the Queensland National Bank.

The following tirade was premature more than hyperbolic:

> The greatest monopoly on earth is the monopoly of money for it includes all the others ... In New South Wales proprietary Banks ... own our gold, coal and silver mines. They own the lands, the cattle, the sheep, and the farms and the vineyards. They control the steam and sailing fleets. Every Department of Commerce, Trade and Production is systematically exploited by the Joint Stock Shylocks and Exchange.

The failure to specify manufacturing business was typical of the rural bias of the Australian economy, and of its labour movement.

Much of the Labor Party's campaigning against the trusts highlighted rural industries. Manufacturing combines were more likely to be attacked if they processed agricultural produce, such as sugar and meat. Combines involved in the financing, transportation or marketing of rural products were similarly pursued. Because Australia's railways were government-owned, Australian farmers did not denounce the railroad octopus that galvanised agrarian socialists in the grain belts of the United States. Far more significant here were the coastal shipping companies, which launched their first all-embracing agreement, the 'Collins pool', in 1902. Four years later, the Newcastle Coal Vend extended its dominance of the trade by agreeing to sell only through the Associated Shipping Companies. The consequent forcing up of the price of coal deepened the resentment already felt against mine-owners and shippers as ruthless employers. The

Labor MP who denounced the 'Money Power', Frank Anstey, had suffered as a seaman.

In Australia, the attacks on the 'money power' were wound around hostility towards the land monopoly. Despite some concentration of holdings, most pastoral properties remained in the hands of wool growers and cattlemen. Monopolising pressures came through financing and marketing, via mortgages and brokers. Across much of Australia after 1856, land had become more readily tradeable as the Torrens title system replaced the Common Law method. Henceforth, the state kept a register of deeds, which replaced personal responsibility for tracking transfers back to the original Crown grant. Land could join human capacities in the catalogue of commodities.

W. G. Spence demanded that the labour movement never rest until it had 'destroyed usury and land monopoly'. The urban land boom in the 1880s and the bust of the 1890s stiffened this determination. Fifty deposit banks closed within two years. More influential still were the agrarian populists who wanted to settle the urban working classes on small holdings. Those reformers denounced financial houses during the 1890s when they foreclosed on rural borrowers. A 1914 Royal Commissioner reported that the nucleus of a meat monopoly existed here because of the United States beef trust. That revelation, coupled with exposures from Upton Sinclair's 1906 novel *The Jungle*, encouraged the Queensland Labor government to set up state butcher shops after 1915.

MASS-MARKET STATE

Since at least the Council of Ten in Venice, governments have been assisting capitals at every stage of their expansion. They do this in three ways: one, by organising their own capitals; two, by disorganising rival capitals and the states that back them; and three, by disorganising labour. In the first two tasks,

the nation-market-state has had to bridge the gaps, social and geographical, between the points of production and the points of sale. Those distances exist, and have widened, because capital expands through exchange. Although trade had preceded flag, by the era of monopolising the state had come to the forefront in commercial conflicts.

In 1896, the recently retired commander of the New South Wales Defence Forces, (Major-General) Edward Hutton, built on the maxim that 'Imperial Defence is only another name for the protection of Imperial Commerce' to propose that Britain's naval supremacy was more than ever essential to 'retain existing markets for our produce and manufactures' in the face of foreign 'challenges'. Hutton had made the integration of the field artillery of the Australian colonies his priority so that those batteries could serve anywhere in the world. Federation was a way of strengthening the Empire, not of breaking away from it. (London had arranged the federation of Canada in 1867 to keep it out of the clutches of the re-United States of America.)

Federating the Australian colonies also responded to domestic economic difficulties as well as military threats. From 1890, labour unrest, bank failures and political shenanigans had scared off British capitalists, who had never limited their investments to the boundaries of the formal Empire. For Australia to regain its attractiveness, its public finances had to be made more secure. That stabilisation included a consolidating of financial houses. Monopolising pressures thus became matters of public policy in the campaign to create one continent for a market. This aspect of Federation produced a loan guarantee scheme when Section 105 of the Constitution offered to underwrite the public debts of the states.

The Labor parties emerged around the same time as compulsory education, compulsory military training, arbitration, Federation, universal suffrage and tariff protection. These institutions marked the remaking of a state powerful enough to

secure returns to capitals, through waging war if need be. Instead of isolating the Labor parties from such developments, investigators should consider the parties as among the outcomes brought into being so that the state could service monopolising.

Discussion about the origins of the Labor parties, therefore, could be recast to ask whether Federation, and not the 1890 strike, consolidated their formation. Colonial Labor parties did not appear at a twinkling, or arrive fully armed. The initial parliamentary groupings were often hardly more than factions in or around the liberals or the protectionists. In some colonies, parties had almost disappeared by the mid-1890s, to be revived for the first decade of the twentieth century. This precariousness meant that parliamentary labour was not in advance of monopolising capitals. Both encountered reversals and perplexities.

Federation brought the colonial bodies together in a continental organisation, and obliged the more advanced state parties to help the other branches to keep going. Moreover, by 1909 Federation had provided the arena to end the parliamentary alliances between the Liberal and the Labor members, resolving the wrangle over tariff policy in favour of the protectionists.

From the 1880s, labour leaders had perceived that the state was enlarging its sphere of action into civil society. In the 1850s, the nascent labour movement had achieved a measure of democratic rights by positioning itself around the parliamentary façade of the state. Their successes during the era of freer trade encouraged them to overestimate the gains they might make from that new expansion. Expectation of further successes carried over to the monopolising phase, in which it was even less appropriate.

The New South Wales government spelt out those limits when it sent troopers and police against striking miners at the Hunter Valley coal-mines in 1888 and 1908, and to protect

non-union sheds in the early 1890s. The labour leadership saw these interventions as aberrant. The state should confine itself to being a neutral umpire. The alternative of recognising that a state raises class violence to an obligatory norm was outside the regular experience of most Australian working people. When the facts of repression could not be denied, the demands of overturning class rule were too demanding to contemplate a plan of action. Instead, labour leaders sought their piece of the state apparatus through representative government and industrial conciliation or arbitration.

In keeping with this approach, the Labor Party's solution to price-rigging by the trusts and combines was for the state to take over the monopolisers:

> The Labor Party views with equanimity the development of the Trust, regarding it as a necessary stage in social evolution, and preparing the way for a more complete systematisation of production and distribution by socialism for the benefit of the whole people.

Labor's critique of capitalism stressed its inefficiency. Overproduction misallocated resources, physical and human. If industry were run by the state, waste would be eliminated.

Capitalists had pursued monopolising to constrain the chaos of their overproduction, which the state also helped to stabilise. By 1878, Engels could report on the interrelationship between the growth of the joint-stock company and an expansion of economic activity by governments:

> The modern state ... is an essentially capitalist machine ... The more productive forces it takes over as its property, the more it becomes the real collective body of all capitalists ... The capitalist relationship is not abolished; it is rather pushed to an extreme.

Engels scorned 'a certain spurious socialism ... which declares that all taking over by the state ... is in itself socialistic'. If that were true, he continued, Napoleon and Bismarck 'would rank among the founders of socialism'. He could have added the Australian Labor Party to his list.

Section 51 (xx) of the Constitution had given the Common-wealth the power to make laws to control 'foreign corpora-tions, and trading or financial corporations formed within the limits of the Commonwealth'. In this spirit, Alfred Deakin's 1903 policy speech promised legislation to deal with trusts and rings as the principal measure of his government. By 1909, the High Court had gutted his 1906 Act. Liberals went on saying that they hoped to regulate the power of the monopolists long after Labor had determined to nationalise them rather than break them up. Labor's federal Attorney-General, Billy Hughes, failed to win constitutional amendments, in 1911 and 1913, to give the Commonwealth unfettered powers over trade and commerce. These disagreements disrupted the politics of Lib-Lab coalition.

By defining socialism as an expansion of state activities, La-bor governments eased several of the processes of capital ex-pansion to which they thought they were writing 'finis'. In 1909 Hughes declared that his 'complaint against the [coal] Vend is not that it regulates prices, nor that it regulates output, but that it does neither effectively'. Trade union negotiators fa-voured combinations of employers because they were more easily policed than agreements with scores of smaller bosses. In federal parliament, Labor members started to be embar-rassed by attacks on the shipping and tobacco combines with which unions had struck deals. In 1907, the Labor member for the coal-mining electorate of Ipswich (Qld) deplored the lack of a Vend in his state: 'The greatest curse operating against the miners was unrestrained competition' among the owners.

A more hostile response to monopolies, whether corporate or state, came from the anarchists. Their appearance in the 1880s can be read as another reaction against monopolising and militarised government. Although they were a tiny voice, they perceived that Labor policies would bind the working classes to the capitalist state. The dispute between the anar-chists and the Laborites ran to the heart of the matter: would

socialists rearrange the economy along more efficient lines, or would they allow liberating forms of social organisation?

That controversy was mirrored in two widely read books of the 1890s, Edward Bellamy's *Looking Backwards* (1888) and William Morris's *News from Nowhere* (1890). Bellamy pre-dicted that 'The industry and commerce of the coun-try ... [would be] entrusted to a single syndicate representing the people ... The epoch of trusts ... ended in The Great Trust'. Bellamy's dystopia was a centralised consumer's para-dise, a universal provider, complete with credit cards and muzak. Reacting against this 'state socialism', the Marxian Morris depicted his future as a localised system of communes, where production would be for use rather than for exchange. Experience has confirmed the force of the criticisms levelled by the anarchists and Morris, if not all their solutions.

The labour movement divided over whether to be drawn further into the web of the nation-market-state. Liberal-Progressivists promised workers more jobs and better wages in exchange for the higher prices from tariff protection. Labour would get frugal comforts. Manufacturers, such as McKay, were guaranteed local sales. That *quid pro quo* did not eventuate. A so-called 'Australian Settlement' has never been much more than a talking-point. (Its recent deployment as an ideological weapon on behalf of monopolisers masquerading as free traders is concocted out of equal portions of historical ignorance and economic illiteracy.)

Between 1902 and 1909, the visiting British union leader Tom Mann encouraged the labour movement away from governmentalism and chauvinism. Cementing his endeavours came the Industrial Workers of the World, who relied on di-rect action to defeat production speed-ups, and headed the fight against recruitment after monopolising competition erupted into war in 1914.

The Great War exposed the offer of any trade-off between capital and labour as a sham. The 1921 tariff regime doubled as

a revenue device. The alternative of higher income taxes would have shifted the war debts to the rich. After BHP had locked out its miners for eighteen months, the company got massive tariffs. Its retiring managing-director then launched the Single-Purpose League, supported by H. V. McKay, to abolish compulsory arbitration. In 1924, BHP's new managing-director declared that wage-cuts were preferable to tariffs.

During the 1920s, a miniscule Communist Party attempted to guide unions away from racism, while denouncing Labor's class collaboration, notably around conciliation and arbitration. The state contained these challenges, though not without passing triumphs for the militants. Their battles and victories represented the making of an Australian proletarian consciousness, distinct from the petit-bourgeois mentality of individual rural escape and ethnic exclusiveness.

RACISM

In treating racism as the lynchpin of Australian nationalism, A New Britannia sought to distinguish the fear of economic competition from other sources of prejudice, including sexual ones. White Australia was, indeed, more than a matter of wages. Subsequent researchers have enriched this interpretation. Nonetheless, the substance and success of racial politics here are yet to be examined in the context of monopolising capitals.

Only from that linkage will we understand how workers came to believe that White Australia could prevent their reduction to a class of slaves or a race of helots. Pursuit of that explanation requires the reinstatement of an economic dimension to White Australia. That component went beyond fear of low-waged coolies. Such particulars were mediated through the clamour for reforms aimed at achieving a just and equal society.

In Queensland, for example, the working class opposed the employment of Pacific Islanders in the sugar industry partly because the terms of indenture prevented bonded labourers from joining trade unions. That impediment threatened the unionists' ideal of a free and equal society. The founding editor of the Bulletin, J. F. Archibald, linked his anti-Chinese views to three other political matters that he opposed: the British Empire, the convict system, and capital or corporal punishments. He saw attempts to impose coolie labourers on Australia as a continuation of the Empire's frustration of democracy. The appeal of these non-financial dimensions became clearer because support for White Australia lost none of its intensity after the coloured races had been sent packing.

While Archibald's Bulletin championed 'Australia for the White Man', his imperialist opponents shared most of his assumptions about the significance of race for liberty. From the 1890s, the British Empire strove to improve its efficiency, economic and human, in the face of heightened international rivalries. These threats refurbished the ideology of racism. Moreover, the drive to efficiency renovated several arguments that would link the state to racialist thinking. After the exploitation of African labour locally took over from its export as slaves, ethnography moved towards social anthropology. Scientists made cultural differences not only as telling as physical characteristics but as serviceable to profit-making. In the medical realm, the analysis of character and personality in terms of the size and shape of the cranium lost support to eugenics, which, in turn, strengthened a concern with masculine debility, a quack's term for the evils of masturbation. Contraception and abortion were either condemned as race suicide or defended as a rational allocation of resources in planned parenthood, producing fewer but stronger children. The passion to prevent miscegenation and to limit contagious diseases contributed to locking Aborigines on reserves, and then to taking away their mixed-race children. Even as a racial program,

White Australia could not be confined to immigration; it also strove to breed out Indigenous colour.

'White Australia' was the label that liberal elements in the United States as Progressivism and in Britain as National Efficiency. A 1920 basic-wage judgement in South Australia restated the race question as a call for 'an efficient, patriotic and broad-minded Australian manhood'. A year later, the left-leaning novelist Vance Palmer wrote:

> I do not believe that sacrifice of the White Australia ideal would be a good thing. I believe it would be the betrayal of a fine purpose, either through fear, false sentiment, or mere lack of will. The fact that Australia has held to this ideal for over a generation, in spite of economic and even military pressure, shows that there is something more than foolish prejudice at the back of it. It is, in fact, our chief assertion of character, and, if it passes, Australia will be a mere Tom Tiddler's ground.

Palmer's vision elaborated the first clause of the Labor Party's 1905 federal objective calling for 'the cultivation of a national sentiment based on the maintenance of racial purity and the development in Australia of an enlightened and self-reliant community'. Racial purity was seen as a highway to enlightenment, not the path of prejudice.

In 1924, the social philosopher and small-l liberal politician Frederic Eggleston defended White Australia

as desirable and necessary if the ideals and methods of life which we at present cherish are to be maintained ... The White Australia policy is indeed the formula which the Australian people have framed as the only solution to a number of very complex problems which affect their security and welfare.

As well as dealing with these social questions, White Australia appealed because it expressed a code of civic morality brimming with affirmative values. It offered far more than a rejection of other peoples. In an interaction of the personal with the public, White Australia epitomised ethical aspira-

tions, contributing to its proponents' self-esteem. By exalting the white man, Australian males promoted a desirable social type which every 'white man', that is, a pure soul, should emulate.

That such pronouncements now strike us as repulsive rather than idealistic should not blind us to how they were seen by many Australians as recently as 1960. What remains to be explored is how 'racial purity' became the heart of an ideal that embraced an 'enlightened' and 'self-reliant' community in the era of monopolising.

Racism's appeal came from the answers it offered to enigmas rising from weaknesses in one's own race. The mixing of biology with sociology, known as eugenics, came in two forms, not always mutually exclusive. Before Hitler gave eugenics a bad name, improvements in the genotype had been linked to the promotion of human welfare. Positive eugenicists wanted to improve the breeding stock through social regeneration. They advocated eliminating the ignorance and the physical deprivation that allowed diseases such as tuberculosis to spread. Better diet, improved housing, maternity benefits, town planning, family planning and the elimination of contagious diseases wrapped positive eugenics around state socialism.

By contrast, negative eugenicists demanded compulsory sterilisations and the breeding out of the unfit, a category which could range from habitual criminals to the unemployed. Negative eugenicists fretted over the relative breeding rates of the working class and the middle class. The fecundity of the former had to be contained as one element in the bourgeois revolt against the masses.

Further understanding of Australian racism requires an awareness of the shifts in what people have understood to be a race. Around the turn of the twentieth century, 'race' was used for any cultural-linguistic grouping. (Groups that once were labelled 'races' now self-identify as ethnicities.) Hence, there

could be an Irish race, or the Celtic race, or the Anglo-Celtic race, depending on the politics and location of the speaker. For example, Eggleston wrote of '[t]he two most gifted races in Europe — Anglo-Saxon and Celt'. This definition of race grew out of a belief that food transmitted elements from the soil into the blood which, in turn, inscribed common spiritual characteristics.

The recognition that only physical characteristics can be inherited, and that they are mixed through genes, has not put an end to sanguinary metaphors, which thrive in politics as much as poetry. In 1984, when Geoffrey Blainey worried that too many Asians were coming, he invoked the 'crimson thread' of kinship, beloved of nineteenth-century imperialists. The acknowledgment of genes and DNA is no guarantee against prejudice. The corporatisation of genetics has produced a determinism as phony as phrenology.

Yet we do inhabit a different configuration of science and prejudice. Moreover, prejudices now operate within a different global order of politics and economics. Melbourne's European cabinet-makers of the 1880s feared price competition from Chinese workers in the next lane. Today, that trade has been all but abolished by prefabricated built-ins, the export of capital and the import of furniture. Long before the 2001 elections, both major parties had adopted free-market liberalism on economic and social matters. In the process, the Keating ALP government detached itself from the social liberalism that the Labor Party had embraced in its technocratic phase. A similar fate befell small-l liberals in a big-C conservative Coalition government. In 1988, Phillip Ruddock had crossed the floor to endorse non-discriminatory immigration, voting against John Howard.

Any perception of the present as history will be blurred by dredging up comparable cases from the 1880s or the 1900s. The mistreatment of the *Tampa* asylum seekers was not a rerun of White Australia debates at the moment of Federation.

For a start, in 2001 Australians accepted around 10 000 refugees. None of these settlers would have been allowed to pass the 1902 Dictation Test. In addition, a minimum of 20 per cent of those polled in 2001 opposed the government over excluding the boats and over the compulsory detention of those who arrived. That fraction compared with almost no one's having been against total exclusion in 1901. The composition of the Australian people had been transformed even more. Post-war immigration from across Europe had stripped the boast of being '98 per cent British' of even numerical sense. Non-discriminatory immigration had meant that, by 1999, 5 per cent of settler Australians were of non-European heritage, compared with 1 percent in 1911.

Drawing parallels with the past is pauper's history. Bob Carr's inflaming of ethnic resentments cannot be explained by chronicling manipulations of prejudice by previous Labor premiers such as Jack Lang. The need to be alert to changing circumstances applies to the analysis of every element in Laborism.

FROM LABOR TO ALP

It is one thing to say that the Labor Party has never been socialist, and another to explain why it has not been so at each period in its existence. If *A New Britannia* was wrong to trace the Labor Party from the 1890s back to the convicts, thereby ignoring both the rise and decline of freer trade, and the emergence of monopolising capitals, it is equally misleading to accept an unbroken trajectory from around 1890 up to the present day. Various forms of political life have operated under the brand of 'Labor'. My 1972 essay, 'Glory without Power', on the Australian Labor Party did little more than extend the anecdotalism of the chapter on 'Laborites' past 1920.

Five stages in the Party's long century can be identified: (1).

tactical economism, (2). proletarian challenge, (3). developmentalism with welfare, (4). technocratic, and (5). globalising.

1. Tactical economism

Wages, hours and jobs were the earliest priorities, with less regard for welfare programs. The other concerns were defence, restrictive immigration and breaking up the estates. This is the Labor Party pictured in Chapter 17.

2. Proletarian challenge

Proletarian challenges erupted around the splits of 1916–17, for which conscription for overseas military service was only the proximate cause. The impetus was the intensification of class conflict, noted above, with fewer jobs and soaring prices. The outcome was muddied by the ascendancy of Irish Catholics over the ALP machine, which drove away the more militant Protestant workers. The Reds versus the Micks would divide the labour movement into the 1970s.

With the Labor Party out of office federally for almost twenty-five years, state-based concerns became uppermost, which emphasised rural issues. Divisions in the labour movement deepened as Labor governments could not realise the competing needs of working people. From its inception in the 1890s, the Party had been a tug-of-war between those who were already propertiless and the self-employed seeking to avoid that condition. Should the Party control food prices for urban workers or pursue higher returns for small farmers? Despite the emergence of Country Parties, Labor's electoral success still depended on rural labourers and smallholders. The exception was Victoria, where the Labor Party did deals with a radical Country Party.

3. Welfare developmentalism

The two-year Scullin interregnum at the onset of the 1930s depression presided over 10–20 per cent wage cuts as it hoped to protect jobs. To that end, the Labor Party raised tariffs, which also managed the balance-of-payments crisis. The 'Glory without Power' essay confined itself to exposing the timidity and betrayals by Labor governments during the crisis. That catalogue of cravenness missed a consequent reconfiguration of the Party's outlook. Although the new depression intensified the calls on Labor politicians to create jobs and on unions to defend real wages, both parliamentarians and officials came to appreciate that a wage-based route to progress would be irrelevant if unemployment again went over 30 per cent. The labour movement henceforth expounded a welfare model of social reforms, such as a national health service, within a program of national development to ensure almost full employment.

Chifley promoted this approach as post-war reconstruction, although the war had wrought no destruction, rather the reverse. Supplying the US military had force-fed industrialisation. Any 'reconstruction' was to capitalism in order to prevent its relapse into depression, as was widely expected until the early 1950s. This 1940s version of *étatisme* is associated with the Snowy Mountains Scheme, mass immigration and General Motors-Holden. These projects required a centralising of power towards Canberra, a trend which Menzies continued while refusing to integrate the planning instruments. Recollections of the Chifley years have been coloured by the banks' provoking him to attempt their nationalisation so that he could ensure the funds for his nation-building.

Arthur Calwell delivered a late hurrah of Labor's vision splendid in 1963 when his *Labor's Role in Modern Society* proposed two new ministries: one to develop Northern Australia and a second to apply science to tropical agriculture. He echoed the 1890s attacks on bankers and monopoly capitalists.

His successor, E. G. Whitlam, took up some of this developmentalism, spectacularly, in the 1975 efforts to borrow $4 billion to fund a continental energy system through a proposed Petroleum and Minerals Authority. He had less to say against capitals of any size.

Meanwhile, the Democratic Labor Party, which had fallen out from the 1955-57 splits, gathered up several of the strands from the old Laborism. Santamaria's mouthpiece, *Newsweekly*, revived the fear of Asian hordes to inflame anti-communism: 'If it is not Japan, it will be China, and if it is not China, it will be somebody else'. His National Catholic Rural Movement pursued the smallholder solution to the evils of urban capitalism. A new generation of Catholics, however, had no intention of becoming priest-ridden peasants. They were joining the white-collar strata — teachers, public servants and accountants — and moving out of their parents' suburbs, if not into the arms of the Protestant Liberal Party. The DLP was one staging post for the broader social advance that underpinned Whitlamism.

4. Technocratic

Laborism, also known as Whitlamism, took charge from the later 1960s. In a review of *A New Britannia*, Kelvin Rowley pointed out that the book had dealt with what he called the 'paleo-Laborism' of Calwell's generation. Its strictures against racism, for example, did not apply to the new Labor leaders, Cairns, Dunstan, Hawke and Whitlam. Rowley's criticism initiated the technocratic Laborism project, which explored how, from the 1960s, 'paleo-Laborism' had been replaced by a technocratic version.

The social base of the latter was among the intellectually trained who were needed by the ballooning services sector. These changes were being led by the emergence of transnational corporations and a third industrial revolution, this one

built around computers. Harold Wilson had won the 1964 UK election by campaigning for socialism as the white heat of technology. Hawke's 1969 elevation to the presidency of the ACTU consolidated this redirection, as did his bringing together of the white- and blue-collar unions. The tertiary sector was displacing the manufacturing sector just as manufacturing had replaced agriculture. Many more women remained in the workforce, and for longer. By the early 1970s, the restructuring of labour markets was detaching the Labor Party from of its turn-of-the-century roots among small farmers, rural labourers and even the manufacturing workforce.

From late 1974, the third Whitlam government had to cope with the end of the 'trough in unemployment'. Instead of being able to finance his welfare programs from bracket creep in income taxes, Whitlam careered his mandate into a fiscal crisis of the state, which affected budgets in comparable countries. Early in 1976 Donald Horne announced the death of a country that had been floating on luck when it had needed sound managers. Horne's conversion from radical tory to Whitlamite epitomised how technocrats had replaced Edwardian second-raters such as Menzies.

While the Labor Party flourished by remaking itself to accord with the affluence of the long boom, a more proletarian organisation was losing its sway over trade union struggles. From the late 1930s, the Communist Party had provided the labour movement with what can be called a strategic economism. The approach was less than revolutionary but went beyond Labor's initial tactical economism which had been limited to a search for wage rises, shorter hours and better conditions. By contrast, the Communists took for granted that a fair day's wage could not prevent the expropriation of the surplus value added by the workers. Officials in the metal and building trades planned patterns of industrial conflicts around securing cost-of-living increases to a basic wage, with margins for skills. Over-the-award payments were a bo-

nus for shop-floor militancy. Mechanisation of the labour pro-cess rendered these intricacies irrelevant. The Communists' loss of direction had begun from an earlier restructuring of la-bour markets as coal-mining and the maritime trades were delaboured from the 1950s. Then the building trades were mechanised in the late 1960s. The employers convinced the Conciliation and Arbitration Commission to adopt a Total Wage in late 1967.

The Communist Party itself started to fall apart from 1963 in the first of two splits. Some of its leaders then adopted a technocratic vision of their own, tying socialism to cybernetics in the manner of the pre-1968 Czech Academy of Sciences. Meanwhile, those loyal to Moscow were stuck in a practice of industrial relations which the expansion of capital was ren-dering redundant, along with many union members.

From the 1970s, oligopolistic corporations again were driven to better their positions in regard both to labour and each other. The consequent changes to the controls over labour-time upended the unions and the ALP. The disintegra-tion of the Communist Party was depriving the labour move-ment of its sheet anchor.

The US automakers convinced the Fraser government to re-write the tariff regimes to integrate production around the globe. The World Car would source several parts overseas be-fore assembling them locally, in exchange for export credits. Now, restructuring of the labour market drove into the heart of the metal unions, where the Communist strategists were strongest. The 1982 recession knocked the union and the Party officials for six.

5. *Globalising Labor*

Globalising Labor since the 1980s derived from these assaults on labour processes and hence on the labour movement. Be-cause a global reach has been normal for capital since the fif-

teenth century, the lumping of every kind of transnational business in every era under a single rubric, whether imperial-ism or globalisation, is a guarantee of confusion. Moreover, the word 'globalisation' has given monopolising capitals (Imperi-alism) a public relations gloss by portraying it as the outcome of ineluctable market forces rather than as an imposition by corporations backed by their respective nation-market-states. The procedures for the expanding of capital that have become known as 'globalisation' are but the latest stage within monopolising.

Reeling from job losses in the 1982 recession, the Left un-ions crafted the first Accord with the Labor Party to secure a social wage, notably through Medicare. The strategic economism resurfaced in the remnant Communist Party lead-ership around Laurie Carmichael from the Metal Workers Un-ion when he sprang *Australia Reconstructed* and Strategic Unionism on the 1987 ACTU Congress. However, policies promoted to secure the power of employees at their workplaces and throughout society became devices for man-aging redundancies. The missing link was state power. Far from the Accords being class collaboration, they were capitu-lation by the labour movement. The employers failed to invest in local jobs. The ALP under Hawke knew better than to try to make them do so.

The latest global expansion of capital required agents of in-fluence within the labour movement. The recognition of hu-man agency by historical materialists will sag into a new round of anecdotalism unless the actors are connected to the struc-tured dynamics of capital. From the 1950s, US Labor attachés had arranged scholarships to Harvard for the Labor Right to imbibe managerial prerogatives and Cold War imperatives. The conversion of Australian labour leaders to the rule of the market was a conspiracy only in the sense of being one more victory for the organisation-and-methods taught at US business schools.

R. J. Hawke's 1980s performance on behalf of the US corporate-state grew out of Labor's technocratic phase. He had been weaned from the larrikin contempt for employers as second-raters that he had displayed as ACTU advocate before the Arbitration Commission. In Melbourne's Sundowner Motel in March 1969, Hawke got the nod from the US Labor attaché Emil Lindahl to stand for the ACTU presidency. The State Department feared that the right-wing contender, ACTU secretary Harold Souter, would never be able to manage the militancy that had begun fifteen months earlier around the Total Wage decision, before feeding off the revolutionary year of 1968 across the globe. This upsurge led on to the O'Shea strikes in May, two months before Hawke's election. In 1976, as negotiator for the ACTU, Hawke struck up a special golfing relationship with George Shultz, then General Counsel for the Bechtel, the corporation that 'engineered the world'. Shultz had been US Secretary of Labor and then of Treasury (1969–74), and would serve as Secretary of State from 1982 to 1988, the early years of Hawke's prime ministership.

The case of Keating is simpler because he never comprehended the Treasury scripts that he parroted. The failure of the J-curve to turn upwards led to his on-air gaffe in May 1986 about Australia becoming a Banana Republic. He did glimpse, however, what Hawke already knew when Salomon Brothers phoned on 25 July that year to advise that they could not support the Australian dollar if Keating persisted with a 15 per cent withholding tax. He abandoned the proposal. Keating's endorsement of deregulating the financial sector from 1983 cannot be explained in terms of Labor heritage. On the contrary, his mentor, Jack Lang, had been highly suspicious of the banks, especially of their international behaviour. From the 1983 floating of the dollar to the 1991 partial-sale of the people's bank, Keating broke from Lang's paleo-Laborism, and his racism. (What Keating could never shed was the

head-kicking style of the NSW Labor Right, which fouled his calls for a republic and reconciliation.)

Keating stumbled through lines from the brightest and best among Australian economics graduates whose scholarships to the United States had confirmed a faith in free-trade nostrums as if they were self-evident and universal truths instead of beneficial merely to the more powerful nation-market-states, primarily the United States. These scholars returned to indoctrinate generations of undergraduates, to sell off government agencies, and to downsize corporations. More recently, Mark Latham has served as a glove-puppet for the misnamed Centre for Independent Studies, an ultra-Right Sydney think-tank funded by the likes of Hugh Morgan from Western Mining Corp.

The propagandists for globalisation alleged that the nation-market-states were losing their relevance. If true, their contraction would have been a blow to Laborism as governmentalism. But the claim was partial and partisan. Nation-market-states were as active as ever against each other, and against labour. The state still has to attempt for capital what its managers cannot achieve through their corporations. The disruption of labour now involves re-atomising the working class through enterprise bargaining or, more radically, through individual employment contracts.

The future of labour remains bound to the needs of capital. Hence, to discern the future of the ALP means tracking what oligopolies must do next in order to expand. Their profit rates must be lifted through further restructurings of the labour market. Since the late 1970s, labour-times have been globalised through casualisation, plant relocations, feminisation, flexibility, total quality management and downsizing. Any one of these disciplines may become less prominent. If so, its place will be taken by workplace practices and state policies even more inimical to any civilising of global capital. Opposition to its rule is being regenerated around environmental,

No-Global and anti-war movements, buttressed by a rebuilding of unions towards defiance.

In the 1890s, the Labor Party began as a reaction against monopolising capitals. Since the 1980s, it has been riding shot-gun on their juggernaut. The Australian Labor Party was never more than nominally socialist. The protracted campaigns to dilute and to delete its socialist objective have been symbolic politics. Today, the Party does not merit even the title of 'labor'. It's time for activists and analysts to jettison that term. The organisation should be referred to only by its initials, as no more than 'the ALP'. The title 'labor' has a finer past and deserves a nobler future than to be associated with a machine that has denied it, not thrice, but seven times seven.

Select Bibliography

As a work of re-interpretation, *A New Britannia* relies on secondary sources. Because I have constructed an argument out of them, the works listed should not be seen as corroborating my conclusions; rather they are expressions of my indebtedness.

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