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WHITE SETTLER ORIGINS OF AUSTRALIA

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Writers belonging to the dependency school have made challenging and influential contributions to analysis of how Australia's colonial origins shaped the 'laws of motion' of its political economic development (e.g. Cochrane, 1980). To this day their conclusions remain firm signposts for a wide range of left-wing analyses of Australia's problems. Many dependency writers tend to compare Australia to less developed societies that specialise in the exportation of foodstuffs and raw materials to the industrialised countries, on which they remain heavily dependent for the content and direction of their development.

However, most members of this school no longer see much relevance in the historical distinction between what were once settler colonies (like Australia and New Zealand) and what were extractive colonies (like Malaya and the Dutch East Indies): all are now classified simply as ex-colonies of one kind or another which still struggle for full independence, especially economic independence, from their former colonisers or, more generally, from the controlling influence of the world economy that keeps them in varying degrees of underdevelopment. There are a few (e.g. Denoon, 1983 and McMichael, 1979) for whom the term 'white settler society' does still have a special significance. However, none of them recognises that settler colonies such as Australia and New Zealand had such *different* origins and histories from extractive colonies that the current capitalist *structure* is as different from that of Malaysian and Indonesian capitalism as it is from that of Japanese and the United States capitalism.

This article argues that the early development of settler societies was characterised by at least three distinctive historical circumstances which

subsequently imprinted themselves *systemically* onto settler capitalism and shaped its development in unique ways:

they were established to find outlets for surplus populations, not to provide sources of natural wealth;

they gained high levels of autonomy from their former colonisers without having to engage in protracted struggles for independence;

their working classes enjoyed high living standards because the settlers could control that natural wealth rather than have it appropriated by the coloniser.

Each of these stamped a uniqueness on to the society's patterns of class, 'race' and gender relations. Thus my purpose is to show that Australia's white settler origins generated some very different 'laws of motion' from the ones normally put forward by dependency writers or even by their critics (e.g. Rowley, 1972), and to highlight some of the implications of this revisionist argument for the way relations of 'race', class and gender in Australia need to be conceptualised. The suggestion is that, regardless of how white settlerism was conceived in the early years of the penal colony and its transition to settler capitalism, there were deeper forces at work which are much easier to identify in hindsight and in the light of comparative work on other white settler societies (e.g. Steven, 1985, 1989). Having lived in such societies (South Africa, Canada, New Zealand and Australia) all my life, I have relied considerably on my own experiences to generate the key ideas.

A fuller analysis of the implications of the historical argument on the way Australian society is divided along 'race', class and gender lines would need to be developed more thoroughly and tested against the evidence. The current article seeks to tantalise rather than convince, offering suggestions to guide empirical work. It develops a view of Australia's colonial origins which contrasts, for example, with Clark's (1972) evaluation of the debate between Fitzpatrick (1969), who argued that Australia's dependence on Britain meant that its development was externally driven, and Butlin (1964), for whom internal forces constituted the central motive power. Clark's analysis has one overwhelming pre-occupation: to understand the causes of past crises. There is only one brief reference to the indigenous people, not a word about gender

relations, and class relations are only mentioned in passing and by implication, although most of the implications are indirectly supportive of the argument below. Clark's 'solution' to the Fitzpatrick-Butlin debate, that the forces driving Australia's crisis-ridden development are both external and internal, thus belongs more to the concerns of the 1970s and 1980s (as does the argument of Rowley, 1972), when crisis once again dominated the agenda. It has much less relevance for the present, when the voices of Aboriginal people, women and a new urban and rural poor are crying out for understanding and action.

What is of greater relevance now is the *social origin of the surplus* that drove capital accumulation in the take-off period, and the resulting *social struggle*. It is the social processes of surplus creation and distribution which remain the key determinants of Australian development.

The Historical Argument

Settler and Extractive Colonies

The migrants who poured into the settler colonies that emerged in the eighteenth and nineteenth centuries in North America and Australasia were almost exclusively white and English-speaking. This was not accidental, since the central motive force behind the transformation of the territories concerned was the mass dislocation and unemployment resulting from the mounting crisis of Europe's leading capitalist country, Britain. Although they had originally been entered for a diversity of reasons, the territories gradually changed into full-fledged settler colonies whose main functions included their ability to attract the surplus populations created by the growing depression that hit British capitalism, most devastatingly in the early eighteenth century. Demobilisation following the end of the Napoleonic wars in 1815, an agricultural crisis and then a more widespread crisis in Britain's textile industry all combined to create a surplus population of unprecedented proportions. Unlike extractive colonies, from which Britain would endlessly siphon resources to supply its manufacturing industries, the settler colonies had to retain the profits of their natural wealth if Britain's unemployed were

to find better lives there as high-paid workers. They also had to be given full political independence and freedom from the kind of military and bureaucratic control that the colonisers employed to subdue the increasingly impoverished populations of their extractive colonies. Each of these ingredients that distinguished the settler colonies needs to be explained: their function to absorb surplus populations; their relative *independence* from the coloniser; and the appropriation of their natural wealth by the settlers rather than the colonising power. Extractive colonies stood opposed to them on each score.

'Shovelling out Paupers', not Siphoning in Resources

Because New Zealand and Australia were the only settler colonies that were either consciously created or gradually remade for the specific purpose of reducing Britain's unemployment, we need to focus on the circumstances in the mother country in the early nineteenth century. According to Eric Hobsbawm (1968:58), 'No period of British history has been as tense, as politically and socially disturbed, as the 1830s and 1840s.' This was partly because, one hundred years before the recognition by governments that state spending could create jobs, the only half-coherent policy available was inspired by the Malthusian theory, then at the height of its popularity, that populations reproduce faster than their capacities to produce food. Apparently only two things could be done: Britain's surplus population had to be got rid of somehow and the natural increase in the unemployed population had to be checked. The 1834 Poor Law Act addressed the latter by ensuring that poor relief was lower than the lowest wage and confined 'to the jail-like workhouse, forcibly separating husbands, wives and children in order to punish the poor for their destitution, and discourage them from the dangerous temptation of procreating further paupers' (Hobsbawm, 1968:70). Although the simplest answer to the presence of existing paupers was to export them to the Americas, the United States had already become too powerful for Britain's liking as a result of past immigration. Besides, the passage across the Atlantic cost £5, an amount far in excess of what people on the bread line could afford, and the depth of recession and fiscal crisis ruled out systematically subsidising the process. Australia was totally out of the question, since £30 was needed

to make that journey. It even seemed that the 'final solution' to the proliferating poor would have to be death by starvation.

However, what began as a simple experiment in Australia in 1831 soon became, as one writer so aptly put it, 'the solution to Great Britain's problem, for which men had been searching since 1815. . . . Even Australia was no longer beyond the scope of assisted emigration, for the necessary funds were to be forthcoming from the colonies themselves' (Madgwick, 1937:84). Australia's progress towards settler colonialism was not as direct as was New Zealand's. Following the seizure by North American settlers of their independence in 1776, Britain had to find a new outlet for the convicts it had previously exported to America, and in 1784 Australia was chosen as the site for a new penal colony, a function it fulfilled for about half a century. Until 1831 colonial land had been liberally given to free settlers with resources (a total of about 3 million acres to date), and they were increasingly assigned convict labour to develop their land as a way of making the colony self-sufficient and reducing Britain's financial burden. What the 1831 experiment did was mark Australia's transition from penal to settler colony: henceforth land would no longer be given to capitalists to employ bonded workers, but sold to them in order to create a land fund with which to subsidise the emigration of paupers (Fitzpatrick, 1939:261-2), or as a Colonial Office official preferred to call them, 'redundant labourers . . . the redundancy being determined by the demand for labour as compared with the supply' (Buckley and Wheelwright, 1988:74).

The real significance of Wakefield's scheme was thus not, as most left analyses of the scheme tend to emphasise, its intended effect on Australia's class structure (through the expected inability of working men to pay the 'sufficient price' for the land), but the new interest that it gave Britain in both Australia and New Zealand. The latter was rapidly transformed from a territory which promised nothing but trouble and expense into an additional potential outlet for unwanted Britons (Steven, 1989:23-4). Although the Treaty of Waitangi in 1840 marked the precise moment of decision, the real point of transition was 1831. Until then, Britain's reluctance to get embroiled in ventures which might prove costly to its taxpayers had been overwhelming, but now there was a clear purpose behind the annexation of New Zealand and the use of a Treaty to

neutralise the indigenous population, who were more than militarily capable of resisting the force Britain was prepared to use. The first engine of the settler system had thus been ignited with the coloniser's recognition of a distinctive interest in Australasia: its land could systematically subsidise what has been called the 'shovelling out of paupers' (Johnston, 1972) to the region. Even in later years when Britain's 'redundant labourers' were attracted first by the 'golden fleece' and then by the real thing, the motive force behind the process remained the same: colonial land in the wealth it contained would solve Britain's problem. McMichael (1979:62) is one of a small number of Australian writers to draw attention to this:

The practical consequence of the emphasis on land sales by the 'systematic colonizers', was that the revenue could be used to finance emigration of a working class. This function . . . resolved the issue of imperial expense, transferring the bill to the colonies.

What often obscures an understanding of Australia's full emergence as a settler colony in the 1840s alongside New Zealand was its prior status as a penal colony, which had been a *financial drain* on the British taxpaying class. But because disposing of convicts was not, in the final analysis, so very different from disposing of paupers who were under growing pressure to commit crime, what was expected of the settler colony was not much more than what had been increasingly required of the penal colony: to become *self-sufficient* (McMichael, 1979:46) and to put an end to the drain on Britain's resources, especially in its time of crisis. Even though it took the discovery of minerals (copper in 1842 and gold in 1851) to reveal some of Australia's real potential (its population tripled in 1850-60), by 1840 the golden fleece had established itself as a source of wealth to attract substantial numbers of migrants from Britain, and the transition from penal to settler colony had been made. As late as 1828 a full 47 per cent of the population in NSW were still convicts, but the proportion dropped off rapidly a decade later (Buckley and Wheelwright, 1988: 56; Hutson, 1983:22, 29). The total population attracted partly by the enormous prosperity of sheep farming had soared from 70,000 in 1830 to 190,000 a decade later, but by 1860 the discovery of gold had lifted this to 1,145,000 (Fitzpatrick, 1949:113). A full three quarters of

the free immigrants into New South Wales in 1832-51 were 'assisted' (Buckley and Wheelwright, 1988:75).

What were Britain's interests in all this and how would it respond to the growing revelations of Australia's enormous natural wealth? Why did it not rape its settler colonies of this wealth, reduce their populations to poverty and if necessary bring in indentured labour from places like India in the quantities demanded by the agricultural and mining industries? Why bring in more white settlers whose wages would be double what indentured labourers would tolerate? What possible *interest* did Britain have in leaving the settlers to prosper almost without interference? It has been suggested (by Denoon, 1983:39) that part of the distinctiveness of the countries chosen as settler colonies was their lack of peasant populations and that settlers had to be imported to dig the mines and work the farms and plantations.

While this partly explains the importation of labour, it does not explain why *cheap indentured* labour was not more fully used instead of *British settlers*, and neither does it tell us what Britain's interest was in the *flourishing* of the settlers. Both Denoon (1983) and Clark (1972) emphasise again and again the harmony of interests between the settlers and their colonisers, that the settlers *chose* to specialise in pastoral and mining while depending on Britain for manufactures and finance, and that they prospered from this lop-sided specialisation. Denoon (1983:217) even points out that migration from Europe was always a *consequence* of the prosperity of the settler colonies, rather than a cause of it, as evidenced by the frequent migrations between Australia and New Zealand in response to the fluctuating fortunes of the two colonies. But none of these writers considers the possibility of large importations of cheap indentured labour, since along with the more orthodox Marxian dependency theorists, they do not see any *fundamental* difference between settler and extractive colonies, at least not from the point of view of British capital, which simply established itself in Australia's pastoral and mining industries in order to make money. As McMichael (1979: 63) put it: 'Our argument is that . . . the necessity for the state to *constitute* a white labour force for capital emphasises the peripheral and settler nature of the colonial economy within the capitalist world-economy'. But why did Australia's working class have to be White and

English? Even historians like Buckley and Wheelwright, who have strong sympathies with the Australian working class, concede both that this class enjoyed a high living standard (1988:101) and that Britain had a strong interest in getting rid of its redundant poor: 'In the process, the imperial government relieved itself, at little or no cost, of unwanted elements of the British population' (1988:75). Yet they do not ask the obvious question.

In fact nowhere does any of the above writers explicitly ask what *Britain* got out of letting the settlers prosper without interference, or *why* even the working classes in settler societies enjoyed higher living standards than Britain's own (more productive) working class, not to mention the working classes of Britain's extractive colonies. Most dependency writers (e.g. Cochrane, 1980) tend to emphasise the exploitation of Australia's working class rather than its claim to having the highest living standard in the world, and their view that British capitalists were the main exploiters makes their answer to the question quite obvious. Critics of dependency theory, such as Rowley (1972) and Clark (1972), might draw attention to that high standard of living, but neither of them adequately accounts for it or explains how *Britain* benefited from it

The broad implication, even when it is explicitly questioned (e.g. By Clark, 1972), is that the white settler colonies were exploited by their imperialist creators in ways similar to today's 'neo-colonies', in which local upper classes have full *political* independence and share substantially in the exploitation by foreign capital of their working classes. The victims of settler colonialism in this scenario were the redundant poor who were forced to migrate from one working class to the other. What is at issue is not simply that the Australian working class has fared relatively well, but that it was able to do so because the *settlers generally* controlled and benefited from Australia's natural wealth, which was not appropriated by the coloniser. This does not mean that Australian capitalists did not exploit Australian workers or that there was no Australian capitalist class. Rather, as I shall argue more fully below, it means that Australian workers could be *less exploited than British workers*, because Australian capitalists had a source of profit over and above the surplus created by Australian workers.

By postulating both dependency on Britain and that the 'Australian worker [was] one of the best off in the world, Clark (1972:58) places a bob each way. But his reasoning is questionable:

If wool was not as important as contemporary commentators and generations of historians have believed, if Butlin's downgrading of its role is correct, then, the dependent nature of our development depicted by Fitzpatrick is also subject to modification.

Actually the opposite was the case: it was the bounty of the land, the rent from the wool, that made the settlers so wealthy and delivered their relative independence from Britain.

The reason why Britain was prepared to leave the settlers to exploit Australia's natural wealth themselves was Britain's overwhelming need for outlets for its surplus populations, rather than its need for raw materials. When the imperial power's requirements swayed more towards greater natural wealth for its own industries, it would establish extractive colonies, whose working classes would be subjected to the highest possible exploitation. The same web of imperialist control could not therefore be extended over Australian settlers that was employed to extract the maximum wealth from places like Malaya. Britain had to concede that migrants to its settler colonies needed to find *better material lives* if they were to accept the enormous costs of travelling to new worlds with few personal or emotional supports. *Some* British capitalists could, as we shall see later, be allowed *some* share in the prosperity of the settlers through investing their funds, but they would not be given the phalanxes of troops and controls that allowed them to monopolise the process in the manner they did in the extractive colonies.

Settler-Centred System: Independence on a Plate

Unlike extractive colonies, whose laws of motion were generated by the wealth-appropriating interests of the imperial power, settler societies developed according to the interests of the settlers. In the first instance, they had to be given full self-government, something that had to be fought for in the bloodiest of struggles by the inhabitants of extractive colonies.

Because the urgency of the need for this new type of colony only became apparent during the early nineteenth century, even the settlers in North America had to fight for the independence which those in New Zealand and Australia would be handed on a plate just over half a century later. However, in spite of the changed circumstances facing Britain in the 1830s, if the full scale of Australia's natural wealth, especially its mining wealth, had been known at the time, Britain might well have been tempted to raise the penal colony's status to that of extractive rather than settler colony. Some struggle for independence might well have been needed, just as it had been in America and would be in South Africa when it was discovered just how much mineral wealth the Boer settlers controlled. Unless the imperial power could find some stake in the prosperity of the settlers, the latter would constitute a 'dead weight' and their demands would be resisted (Emmanuel, 1972).

The point that the imperial power actually had an *interest* in the independence of the Australian settlers might seem pedantic, but the opposite assumption informs even the best scholarship on Australia and is rarely defended. For example, in their economic history of Australia, Dyster and Meredith (p. 44) are quite happy simply to assume it: '*Given* [my italics] the political as well as economic subordination of Australia to the United Kingdom until the Second World War . . .' It is extraordinary that one writer (Wells, 1989:57) can almost in the same breath say that 'suitable pastoral lands more than compensated for the short supply and expense of colonial labour' and that 'the important point here is the domination of Australian pastoralism by the requirements of a woollen industry located in Britain.' It is difficult to find a single piece of scholarly writing on Australia which does not implicitly or explicitly make such an assumption, with writers on both the left and the right taking subordination, either to Britain (Cochrane, 1980), or more commonly today to the 'world economy' (Fagan and Webber, 1994), as a given fact. On the contrary, responsibility for Australia's development, the directions it took and did not take lay firmly with the settlers themselves and their interests as they saw them, and not with some overpowering force 'out there'. This does not mean that the settlers were not constrained by the consequences of their own decisions, that these decisions were unaffected by the circumstances they faced, that they were not themselves divided into classes, or that British imperialism

somehow ceased to exist. It simply means that British imperialism needed Australia as a *settler* colony, and *as such* the most relevant circumstances shaping it lay in the colony itself, especially the wealth of the land the settlers appropriated. The classical revisionist argument by Butlin (1964), that the forces shaping Australian development lay predominantly within Australia itself, does not explain why an imperialist power like Britain should allow Australia this luxury.

The more orthodox view, which is shared even by those who do accept the distinctiveness of settler capitalism, is very different. It argues that Australia's constant dependence on British capital to develop its resources and to finance the trade deficits resulting from its narrow specialisation in nature-dependent production, constituted the Achilles heel in the settlers' control over the country's wealth. British capital could siphon off the lion's share of Australia's resources through its various forms of investment in the colony, and its control of the purse strings also gave it an overarching leverage to determine the content and direction of the country's development (Cochrane, 1980). It is difficult to resolve the difference by means of the available evidence alone, since this is normally ambiguous and coloured by the views of the main sources. Even Fitzpatrick (1969:117, 132) is ambiguous about the early years:

The pastoral boom of the 1830's had been promoted by British capital export to the colonies, and the land boom of half a century later would be *dependent* [my italics] likewise on English capital support; but at this stage in the 'fifties it was Australian capital, created in mining, that dominated Australian economy. . . . The story of Australasia at this formative stage is, then, the story of an economic utilization of the colonies to meet the needs of the imperial country (Fitzpatrick, 1969:117, 132).

Because the problem is also in part conceptual, a great deal of the ambiguity in the debate could be resolved by more carefully examining the notion of dependency, which is the key explanatory concept used by most of the writers referred to so far. On its own, dependency tells us very little about power, which is the real issue: to say that labour depends on capital is hardly more illuminating than saying that capital depends on labour. And while Australia was dependent on Britain for finance,

Britain was dependent on Australia for food and wool. Adding a *quantitative* dimension does not help much either, because there is no obvious way to measure degrees of dependence. What is required is a *qualitative* measure of power, specifically the capacity to exploit and appropriate wealth. That is why labour's dependence on capital is more important than capital's dependence on labour, and that was the essence of Frank's (1966) claim that underdevelopment resulted from exploitation by advanced countries due to relations of dependency.

If one looks at Australia's relationship with Britain from such a political economic point of view, there is no immediate answer to where the power lay, since there is no apparent reason why British money capitalists should have appropriated any more wealth than Australian landowning capitalists. Both possessed power to appropriate shares of the surplus product, the one in the form of interest, the other in the form of rent. The notion that Australia specialised in agricultural and pastoral production because this is what British imperialism required of it (Cochrane, 1980) therefore has no more *prima facie* plausibility than the notion that the settlers chose to specialise in these industries because their own interests were best served by doing so: profits supported by rent from the land were more lucrative than were profits supported solely by the exploitation of Australian labour.

It is true that British imperialism did send into Australia a Trojan horse in an attempt to have the best of both worlds: keep the place attractive enough to encourage the continued migration of surplus Britons and simultaneously milk it of as much wealth as possible. That beast was foreign lending, and its proportions in financing capitalist development fluctuated according to the cycles of agricultural and mining rents, the vigilance of the settlers and their capacity to anticipate at which point a foot in the door allowed the full occupation of the building. Foreign capital was needed in varying amounts, both to finance the investments that were required to extract the natural wealth and especially to keep the system afloat during downswings in the rent cycles. However, I believe that most of the time, at least during the heyday of 'white settlerism' before World War Two, British capital did not possess sufficient leverage to shift the system's engine from the colony to the imperial power. Even when prolonged recession resulted in seemingly excessive

levels of borrowing to help service past debt and to cover trade deficits, such as during the 1890s and the 1930s, the upswing at the end of the tunnel was sufficient to eliminate the debt and the extra political-economic leverage that might have gone with it.

Although it might seem contradictory to argue both that the settler society's centre of gravity was firmly anchored in the colony itself, and that Australia was dependent on foreign capital, the settlers could, had they wished to, have created their own financial institutions and consciously built up their own levels of savings from the massive surpluses that were available during booms, which was after all most of the time. However, because they always managed to pay off their overseas debts, they remained ever willing to raise money in Britain, either for investment or to cover trade deficits during recessions. British capitalists too, even without themselves having to go all the way to Australia, were able to get a bite at the cherry (although no more than a bite). Because the funds they lent so willingly had their origin in the profits they obtained from the colony, all that really happened was that the savings and investment *function* was increasingly surrendered to British capitalists, not the source of that savings and investment.

Social Implications

Distinctive Class System: A Glorious Country for a Labouring Man

Unlike the extractive colony, which required maximum profit and minimum wages, the settler colony, if Britain's redundant labour was to find it an attractive place, needed to have the maximum wages compatible with the continued profitability of the landholder and other local capitalists. Although the landholder's wool was sold to capitalists in Britain, who took their cut, the bulk of the profits remained securely in the hands of settler capitalists and landholders, and some of the potential profit never saw the light of day because the labourers who added their contribution to that of nature were paid more than they would have received if Britain had fully tightened the noose.

During the latter half of the nineteenth century, New Zealand was known as 'a glorious country for a labouring man' (Steven, 1985, 1989; Millen, 1984), and the increasingly organised and overwhelmingly male Australian and New Zealand working classes enjoyed the highest living standards in the world, with New Zealand just ahead of Australia. It even appeared that the very basis of class division, the exploitation of labour by capital, had somehow been circumvented by the capacity of the land, rather than the energy of workers, to generate wealth. Men of almost all occupations were thus 'mates', a term which signified the shrunken distance between the classes and an egalitarian culture that was impossible in the world of extractive imperialism. However, even writers like Rowley (1972), who do draw attention to Australia's high male wages, do not ask why this was the case or attempt to explain the co-existence of low labour productivity with high wages (pp. 22-3, 25). Clark's (1972:69) brief allusion that Australian living standards were purchased at the expense of Britain's colonial subjects is not explained. Does he really mean that Britain's colonial plunder was re-distributed to Australia to underpin the settlers' high living standards? If so, he offers no explanation or elaboration of this extraordinary claim, or why Britain should tolerate it.

Wage levels were in fact supported by a variety of conditions. Most important was the vastness of Australia's pastoral land, which many new arrivals managed to occupy as squatters and so which continually served to erode the country's labour supply. The state's half-hearted attempt to prevent squatting from undermining the neat division envisaged by Wakefield between labour (emigration) and land (settlers who could afford the 'sufficient price' of land) (McMichael, 1979: 69-70) shows that in the long run, so long as sufficient land revenues were available to finance further emigration, Britain did not really care how the settlers managed to find their better lives: whether as higher-paid labourers, as landowners or simply as occupiers of land. Governor Bourke was certainly not concerned with such distinctions (McMichael, 1979: 71, 77). Squatting reduced the supply of landless workers and so allowed the bidding up of wages, and squatters themselves got a direct bite at the cherry by having direct access to the land. Either way, life in the colony was better, and almost all men could be mates, especially with the emergence of self-government in the 1850s. The crucial issue, however,

is how greatly this reduced the impact of class on Australian development and identity?

In the immediate view of one contemporary (Franklyn, 1881:7), the answer was considerably so:

In a colonial community of comparatively recent origin. . . . all but an insignificant percentage of the population are workers. . . . And their industry is immensely productive; because, in a country where the soil is . . . exceedingly fertile . . . nature co-operates so powerfully with human labour in the creation of wealth as to ensure to every unit of the population such an amount of the necessaries and comforts of life, as is necessarily unattainable in old and thickly-peopled countries.

The orthodox dependency argument, on the other hand, refuses to entertain the idea that workers benefited from settler colonialism:

The high level of incomes in Australian society, particularly of wages, did not necessarily signify a more equitable distribution of wealth or income, since it appears to have been associated with exceptionally high levels of productivity in the export (wool) sector and rapidly growing productivity in the manufacturing sector. Thus, *as a portion of the value of [the] total product* [original italics], the wage bill may have been decreasing (as real wages rose), signifying a rising rate of exploitation. In the wool industry, for instance, the introduction of capital-intensive techniques in conjunction with the natural advantages of Australian pasture effected a rate of output that financed wage rises, dividend commitments, and a surplus for reinvestment (Cochrane, 1980:20).

What is at stake here is whether, as Cochrane believes, the class division between labour and capital has been as wide in Australia as anywhere else, or whether the appropriation of Aboriginal land procured a source of wealth for capital that allowed a reduced exploitation of labour. This latter view implies that the division between the settlers as a whole and the indigenous people was far deeper and had *a greater impact on Australian identity than was the class division among the settlers*. The difference centres on different interpretations of Marx's theories of the

exploitation of labour and of the creation and distribution of surplus value.

According to Marx's theory of rent, the products of nature can sell at prices above their 'value', that is, above the socially necessary labour time needed to extract them. This is because monopoly ownership of something which cannot be made by human labour, such as land, can prevent entry into an industry that relies on it and thus can prevent competition from bidding the product's price down to its value (as occurs in other industries). Hence the human resources contained in products that rely heavily on nature are typically fewer than the human resources contained in the products with which they exchange. For example, \$100 worth of manufactures require more human resources (socially necessary labour time) to make than do \$100 worth of wool or alumina. This extra price, over and above the value of the labour needed to extract them, offers the monopoly owners of natural resources an extra source of profit, called *rent*, independently of anything contributed by their own workers. The greater this rent, the less do the owners need to exploit their own workers in order to remain profitable. Exactly how does this differ from the Cochrane argument?

It is true, as he says, that workers who are more productive can both receive higher real wages and simultaneously be more highly exploited than those who are less productive, because the *value* they create (through their higher productivity) increases by more than the value they get back in wages. What is questionable, however, is whether *natural advantages* increase the *productivity of labour*, in the sense of adding to the 'value' created by labour. Nature certainly can help lower costs and allow employers to pay higher wages, but Marxian theory tries to dig deeper than this. Natural resources do not *increase* the value workers create, but because higher prices (that include rent) can be charged for the products of nature, their monopoly *ownership* by some capitalists results in the *re-distribution* of this value. From whom and to whom does this re-distribution take place? Because capitalists who buy raw materials have to pay prices that include the rent, their profits get squeezed unless they somehow *increase* the exploitation of *their* workers. The value that is redistributed is thus the value created by the workers of the capitalists who buy natural resources and sell, say,

manufactures, and it goes to the capitalists who sell natural resources and buy manufactures (Steven, 1985).

If this line of reasoning is extended to the international trade between Britain and Australia, we get an extraordinary reversal of the traditional orthodoxy. The prices at which British manufactures exchanged for Australian wool and pastoral products resulted in a *transfer of value from Britain to Australia*: the Australian landholder could get away with a form of monopoly pricing that was not available to the British manufacturer, so that the latter's workers had to be exploited just that bit more, while those of the former could be exploited less. However, such an argument has proven too much for the orthodox left, even for those who do recognise that rent does not increase the surplus value workers create but is a form in which that surplus is distributed. Wells (1989), whose work on landed property in Australia is unquestionably thorough, provides anecdotes which are surprisingly supportive of the present argument. For example, he explicitly says that 'The price paid for exported commodities exceeded their value. The level of colonial exploitation could be moderated' (147). Yet his overall view is consistently at variance on two crucial points. First, he argues (pp. 82 ff.) that the surplus value which is distributed to the Australian landowner comes from Australian workers alone, and he does not pursue the possibility that international trade can transfer value to countries that sell natural resources from those that sell manufactures. Second, Wells believes that British financiers were able to appropriate substantial amounts of this rent and that they constituted the driving force behind Australian development:

Direct and indirect ownership of colonial private property meant that a portion of the surplus value created in Australia was appropriated in Britain. . . . The reproduction of the imperialist capitalist class (or a major fraction of that class) was posited upon the colonies performing their assigned role in providing raw materials for British manufacturing. And in that process a considerable number of Australian capitalists was prepared to cooperate. . . . [They] perceived Australian developments within the context of maintaining colonial dependency in an imperial division of labour. (Wells 1989)

The argument that Australian landholders, capitalists and even workers constituted the driving force behind Australian development and that all benefited at the expense of the Aboriginal people and of British workers must indeed sound extraordinary to most members of the dependency school, although at one point even Wells seems to entertain the same heresy: 'Britain did not fundamentally exploit the Australian colonies. Perhaps the reverse was true' (1989:135). However, he does not explore this possibility, which is not consistent with his main dependency thesis that 'the economically dominant fraction of capital was not colonial or national; it was international' (141). Clark's (1972) argument that Australia was a partner of British imperialism misses the point: it has no coherent theory of what source of wealth sustained Australia's high wages or what British imperialism got from its Australian ally. Why would Britain share with Australian workers wealth it extracted from its extractive colonies?

My argument becomes much more plausible if we look at what happened in the colonies Britain did fundamentally exploit. For example, it was only because there was little need for anything to trickle down to the local working class in an extractive colony like Malaya that the rent from that country's tin and rubber resulted in such windfall profits for the British capitalists who exported these commodities. Writers like Cochrane never ask why, if workers in countries like Malaya were just as productive as Australian workers because nature was just as bountiful, did they not receive comparable wages. The answer is obvious: Australia was a settler colony to which workers needed to be attracted, and it could not be raped of its wealth like Malaya; extractive colonies become poor and offer nothing to prospective migrants. Some of the wealth that Australian land could command (and *siphon out of Britain*) therefore had to be surrendered to Australian workers, or at least be used to reduce the exploitation they might suffer at the hands of Australian employers.

Understanding Genocide: Racism Unlike Any Other

The tendency of dependency writers to blur the distinction between settler and extractive colonies is understandable in view of the almost

identical source of wealth found in both societies: rent from the land and its contents. What separates the two is not the origin of their wealth, but the different appropriators of that wealth; where the agricultural and mining workers came from; who plied it from the earth; what was finally done with the wealth; and hence the different functions for the coloniser of the two types of society and thus the different 'laws of motion' that gave them their distinctive identities. We have already mentioned the relative classlessness that was so important to the identity of the settler colonies. We must now turn to the issue of ethnicity and the typical form of racism towards their indigenous peoples.

There is little disagreement that the booty from the tin mines and rubber plantations of extractive colonies like Malaya was fully appropriated by British capitalists, who took the profits back with them to Britain, where it was accumulated. The workers who toiled away on the plantations and mines were either indigenous inhabitants of the land or they were migrant and indentured labourers who were no better off than their Malay counterparts (Stenson, 1980). Extractive colonialism impoverished the colony and its inhabitants because the profits were shipped back to Britain, and so in no cases were British citizens brought in to work. The expatriate populations remained small and almost exclusively upper class, comprising capitalists, administrators and soldiers, who organised the territories to facilitate the maximum shipments of wealth.

However, because the primary beneficiaries of the 'golden fleece' from the sheep farms of Australia and New Zealand were the settler landholders and their employees, they began systematically to exterminate, either literally (through guns and disease) or figuratively (through assimilation and cultural repression) the indigenous owners of the land. The function of the latter was not even to help extract the wealth, as it was in places like Malaya, but to disappear altogether. Had extractive colonialism been the objective, the indigenous people would, by one means or another, have been even more fully brought into the labour force and if necessary supplemented by cheap indentured labour rather than white settlers. The distinctive form of racism would have been the proletarian variety, in which the indigenous people are seen to be worth no more, but also no less, than labourers in the worst and

lowest-paying jobs. What was needed of the indigenous people in a settler colony, however, was to relinquish their land, and so their value was less than that of even the lowest proletarian worker, and genocide was the settler colony's typical racist response.

Few Australians or New Zealanders are happy to recognise that at the very core of white settler identity is a tendency to exterminate, by whatever means, the indigenous people who stand between them and the munificence that the land can deliver. Progressives are happy to use words like 'invasion' or 'conquest' (Dyster and Meredith, 1990), but the word 'genocide' sticks in their throats. That white settler colonies were founded as killing machines and that they have retained this 'law of motion' seems too outrageous to contemplate. Yet even when the existence of the machine is recognised (Elder, 1992), its existence is either not explained or the explanation lapses into moralism (Rowse, 1993) or idealism (Reynolds, 1987). One of the most striking things about the political economic literature referred to so far on Australia's settler origins is its almost total silence on the fate of the Aboriginal people. The notion that Australia had no indigenous inhabitants, that it was a 'terra nullius', had seemingly taken hold of even the most critical academic writers. When the barbarism that lies at the heart of Australian identity is recognised, this is blamed on 'the realities of imperial domination' (Wells, 1989:151), not the interests of the settlers themselves.

However, to this day genocidal racism retains tremendous power within Australia's institutions, as evidenced by a recent case in which members of the police force went to a fancy dress party dressed up as Aboriginals. The implication of the nooses they wore round their necks was that it was entirely appropriate for Aboriginal people to hang themselves in Australia's jails, that they should be dead. Australia is not alone in this regard. Without exception the settlers in all white-settler colonies made systematic attempts to remove the indigenous peoples from their homelands, and horror stories of multifarious forms of genocide are part and parcel of their histories and remain deeply imbedded within their cultures and institutions. It was not until 1967 that Aboriginal Australians were finally counted in the Census and accorded voting rights, and until 1994 that the courts, in the Mabo decision, denied that

Australia had been uninhabited before the arrival of the settlers. These are but two illustrations of the tremendous pressures in Australian society to have the indigenous people disappear from the face of the earth, for them not be counted as human beings, and for their land, especially the mineral wealth on that land, to be seen as belonging to 'no one'.

Frantz Fanon (1967), the Algerian writer on white settlerism in Africa, understood better than most the system's effects on indigenous peoples. In its most benign form it involved the alienation of land to growing numbers of settlers: the more land they appropriated the greater the numbers of new settlers they could bring in, and so the more land they could appropriate. Its power was therefore 'a question of numbers.' Cultural genocide through assimilation, even if it required the forced separation of Aboriginal children from their parents, would allow more land to be converted into capitalist property than would military expeditions, because assimilation broke up the communities through which the indigenous people possessed their land and regulated its use. Military expeditions only disposed of individuals, although in some parts of the country they seem to have all but succeeded in obliterating entire communities. Either way the struggle was a violent one, because it was a struggle for survival itself (Cole, 1986). However, even the most sympathetic accounts of the details do not adequately grasp the process as a *systemic* one driven by white *settlerism*, but rather of mounting racism, 'racial hatred' and different conceptions of land ownership (Reynolds, 1987). Yet at times Reynolds comes very close to recognising the distinctiveness of the system and not just the motives of its agents:

The Aborigines had to be physically removed and their title extinguished; the settlers fought the blacks before they fought the land. . . . the prolonged conflict was, by general consensus, a sort of warfare. Yet war is by no means a perfect analogy because most wars are not accompanied by a total transfer of land from vanquished to victor or by the complete overthrow of the existing economic and social order. White settlement was more like a revolution than war (1987:189).

The '*basic* contradiction' in white settler capitalism is not between capital and labour, nor even between professing benevolence and

practising appropriation (Reynolds, 1987:166), but between the *survival* needs of the indigenous people and the demands of the settler system, which requires the indigenous people to disappear altogether, rather than to become wage labourers as even Reynolds (191) believes. If one takes the degree of continued violence and death as a measure of conflict and the inner workings of the system, then the evidence for this heretical view is incalculable.

Settler Patriarchy and Mateship: For Men Only

Australia was true to form from the beginning of its history as a settler colony in the nineteenth century. Aboriginals were massacred, the economy flourished and working men poured in to take advantage of the increased opportunities to influence and benefit from their 'new world'. Women poured in too, because marriage to an upwardly mobile white settler was preferable to marriage to an unemployed Briton, and having to 'keep' him to boot. At least women who married into Australia's high-paid working class could, just like bourgeois women, be 'kept' by their men.

But mateship was a status which women could not themselves achieve in a settler society, because their 'chosen' profession was marriage rather than wage labour or the possession of land. In fact there was no place at all in the colonies for a young woman in the very early years, and when the almost all-male populations did begin to demand the entry of women, this was in order to provide them with wives or to fill jobs that trained them to become wives. Their efforts in factories and as domestic servants in other people's homes were deemed to constitute training for that profession, and even half a man's wage was considered fortunate, or, for a young domestic servant, excessive. If there was a highly exploited working class in white settler Australia and New Zealand, then it was to be found in the textile factories, where 'sweating' was rife, and in upper class homes, where payment could be as low as nothing at all (Millen, 1980: 63 ff; Anderson, 1992: 229 ff.). In New Zealand in the 1850s, a skilled washerwoman received 2/6 a day, while a servant girl averaged less than 1/- for what was often a 16-hour day with only one night off a week. Unskilled male labourers at that time got 5/- and tradesmen 7/6

(Millen 72 ff.; Roth, 1973: 3-4) for a working day that was increasingly being limited to 8 hours. In Australia, the differentials were similar: women typically received half the wages of men for up to twice the hours (Franklyn, 1881:43; Anderson, 1992: 229; Hutson, 1983: 33; Buckley and Wheelwright, 1988:146). Yet even domestics were better off in Australia than they were in Britain, since a 'girl who has been accustomed to receive an annual wage of £5 in Ireland, or of £10 in England . . . is paid £30 or £36 in the colonies' (Franklyn, 1881:36).

Among the enduring legacies of white settler colonialism has been the pressure on Australian women to marry and to be 'kept' by men. As a typical middle class opinion in 1845 put it, 'high wages tempt many girls to keep single' (Anderson, 1992: 229). Women were simply not meant to work for pay, but to marry and to be kept by men, a condition which in both Australia and New Zealand persisted well into the 1960s: the workforces of both countries included very few married women, and women's earnings rarely exceeded 60 per cent of men's. Although the appalling conditions facing women workers in settler colonies have been documented by labour historians, the links between genocidal racism, men's relatively high wages and settler patriarchy are not usually drawn. The high level of profitability that permitted such high wages for men did not result from high levels of labour productivity, but from the rents that Aboriginal land were able to deliver to its expropriators, and it was these peculiarly high wages that allowed even working men to 'keep' a wife, a power possessed only by bourgeois men in Britain. Genocidal racism and settler patriarchy were therefore parasitical on each other and represented two sides of the same coin of white male power. Although most of the relevant details are sometimes recognised (e.g. Buckley and Wheelwright, 1988:140-53), the *systemic* linkages are not. Nevertheless, settler patriarchy was built on more than simply relative wages.

Two further conditions in the colonies especially contributed towards the forging of a distinctive male-centred culture. The fact that in the mid-nineteenth century men outnumbered women by almost two to one and then by almost one-and-a-half to one well towards the end of the century (Carmichael, 1992:107) meant that settler institutions were even more fully created on men's terms than were their counterparts in Britain. The family begins with the single male who is beholden to no woman, not

even mother, sister, aunt nor grandmother, all of whom in the home-country could at least confront him with some kind of a consolidated female presence. As Jock Phillips (1987:9) wrote of New Zealand:

It does not require a great imagination to see what a difference such an imbalance must have made to colonial society or to the experience of Pakeha males in particular. Here was a large male population with no married obligations and relatively footloose. They naturally looked to other men for support and company. Here was the demographic basis for a rich male culture, fertile soil for the growth of all-male institutions.

The other condition peculiar to settler society was the absence of established communities or situations, other than the church, through which the few women who were there could come together collectively. Although life on the frontier also scattered men to distant places, women were confined to the home and lacked the mobility men used to build solidarity through coming together in such places as pubs, worksites and sportfields. The problem of women's reduced numbers was thus compounded by their dispersal, so that settler society consolidated men's but dissipated women's potential strength. It is striking how long this problem has persisted and how much attention had to be given to it by feminists well into the 1970s. While in Britain the modern movement focussed from the beginning on concrete issues, especially in the work place, in Australia and New Zealand women had first to learn to know and like one another. Such was the legacy of settler colonialism.

The basis of this legacy, in both Australia and New Zealand, was that farmers of whatever status, from the estate owners of New Zealand's South Island (Eldred-Grigg, 1980) to the leaseholders of Australia's outback, as well as wage labourers on farms and elsewhere, so long as they were of British origin and male, lived immeasurably better than they had in the 'mother' country. This was, after all, the essential function of a settler colony. Unless working class life became better there, rather than worse, no one would have been willing to leave hearth and home, certainly not for a destination in which one became poorer as time went on.

Conclusion

Although Australian society has changed markedly since white settlerism took over in the nineteenth century, many of its fundamental features have stubbornly clung to their colonial roots. The 'race-gender-class' nexus is both tighter and less contradictory than are those of other capitalist societies, largely because of the continued importance of the land and the colossal impact of its never-ending appropriation. Australia became a wealth-grabbing rather than a wealth-creating society. Those who resisted this process have been the targets of the society's worst savagery, while those who benefited from it, white males, both workers and capitalists, forged an alliance that united them in mateship against Aboriginal and female Australians.

The 'white alliance' is not simply a product of white racism; it also stems from the way classes have been formed in Australia in relation to both gender and ethnicity. The reason why black and white men still do not usually work together is because they are pushed further apart by the very wide distance of class that separates them. Those Aboriginal people who have managed to survive the genocidal onslaughts on their communities, and on themselves as individuals, have ended up at the bottom of the class structure, typically as unemployed or only casually employed wage labourers. White males, however, have been the prime beneficiaries of capitalist growth and the expansion of upper class, middle class and high-paying working class jobs.

If a broad similarity of class position has helped preserve a sense of mateship among settler men, the confinement of women to the home or to paid jobs that prepare unmarried women for the home resulted in a division between the genders that corresponded to and was further widened by a class division. Men gravitated much more towards upper class positions, while women have been much more relegated to lower class positions, just like Aboriginals. Although some of these patterns have been subjected to tremendous pressures over the past two decades or so - the main one being the emergence of new and deeper class divisions among white males - they have also been surprisingly resilient. Unless one understands these resiliencies, a great deal of left political

organisation and activity will remain largely irrelevant to the people who stand most to gain from it.

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