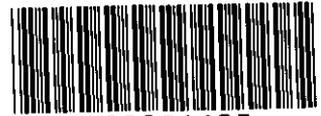


The National Library supplies copies of this article under licence from the Copyright Agency Limited (CAL). Further reproductions of this article can only be made under licence.



200001655

review article

Ken Buckley and E.L. Wheelwright, *False Paradise: Australian Capitalism Recaptured 1915-1955*, Oxford University Press, Melbourne, 1998

Reviewed by Stuart Rosewarne

The grand narratives of Australian history, and especially those framed by a radical vision that appraise the struggles that helped to define the character of Australia's capitalist development, are few and far between. Apart from Brian Fitzpatrick's seminal works, *The British Empire in Australia* (1941) and *British imperialism and Australia, 1783-1833*, much of the early radical tradition within Australian historiography tended to be concentrated on labour history, rather than the history of capitalism *per se*. (In many respects, Fitzpatrick's *A short history of the Australian labor movement* (1940) set the foundations for this focus.) The emergence of a more critical tradition dates from the rise of the New Left, with the journal *Intervention* in particular spearheading a more critical engagement with capitalism.

Bob Connell and Terry Irving's *Class Structure in Australian History* (1980) marks the apogee of this tradition. This study spawned a new, albeit short-lived, interest in understanding the class and other social forces that went into the making of Australian capitalism. Much of this research focused on particular events or social struggles. It has predominantly been published in the form of articles, as might be observed by reference to the pages of, for example, *Labour History* and *Hecate*. There is now a very large body of very rich research that has engendered quite radical recastings of Australian historical development.

There have been some more broadly-framed appreciations, especially within the field of economic history. These have tended to be framed within the problematic of developing an understanding of how class forces shaped and situated Australian development particularly in the context of Australia's place in the global political economy. Here we might consider the contributions of Bob Catley and Bruce McFarlane's

Australian Capitalism in Boom and Depression (1981), Peter Cochrane's, *Industrialisation and Dependence: Australia's Road to Economic Development, 1870-1939* (1980), Kosmas Tsokhas' *Markets, Money and Empire: The Political Economy of the Australian Wool Industry* (1990) and Andrew Wells' *Constructing Capitalism: An Economic History of Eastern Australia 1788-1901* (1989).

Meanwhile, in contrast with this flurry of activity, the orientation of radical interventions in Australian historiography has shifted ground considerably, effecting a dramatic rethinking of what makes Australian history. The most significant aspect of this has been the recovery of the lost histories of struggles around gender, race and ethnicity. The history of Australian capitalism can no longer be regarded as simply the history of labour pitted against capital. Our historical heritage must necessarily be appreciated as much more multi-layered than the early critics conceived. This shift reflects an opening up of the New Left project.

One consequence of this has been that the grand narratives have become less meaningful. Acknowledging that the evolution of the Australian political economy is a multi-layered and complex process makes the rewriting of the story of Australia an extremely difficult exercise. Indeed, some critics would contend that the peeling back of the different layers of our past has brought an end to the grand historical narrative. In many respects, the radical rewriting of Australian history, by socialists, feminists and other social critics, has fractured our understanding of the passage of Australian capitalism.

This position has rarely been contested. The four-volume series *A People's History of Australia since 1788* edited by Verity Burgmann and Jenny Lee (1988) was, in part, an attempt to take stock of this, seeking to capture the different elements of the past within the broad framework of radical discourse. The publication of *False Paradise: Australian Capitalism Revisited, 1915-1955* builds on this through a reassessment of the making of Australian capitalism. Following on from their *No Paradise for Workers: Capitalism and the Common People 1788-1914* (1988) and with a third volume promised, *False Paradise* signals the determination of Ken Buckley and Ted Wheelwright to provide us with a radical reinterpretation of our capitalist past and, in the process, their project reasserts the place of the grand narrative.

Buckley and Wheelwright's endeavours are moved by the earnest ambition to assert the place of socialist scholarship in Australia; they want to rejuvenate the socialist tradition within Australian historiography. As a benchmark in Australian historical research, this project is an unusual one for it is based on a collaboration of longstanding that has no obvious counterpart and which builds upon a longer association as radical colleagues. As new arrivals to the University of Sydney in the post-World War Two period, Buckley and Wheelwright brought with them a commitment to progressive research and industrial rights for academic workers, as well as civil rights and other progressive political causes beyond the academy. Buckley set about the task of reinterpreting the economic history of white settlement in Australia before moving onto labour history. Wheelwright concentrated on documenting the institutional foundations, and especially the power exercised by corporations, Australian and more notably foreign-owned, that defined the Australian political economy.

The making of Buckley and Wheelwright's intellectual and political oeuvre precedes the rise of the New Left, but in their early rejection of Soviet communism, in their different ways, they might sensibly be regarded as both precursors of the New Left ambitions. They might sensibly be regarded as members of an older left, but their individual researches and political/intellectual activity over the course of the late 1960s and the 1970s indicate a preparedness to embrace issues that would become key elements in the revitalisation of critical scholarship in the post-1970s era. Note for example, Wheelwright's essays on 'social issues', including women and the environment, written well before these developed into the bread-and-butter concerns of any left critic worth her or his weight (*Radical Political Economy Essays: Collected Essays*, 1974). This is also evident in their collaboration to promote the researches of fellow travellers in radical political economy in Australia. This is not the place to write the biographies of Buckley and Wheelwright, but any assessment of *False Paradise: Australian Capitalism Revisited*, and/or *No Paradise for Workers* can not be made without considering their historical journey.

Their history project has to be considered in the context of their efforts to provide a forum for the radical reinterpretation of the history of

Australian capitalism. The jointly-edited series *Essays in the Political Economy of Australian Capitalism*, five volumes of collected essays published between 1975 and 1983, to which the jointly-edited *Communications and the Media in Australia* (1987) should also be added, set foundations for the writing of the grand narrative. Their long running and well-established contributions to the critical understanding of Australian capitalism in economic history and political economy are unparalleled. *False Paradise*, as with *No Paradise for Workers*, bears the imprint of their respective research endeavours. The studies rely quite substantially on critical interventions published in the *Essays in the Political Economy of Australian Capitalism*. *False Paradise* and *No Paradise for Workers* continue to build upon themes that have distinguished their research from the outset. This is evident in Buckley's *The Amalgamated Engineers in Australia 1852-1920*, published in 1970, and the multi-volume history of Burns Philp, written in conjunction with Kris Klugman, one marking his commitment to the recovery of the history of the institutions of labour, the other his desire to write the history of capital. Wheelwright has been largely preoccupied with the institutional organisation of capital and the consequent shaping of the structure of capitalism. *The Highest Bidder* (1965) co-authored with Brian Fitzpatrick, and (with Judith Miskelly)'s *Anatomy of Australian Manufacturing Industry* (1967) document the concentration of corporate power, and especially foreign capital. These studies set the scene for building a left institutionalist analysis in Australia, and quite clearly laid the foundations for the most celebrated of Wheelwright's contribution to Australian political economy: *Australia: A Client State* co-authored with Greg Crough (1982).

Unlike many of their contemporaries in the pre-New Left era, Buckley and Wheelwright's overriding interests have been with championing the interests of 'the common people', and especially the working class, by promoting the recovery of labour history, and the critical dissection of the power relations that have defined Australian capitalism. This project has been pursued through their own research endeavours and through the encouragement of others. And, as we are reminded in the closing passages of *False Paradise*, this project cannot be set aside from their active political engagements in championing civil rights and intellectual freedom. Theirs has been an intellectual struggle that has embroiled

them in political struggle. They did not capitulate to the pressures of the Cold War, especially the pressures brought to bear to get them to sacrifice their political/intellectual integrity and conform to the forces of conservatism in their workplace, The University of Sydney. When one reflects on this pedigree, their progressive intellectual and activist commitment, their endeavour to recover the radical and socialist tradition in Australian historiography must be taken seriously.

False Paradise and *No Paradise for Workers* lay the foundations for the resurrection of the grand narrative. But the project is not of the same ilk as that of, say Manning Clark's multi-volume *A History of Australia*. The project is more limited in scope. As Buckley and Wheelwright note in the preface to *No Paradise for Workers*:

This work is not a general history of Australia in the conventional sense; the approach is not sequential, but deals with critical periods in the evolution of capitalism, and its relation to the common people. (p. vii)

And, in charting the "critical periods of capitalism and its relation to the common people", Buckley and Wheelwright's *oeuvre* is not coloured by that heroic vision which marks Clark's historical journeys. They preface the first volume in their project with this explicit qualification, citing Clark himself: "We had...neither the institutions, nor the inclination, nor the belief to make our country a paradise for the people" (*A Discovery of Australia*, 1976 Boyer Lectures).

Buckley and Wheelwright's journey is essentially one of explaining the hegemony of capitalism. Their project is unapologetically Marxist in focus, and the principal object is to explain the resilience of capitalism. This is explored through an exploration of the institutional, the material, the social and the political foundations that underscore this resilience. However, one has to turn to *No Paradise for Workers* to better appreciate the intellectual foundations of *False Paradise* because it is in *No Paradise for Workers* that the structure and the method of Buckley and Wheelwright's project is most clearly elaborated.

Buckley and Wheelwright are preoccupied with the telling the story of the ascendancy of capitalism, through periods of progress and adversity

consequent upon the ascendancy of initially pastoral and merchant capital, the crucial role of financial capital, especially insofar as this assumed such a central role in underscoring Australia's dependent status within British global capitalism, and finally industrial capital. Capitalist control of land and the alienation of labour from the means of production are held out to be the foundation stones necessary for the success of capital accumulation in the nineteenth century. Consequently struggles over land, originating with the expropriation of the Aboriginal inhabitants, and continuing with the fights to free up land for farmers and workers, and the enduring tensions defining the relation between capital and labour are the principal subjects of analysis.

In seeking to explain the hegemony of capitalism, *No Paradise for Workers* lays down a structure of argument and critical themes that carry through to *False Paradise*. Hegemony can be partly attributable to the successes of capitalism, the opportunities capitalism threw up from time to time, underscoring a fluidity in class structure that countered any tendencies to the simple polarisation of capital and labour. However, the hegemony of capitalism is also argued to have been one of the corollaries of the way in which dominant forms of working class organisation evolved, industrially and politically. Visions of material advancement helped to shape the preoccupations of the emerging working class organised in industrial unions, focussed on securing higher wages and improved working conditions, with unions strengthening their bargaining position by effecting a community of interests that was also exclusionary and sowed divisions within the working class defined by sex, race and skill. This 'labourist tradition' became embedded in the Labor Party, formed in the wake of the defeat of industrial labour in the Great Depression of the 1890s. Finally, and performing a pivotal role in securing the resilience and hegemony of capitalism in Australia, Buckley and Wheelwright signal the state as the institutional driving force, cohering, organising and contributing to its evolution. As well, the state acted to contain challenges to capital's authority, stifling via peaceful and sometimes violent and sometimes covert means any organised opposition to capitalism's rule. Indeed the critical role of the state is argued to have been one of the distinctive features of Australian capitalism.

No Paradise for Workers sets both the tone and also the structure for how this story of capitalism is told. The telling of this story does not proceed through a detailed reconstruction of Australia's historical capitalist development – the grand narrative – but rather through an exploration of key moments to illustrate the changing character and the hiccups in the progress of Australian capitalism. Vignettes complement this, providing neat illustrations of the essence of the propositions being elaborated and also introducing an element of intimacy in the story telling that draws upon the authors' own, more focussed researches as well as the researches of those they have encouraged.

The temporal boundaries of the story of Australian capitalism's development advanced in *False Paradise* are set by the two watersheds defining Australia's place within the global political economy. World War One, it is argued, marked the true making of the nation. The War marked the commencement of the untying of the metaphorical imperial apron strings, paradoxically embodied both in the successful anti-conscription campaign and the underscoring of an emergent nationalist and militarist ethos that was to celebrate the making of the ANZAC. More importantly, however, the War also engendered a more systematic union of the state with capital, spawning the eventual ascendancy of industrial capitalism.

At the other end of this temporal horizon, *False Paradise* delivers the frustration of a nation all but within reach of a better future. It is a future that remained capitalist, albeit a capitalism with a more human face insofar as it provided a degree of material security for most not hitherto enjoyed, although this was by no means universal. Yet it is a frustration borne of the failure to assert an independence in the international political economy, the consequence of the Chifley Labor Government's defeat in 1949 and the dousing of "the light of an independent Australian foreign policy" (p. 226). It is also a frustration borne of the failure of the Labor-governed federal state to withstand the authority of financial capital and of the obliteration of the hope that the state might provide the institutional vehicle through which progressive forces might effect the abolition of capitalism or, at the very least, fashion a more humane capitalism. Instead the state effects its assault on civil society in the

name of defending capitalism and, worse still, subordinating Australia to a new imperial master.

The state is the fulcrum around which capitalism's progress is orchestrated. Through World War One the state ensured developing markets for primary commodities, underwriting the rise of mining conglomerates, and post-War engineered the rise of manufacturing industry whilst appeasing the rural sector with a range of subsidies and support. Throughout this period, through the covert instruments of intelligence agencies, the state set about suppressing any radical and organised working class opposition to capital's dominance.

A corollary of the state's pivotal role was the continuing development of the organisational capacities of the state. One dimension of this was the 'professionalisation' of policy advice through reference to academic economists who were effectively brought into the service of the state, and called upon to provide intellectual justifications for capital's hegemony as well as some guidance in the shaping of policies that sought to reconcile the competing claims of capital. There were efforts to advance this institutional development in the face of the tensions emerging in the latter 1920s, through enhanced arbitral powers, though this development was, for a time arrested by the 1930s crisis. Indeed the capacity of the state to formulate policies that might have reduced the impact of the 1930s crisis were frustrated by the individual and political rivalries within the Labor governments, both Federal and State, and by the force of 'money power'. With any effective progressive opposition checked by the rise of right wing forces, both old and new, and underpinned by a sympathetic state, financial capital effectively dictated the direction of state policy. The result was that the working class bore the brunt of the 1930s Depression materially and politically, and this continued to be the case through the remainder of the decade with the state restrictions on the exercise of civil liberties (Chs. 6-8).

The onset of World War Two provides Buckley and Wheelwright with the opportunity to scrutinise other emergent alternatives to this capitalist destiny. One revolved around Australia's insulation from the global economy over the course of the War. This insulation provided the momentum for the consolidation of state authority in the federal arena, although the constitutional basis of this was carried with the failure of the

1944 referendum. This, according to Buckley and Wheelwright quoting Fitzpatrick, limited the exercise of "full power to build a post-war Welfare State and curb the capitalist" (p. 153; Brian Fitzpatrick 'Daniel Mannix' *Outlook*, Vol 8 No 4 1964, p.13). Notwithstanding this formal limitation, the Commonwealth Labor Government did, however, proceed with implementing many progressive reforms: full employment policy, advances in women's wages, immigration policy, training programmes, improved social and medical services marred by the continued neglect of Aborigines, and industrial reconstruction. However, industrial reconstruction was bound up with not only an endorsement of capitalism *per se*, but international industrial and financial capital in particular. Industrial progress was secured, but it became organised on capitalist terms which necessarily meant state management and curbs of wage labour, effectively thwarting the realisation of the promised workers' paradise.

The second dimension of the possibility for forging progressive alternatives lay in the hope of a more independent expression of Australia's political will within the international polity. The War provided the veneer for this will to be aired, with Australia asserting its right to participate in international conferences. But it was Labor's Minister for External Affairs, 'Doc' Evatt, the subject of a biography by Buckley, Barbara Dale and Wayne Reynolds (*Doc Evatt* 1994) who played a crucial role in the post-War settlement. He played Britain and the US to advantage to extend Australian political authority in the South West Pacific while supporting Indonesian independence and, more generally, assuming a non-partisan position in the prelude to the Cold War. The defeat of Labor, according to Buckley and Wheelwright, brought an end to this possibility.

The reader cannot take too much comfort from the retelling of the story of Australian capitalism. Whilst not wanting to conclude on a too pessimistic note, Buckley and Wheelwright do try to instil some hope in the future, finding hope in the promising struggles of individuals and a number of social movements and concluding with the assuring note that: "The outcome [of class struggle] is still in the balance" (p. 269).

Yet the story they tell does not inspire much confidence. Capitalism does prevail, albeit with some of its harder edges softened through the

successes of social struggle. However, one has to remain mindful that the systematic exploitative character of capitalism remains, and it is this that seems to colour the making of *No Paradise for Workers* and *False Paradise*. Certainly both of these studies point to the rich tapestry of hope that their history resurrects. They are not, as I have indicated, of the comparable heroic calibre of Clark's histories, celebrating individual and mostly men as they did, or Thompson's *The Making of the English Working Class*. It has to be acknowledged that Buckley and Wheelwright's studies are more limited in scope. But it would seem that a more critical element embeds a sense of gloom into their search for that paradise. Some pivotal themes are explored in the making of Australian capitalism, but they are not as critically developed as they might have. Three stand out. One relates to the treatment of Australia's place in the international political economy, another to the role of the state, and a third to the reluctance to abandon key focuses of the old Left tradition.

First, Australian capitalism is represented as a dependent capitalism. This forms one of the structures upon which *No Paradise for Workers* and *False Paradise* are organised. The nature of the studies limits a full articulation of the making of Australian capitalism as a constituent element in a global political economy, as was the case with Cochrane and Wells. The appreciation of Evatt's place in Australian history provides a vantage point from which this could have been taken up more fully and more systematically. The strength of the treatment of these international concerns is that they are not framed by the economism that characterises the Marxist treatments referred to at the outset of this paper. However, the incorporation of the political and ideological dimensions of this story tends to displace the import of accumulation, and it appears that it is these forces which were crucial elements pushing Australia down the path towards its client state status.

Secondly, the state is represented as both the vehicle cohering and promoting capitalism, sometimes fiercely suppressing progressive struggles in the process, and the instrument through which progressive forces must advance their interests. This is in effect a reiteration of the thesis on the contradictory role that the state, but the problem is that state remains inadequately theorised. This is not a demand that Buckley and Wheelwright should have provided a more thorough and critical

consideration of the state. The theoretical status of the state within capitalism is posed in the Introduction to *No Paradise for Worker*, and there was not the scope to do much more than this (see pp.2, 4, 7-8).

However, because the state is so pivotal to their analysis, Buckley and Wheelwright keep coming back to consider the way in which different struggles sought to work through the state to advance their interests and build a less exploitative and more equitable society. We are constantly reminded of the side that the state invariably came down on. Even Labor-governed states were not immune from this apparent 'structural determination'. *False Paradise* points to the dilemma this presents for the labour movement. As the Amalgamated Society of Engineers "wryly" remarked: 'The workers of this State now realise that a bad Labor Party is better than a good National Party' (40)!

This is a paradox that is highlighted but never resolved. Indeed, in telling the story of the Chifley Labor Government and celebrating the work of Evatt, Buckley and Wheelwright tend to place themselves in the same paradoxical position. They acknowledge the very positive achievements of the Chifley Government whilst questioning some of Labor's – and Britain's Atlee Labour Government's – class politics. But at the same time they seem to hold onto the hope that Labor might just have delivered, at the very least, on an independent foreign policy. Notwithstanding the state as an institution of capitalism, and especially a Labor-governed state, it remains immensely problematic in the pursuit of the paradise.

Finally, and a key factor underpinning this paradox, Buckley and Wheelwright remain wedded to the old Left notion that it will remain the struggles of labour movements that hold out hope for the future. They have certainly taken on board the complexity of working class struggles in Australia. To their credit they have gone some way to weave into their appreciation of class struggle the gendered, racial and ethnic dimensions that have contributed to the momentum and distinctive character of Australian working class struggle. However, the overwhelming emphasis of their story remains on class struggle that is defined through the industrial and political arms of the labour movement: through the place and role of trade unions and the Labor Party. Social movements that take political struggle outside or beyond the realms of

this institutional framework are, in effect, scorned. The result is that women and Aborigines, for instance, are incorporated as subordinate, even incidental, actors in the making of Australian history, whose place in this history is secured only in terms of class struggle. The opportunity to develop a more complex appreciation of the place of the "common people" in the making of our history is set aside. The opportunities that such an appreciation might lend for escaping the institutional shackles of Labor and unions, to draw on the lessons of the histories of new social movements in the making of Australia are overlooked. The opportunity to draw upon this other history, to weave this into a more broadly defined appreciation of the complexity and dynamics of the whole gamut of social struggle, to inform a range of different visions of how our future might be reconstructed, is not taken up. Indeed, it might be argued that herein lie the origins of that false paradise that Buckley and Wheelwright seek to reveal.

False Paradise is a necessary read for the political economist. It builds on the solid foundations of *No Paradise for Workers* and the researches of a whole generation of scholars to move us away from a narrowly focussed understanding of our past. It seeks to tell a different story, one of optimism but one that also captures the frustration with capitalism's resilience. It is a story that gives us little confidence in Labor's capacity to deliver through the state. It is a story that begs us to take issue with *New Labor*, with the so-called *third way*. However, I believe that in the final analysis it remains constrained by a comparable intellectual and political framework to that which informs the emerging forms of *New Labor* as well as the more recent leftist reinterpretations of new Labor/labour. *False Paradise* is a story without an end, for while capitalism remains so must the struggle to combat and overcome its systemic inequities.

