Capitalism is the first class system in history that pretends not to be one. Consequently, the dominant currents in Australian social theory have denied the existence of class as a social relation. The Department of External Affairs told potential immigrants in 1915 that they could expect to find ‘the absence of that violent contrast between rich and poor which is unfortunately so marked a feature in older lands’, while a Shadow Minister claimed in 1949 that ‘the problem of the relations between an employer and the men and women who work for and with him… is not a political problem but a human problem. It exists wherever there are people who are set in authority over their fellow men, no matter what the political system.’

To be sure, not everyone has been so unsubtle. Influential liberal W. K. Hancock’s *Australia* celebrated the advance of democracy and nationalism while deprecating levelling influences. Hancock admired the early Australian Labor Party (ALP) for embodying the ideas of democracy and nation. This tradition had been continued, he argued, by ‘the practical men of the Labour Party’ who appealed ‘to the instinct of the Australian people’ as opposed to the unrealistic and, by implication, dangerous socialist idealists. The protagonist in *Australia* was ‘the Australian people’. So the ‘class struggle between the landless majority and the landowning squatters’ amounted to the fact that the latter were, ‘at least in spirit, absentees’. Hancock could not ignore the sharp class conflicts which had broken out between 1928 and 1930, but he saw them as the product of individual and sectional interests grounded in particular shared ideas rather than shared social positions.

Hancock’s liberal approach was very close to that of the ‘practical men’ of the right wing of the Labor Party. Reflecting the Party’s working class base, this current has not generally been hostile to trade unionism. But it has denied the existence of class exploitation. Labor’s most radical programmatic statement, the 1921 socialisation objective, was immediately watered down to equate exploitation with rapacious behaviour by individual bosses, rather than seeing it in terms of structural conflict.

Right wing populists have sometimes used rhetoric of ‘class’. This was true of Pauline Hanson and John Howard. They claimed to speak for the ‘battlers’ who were being pushed around by know-it-all ‘elites’. Such ‘classes’ are, however, defined in terms of the characteristics of individuals, not social relationships and certainly not capitalist exploitation.

This essay deals with perspectives which *do* see exploitation as a necessary feature of capitalism, understood as a class divided society. It examines two broad currents of class analysis in Australia, populist and socialist.
The populist tradition

Some figures identified with the ALP left have made major contributions to Marxist class analysis. But typically the Labor left, the Communist Party of Australia (CPA) from the 1930s and sections of the union movement associated with them have presented populist analyses, to which elements of a socialist analysis are subordinated. They counterpose a small parasitic elite to ‘the people’, taking the latter to include workers, the middle class and even some capitalists. Australian populists have generally been nationalists, seeing exploiters as foreigners or people under the influence of foreigners, while ‘the people’ represent the Australian nation.

The parasitic layer identified as the enemy has changed its features over time. In the 1840s, hostility centred on the squatters, and this focus on the land survived into the 20th century. Most populists between 1880 and 1930 defined their enemies in terms of the kind of capital they owned, focusing on banks as well as landlords, often emphasising the role of foreign financiers. Communists from the mid-1930s identified the problem as ‘monopolists’ or ‘rich families’, the large scale of whose property was characteristic. Left nationalists from the 1960s regarded multinational corporations as the main issue. The shifts in populist class analysis are considered in more detail below. The common ground is that populism locates the main class division not between capital and labour, but in divisions within the capitalist class. On this basis its proponents develop political strategies of class collaboration between the labour movement and those sections of capital they believe are potentially progressive.

The US campaigner Henry George’s class analysis had a significant influence on the Australian union movement of the 1880s. His ideas intersected with the older tradition of agitation around the land question and combined it with a critique of the contemporary world that appealed to workers, small settlers and the self-employed. He saw society as polarised between a minority of unproductive landowners and a majority of the landless. The fifth Intercolonial Trade Union Congress in 1888 endorsed his panacea of a single tax on land as ‘a simple yet sovereign remedy which will raise wages, increase… employment, abolish poverty, extirpate pauperism… and carry civilisation to a yet nobler height…’

In the idea that land was the source of new value and had been unjustly monopolised, the concept of exploitation as a social structure underpinning social divisions, rather than having its origins in the behaviour of individuals, began its long association with the labour movement. George believed that unionism and wages struggles in general were futile and saw tariff protection, also a concern of many unions, as a diversion from the real issue of reappropriating the ‘unearned increment’ on land. His ideas continued to find supporters in the union movement, notably the Shearers’ Union with its substantial membership of small farmers, and the NSW Labor Party into the mid-1890s.

George’s approach could make no sense of the industrial conflicts of the late 1880s and early 1890s, which saw the organisation of large numbers of unskilled and semi-skilled workers. Under the influence of the London Dock Strike and the rapid local expansion of unionism William Lane, a journalist and the most prominent figure in the early Australian unionism, and sections of the labour movement developed new class analyses and supported workers’ industrial struggles. But Lane’s critique of capitalism was
essentially a moral one and he supported the strikes of the early 1890s only because he considered them unavoidable. Ray Markey points out that given their agreement about the undesirability of class conflict there was no fundamental conflict between Lane’s utopian socialism and the populism of the Australian Workers’ Union (AWU). What emerged during the 1890s, after the major defeats workers suffered during the great strikes, was a specifically labour populism, nationalist and racist, supportive of unionism but seeing the ‘middleman’, rather than the capitalist class, as the enemy. Even squatters could be understood as victims. As early as 1892, the AWU identified the banks as the core of the problem.

‘Money Power’ theories which blamed banks for the suffering of ordinary people attracted support during three great social crises: the Depression of the 1890s, World War I and the depression of the 1930s. The defeats suffered by organised labour during these crises were also setbacks for socialists who were convinced that only the activity of the working class could overturn capitalism, but they provided a space for populists who blamed social wrongs on plots by financiers and saw in Labor politicians champions of the people, able to achieve what direct working class action could not. Frank Anstey’s *Kingdom of Shylock*, for example, analysed World War I in terms of an international finance conspiracy, an argument continued in his *Money Power* and *Facts and Theories of Finance*.

Anstey contended that the banks and some powerful individuals, including members of the conservative Bruce-Page Government, were agents of the ‘evil machinations of overseas money managers’ or at least of foreign interests. The main cleavage in society was between producers and the money power. ‘All producers, primary or secondary’ had a common interest in the face of international interest payments. By producers he meant not just workers but also employers in manufacturing or rural industries. So he did not direct his criticism against the capitalist system but focused workers’ anger against a tiny, mainly overseas group. Anstey backed up his theory with an account of the interlocking ownership and directorships of Australian companies and argued that ‘three committees of financiers—the English, the Sugar, the Metal—constitute Australia’s Trinity of “Economic Masters.”’ This preoccupation with ownership patterns and even Anstey’s ‘Trinity’ were typical of many later populist accounts.

The Depression seemed to confirm Money Power theory, especially the role of banks in determining government policy. It required no great leap of the imagination to blame the crisis on Sir Otto Niemeyer, Bank of England emissary to Australia, and on Sir Robert Gibson, Governor of the Commonwealth Bank. The most spectacular Australian events linked to Money Power ideas were the political mobilisations around NSW Labor leader J. T. Lang. He had displayed little concern about the Money Power during the 1920s but emerged as the main antagonist of the ‘financial dictators’ during the depression. At a time when workers felt unable to defend their interests through struggle, Lang’s militant rhetoric and position of authority seemed to offer the prospect of a radical solution.

In its early years the Communist Party was critical of Money Power theory because, by focusing attention on only one section of capital, it undermined the class struggle against the whole bourgeoisie. But the Party’s subordination to Stalin in the early 1930s and then the Communist International’s turn to ‘Popular Front’ tactics committed the CPA to building alliances between Western powers and the Soviet Union against Germany.
Moscow encouraged local Communists to adopt nationalism and seek respectable allies.\textsuperscript{23} Party theory now identified the Australian nation as progressive, blaming the government’s reluctance to champion the nation’s supposed real interests on a small clique of finance capitalists. This populist argument coexisted uneasily with elements of a class analysis retained from the Party’s past, an analysis that more effectively justified the industrial struggles around which it built a working class base in the 1930s.

The CPA was initially coy about where smaller capitalists fitted into the Popular Front, and it took some time before the Party’s ingrained hostility to them abated. In the Party’s theory, capitalists outside the financial oligarchy usually figured as part of the ‘people’ by default, as no third category was allowed to intrude.\textsuperscript{24} This flexible mix could accommodate concessions to the capitalist class and also pressure from a working class recovering from the demoralisation of the depression. In 1938 the Party argued that capitalists outside the financial clique were potential allies against ‘the most reactionary sections of the ruling class.’\textsuperscript{25} Popular Frontism also appealed to some left Labor union officials disillusioned with Lang’s authoritarianism inside the ALP. Their shift from Money Power to Popular Front ideas was associated with the decline in their dependence on the charismatic Lang, now that rank and file unionists were feeling more self-confident.

J. N. Rawling’s \textit{Who owns Australia?} was the best product of Popular Front theory, combining a racy style with a detailed empirical account of the concentration of Australian industry, interlocking directorships, share holdings and corporate subsidiaries. Rawling flailed the rich:

\begin{quote}
It will be seen that to some companies the Baillieu clan has generously given more than one son. They serve their country, I said. For, as Milton said, ‘they also serve who only stand and wait’—and the Baillieus stand and wait for dividends and interest.
\end{quote}

Rawling identified Australian monopoly as the people’s foe and endorsed Anstey’s analysis of ‘three rings’ of monopolists. He maintained, in the spirit of Money Power theory, that the banks controlled both the economy and governments, so that the oligarchy had at its mercy ‘the manufacturer and retailer, who are not big enough to be in the inner circle, the farmer, the small businessman—many of whom are worse off than the employed worker—the professional man and the small trader.’\textsuperscript{26} The CPA promoted Rawling’s pamphlet enthusiastically until he defected, first to the Trotskyists and then to the right. In the 1940s Len Fox filled the gap with his \textit{Monopoly}, which covered similar ground. Members of the Communist Party and people sympathetic wrote many subsequent studies of monopoly in Australia, through to the mid-1960s.\textsuperscript{27}

There were significant differences between Money Power and Communist populism. One was the emphasis given to nationalism. For Money Power theorists, the financial oligarchy was essentially foreign, even if it had local dupes. The Communist Party was prepared to concede that there were real Australian sectional interests backing government policies. Communist propaganda also tended to place greater weight on working class struggle, though more in popular publications than in theoretical work. Moreover, Communists recognised that a preoccupation with the banks had been dated by the growth of other forms of monopoly and the integration of capitalist activities. A
division by size (big versus small business) now appeared more appropriate, and anti-monopolism became the dominant theme.

Some of the Communist ownership studies, such as Rawling’s, were impressive. Following overseas models, they used empirical accounts of one aspect of Australian capitalism—the pattern of ownership, control and share holdings—to bolster the Popular Front contention that the fundamental cleavage in society was between the financial oligarchy and the people. To be too explicit about theoretical questions or Australia’s place in the world economy might have highlighted contradictions between the Popular Front alliance with non-monopolist employers, and support for industrial struggle against them.

One of the last and longest Communist studies of monopoly, E.W. Campbell’s *The Sixty Rich Families Who Own Australia* (1963) provided a great deal of information about who owned what. Once again confusion was evident about the relationship between monopoly and the bourgeoisie as a whole: the capitalists were equated with monopoly which was in turn identified with the sixty families, while ‘all sections of the community are subjected to increased exploitation by monopoly’. Like his predecessors, Campbell cited ‘three main cores of monopoly power’, though he felt obliged to add a ‘fourth group, not so powerful’, based in Adelaide.

**Multinationals and left nationalism**

Sydney University economist Ted Wheelwright published studies of ownership and the influence of foreign capital in Australia during the late 1950s and early 1960s. Together with Brian Fitzpatrick, who wrote influential accounts of monopoly during the 1940s and took up the issue of foreign ownership in 1960, he produced *The Highest Bidder*, a pivotal book in the history of Australian labour populism. With its critique of the ‘subordinacy of our economy to foreign decision-makers’, the book provided a manual of staple arguments which served left nationalists for two decades. Wheelwright and Fitzpatrick contended that Australia had become more vulnerable to restrictions of capital outflows from other countries. Multinational (later the term ‘transnational’ would also be used) corporations might restrict the flow of technology to Australia and exports by their Australian subsidiaries; they might also avoid local taxation, damage the trade balance through transfer pricing, and create local monopolies which would be harder for workers to deal with. At the same time they squeezed out Australian capital from profitable investment opportunities. And of course their profits were repatriated. Foreign capital also influenced Australian politics and culture. Indeed there was ‘little difference between the situation of Australia and that of poor, undeveloped countries…’ Public ownership was therefore necessary, although some sections of Australian capital might be allies against the foreign threat.

This constituted an Australian version of the ‘dependency’ theory originally applied to underdeveloped countries. Australian capitalists were seen as a crucial element in the forces which could implement Fitzpatrick and Wheelwright’s economic nationalist program. Indeed the book was couched as a plea to Australian bosses. The class structure portrayed in this analysis counterposed the Australian people (apart from a few allies of multinational corporations) to foreign capital, which ‘has been allowed to construct a gigantic pump for sucking up the cream of our industrial production’.
There was an overlap between left nationalist populism and the policies of the Labor mainstream: in 1961 Labor leader Arthur Calwell had touched on many of the same themes,\textsuperscript{35} and Gough Whitlam’s efforts to ‘buy back the farm’ in the mid-1970s were to enthuse opponents of multinationals. Whitlam appointed Wheelwright, a long term ALP member, to the Jackson Committee which recommended measures to boost Australian industry. Communists came to embrace the anti-multinational analysis as an updated version of their earlier position, providing a more integrated critique of monopolies and US imperialism, which they had saw as the main threat from the 1940s.

Amidst the social radicalisation of the late 1960s and early 1970s this revamped labour populism could find a wider audience and had a militant veneer because it emphasised the role of union struggles in fighting the multinationals. Wheelwright’s analysis attracted considerable support.\textsuperscript{36} An Australian school of political economy generated useful material analysing the Australian economy largely from a left nationalist/dependency perspective. Much of this material was published in the *Journal of Australian Political Economy (JAPE)*, founded in 1976.

The most strident expressions of populism during this period came from the pro-Beijing Communist Party of Australia (Marxist-Leninist), which promoted a fanatical nationalist outlook, going so far as to argue that ‘throwing out the multinationals’ would help solve problems such as lung cancer, traffic accidents, suicides and bad eating habits.\textsuperscript{37} This ‘Maoism’ attracted a significant layer of student activists, especially in Melbourne and Adelaide, during the late 1960s and early 1970s.

Communist and left Labor union officials introduced a very wide public to left populism directed against multinational corporations in a series of attractive, mass produced pamphlets, beginning with *Australia Uprooted* (1977).\textsuperscript{38} This pamphlet contended that multinational corporations were turning Australia into a quarry, destroying local manufacturing industry, and causing attacks on workers’ wages and conditions. The solution, it argued, lay in the nationalisation of corporations, along with tighter controls on interest rates, foreign investment and credit. There were references to the need for mass struggle, but calls for tariff protection and for aid to small and medium business showed that the authors saw the fundamental social cleavage as lying between multinationals and the rest of society.

This line of argument culminated in various proposals for an ‘alternative economic strategy’ which some on the left hoped would become the basis of a socialist challenge to capitalism based on militant struggles.\textsuperscript{39} But the 1982-83 recession and the resulting double-digit unemployment undermined the self-confidence of rank and file workers. Left union officials, particularly in the large Metal Workers Union, increasingly looked to negotiated wage deals with employers and the Federal Government as a means of influencing economic policy. The 1983 Prices and Incomes Accord between the Australian Council of Trade Unions and the recently elected Labor Government of Bob Hawke consolidated this major reorientation by former supporters of labour populism.

Although the Labor and union left initially sought to justify the Accord with class rhetoric and talk of socialism, in practice it involved an attempt to solve capital’s problems at the expense of the working class.\textsuperscript{40} Its promise to maintain real wages ‘over time’ was abandoned within a few years. Left union officials called for industry plans,
reflecting their desire to bolster domestic industry against multinational competition. Yet the most successful of these plans ended up rationalising the foreign owned car industry and Australia’s own multinational BHP—and in eliminating tens of thousands of jobs. During the first years of the Hawke Government, labour populism virtually ceased to exist, as its former proponents became preoccupied with issues of economic management in a framework set by Labor’s right wing. Hostility to foreign capital, which at least carried some echo of class struggle, was subsumed in the broader notion of national competitiveness which carried none. From here it was not far to acceptance of foreign investment. The joint union-government report *Australia Reconstructed*, authored among others by Ted Wilshire, formerly a research officer with the Metal Workers’ Union, called for ‘a program… which encourages productive foreign investment’ in order to enhance Australia’s competitiveness.41

Some anti-multinational corporation populists tried to keep the tradition alive. But Ted Wheelwright and Abe David’s *The Third Wave* also embodied a sharp move to the right.42 Like many populists of the 1950s and 1960s, they argued that the latest foreign menace was more dangerous than its predecessors. US comic books and American management techniques had been denounced in their day. But Wheelwright and David’s phobia about Japanese capitalism added the spice of racism.

The established ALP left and the CPA lost their distinct political identities during the 1980s as both moved to the right. The Communist Party had quite logically dissolved itself by the end of the decade, while much of the Labor left was compromised by its relationships with State and Federal Labor governments. The shift of the Labor spectrum to the right continued after the Party lost office at the federal level in 1996.

During the late 1980s and early 1990s, however, a few social democrats eventually produced critiques of the Accord, and, while the populist variant of class analysis that had been dominant in the Communist Party and Labor left declined, a small left social democratic current continued in and outside the Labor Party. Its proponents occupied a middle ground on the continuum between populism and Marxist class analysis, and generally laid less stress on nationalism than adherents of the main left populist tradition. Frank Stilwell’s *The Accord and Beyond* was the most influential critical study of the Accord from this perspective.43 In Victoria between 1990 and 2002, the ‘Plege Faction’ was an organised expression of left social democracy, at first amongst union officials, hostile to the State Labor Government’s privatisations of public enterprises, and then in the ALP. It was strengthened and helped build mass mobilisations against the Kennett State Liberal Government over several years, starting in 1992, and sustained a widely distributed monthly newspaper for six years.44 *JAPE*, however, continued to provide an outlet for a range of left populist and also Marxist analyses into the 21st century.

The movement against corporate globalisation, particularly the demonstration against the World Economic Forum in Melbourne in 2000, and then the campaigns against the US invasions of Afghanistan and Iraq prompted a renewal of a leftwing populism. The main organisational beneficiary was the Greens. But this Party’s growth and modest electoral successes during the first half of the 2000s had no systematic theoretical expression in general and certainly not in the area of class analysis. The work of expatriate Australian John Pilger gained a wider audience during this period because it articulated the outlook of many involved in the anti-globalisation and anti-war movements. His targeting of
huge corporations and US manipulation of Australian politics continued, in a more radical form, themes of the earlier anti-transnational corporation variant of left populism.\textsuperscript{44} Pilger’s books and films have, however, been less nationalistic than that current and the Greens.

**Marxist class analysis**

Marxists develop class analysis as a weapon in the working class’s struggle for its own emancipation. This tradition emphasises the role of relations of production in shaping class interests. It recognises the existence of politically significant divisions in the ruling class, but does not seek alliances with supposedly ‘progressive’ sections of capital, because it understands that the antagonism between workers and bosses is fundamentally irreconcilable. While acknowledging that there are middle layers between the bourgeoisie and the proletariat, it seeks to elaborate a strategy of eliminating their influence on labour movement politics, while at the same time attracting their support. A key issue for Australian Marxists has been the nature of the Labor Party, with its mass working class base and commitment to managing capitalism. Between the poles of socialist and populist class analysis there is a continuum of left social democratic positions that have been advocated by people inside and outside the ALP. Some, more influenced by populism and nationalism, were considered above. The contributions of other, more left wing advocates of a parliamentary road to socialism are considered in this section alongside revolutionary socialist currents.

The earliest Marxist analyses appeared around the time of the first great working class struggles in Australia. In 1890 Sydney unionist James Watson argued that Henry George’s land tax ‘would not stop the capitalist from grinding his workmen down to starvation wages, it would not shorten the hours of labour, for we cannot all live by tilling the soil’. The Australian Labour Federation in Queensland championed political action on the basis that ‘social misery, poverty, vice and enmity are the natural fruit of the industrial system as it exists today, denying to the workers the liberty to work and live except by the permission of a class which is permitted to hold for its own advantage the means of production and distribution’. The alternative envisaged was ‘nationalisation of all sources of wealth and all means of production and exchanging wealth’ and ‘the conducting by the State authority of all production and all exchange’.\textsuperscript{46} This represented an increasing awareness of the significance of political power. By the time the first Labor politicians entered parliaments, however, trade unions had been decimated as a result of defeat in the great strikes, and the working class combativity which had underpinned the emergence of socialist arguments collapsed. The socialists lacked a mass base,\textsuperscript{47} and the Labor Party was soon dominated by politicians and AWU officials whose primary goal was electoral success. The Australian Socialist League continued, in 1894, to affirm that

\begin{quote}
There are two great classes of Society—the one, the Capitalists, owns Land and Capital; the other, the workers, owns nothing except the power to labour. The modern wage earner receives only about one-third of the produce of his labour, the other two-thirds being taken by the capitalist who employs him.\textsuperscript{48}
\end{quote}

But it was not until more propitious economic circumstances arose in the years before World War I that working class combativity revived. This period saw the formation or expansion of several socialist organisations which shared a Marxist class analysis of
society and were critical of the Labor Party. They differed in style and in their attitudes to political as opposed to industrial action, but all included union militants. The most significant of these, politically, was the Industrial Workers of the World (IWW). Its members were influential in a series of industrial conflicts and were amongst the earliest and most prominent opponents, not only of conscription but of the First World War itself. The ‘Wobblies’ had a clear class analysis of the conflict as a ‘capitalist war’, which helps explain why they became the target of savage repression and were outlawed in late 1916.

W. R. Winspear’s 1915 *Economic Warfare* was the most sustained Marxist class analysis produced in Australia up to that date. It expressed many ideas which were common currency on the far left. ‘To clearly understand politics and the beliefs of political parties,’ wrote Winspear, ‘it is necessary to study the economic forces which influence them. We must study the material interests of the different political parties in the community.’ While noting that political currents representing protectionist manufacturers and free trade pastoralists and importers both attracted working class adherents, he insisted these divisions were secondary to the ‘common interest of the possessing and proprietary class’.

Winspear identified the 1891 Maritime strike as the turning point in working class politics. It made the polarisation of class interests very clear and underlined the necessity of class struggle and political action. He combined this with the first systematic Marxist class analysis of the ALP. ‘Between the conduct of the Party of 1891-4 and that of 1912-13, there is a mighty difference, a deplorable falling off, much of which can only be credited to the influence of environment.’ The ‘ardour and keenness for “concessions”’ of Labor Parliamentarians ‘became dulled and blunted’ by a new, more comfortable lifestyle and social circle. In order to achieve electoral success Labor ‘had to placate both the workers and the small capitalists and shopkeepers’. The Party used the need to win broad support and to avoid provoking the press and other capitalist interests, as an excuse to postpone implementing promises made to its core working class base. Once in office Labor politicians ‘commenced to babble about representing all classes, while… playing to the ignorant of their own followers and soothing the prejudices of the bourgeoisie’. In fact, Winspear argued, capitalists could benefit from Labor’s ability to attract worker support for policies contrary to working class interests.

The ALP was permeated by the outlook of the petty bourgeoisie and craft (as opposed to industrial) unionists who imagined that the wage system and employment are permanent industrial relations, and within their limits the proletarian must bargain to gain a little here and forego a little there, so that the representative leader becomes the arbitrator or ‘business agent’ of the union… The union leaders have therefore used their working class as a stepping stone by which to lift themselves into a more comfortable and secure position…

Winspear’s methodology for understanding class conflict, the significance of divisions inside the capitalist class and the Labor Party has much in common with the approach of Marxists today. This includes his focus on class divisions within Australia, indifference to the nationality of capital and hostility to both Australian and empire chauvinism.
Many of Winspear’s arguments are later repeated in Vere Gordon Childe’s more famous work *How Labour Governs*.\(^4\)

Mick Considine, a veteran of pre-war Marxist groups, was until 1922 the member of the House of Representatives for the militant working class Barrier electorate which included Broken Hill. His political evolution illustrated the impact of the Russian revolution on the Australian left and the continuity between earlier revolutionary traditions and the Communist Party. He publicly proclaimed his support for the Communist International, acted for a while as Soviet Consul. While still in the Parliament, Considine left the ALP, although he did not join the CPA. His position on tariffs was particularly clear, opposing the protectionist consensus that embraced the main conservative parties, the ALP and most trade union officials from the first decade of the 20th century until the mid-1970s.

It is over the surplus value that is wrung from the working class in the place where they are exploited that the importers and the manufacturers quarrel, and attempt to use the workers and the political representatives of the workers to aid them in securing their respective share of the plunder for their particular sections.

Protection meant ‘that one section of workers will make an arrangement with manufacturers for which all other workers will be obliged to pay’.\(^5\) The Communist Party, founded in 1920, initially held the same view as Considine—‘A plague o’ both your houses’—and the Party was particularly concerned during the early 1930s to demonstrate that massive increases in tariffs introduced by the Scullin Labor Government did not serve workers’ interests. The Party extended earlier socialist rejections of nationalism into a more systematic analysis, which refuted the populist identification of Australia’s dominant class with foreign influences. Several factors cleared the way for this critique. One was the increased assertiveness of Australia’s bourgeoisie.

White Australia had been established by Britain’s rulers, but distinct local ruling class interests crystallised quickly as the colonies grew. Some 19th century colonial governments displayed great expansionist zeal, but a distinctively Australian imperialism became more obvious during the early 20th century. Between 1902 and 1906, Australia took over the administration of Papua from Britain, while Labor played a decisive role in building up Australia’s own armed forces. Australia entered the First World War alongside Britain out of common interests, rather than reflex Empire loyalism, and was able to gain control of former German New Guinea in 1919.

A second factor was the Russian revolution’s impact on sections of the Australian left, which adopted Bolshevik analyses of imperialism and approaches to revolutionary strategy. The former extended and deepened earlier anti-capitalist accounts of the war such as those developed by Industrial Workers of the World. The fourth Congress of the Communist International in 1922 described Australia as imperialist and urged the CPA to combat ‘national and racial antagonism’.\(^6\) By 1925 the CPA had developed the argument further.\(^\)\(^7\) In the first issue of its theoretical journal, Esmonde Higgins wrote that

> We live not merely in the imperialist era, but in the British Empire ‘dripping from every pore with blood and dirt’, and it is with this we are particularly concerned… For workers who are British ‘subjects’, however, the only real struggle against imperialism is the struggle against British imperialism… In Australia, this struggle will have to take advantage of every conflict of British imperial interests with those of the rising
‘Australia First’ capitalists. But it will have to do this, not along the lines of abatement of the class struggle against the local bourgeoisie, but rather its intensification… The alternative to the idea of the Empire lies, not in the petty-bourgeois ‘cultivation of an Australian sentiment’, but in cultivation of the sentiment of the international working class.59

Higgins went on to examine the ambiguous relationship between British and Australian capital.

Our native bourgeoisie may be trusted to go ahead carving a kingdom for themselves (or for Wall Street), at the expense of Britain. At present their fight with Britain is largely a sham fight. Will we do any good by going out of our way to assist them?

No, because such action… would tie the revolutionary movement to the tail of the official labour movement, which is itself trailing behind the Australian manufacturers and even becoming the manufacturers’ own party.

The ‘Australia First’ cry is being used to give counter-revolutionary significance to the slogan ‘Protect the Australian workers’ standard of living’. It is encouraging all kinds of romantic notions about Australia as a world apart which may expect to reach social salvation by isolating itself from the rest of the world… [but] it is overseas conditions that must dictate the standard of life for the workers of Australia.

He was scathing about the ALP which appeared ‘convinced that it can purchase paradise on the instalment plan’.60

The Party retained this orientation, with some modifications resulting from changes in Soviet foreign policy, for the rest of the 1920s, and through its ‘ultraleft’ phase in the early thirties—a period in which it isolated itself from large sections of militant workers by describing the Labor Party as ‘social-fascist’. A robust Marxist class analysis underpinned Communist criticisms of the ALP’s promotion of national capitalist development in Australia and the way Communists explained Australia’s tentative imperialism in the Pacific61 and the implications of Anglo-American rivalry for Australia.

The Popular Front era saw the CPA, under the influence of Stalin’s state capitalist regime in Russia, progressively abandon a Marxist class analysis in favour of populism. But the process was ambiguous because the Party had built up and wished to retain a significant working class support base, had been founded on a commitment to working class interests and was, subjectively still wedded to these. The CPA remained, for most of the following four decades, the most important organisational expression of worker militancy, and retained a formal commitment to Marxism which enabled it to resurrect elements of a Marxist class analysis when circumstances and shifts in the Party line required. For example, the 1940 pamphlet What is this Labor Party? reaffirmed that the ALP was a bourgeois Labor Party, rejecting its nationalism and defence of Australian capitalism in an analysis similar to Winspear’s.62

In 1957 Laurie Aarons developed a systematic socialist class analysis in the journal Communist Review.63 His article illustrated the ambiguity of Communist policy from the 1930s. Aarons was the first Marxist to make use of census and income tax statistics to build a contemporary picture of class in Australia. He identified four main groups. The ‘big bourgeoisie’ was equated with the monopolists. The ‘upper middle class’ was
identified as other capitalists, administrators, executives and some professionals. The ‘lower middle class’ was made up of small business people and the intermediate strata of white-collar workers, with the ‘working class’ as a final category. For him, the progressive forces in society were ‘the working class [which] makes up 58 per cent of the population, and the lower middle class 30 percent. Together, they were the overwhelming majority of Australians.’ But in affirming the Party’s populist line of the ‘people versus monopoly’, which obscured the role of non-monopoly capitalists (that is, his ‘upper middle class’), Aarons contradicted his own position.

**The New Left and after**

There were always opponents of the Communist Party on the Australian left who criticised its populism. But they were mainly members of Trotskyist currents, which were extremely weak before the 1960s and produced no sustained analyses of Australian society. A healthier situation arose with the emergence of the New Left during the 1960s. Bob Connell’s observation that the major upswings in class struggle during the first half of the 20th century had ‘produced a burst of socialist argument about class relations and political change’ applied to the upswing of the late 1960s and early 1970s too.

Against the background of strike waves, the movement against the Vietnam War and the student rebellion, the size of the far left expanded rapidly and populist, reformist and revolutionary socialist ideas all flowered. Student newspapers moved to the left and new radical publications were established. The journal *Arena* published innovative socialist and populist work from its foundation by dissident Communists in 1963 to the early 1990s, and in 1966 the CPA transformed its own *Communist Review* into the more open *Australian Left Review*. The Socialist Youth Alliance, set up in 1969, was the first Australian Trotskyist group for decades that had an organisation and a public profile outside the Labor Party. Other Trotskyist organisations were soon founded, notably the International Socialists. A new journal called *Intervention* was set up in 1972, by a group which soon overlapped with the ‘Left Tendency’ in the Communist Party and which hoped to consolidate the Party’s pragmatic effort to adapt to a leftward moving social climate. In 1976, *JAPE* emerged from struggles over the content of economics courses, particularly at the University of Sydney.

This social and intellectual ferment from the mid, but especially the late 1960s until the end of the 1970s revitalised the study of Australia’s economy and society. The most important themes included an effort to understand the class nature of the Labor Party, critiques of the effects of Stalinism and nationalism on the Australian labour movement, discussions of the relationships between class and different forms of oppression, and studies of the role of ideas in class society. However the weakness of organised revolutionary Marxist politics, compared to the Communist Party, meant that the boundaries between socialist and populist class analyses were often blurred in journals, collections of essays and in the work of some individuals. The New Left was contradictory, associated with a revival of Marxist class analysis and politics on the one hand, but giving a new lease of life to radical populist ideas on the other.

After its disastrous defeat in the 1966 elections, mainly fought over Australian involvement in Vietnam, the ALP watered down its policy on the war. The new leader, Gough Whitlam, dropped his predecessor’s commitment to an immediate withdrawal of
conscripts, in favour of turning the war into a ‘holding operation’, negotiations and an end to bombing North Vietnam. Disillusioned by the failure of parliamentary methods to end conscription and Australian involvement in the war, sections of the student left and the antiwar movement drew radical conclusions.

Humphrey McQueen’s 1970 *A New Britannia,* a stinging historical treatment of the chauvinism and racism of early Australian nationalism and the early labour movement, initiated a critique of Laborism by academics and students who had been involved in the antiwar movement. Amongst them were Bob Catley and Bruce McFarlane whose study of ‘technocratic Laborism’, *From Tweedledum to Tweedledee,* appeared in 1974. Kelvin Rowley, soon to be a co-founder of *Intervention,* pointed out the connection between nationalism and imperialism, and particularly the ALP’s imperialist policies for Asia. These studies identified non-working class influences in the Party and its adoption of policies to revitalise Australian capitalism. Some touched on the role of unions and union officials in this process.

During the early decades of the 20th century, the radical left had been hostile to nationalism because it subordinated workers’ interests to those of the bosses. But the CPA, under Stalin’s influence, had ascribed a progressive content to Australian nationalism from the mid-1930s. Baiba Berzins and Terry Irving demonstrated the consequences of this impoverished ‘Marxism’ for the left’s understanding of class in Australian history. Trotskyists also emphasised the relationship between nationalism and Stalinism, while *Intervention* carried material critical of nationalism including a classic anti-nationalist ‘interview’ with Blinky Bill.

If the struggles of the late 1960s opened up a space for more systematically internationalist politics on the left, they also encouraged critiques of another set of ideas and structures which reinforced class dominance through the oppression of women. Socialist and student activists played an important part in the rise of the Women’s Liberation Movement. New publications like *Refractory Girl* (from 1973), *Scarlet Woman* and *Hecate* (both from 1975), and other left journals published contributions, including Marxist analyses, to the debates in the movement over the nature of both women’s oppression and the struggle against it. Ann Game and Rosemary Pringle, for example, offered an impressive account of the relationship between the Whitlam Government and the women’s movement. Janey Stone produced studies of both the history of women’s struggles and of contemporary developments from the mid-1970s into the 1990s. Jock Collins’ pioneering work on immigrant workers dealt with another kind oppression and discrimination which divided the working class. Socialists also addressed the oppression of lesbians and gay men.

Discussion of the material roots of racism, sexism and homophobia reflected a broader interest in the nature of conservative ideas. While earlier socialist writing had paid attention to the emergence of working class consciousness, the editors of *Arena* developed a particular interest in ideology and intellectuals, arguing that there was an increase in the strategic importance of intellectual labour, and that intellectual workers, as opposed to the working class, had become the subject of history. This approach drew attention to significant changes in the nature of work. But it reflected a tendency for self-obsession amongst the New Left’s largely student and ex-student constituency: the authors confused class differentiation amongst mental labourers and the emergence of a
white-collar section in the working class with the dubious notion that intellectuals could exercise independent social power. Bob Connell’s work offered a more satisfactory approach to ideology and class power. Essays in his *Ruling Class, Ruling Culture* dealt persuasively with the ideological dominance of the ruling class, the conservatising effects of the education system and the mass media, as well as the structure of the Australian ruling class. \(^7\)

Connell and Irving’s *Class Structure in Australian History* (1980) can be considered the culmination of the New Left revival of class analysis in the area of history. It provided the first thorough study of class in Australia from the European invasion. The introductory chapter on the nature of class and especially the narrative remain reference points for contemporary class analysis, because they identified the importance of both changes in the nature of capitalist production and the experience of struggle for class formation and reproduction. \(^8\)

Rising levels of unemployment undermined working class self-confidence from the mid-1970s, contributing to a shift to the right in Australian politics and the ebb of social radicalism. These factors were compounded by the decline in class struggle under the Accord, from 1983, and a smug ruling class conservatism prompted by the economic recovery of the 1980s. Circumstances became less favourable for socialist politics than during the late 1960s and 1970s, particularly in the absence of any substantial Marxist organisation. \(^8\) As we have seen, many disillusioned radicals, especially left populists of the old and new left, turned away from any kind of class analysis, hoping that the Hawke Government could be a vehicle for progressive politics. A similar attitude to the Labor Government gained influence amongst feminists who had been involved in the influential left wing of the early women’s movement, with its hopes of transforming society through collective struggle. During the 1980s these concerns gave way to an increasing focus on women as *victims*—of rape, pornography and domestic violence—and on opening paths into management that could only benefit a small number of women.

The overturn of the East European ‘Communist’ states in 1989-1990 ended the spurious association between Stalinism and socialism, but it also demoralised substantial sections of the left which had illusions that these state capitalist regimes were progressive. After the deep recession of the early 1990s, relatively consistent economic growth in Australia into the 2000s seemed to demonstrate the stability of capitalism and its ability to deliver improved living standards, even if the intensity and hours of labour performed by many workers increased while their job security declined. The dramatic rank and file mobilisation that secured partial victory in the waterfront dispute of 1998 demonstrated how, through struggle, workers could not only resist attacks by employers and governments but also rebuild the union movement. \(^8\) But, since before the Accord, most union leaders have generally been successful in imposing a policy of industrial quiescence on the movement. As a consequence union density has fallen significantly since the 1970s.

The Marxist left in Australia contracted over more than thirty years from the mid 1970s. This decline affected the journals which had published Marxist class analyses. After losing its Marxist focus in the late 1970s, *Intervention* embraced post-modernist social theory before expiring in 1983. *Arena* remained a forum for the left (populist, social democratic and revolutionary), before taking a similar turn a decade later. *JAPE* and
Hecate, on the other hand, continued to publish useful Marxist articles, as did short-lived journals in the 1990s, associated with the far left.83 Marxists nevertheless produced early and telling critiques of the Accord and assessments of the Hawke and Keating Labor Governments.84 In the 1990s and 2000s, they also published not only articles but book length accounts of class in particular periods of Australian history and class analyses of struggles by women, students and other social movements.85 Two edited collections, Class and class conflict in Australia in 1996 and Class and struggle in Australia in 2005, provided systematic surveys of class in contemporary Australia.86 Like the survival of small Marxist organisations these are real achievements. They suggest that militants in Australia will have at least some practical and analytical tools to hand when they attempt to build, shape and influence the mass struggles that capitalism will inevitably provoke in the future.

References
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4 Hancock, Australia, p. 190-1.
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34 Fitzpatrick and Wheelwright, *The highest bidder*, p. 167.
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37 See for example ‘For preventative medicine against the compradors and multi-nationals’, Australian Communist, 83, June 1977.


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47 Burgmann, ‘In our time’.


51 Winspear, Economic warfare p. 9-10, 22, 24, 37, 39, 45.

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