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MARXIST POLITICAL ECONOMY IN AUSTRALIA SINCE THE MID 1970s

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By the time the *Journal of Australian Political Economy (JAPE)* started to appear in 1977, the highpoint in the class and social struggles that had revitalised the left over the previous decade had passed. Millions of people in Australia alone had taken part in militant and sustained strike activity, action on the streets and radical protests. They had mobilised for a better deal at work, women's and gay liberation, a more democratic form of education, or against the war in Vietnam, the apartheid regime in South Africa, the destruction of our environment, racism here and overseas. Even if many of them did not remain members, thousands had joined socialist organisations looking for a path to a dramatically different society. One product of this process was the revival of Marxist politics and political economy in Australia.

From the 1930s to the 1960s what most people understood as 'Marxism' in Australia was the doctrines of the Communist parties. Particularly when it came to economics, Communists in Australia tended to repackage arguments that had been formulated in Moscow and later Beijing to justify the activities of the state capitalist ruling classes in 'Communist' countries, with more or less local empirical wrapping and ribbons. Nationalism was an important element in the Communist outlook. This could only compromise Communists' strong commitment to the working class, in a society where the interests of the capitalist class defined the national interest.

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A section of the expanded left that grew out of the struggles of the late 1960s and 1970s, looked beyond Stalinist orthodoxies and began to use Marxist categories in innovative ways. But they also returned to the classical Marxist tradition, an understanding of Marxism as the theory and practice of the working class liberating itself from capitalism, by breaking down barriers to unity amongst workers in the struggle against the bosses and their states. These political commitments and the use of Marx's labour theory of value, which is integral to them as a conceptual tool, are the defining features of Marxist political economy.¹ Members of this new Marxist left often drew on dissenting or critical Marxist traditions in the United States, France and especially Britain. Some also intersected with Trotskyist currents in Australia which had tenuously survived the Cold War.

Marxism's new energy had two, overlapping organisational focuses. Many students were radicalised in the campaigns and movements of the period. Some, as undergraduates, postgraduates and university teachers began to undertake Marxist analyses of Australian capitalism and economics in general. Some became active in organised Marxist politics, alongside veteran activists and, to a limited extent, young workers. Trotskyist currents, notably the predecessors of today's Democratic Socialist Party, Socialist Alternative and International Socialist Organisation,² and members of a faction in the Communist Party of Australia (CPA), the Left Tendency, contributed in particular to the development of Marxist political economy in Australia. So Marxist political economy was published not only in books and academic periodicals and semi-academic, leftwing journals, notably *Arena*, *Intervention* and *JAPE*, but also in the pamphlets, newspapers and journals of socialist groups.

1 The use of the term 'Marxist' here is not, therefore, based on self-definition. Some work by self-proclaimed Marxists is not considered, for example publications which presented the Prices and Incomes Accord between the Labor Party and Australian Council of Trade Unions as part of a socialist strategy, rather than as a mechanism which undermined workers' capacity to struggle in their own interests.

2 The Democratic Socialist Party (DSP) was called the Socialist Workers Party until 1990. Socialist Action emerged from a split in the International Socialists in 1985. The two groups fused in 1990 to form the International Socialist Organisation (ISO), from which Socialist Alternative emerged in 1995.

The following is a very preliminary account of Marxist political economy since 1976 and the context in which Australian Marxists wrote. For reasons of time and space, it is impressionistic, concentrating on a few major themes and publications, rather than attempting complete coverage. No doubt some important contributions have been overlooked. A more extensive bibliography can be found on the web at www.anu.edu.au/polsci/marx/interventions/marxistpe.htm. Given the subject matter, this article does not discuss the many valuable critical and radical studies in political economy which have not adopted a Marxist framework. Nor does it consider Marxist studies primarily devoted to historical, cultural and political topics or focussed on countries other than Australia. A further major weakness is that it neglects work published only in newspapers and magazines.³

The decline in the level of class struggle, the driving force behind a Marxist political economy meant that the earlier years of the period since the mid 1970s were the most fruitful. But even then, given the small numbers of people involved, the work of Marxist political economists was patchy. While major strategic questions, concerning Australia's place in the world economy, class relations and the course of economic fluctuations, were examined and are the main focus here, coverage of industries and specific issues was extremely uneven. This has continued to be the case. There have been, nevertheless, valuable studies of particular industries and corporations.

Herb Thompson's work on all aspects of the mining industry of the Pilbara stands out (eg Thompson 1983; Thompson 1987; Thompson and Smith 1987; for a survey of Thompson's contribution see MacWilliam 1990). Marxists looked at the mass media (McQueen 1977), the agricultural sector (eg Lawrence 1980; Lawrence 1987), the steel (Donaldson 1981), banking (Game and Pringle 1981), housing (eg Bell 1978; Ward 1978; Grieg 1997), retailing (Rosewarne 1983; Rosewarne 1984), and clothing industries (eg Grieg 1992). They also examined the provision of educational (see contributions to *Radical Education Dossier*, from 1984 called *Education Links*, and also eg Harris 1982; Marginson

3 Notably *Direct Action/Green Left Weekly*, *Battler/Socialist Worker*, *Socialist Action* and *Socialist Alternative*.

1984), and health services (eg Stone 1980; Collyer and White 2001) and the labour process in general (Fieldes and Bramble 1992). McQueen wrote an account of one of the world's most profitable 'food' corporations, Coca Cola (McQueen 2001). In addition, Marxists and Marxologists in Australia made substantial contributions to the international literature on Marx's method and the history of Marxist political economy (eg Barbalet 1983; Oakley 1984-1985; Bryan 1985; Dixon 1988; Howard and King 1989; Kuhn 1995; Halevi and Kriesler 1998).

From Wage Indexation to the Accord

It wasn't hard to recognise that 'the Kerr coup' and subsequent conservative electoral victory in late 1975 marked a shift to the right in Australian politics. The Fraser government used the deepest recession since the Great Depression, marking the end of the long post-war boom of global capitalism, as an excuse and opportunity to attack the union movement and to cut outlays on health, education and welfare that made life more bearable for workers and their families. However, Wage Indexation, introduced by Labor in 1975, was the main mechanism responsible for cuts in real wages. Similarly, the ideological justification for the government's conservative economic strategy, monetarism, was popularised in Labor's last budget, by Treasurer Bill Hayden. Labor's 1977 Economic Platform still stressed the importance of the money supply in the business cycle (Australian Labor Party 1977).

Marxists offered alternative accounts of the economic crisis. Kelvin Rowley drew attention to wage pressures that resulted from sustained full-employment, the declining effectiveness of technological innovations in holding down the organic composition of capital and financial anarchy, resulting from the expansion of international monetary flows (Rowley 1976). The first issue of *JAPE* also provided a Marxist account of 'The Australian crisis from boom to bust', which endorsed Rowley's conclusion that a 'long wave' of economic stagnation had succeeded the long boom. It also stressed the centrality of the tendency of the rate of profit to fall, while cautioning that 'it is often asserted *a priori*... that the rate of profit must fall' whereas the theory's importance

lay 'in the *concepts* it provides in conducting a concrete historical analysis, rather than any mechanistic scenario for crises' (Brezniak and Collins 1977). It was over a decade, however, before Marxists published empirical studies on changes in aggregate rates of profit in Australia (Kuhn and O'Lincoln 1989; Gibson, Graham and Shakow 1989).

Most of the left responded to the sacking of Whitlam and the recession by drawing back from revolutionary rhetoric. Many felt that there was a need to unite with more conservative sections of the labour movement against the threat of the Fraser Government. At the same time, the decline in the level of mass struggles made revolution seem less plausible. There was resistance to this trend, but it was concentrated in very small Marxist organisations, notably the Socialist Workers Party and the International Socialists. *Intervention* continued to publish some serious Marxist analyses, before succumbing to the rightward moving atmosphere and suffering a horrible post-structuralist death in the early 1980s. Terry O'Shaughnessy's 'Economic Notes' in the CPA's *Australian Left Review* between 1975 and 1979, for example on the relationship between 'economic' and 'political' class struggle (O'Shaughnessy 1976), provided a refreshing contrast to the multinational-phobia that constituted economic analysis for the bulk of the CPA and the left of the Australian Labor Party (ALP). But by the mid-1980s revolutionary socialist politics was well and truly on the retreat.

Despite the evaporation of reforming zeal in the mainstream of the ALP and the moderation of the left's positions, after the election of the conservative Coalition government under Malcolm Fraser in 1975, the influence of the left inside the labour movement increased. With the ALP looking weak, the unions could at least fight against wage cuts, erosion of conditions and other Fraser policies. Outbursts of rank and file militancy continued, notably the 1976 Medibank general strike and the 1977 Latrobe valley dispute, though both, largely thanks to the ACTU and, in the second case, the 'left' leadership of the Victorian Metal Workers Union, resulted in defeats. During this period, large numbers of people marched and some groups of workers took industrial action to support the movement against uranium mining. Later, the campaign against nuclear war built huge Palm Sunday demonstrations.

Trade union leaders sought to present an alternative political program for the labour movement, as a means of overcoming the problems it faced. The Metal Workers Union, in which the CPA was influential, was a major proponent of this approach. The best-known version of this program and the analysis behind it were published by the national Metal Workers Union in *Australia Uprooted* (Amalgamated Metal Workers' and Shipwrights' Union 1977), a very professional, mass distribution pamphlet. It contained the key elements of later 'alternative economic strategies': demands for nationalisations, alongside nationalist calls for government intervention to restructure and save Australia's manufacturing industry; conspiracy theory; and a verbal endorsement of the class struggle.

This was a revised version of the left nationalist strategy advocated by Communists in Australia since the 1930s. Both maintained that Australian nationalism could have a progressive content, defended the national interest and advocated a struggle for Australian 'independence' from (British and later US) imperialism. Both sought alliances with progressive sections of the capitalist class. In the earlier Communist analysis, this was directed against 'monopolies'; in the updated perspective, against transnational corporations.

The much misrepresented but Marxist koala Blinky Bill accurately predicted the logic of the left nationalist strategies being developed in the union movement, in a 1977 interview with Tim Rowse:

Nationalism is very much a part of the protectionist response that increasingly unites unionists and manufacturers on the economic crisis. Unions are promoting a "Buy Australian" campaign to help restore profits to levels where employment will grow. It may only be a short step from there to a policy of collaboration on wage reductions-again with the aim of reducing unemployment (Rowse 1977).

Local Trotskyists had, however, much earlier developed a distinctive understanding of Australia's place in the world economy and the dynamics of class relations here. They argued, in 1965, that the Australian ruling class was imperialist in its own right:

Terrified by the rising revolutionary tide [in Asia], Australian Imperialism, with a Labor Government, forged in the 1945-49 period the fundamental basis of Australian post-war foreign policy: the alliance with US imperialism which has been maintained and strengthened ever since (International Group 1965).

So Australian Trotskyists rejected Australian nationalism, the idea that socialists should be concerned about Australian independence and hence the strategies for class alliances advocated by Australian Communists. In his critique of *Australia Uprooted*, Jim McIlroy extended this tradition by criticising the way nationalism undermined the capacity of the Australian working class to act in its own interests and demonstrating that the Australia could not be understood as a colony subject to imperialism, in which nationalism played an progressive role. He exposed the weakness of the assertion that Australia was being 'deindustrialised', which underpinned left nationalist hostility to multinational corporations and concern to build an alliance with sections of local manufacturing capital. The problems of the Australian economy, despite local peculiarities, were part of an international economic crisis. Australia is, itself, an imperialist state (McIlroy 1977; also see Lorimer 1977).

Jon West developed this point, stressing that the country was far from being a 'neo-colony'. Australia has, he argued, a developed capitalist economy; the Australian 'national bourgeoisie' is in control of the Australian state and engaged in imperialist enterprises of its own (West 1979). Given the way in which the Australian economy was subject to decisions made in New York, London or Tokyo and the extent of 'Liberal politicians fawning over American politicians,' however, Tom O'Lincoln argued that a more subtle analysis than the dichotomy between imperialist nationalism and the nationalism of the oppressed was necessary. Often pursuing a more hawkish foreign policy than its large imperialist allies, Australia falls into an additional category 'of a small, white and rich nation acting as a[n] independent spearhead and springboard for the great powers' (O'Lincoln 1980).

Drawing on the theoretical work of Nicos Poulantzas, Terry O'Shaughnessy examined divisions inside the Australian ruling class,

without adopting a nationalist perspective. The main fractions of the capitalist class, he argued, were defined by their roles in the circuit of capital and areas of production. O'Shaughnessy also pointed out that the Fraser Government was 'not presiding over the wholesale dismantling of manufacturing,' rejecting 'simple oppositions between national and foreign capital, monopoly and non-monopoly capital or mining and manufacturing capital' and the strategy of trying to ally the working class with manufacturing capital. (O'Shaughnessy 1978).

Although he came from the particularly nationalist tradition of pro-Beijing Communism, Kosmas Tsokhas eventually concluded that Australia was far from being a victim of imperialism. One of his steps away from Maoism was the view that the *entire* Australian capitalist class was 'comprador', 'a dependent ally of foreign capital' (Nowicki and Tsokhas 1979).⁴ The implicit corollary was that no section of that class was available as an ally for the working class. Tsokhas subsequently dropped the notion of the subordination of the Australian ruling class to multinational corporations. In a long, mainly empirical study he examined the mechanisms through which Australian capital exercised political power and sorted out its internal conflicts (Tsokhas 1984). A further account of the evolution of the corporate structures and labour processes in the mining industry concluded that locally based capital and local managers of overseas companies exercised a very large degree of autonomy in relation to foreign partners and off-shore headquarters (Tsokhas 1986).

Dick Bryan called the validity of the whole distinction between domestic and foreign capital in Australia into question. An increasing share of the ownership of Australian enterprises, he pointed out, was being held by 'Australian' financial institutions. These, however, had international operations and their accumulation strategies were international. A preoccupation with issues of foreign ownership also understated the significance of the movement of surplus value in the form of loans and interest, by focussing on the movement of profits (Bryan 1983).

4 But note Tsokhas's employment of the concept of a national bourgeoisie in his sketch of the role of the Australian state in this period (Tsokhas 1980).

In a complementary argument, Ann Game and Rosemary Pringle had earlier identified how a stress on differences between multi-national corporations and small local capitalists diverted attention from the question of workers' exploitation by employers in general and the importance of struggles to overcome divisions inside the working class (Game and Pringle 1978). Their work on the women's movement and the sexual division of labour in different sectors provided concrete class analyses of women's oppression and the struggle against it (eg Game and Pringle 1977; Pringle 1981). Studies of gender relations under capitalism and women's oppression and discussions of strategies to combat them have been an ongoing theme in Australian Marxist political economy (eg Brennan 1977; Rosewarne 1988; Stone 1980; Donaldson 1991). Other Marxists have also been concerned with different sources of division in the Australian working class, including unemployment (Windshuttle 1980) and racism towards migrants (eg Collins 1988; Collins 1977; Lever-Tracy and Quinlan 1988) and Aborigines (eg Hartwig 1978; Fieldes 1988; Taylor 1997; Smith 2002).

The economic recovery stimulated by the resources boom of 1979-1981 improved working class self-confidence and resulted in an escalation of industrial activity. Federal public service clerks engaged in their first sustained industrial campaigns. Struggles for shorter working hours spread. Eventually campaigns of industrial action over wages by Telecom technicians, transport and warehouse workers led the Arbitration Commission to abandon Indexation as unworkable, at the end of July 1981. The ACTU called for wage equity and a recovery of the real wages lost since 1975. In a climate of heightened conflict, a series of unions won substantial wage increases. Contrary to the arguments of both apologists for the Fraser government and left nationalists, Rick Kuhn argued that the boom was part of an international commodity cycle. It represented neither the possibility for sustained, crisis free growth nor a deliberate policy of multinationals to wind down manufacturing industry. In fact the resources boom was leading to an *expansion* in the level of investment in manufacturing. Threats to Australian workers' jobs, conditions and wages were a consequence of government and employer efforts to maintain profit rates. Industry policies and protectionism could not solve this problem. The only effective way to defend jobs was militant action (Kuhn 1981-82).

The second half of 1982 saw the Australian economy slide towards recession again. The prospects for securing the kind of advances made during the resources boom declined. As union bargaining power faded, unions officials, including those on the left, warmed to a deal with the ALP which would exchange industrial peace for the maintenance of real wages and the election of a Labor government. The political expressions of the union left, the CPA and ALP left, fell into line. Marxists still argued that an alternative economic strategy with a nationalist agenda would serve to undermine not only wages (West 1982) but also workers' capacity to struggle against the very Australian bosses whose industries the strategy aimed to build up (Kuhn 1982). But their criticisms had little impact. Now the language of 'alternative economic strategies' was used to dress up the proposal for centralised wage setting, like Indexation, which had already sapped the strength of shop-floor union organisation. The emphasis in left nationalist economics shifted from protectionism to incomes and industry policy.

The Prices and Incomes Accord signed by the Labor Party (ALP) and the ACTU in February 1983 was an attractive proposition for employers. True, it included a commitment to more interventionist industry policies and made concessions to the rhetoric of alternative economic strategies (for a detailed account of the antecedents of the Accord see Kuhn 1986). But the goal of these policies was to improve the viability of Australian manufacturing. And, given the continuing strength of the union movement it was far more likely that a Labor government would be able to hold down wages, through the Accord, than the Coalition. After all, Fraser's six month wage freeze in 1982 had only worked because the ACTU went along with it. There were no prospects that such an arrangement with a conservative government could be sustained. One index of the business community's appreciation of the advantages of the Accord was the very widespread support, during the 1983 election campaign, by the daily press for a Labor government under the new Party leader, former ACTU President Bob Hawke. The Melbourne *Herald* endorsed the Labor Party for the first time in its history.

The Accord Years

From the start, the Marxist left was hostile to the Accord, which both right wing Labor and left nationalists had combined to support. The Accord was fundamentally about increasing profits at workers' expense (Pha and McPhillips 1983; Thompson 1984; Armstrong and Griffiths 1984). The government and ACTU very quickly introduced mechanisms to discount wage increases compared to inflation. As Socialist Action's early survey of the consequences of the Accord indicated, there was no catch-up for the Fraser wage freeze, which was extended; indexation hearings before the Arbitration Commission only took place every six months; wages were discounted for the introduction of Medicare, for the fall in the value of the Australian dollar and improved superannuation entitlements. Unemployment did decline in Australia, as it did elsewhere during the economic recovery of the 1980s. The Hawke government did spend more on health, education and welfare. But the increases did not compensate for real wage cuts. The Accord also proved to be an obstacle to increased equality in wages between men and women (Ross, O'Lincoln and Willett 1986; Rosewarne 1988).

The fundamental contradiction in the social democratic strategy embodied in the Accord was the incompatibility of its primary goal of achieving a dynamic economy with the defence of wages. 'A position on wages which concedes the centrality of industry profitability and national competitiveness leaves the social issue of living standards out of the policy agenda'. Given that capitalism is crisis-prone, it cannot consistently deliver for both capitalists and workers. Hence resistance to wage cuts challenges the logic of capitalist accumulation (Bryan 1992).

The 1980s recovery was the only one in Australian history during which real wages fell. Under Thatcher in Britain real wages rose during this period. The Accord proved to be extremely effective in securing the interests of the capitalist class. This created major problems for the Communist Party and Labor left. Both were rhetorically committed to socialism. Both justified the Accord and promoted a shift to the right amongst their members and supporters. The tensions led to a prolonged crisis in the Communist Party. Well before it dissolved itself into the short-lived and smaller New Left Party, in 1991, the CPA had ceased to

be even a residual focus for Marxist analysis. Left wing factions survived in the ALP, sustained by their role as alternatives to the right wing factional paths to power in the Party. At universities Marxism became unfashionable: there were other theories that made the building of reputations and careers easier. Some former Marxists were dazzled by the diamante impenetrability of post-modernist idealism, others succumbed to mainstream social democratic thought or even went over to the conservative right. Marxist political economy in Australia from the 1980s has mainly been the product of the members of small Marxist organisations and a few unaffiliated individuals, most of them academics.

For employers, the immediate benefit of the Accord was that it undermined real wages (eg Thompson 1992). Under both Hawke and Paul Keating, who became Prime Minister in 1991, it had a series of other positive consequences for the capitalist class (eg Kuhn 1993; Bramble 1996a). The ACTU and labour governments policed industrial militancy. When the Builders Labourers Federation and Airline Pilots Union challenged the Accord, they were smashed by the Federal Labor government, with the complicity or active support of the ACTU, other unions and State Labor governments.

Fearful of the prospects of a prolonged and generalised struggle against aggressive management practices, union leaders made major concessions to end the 1986-1987 Robe River dispute. It opened the way to the deunionisation of the iron ore industry in Western Australia (eg Thompson and Smith 1987). Centralised wages bargaining and these defeats led to dramatic declines in workers' self-confidence and union organisation in workplaces. From 1987, Labor's and the ACTU's reorganisation of industrial relations law, including union amalgamations and a shift from industry-wide to enterprise bargaining, further increased the weight of the union bureaucracy in the movement, creating additional barriers to workers' struggles (eg Nichols, Mohideen and Forward 1987; Bramble 1992; Rafferty 1997; Bramble 1993).

The pivot of the Accord, the agreement between Labor governments and the ACTU, was hardly in tune with the free-market rhetoric of neo-liberalism and its Australian equivalent 'economic rationalism'. But there was everywhere a gap between rhetoric and reality. Neo-liberalism, in practice, did not eliminate state management of the economy but changed

its form. In Britain and the USA, Thatcherism and Reaganomics were accompanied by a major expansion in certain kinds of state intervention: those that involved the repression of militant workers and greater reliance on the police rather than welfare agencies to deal with social problems. Market rhetoric has simply been a cover for measures to increase profitability. They have included policies directed at cutting wages, union power in the workplace and government spending on medical services, schools and universities, and welfare benefits, all of which reproduce the labour force. An overlapping concern, hindered by workers capable of defending their jobs and conditions, involved shaking out industries to raise their international competitiveness, by increasing economies of scale and reshaping work practices. Accordism facilitated this kind of economic rationalism and the Labor governments of the 1980s and 1990s did much more to open up Australian markets to competition than their Coalition predecessors. Marxist accounts of this process built on earlier critiques of economic nationalism (eg Minns 1989).

Australia Reconstructed, a joint report by the ACTU and the government's Trade Development Council signalled the union movements' acceptance of a major shift in industry strategy which had been going on in professional economic, bureaucratic and political circles since the 1960s. The protectionist regime which had facilitated the industrialisation of Australia was being replaced. The new strategy for Australian capitalism focussed on the need for industry to be internationally competitive, denigrated simple-minded reliance on tariff protection and saw a positive role for market forces (Kuhn 1988). The report and its supporters advocated incomes and industry policies, in a post-Keynesian mode, which it argued could lead to economic prosperity and avoid crises (Thompson 1988). Unions and Labor governments were to ensure that reluctant capitalists acted in their own best interests and those of society.

The nationalist left did not, however, entirely give up on protectionism, despite its willingness, during the period of the Accord, to go along with 'industry plans' which socialised some of the costs of rationalising the steel, shipbuilding and textile, clothing and footwear industries, at the cost of thousands of jobs and millions of dollars donated by governments

to employers. Unions in manufacturing, in particular, raised demands for increased protection and lamented the consequences of foreign investment, when faced by job losses, recessions and the election of a conservative government. These responses, recently couched in terms of 'social tariffs', have elicited renewed examinations of the dangerous implications of left nationalist policies for workers (Bramble 1994; Bramble 2001; Lavelle 2002).

While Kuhn, Thompson and MacWilliam (1989) traced the antecedents of the social democratic left's embrace of capital's new industry strategy, Dick Bryan dealt with the nature and logic of the current stage of capital accumulation at a global level in a penetrating study (Bryan 1995a). In several publications, he examined and demolished the arguments for the 'competitiveness agenda in national policy' (eg Bryan 1995b; Bryan 2000). Synthesising this work, studies of the role of international finance (eg Bryan 1997) and his analysis of the inadequacy of the whole concept of a national economy, given the scale of international flows of surplus value (eg Bryan 1987), Bryan and Rafferty's *The Global Economy in Australia* is probably the most significant book on Australian political economy published since 1976 (Bryan and Rafferty 1999).

Stuart Rosewarne and David Glanz have paid particular attention to another aspect of Australian integration into world capitalism: the workings of Australian imperialism in the Pacific (Rosewarne 1997; Glanz 1990). Australian imperial interests extend, however, well beyond the Pacific and South-east Asia. The participation of Australian forces in the 1991 war on Iraq prompted reassertions of the main explanations for the contours of Australian foreign policy and its keystone since the 1940, the US alliance. The right wing Labor/Liberal consensus continued to proclaim the benevolence of the relationship. The left nationalist orthodoxy regarded the alliance as undesirable, and attributed the irresistibility of the aroma of US presidential arses for Australian ministers and prime ministers to the baleful influence of multinational corporations or a cultural cringe. In his Marxist account of the new Australian militarism, Tom O'Lincoln identified the complementary ruling class interests as the crucial factor in the relationship between Australia and the USA (O'Lincoln 1991).

Mainstream and social democratic approaches to Australia's economic relationships with the rest of the world, 'an over-rigorous distinction between internal and external factors', did not only obscure the nature of international flows of commodities and surplus value. It also led to a neglect of the way the logic of capital accumulation produces economic crises. The tendency for the organic composition of capital to rise and erode profit rates was a global process at work within Australia (Kuhn and O'Lincoln 1989). The relevance of Marxist theories of economic crisis became more apparent with the stock market crash in 1987 and the recession of the early 1990s. In the longer term, capitalist strategies, by states and corporations could not only be understood as responses to competition but also to pressures on profit rates. In 1975, Bob Catley had outlined a Marxist methodology for understanding capitalist responses to economic crises (Catley 1975). This approach was not systematically applied to Australia until the 1990s, in surveys which drew attention to a range of policies which helped to boost profits (Kuhn 1991; Kuhn 1993). In a more abstract contribution to explaining economic crises, Jamie Doughney tested different Marxist theories using long-run Australian statistical data (Doughney 1999). An overview of the Accord era highlighted three factors identified, but generally treated in isolation, in earlier Marxist accounts: capitalism's crisis tendencies, the process of globalisation, and the balance of class forces (Bramble and Kuhn 1999).

Despite the decline in the size of the left, including the Marxist left, during the 1980s and 1990s, at the end of the Hawke-Keating era a volume of essays provided the most systematic Marxist survey ever published of class in contemporary Australia. It included a thorough study of the lines of cleavage and mechanisms which bring about unity in the ruling class, and complimentary chapters on the nature of the working class and labour movement bureaucracy (O'Lincoln 1996; Fieldes 1996; Bramble 1996b). Other contributions dealt with the political economy of the oppression and resistance of women, Aborigines and migrants (Stone 1996; Armstrong 1996; Tierney 1996).

Neo-conservatism Meets Neo-liberalism and the Future of Marxist Political Economy

The election of a Liberal-National Party Coalition government in 1996 ended the Accord. The regime under John Howard adopted a confrontationalist approach with the union movement, although it suffered a partial defeat in its efforts to destroy the influence of the Maritime Union on the wharves in 1997-1998. In the most significant industrial campaign in more than a decade, large numbers of workers from other industries mobilised to support the wharfies' pickets (eg Bramble 1998). On the other hand, there was a racist and nationalist reaction against the economic rationalist policies of both Labor and conservative governments. The populist member of the House of Representatives, Pauline Hanson, channeled discontent, particularly amongst the rural petty bourgeoisie, into the One Nation Party. It created some electoral problems for the government (eg Bryan and Rafferty 1999: 110-112). But, already using anti-Aboriginal racism as a tool to divert attention from its own class agenda when it came to office, the Howard government appropriated Hanson's racist appeal and radicalised the preceding Labor government's policy of locking up refugees in concentration camps. This strategy of underpinning neo-liberalism with a racist neo-conservatism, rather than the social democratic cooptation of the union movement, proved very successful in the 2001 elections.

On the other hand, the movement against corporate globalisation demonstrated the scope for mass activity directed against the effects of capitalism. It started with the November-December 1999 protests against the World Trade Organisation in Seattle and came to Australia, when more than 20,000 blockaded the World Economic Forum in Melbourne on 11-13 September 2000. Marxist analyses of the recent phases of globalisation provided a way of understanding not only the behaviour of corporations and states but also the common interests of those opposed to different aspects of international capital accumulation. Marxist groups were at the centre of the organising for the Melbourne protests. They gained both confidence and some new, mainly young members out of this involvement.

Although it makes contributions to the building of campaigns and struggles out of proportion to its size, the organised Marxist left in Australia is very small. Its survival will depend on combining practical interventions in the union, anti-war, refugee solidarity and other movements with the development of distinctive perspectives on these struggles and Australian society in general. The relationships amongst racism, nationalism and economic policy is an area which will continue to be a priority. So, for the foreseeable future, will be studies of the mechanisms of imperialism and economic crisis in Australia.

Efforts by Australian governments, like their US counterparts, have been under way since the 1980s to overcome the 'Vietnam syndrome', which constrained the use of armed force to secure imperial interests, and rebuild a favourable climate for militarism. The goal is to make incursions by Australian forces, both in the country's immediate sphere of influence and across the planet, more acceptable to the population. The insights offered by Marxist explanations of the links between capitalism's competitive accumulation of profits and war can help orient anti-war struggles, so they attempt to mobilise the potential power of the working class and avoid subordination to the illusory Australian national community.

Economic conditions in Australia has not always moved in synch with fluctuations in the US and other large economies. Australian governments since the mid 1970s have nevertheless been unable to prevent severe economic down-turns. Nor, if Marxist insights about the way capitalist production necessarily gives rise to crises are right, can governments avoid them and consistently deliver higher living standards (let alone a less alienated life) to the workers who produce social wealth. But to win people to a socialist perspective it is not enough to proclaim the truth of this proposition. It is also essential that Marxists demonstrate the validity of their politics in the course of struggles over immediate demands, through concrete arguments that link them to an analysis of capitalism's disastrous dynamic. Over the past 25 years, such struggles have informed and given purpose to the best Australian work in Marxist political economy.

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