

great work, *On Capital*, is a masterpiece. While, however, agreeing with most of its critical portions, we are not in accord with his remedies. He was a State Socialist, and advocated State control of all industries of all kind whatever.

This view was no more accurate than the claim in 1907 by a member of the New Zealand Parliament, A. R. Barclay, that Marx did not have a solution. This error had not prevented Barclay from publishing *The Origin of Wealth, Being the Theory of Karl Marx in Simple Form* in 1899.

Several prominent bourgeois liberals attempted to acquaint Antipodeans with Marx's ideas. In the Christmas 1888 issue of the *Boomerang*, the sometime Premier of Queensland, Sir Samuel Griffith, presented an account of Marxism for the 'practical consideration of the people'. Across the Tasman another Minister of the Crown, William Pember Reeves, pseudonymously published a series for the *Lyttleton Times* on the 'History of Socialist Thought up to Marx'. When a *Bulletin* reader asked who Marx was he received the reply that Marx was a brilliant German whose works remained untranslated. Francis Adams's correction of this error did not alter the fact that, although *Capital* had been available in English since 1888, Marx's advocacy of the class struggle was not grasped by the bourgeois politicians who were introducing Marx to the populace. By the time extracts of the *Communist Manifesto* were published in Australia, by the *Worker* in 1893, it had already been translated into a score of languages including Danish, Yiddish, Portuguese and Norwegian.

Nor was Marx much read when available. An associate of the New Zealand union leader, Harry Holland, gave this description of how he and Holland became acquainted with *Capital*:

He had investigated the cover, I had probed further, just turned it over. 'To study Marx', said he, 'one requires a hard seat, a bare table, and a head swathed in wet ... ice-cold towels ...' I agreed with him.

William Lane doubted 'if there are a thousand men who have

## FIFTEEN Socialists

For we workers are all Socialists nowadays, though some of us are so ignorant that we don't know it. We follow Marx in the contention that Labour's rightful share of Production is *all*.

William Lane, July 1890

## MARXISTS

Marxism is mature socialism. Its acceptance depends upon the making of a working class that can see no future within capitalism. In light of what has been shown, it is not surprising that Marx's theories were not understood and barely known in nineteenth-century Australia.

The earliest recorded influences of Marx in Australasia were in the 1870s. From Christchurch, a Working Man's Mutual Protection Society asked the International Working Men's Association to advise British workers against emigration. The quality of the Society's Marxism can be gauged from its pamphlet 'Why the Working Men of New Zealand should become Internationalists', which ended with a tirade against the Chinese. Some Marxian phrases found their way into the manifesto of the proposed boot-makers union in Melbourne. An obituary appeared in the *Sydney Liberal* in 1883:

Karl Marx, the ablest of all the Communist writers, is dead. His

Marx at their finger tips'. That Lane was not of this legion was later made clear by his brother, Ernie, who pointed out that William had not read Marx before leaving Australia in 1893. In August 1900 the Melbourne *Tocsin* complained that even Aveling's *Student's Marx* was too difficult.

Towards the end of 1893, the 22-year-old W. A. Holman delivered a lecture on Marx, whose writings he could honestly claim to have studied 'with devotion'. Holman began with a just censure of previous Marxism in Australasia:

Many erroneous conceptions were current about him. One of these, often found in places where better information might be reasonably looked for, was that Marx was a kind of Bellamy, a man of roseate and airy visions ... these ideas were absolutely false. Marx's book was an examination of things as they were and not as they might be in some golden future. He dealt in his *Kapital* not with the socialism that is to come but with the capitalism of today.

For the first time in Australasia, Marx was given an intelligent and informed exposition, but it was a truncated version nonetheless. Holman persisted in linking Marx with Carlyle, Comte, Mill and Spencer; that is, he presented Marx as just another bourgeois critic of capitalism. Moreover, Holman gave a companion lecture on Bohm-Bawerk, author of *Karl Marx and the Close of His System*, with whom he could find no fault.

By concentrating on *Capital's* historical sections, Holman avoided coming to grips with Marx's politics. It is one thing to realise that Marx was not another utopian dreamer, and another to accept that socialism can be achieved only by the destruction of the ruling class, more particularly by the replacement of its state by a proletarian dictatorship. Holman was no more a Marxist than were any of his predecessors in the field. He was more intelligent and better informed. By 1905, moreover, Holman was writing that it was 'a mistake to imagine that English or Australian socialism owes much to Karl Marx or the Continental writers'.

Just as the alliance between the liberals and the working class broke down in practice, so too did Marx's notion of class struggle break into the consciousness of some Australasian workers. Discussion groups were formed, with one in Petone, New Zealand, agreeing unanimously to 'meet every Monday night at 8 p.m. right up to the day of the Revolution'. Revolution was accepted, but only theoretically. With the development of the IWW (Industrial Workers of the World) in 1907, a vital element of practice was added. Deriving their Marxism from De Leon in America, the Australasian Wobblies operated with the conviction that even if all history were not the history of class struggle, it should have been. The emergence of the IWW indicated that the old pattern of Australasian life was largely over. For as long as it had seemed possible to build a 'Workingman's Paradise' here, Marxism remained little more than a topic for discussion. Once new problems demanded new solutions, Marxism gained a new relevance and a wide audience, although it shed many of its dilettante disciples.

#### WILLIAM LANE

D. W. Rawson and W. K. Hancock attempted to picture William Lane as a Marxist. D. P. Crook went further, suggesting that Lane was prepared to use force, and he quotes an article in the *Worker* where Lane advised his readers to 'take all social injustices and industrial inequalities and vested privileges and strangle them one by one in your many millioned muscled hands'. Crook neglected to complete the passage, which proceeded: '... Not all at once, but gradually, patiently, slowly by being thinking men working in harmony with each other for the good of all'. Lane summed up his reaction in the 1890 strike by saying that 'capitalism understands that the real fight with labour is at the ballot box'.

According to legend, Lane was a socialist editor in

Queensland during the shearing strikes of the early 1890s when 'his words were like a flame'. With the collapse of the strikes and the emergence of compromising Labor parties, Lane is supposed to have become disillusioned with Australia and so set sail to establish a utopia in Paraguay.

A somewhat different picture emerges from Grant Hannan's thesis on the Paraguay settlement. Lane was an authoritarian racist who conceived of himself as a latter-day Messiah. Hannan summed up Lane's ideological progress thus:

From 1885 until late 1889, William Lane may be labelled in Marxist terms as a bourgeois socialist. In the period 1890 to 1892, Lane espoused the cause of the working class more firmly and hoped to improve conditions by gaining Labor representation in Parliament, but this period is a transition from bourgeois to utopian socialism, and from 1892 until at least 1899 Lane was a utopian socialist. For the last seventeen years of his life he was not a socialist of any kind.

Lane ended his career as the ardent pro-war editor of the conservative *New Zealand Herald*.

Lane's socialism was usually expressed in a quasi-religious framework. This demand is significant for Lane's view of violence and class struggle as means to social change. In his novel *Workingman's Paradise*, Lane argued that 'every year the number of men and women who hold socialism as a religion is growing' and when there are sufficient such people 'the Old Order [will] melt away like a dream and the New Order replace it'. Further on, he wrote that 'Neither ballots nor bullets' could produce change, since 'it is in ourselves that the weakness is. It is in ourselves that the real fight must take place between the Old and the New'. While Marxists would not deny that Communism involves a complete change in human relationships — from competition to cooperation — they do not believe that the metamorphosis can occur at a purely spiritual or personal level.

What Lane strove for was class collaboration. This desire was recognised by the vociferous anti-socialist Queensland senator, Anthony St Ledger, who wrote that Lane 'had a strong human sympathy with both labour and capitalism, in as much as he regarded labour as the innocent victim, and capitalism as the unconscious high priest of the human sacrifices they were inflicting on society'. In organising the Australian Labor Federation, Lane was careful not to exclude employers from its activities. One of Lane's favourites was 'Hop Beer' Marchant who provided a meeting room and chaired strike meetings.

Marx might well have had Lane as his model when, in the *Communist Manifesto*, he described utopian socialists as men who

want to improve the condition of every member of society, even that of the most favoured. Hence, they habitually appeal to society at large, without distinction; nay, by preference, to the ruling class. For how can people, when once they understand their system, fail to see in it the best possible plan of the best possible state of society?

Hence they reject all political, and especially all revolutionary, action; they wish to attain their ends by peaceful means, and endeavour by small experiments, necessarily doomed to failure, and by the force of example, to pave the way for the new social Gospel.

This account gives Lane to a tee: his Messianic delusions, his 'New Australia' experiment in Paraguay, his appeals to businessmen to build the cooperative utopia, and, above all, his rejection of violence. In an article in the *Worker* in March 1891, Lane used his journalistic skill effectively by beginning with a revolutionary statement that 'they who rule by Force and by Force alone, can claim no consideration if by Force, their outrageous claims are questioned'. Having thus established his credentials, he proceeded to the burden of his argument, which was 'tolerate still, not because rebellion, i.e. armed resistance to established authority, is wrong... but because we

should endure to the utmost for the sake of humanity which shrinks from violence'. Lane's revolutionary phrases were always a prelude to his anti-revolutionary intentions. His political outlook was expressed in the *Worker* for 4 April 1891: 'one seat won in Parliament is worth more than a successful strike'.

## SOCIALISTS

The relationship between ideas and the experiences of those who advocate them is far more complex than can be conveyed by formulae such as 'ideas reflect experience'. It may well be true that the majority of people accept ideas because they relate to their experiences. This equation cannot account for the theoretician: few, if any, petit-bourgeois philosophers have been shopkeepers. And Australia did not produce any theoreticians, only popularisers whose relationship to experience is more direct and immediate.

Popular reading matter for the labour movement consisted largely of utopian fiction. The most influential work was Edward Bellamy's *Looking Backward from the Year 2000*, serialised in the *Worker* during 1890. Bellamy's hero awakes after a hundred-year sleep to find himself in the perfect society. The ease of his rebirth parallels the means by which society itself had been transformed.

When the hero suggests to his host that 'Such a stupendous change as you describe did not, of course, take place without great bloodshed and terrible convulsions', the host replies:

On the contrary there was absolutely no violence. The change had been long foreseen. Public opinion had become fully ripe for it, and the whole mass of the people was behind it. There was no more possibility of opposing it by force than by argument.

Yet another American influence on Australian socialism was Laurence Gronlund's *Co-operative Commonwealth*, which

attempted to present socialism in a form 'digested by a mind, Anglo-Saxon in its dislike of all extravagances, in its freedom from any vindictive feeling against persons, who are from circumstances what they are'. This work was seen as presenting Marx to an English audience. Needless to say, Gronlund defined socialism as the 'extension of the functions of government'.

The absence of a coherent theory meant that 'measures of a socialist character' effected by Labor governments were in no sense an assault on the citadels of capitalism. This anti-intellectualism owed as much to its impoverished English origins as it did to the egalitarian ignorance of the bushman. Most of all, gradualism was part of the pragmatism that accompanied contented progress. Theory is required only when problems cannot be coped with in practice. And the socialist practices of a Labor government needed no theoretical apparatus. Much of what passed for socialist thinking in nineteenth-century Australia was little more than a collection of random remarks from socialist thinkers. This habit of mind is common to the self-educated and showed itself in the stray but curious facts that inhabited the columns of the radical and labour press. A bower-bird curiosity found another expression in Ripley's 'Believe it or not' and in *Cole's Funny Picture Book*. The poor education that capitalism offered was protecting it from the development of the coherent critique which only Marxism could provide.

Socialist ideas in nineteenth-century Australia were part and parcel of the all-pervasive atmosphere of pre-industrial prosperity. This outlook, in turn, was related to permeable class barriers, class collaboration and a high degree of state activity in areas as diverse as restrictive immigration and land settlement. William Lane summed up this confusion by declaring that 'we are all socialists only some of us don't know it' — sentiments repeated in 1908 by Andrew Fisher, soon to be Labor prime minister, when he contended that 'We are all Social-

ists now and the only qualification you hear from anybody is that he is "not an extreme socialist". Precisely what the nature of this marvellous socialism was will not require much demonstration since it invariably meant some form of 'state action'. State action was widely accepted because it was essential for development, and thus another link was established between 'socialism' and 'nationalism' in Australia. Later the slogan became 'Develop the North', and racism added its weight to socialism's respectability.

## GOVERNMENTALISM

So extensive had governmental activity been before 1890 that more than one writer has used the phrase 'colonial socialism' to describe it. During the 'long boom (c. 1861-90)' Australian governments borrowed heavily on the London market to finance developmental works; almost half the capital inflow went on public expenditures.

'State action' united all manner of divergent views. David Syme, for example, approved of his book *Outlines of an Industrial Science* being described as 'a vindication of Protection; more closely examined it will be seen to be rather in the direction of State Socialism'. In Parliament in 1889, E. W. O'Sullivan, sometime president of the Trades and Labour Council in New South Wales, defended the colony's lending seed-wheat to farmers in these terms:

I think that when the Government can step in to assist any interest or industry, they should do so. I disagree with the doctrine of my free-trade friends, that we should leave things alone. The greatest states in the world have been built up by the active interference of government, by means of protective tariffs, state subsidies, or the application of the intellect at the command of people in the shape of government to assist the operations and industries of the community. In this way, great interests are built up, especially in young countries ... I say that the Govern-

ment has a perfect right to step in whenever it can benefit any class in the community, because it cannot benefit one class without benefiting the whole.

There was no 'class' bias in this proposal. Nor was there any in the constant demands for state action in arbitration. When unemployment became widespread in the 1890s, 'socialism' was the stock phrase for the state employing men on relief works. Just how non-class-orientated socialism was at this time in Australasia can be seen from the evidence given by the Socialist League spokesman W. G. Higgs to the NSW Royal Commission on Strikes in 1891. Higgs advised the Commissioners to read Sidney Webb's *Socialism in England* and Dawson's *Bismarck and State Socialism* so that they would have 'a very good account of the progress made by socialism in England and Germany'.

J. B. Condliffe summed up the situation for New Zealand in a manner which applied with equal force to Australia when he noted that

the widening of state functions is due primarily to colonial opportunism and freedom from theories. It has little to do with socialism. Reeves' phrase, 'colonial governmentalism', is a truer description of New Zealand practice than 'State Socialism' or Metin's 'socialisme sans doctrines'. It is étatsisme rather than socialism.

For as Lane wrote without irony in the *Worker*, 1 April 1890, 'State purchase of an industry is as socialistic as the maintenance of a police force'. This view is supported by the testimony of two nineteenth-century observers. Referring to Labor Party members in Queensland, Sir Timothy Coghlan remarked that 'scarcely a word fell from them that would lead their hearers to suppose that they had ever learned the alphabet of socialism'. V. S. Clark pointed out:

Australian Labor leaders know little or nothing of Marxism theories. Few of them know by title the principal text books of Continental Socialism ... They are mostly seeking immediate and

concrete results and, so far as directive purpose of their part is concerned, it is merely an accident that the policy thus determined tends towards socialism.

Queensland Labor had a nine-point program in which 'State Ownership, Construction and Maintenance of all Railways' came closest to socialism. In fact, that demand was an attack on the land monopolists. What is to be made of Spence's claim, accepted by Gollan, that Queensland was decidedly socialist 'from the jump'? True, there was a socialist prolegomena to the Australian Labor Federation's platform but that was very quickly dropped. By September 1890, Lane felt that no harm had been done by 'lifting it up to the light so that all may see the goal of the Labor Movement'.

Queensland also had the reputation of being the most socialist in regard to the establishment of state enterprises. State butcher shops in that state resulted, according to the premier, from 'the necessity of dealing with extraordinary circumstances which had arisen because of the war, and which exist now to a certain extent, and which may continue to exist for some time in Queensland'. In every case where Labor established a state enterprise the venture was to cope with 'extraordinary circumstances'. Often these were of a chronic kind, for example those dealing with national development. On matters of a developmental nature, there was wide-ranging and long-established support for state activity: protective tariffs, railway construction and immigration, whether restricted or assisted, were but the best-known. On these questions, Labor had common ground with manufacturers and/or farmers. It also had the support of its political opponents. The Liberal Premier of New South Wales, Wade, declared that while he was not 'a servile supporter of State socialism' he recognised that 'in the peculiar circumstances which handicap young unexplored countries, to the credit and resources of the organised State, we must look for developmental work on a large scale'.

During the Great War, state enterprises were set up to curb rising prices. That they were designed to compete with and not replace private enterprises was never in doubt. Other state works were inaugurated to supply the government's own requirements. State bakeries sold bread only to governmental institutions such as hospitals and prisons. State brickworks sold bricks to the government for public works, while state timber mills were the logical ancillary to government railroad construction. Most of these enterprises were profitable and, in terms of their stated objectives, successful, at least in the initial stages. Not all of them employed union labour, even under a Labor government.

R. S. Parker's study, 'Public Enterprise in New South Wales', detailed that state enterprises were not a 'significant Labor Party contribution towards its avowed programme of socialisation', if only because they operated 'in fields which were not vital to the economy as a whole, or if vital, were unprofitable to private enterprise though a necessary condition for its development and continuance'. Socialism for the Labor Party often meant nothing other than state intervention to aid capitalism. In the one instance where the establishment of a governmental enterprise conflicted with the interest of a private company it was the Labor government which gave way. Plank six of the Party's fighting platform for the 1910 election called for a state iron-and-steel works, and legislation to this effect was introduced into the New South Wales parliament. This policy was abandoned when the Labor government subsidised the Broken Hill Proprietary Company instead.

One public enterprise merits further consideration, partly because it was the most successful, and partly because of its contribution to the legend of Chifley's bank nationalisation. In the 1910 debates on the Commonwealth Bank, only one Labor member spoke in favour of nationalisation. Prime Minister Fisher stated that he was 'not making an attack on the banks'. Hughes observed:

The Opposition bitterly regrets that the Bill is a practical measure, gives no hint of a millennium, no suggestion of printing presses working overtime manufacturing paper money throughout the twenty-four hours for the happiness of the people. It is a plain business-like practical measure.

Robin Gollan pointed to a long conservative tradition calling for a 'public bank of note issue'. The functions of the Commonwealth Bank were summed up by John Curtin while he was editor of the *Westralian Worker*. It was, he said, 'a bankers' bank', which fell far short of nationalisation.

### THE MONEY POWER

A novel by Ignatius Donnelly, *Caesar's Column*, showed what would happen if the bankers rather than the workers were triumphant. Significantly, the enemies were bankers and not capitalists in general. The bank crashes of the 1890s fed these attitudes, so that in 1893 the *Sydney Worker* attacked Russian Jews, who,

like their Australian brothers, are principally bankers, loan mongers, peddlars and pawn brokers. They are hated and hunted for their deeds, not for their religion.

In Russia, the government is still strong enough to tax the Jews, in Australia the Jews are powerful enough to tax the Government. They dress in purple and fine linen, and they fare sumptuously every day — but who knows one of them that could not be spared? Did anyone ever see a Jew work? At manual labour, no. It doesn't pay to work when others are anxious to do it.

Anti-semitism became a persistent theme of the *Bulletin*. As late as 1947, when the Amalgamated Engineering Union was calling for bank nationalisation, it noted that the Rothschilds were 'Jewish' bankers, as if their semitic origins proved something.

Banking and 'funny money' proposals dominated Labor's financial thinking long before anyone had heard of Keynes. In

the middle of the 1893 depression, O'Sullivan advocated a state bank which 'could by the issue of national notes, construct reproductive works, and in due course we could redeem those notes with the money derived from those works'. The most notorious attempt at nationalisation in Australia's history was aimed at the banks. As Rawson explained:

For twenty-five years after the adoption of the socialisation objective of 1921, the party's attention, to the extent that it paid any attention to socialisation at all, was concentrated on the nationalisation of banking. This was an issue on which party opinion was united. Anstey on the left... Forgan Smith on the right... Chifley somewhere in the centre and Lang who can only be regarded as *sui generis* all added something to this emphasis on bank nationalisation. Of all major reforms of a socialist character this was the one which would be least unpalatable to small producers, and particularly to the indebted farmers.

Opposition to 'the money power' is a traditional populist appeal. Because 'the money power' counterpoised a tiny minority of bankers against the people, it avoided class analysis and was compatible with the ALP's self-perception as the community's protector. In *The Commonwealth Bank of Australia*, Robin Gollan showed the extent of this style of thinking. The 'money power' syndrome did not lose any influence as a result of the bank's establishment in 1910. *The Kingdom of Shylock*, which Anstey published during the First World War, was a blast (peppered with anti-semitism) against bankers and bondholders:

So the nation can levy men — but not Money. Men may die — Money lives. Men come back armless, legless, maimed and shattered — Money comes back fatter than it went, loaded with coupons, buttered with perpetual lien.

Acceptance of the 'money power' thesis did not necessarily involve people in the belief that there was an actual committee which controlled the world. There will often be some concentration on a particular institution or person, but this identifica-

tion will be buttressed by a complex of precepts concerning the proper functioning of the financial system. Talk of balanced budgets, the need for confidence and arguments against repudiation are no less evidence of a 'money power' analysis than are its direct expositions. In 1915, when Fisher dismissed Anstey's attack on the war budget by wagging his finger and repeating 'Finance, finance, finance', both were acknowledging the same 'hidden god'.

Similarly, in coping with the depression of the 1930s, the Scullin government's orthodoxy was the obverse of Lang's repudiation. Moreover, both saw themselves acting on behalf of the *community*: Lang presented himself as the defender of 'the bred and born Australian' from the foreign bondholder. Scullin and his supporters were no less anxious to serve the 'nation'. This approach was in line with Scullin's entire outlook. The *Australian Manufacturer* (26 October 1929) praised Scullin's 1929 election speech as patriotic, containing 'no reference to class warfare', but being 'national in ... outlook and atmosphere'. As prime minister, Scullin frequently pressed for a bipartisan approach to the nation's problems and offered to drop every plank in the ALP's platform if someone would suggest a way to end the depression. Important elements in the Party supported this attitude. The *Westralian Worker* (19 June 1931) advised its readers to remember that 'while Mr Scullin has a duty to the Party he has an important duty to the country and the obligations of the office he holds'.

Scullin's every move was constricted by his subservience to financial orthodoxy. He went to England to restore confidence; he reappointed Sir Robert Gibson as chairman of the Commonwealth Bank board to maintain confidence; and as Warren Denning wrote of him, 'he regarded himself as no longer a Labor prime minister; but as a man to whom the whole nation was looking for sanity, conservation and succour'. Scullin was exceptional by virtue of the position he occupied, but his response was no personal aberration. His methods would

have been followed by any Labor Prime Minister as a consequence of the social analysis on which they operated. Such was the logic of their position. The government that had marked its accession to office, late in 1929, by announcing a Christmas gift of a million pounds to relieve distress among the unemployed, remained to impose over a 20 per cent cut in old-age pensions.

State ALP premiers were equally subservient. In the days when the states' activities were more extensive than those of the Commonwealth, they had far greater responsibility for the direct administration of the Premiers' Plan. In Victoria, E. J. Hogan's government was disowned by the Melbourne Trades Hall Council; despite this unprecedented censure, the premier was unmoved and rejected a request to attend a Trades Hall Council meeting, speaking instead at the annual dinner of the Chamber of Commerce. His approach to the unemployed, whom he forced to work at non-union rates, was summed up when he told the Legislative Assembly, in December 1931, that it was no inconvenience to sleep in the open on nights like these.

Discussing Lionel Hill (the Labor Premier of South Australia), Sir Lloyd Dumas (ex-chairman of Advertiser Newspapers Ltd) relates in his autobiography that, whenever a premiers' conference was held in another capital city, either he or Sir Walter Young (then a director of Elder Smith & Co. Ltd) would try to be there 'in case a new point came up which the Premier would like to discuss'. Dumas continued:

Apart from Sir Walter Young, I think Lionel Hill consulted me more than anyone else. For months he used to telephone me at least twice a week, and sometimes he would come round to my house for a talk.

Eventually Hogan and Hill were both forced out of the ALP but their policies were not a whit different from those of Scullin, who was saved from a similar fate by being outflanked on

the right by Lyons. There is no reason to believe that Lang or Theodore would have acted differently. Lang invented his plan to outmanoeuvre Theodore in a NSW ALP faction brawl; Theodore supported his own plan for less than eight weeks before returning to the demands of the orthodoxy that he had implemented as Premier of Queensland from 1919 to 1925.

Economic nationalism revived during the depression and the ALP once more placed its hopes in high protectionist tariffs from which both capitalists and workers would benefit. This policy produced the situation that Denning described:

Canberra became a happy hunting ground for tariff 'routs' ... whose purpose it was to impress on the government and the party the dire importance of Australian-made silk stockings, or razor blades or toilet paper, receiving the whole of the Australian market; and where ever two or three people were gathered together in a quiet place it was an easy wager that one of them was a Labor member, and the others high tariff advocates.

Tariff levels almost doubled between November 1929 and April 1931.

With the adoption of the Premiers' Plan early in 1931, the basis of the protectionist argument gained a new direction to become 'equality of sacrifice'. Just as during the high tariff onrush there was to be a sharing of the benefits, under the Premiers' Plan there was to be a sharing of the burden. In propagating this view, Labor expressed the fundamental principle of its political career, by which it had sought to envelop all divisions in the community. Faith in its national role never faltered for, as *Labor Call* said in September 1934, two days before the ALP's share of the national vote dropped to its lowest point since 1901: 'Each party in politics represents a particular interest, and the Labor Party's particular interest is the welfare of the whole people.'

## THE SOCIALIST OBJECTIVE

Labor's approach to socialism has seemed hypocritical to many of its opponents who have difficulty in reconciling stated objectives with the administrative competence shown by Labor in office. One such critic, Senator Anthony St Ledger, went so far as to claim in his book, *Australian Socialism*:

That the main work of the Labor Party has been to profess this Socialistic gospel on the platform and to suppress it in Parliament, in order to hold the balance of parties in every State House and in the Commonwealth Parliament. In other words, that its parliamentary, as distinguished from its platform and special press campaigns, have been one long deception of the public.

Because of this deceit, 'the Socialist, especially of the extreme type — that is the type which clearly says what he means and means what he says — was generally regarded as an "unsafe" man for the parliamentary platform. His honesty was his danger'.

A conspiracy approach is not necessary to explain the phenomenon that upset St Ledger. The truth of the matter is that the Labor Party is not and never has been a socialist party. Its approach was summed up by an 1895 *Worker* editorial:

We plead with the people not to be led away by the extravagant interpretation put upon our methods and speeches by the opponents of reform of any and all kinds. We do not ask that all our political programme should be set in operation at once by a single parliament. We know that cannot be, such a thing being contrary to the laws of evolution and that spirit of compromise which is said to be civilisation. Because we range ourselves under the flag of 'Socialism in our Time', we cannot expect to realise a perfect collectivist state in our day any more than the follower of Christ can hope to establish in his time on earth peace, goodwill toward men.

The analogy with Christianity's two thousand years of struggle for the perfect society was popular with Labor speakers who reassured their listeners that if God himself could not

make much progress in two millennia, there was little to fear from the socialist objectives of the Labor Party. Its gospel was that the rich would be always with us.

Not all conservatives maintained this high state of alarm: W. G. Spence observed approvingly that 'the rich anti-socialists soon discovered that the Socialist Premier (South Australia's Tom Price) ... could be trusted with big business affairs'. Cardinal Moran approached the matter from a slightly different angle but concluded that 'if men in the advancement of their political interests choose the name Socialists, I say again what's in a name?'. Moran on more than one occasion defended the Labor Party from attacks by overzealous fellow Catholics such as 'Encyclical' Kelly. Labor in Tasmania also received aid and comfort from the churches in the persons of the Catholic Bishop, Delany, and the Anglican Bishop, Mercer.

Socialism was defined as state action by the Party's federal leader in 1904. Another leading figure, Andrew Fisher, acknowledged that 'No party worthy of the name can deny that its objective is socialist, but no socialist with any parliamentary experience can hope to get anything for many years to come other than practical legislation of a socialist character'. An examination of Labor's 'practical' but 'socialist' legislation reveals that, despite a high level of activity in this field from 1910 to 1920, there was no overall plan and certainly no attempt to subvert capitalism by stealth.

As a source of social dislocation, the Great War produced a shift to the left by a sizeable section of the Australian workforce. Partly as a consequence of this upheaval, the ALP altered its platform in 1919 to include what was the most radical demand it has ever made:

Emancipation of human labour from all forms of exploitation, the obtaining for all workers the full reward of their industry by the collective ownership and democratic control of the collectively used agencies of production, distribution and exchange.

The 1919 conference also held 'a record for the number of successful motions favouring nationalisation of particular industries'.

But Labor's new objective was not primarily an indication of a leftward shift. Rather it was an attempt to contain this movement. For, as E. J. Holloway pointed out at the time:

discontent in the ranks of Labour is due to the fact that people are looking forward to getting something new, and Conference should make the Objective more up to date ... It will be the fault of those responsible for shaping these things if the active spirits are lost from amongst us.

Holloway was thinking in purely electoral terms, but the effect of his proposal extended far beyond the ALP's parliamentary prospects to constrain the burgeoning socialist movement. Holloway did not have to perceive the full implications of this matter. By concentrating on the demands of parliamentarism, he had the effect of circumscribing new ideas within the prevailing system.

At the 1921 conference, a starker objective was adopted: 'The Socialisation of Industry, Production, Distribution and Exchange'. The 1919 manoeuvre had failed to ensnare the socialists. Hence, further verbal acrobatics were demanded. Scullin defended the objective with the claim that 'If there was any Conference in history trying to prevent revolution by force, this Conference is doing it at present'. But the ALP could not compromise itself entirely for the integration of its troublesome left. That 1921 objective was immediately qualified by the addition of the Blackburn interpretation:

That the party does not seek to abolish private property, even of an instrument of production, where such instrument is utilised by its owner in a socially useful manner without exploitation.

The NSW Branch of the ALP waited ten years before endorsing the new objective; even then the adoption was, in the words of Jack Lang, 'a matter of political expediency'.

The business of explaining away the objective had hardly commenced. Theodore told the *Worker* (13 July 1922) that, although the objective was socialism, the platform and methods were not but were palliatives tending towards socialism. Yet even the methods proved too socialist. The 1927 conference watered down every section of the 1921 proposals and removed the call for an elective Supreme Economic Council.

Not even the depression of the 1930s forced the ALP along the path of socialism. Scullin opposed bank nationalisation on the grounds that the 'time was not ripe' for plunging the economy into further turmoil. His solution was 'to maintain our equilibrium, play the game, meet our obligations, and, when possible, evolve a better system'. Lang remained as hostile to socialism as ever and fought furiously, if sometimes covertly, against the Socialisation Units. Lang's tactician, Harold McCauley, had devised a scheme 'to ride the socialist tiger until it dropped from sheer exhaustion'. At the 1931 NSW ALP conference the Socialisation Units succeeded in having socialism taken from the realm of an ultimate objective and placed at the head of the party's fighting platform. This forced Lang's hand and McCauley decided that they should move for the rescission of the 'socialism in three years plan' by arguing as scientific socialists against the utopianism of the Units. To this end, Donald Grant quoted the *Communist Manifesto* and concluded that 'If Mr McNamara is right, then Karl Marx is wrong'. Cooksey summed up the outcome: 'For less than twenty-four hours the New South Wales Labor Party had been formally committed to "socialism in our time" as policy; never before or since has an Australian Labor Party been so committed'. Six months later Lang told his supporters that

... the revolution has come, is being fought now, and will continue a little into the future. (Cheers.)

It has come without our streets being barricaded, without the accompaniment of fire-arms, but in the way the Labor Movement has always said it would come, by Act of Parliament. (Applause.)

The Chifley executive in New South Wales agreed with Lang about the undesirability of socialism and in 1933 recommended to its state conference that the 1921 objective be replaced by the 1905 one, for racial purity and national sentiment.

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