

# FROM LABOUR HISTORY TO CAPITAL HISTORY

**Reviewed by  
Andrew Wells**

***CAPITAL ESSAYS: Selected Papers from the General Studies Conference on Australian Capital History, edited and published by Drew Cottle, C/- General Studies Department, University of New South Wales, Sydney.***

**S**ocialist historians in Australia have had an enduring preoccupation with the writing of labour history. Labour history has understandably focussed on the industrial and political struggles, the institutions, experiences, leaders and ideologies that have shaped the working class. Despite the new emphasis given by socialist historians to working class initiative and responsibility in making their own history, the dominating power of the capitalist class could not easily be ignored. Indeed, most labour historians have been, and remain, fully aware that their persistence in recovering and recording working class history arises from a political commitment to a subordinate, exploited class. This emphasis has rarely led to a focus on the formation and consolidation of the dominant capitalist class and their means — economic, political and ideological — of maintaining hegemony over the direct producers. For this reason, one can only agree with Drew Cottle's and Ken Buckley's call in this volume for the systematic study of Australia's dominant economic and political class: to write what they call capital history.

**E**xactly what writing capital history involves is worth considering. One assumes that

capital history is a significant departure from company history. Conventional company history tends to harness the extant (and sanitised) documentary records of a firm, in order to provide a more or less comprehensive description of the firm's activity. Like other forms of ruling class history, company historians work with the recorded documents of the exploiter and this encourages the historian to sympathise with the entrepreneur. Sometimes this degenerates into an uncritical account of company founders and the director's business acumen. At best, the company historian may move the focus to the wider field of economic relations into which the firm is inserted. But even the better company historians do not grasp the fact that the capitalist firm is not a historical subject in the sense of creating its own history: even when capitalists make history they do not do it as they please but within determinate relations inherited from the past. The capitalist system is a system because it forges a wide-ranging set of possibilities and constraints which enmesh those who control private property, the means of production and thereby the surplus labour in capitalist society. This system is essentially an ensemble of economic relations but they are produced and reproduced by political or legal forces. Moreover, these economic relations are heavily influenced by the world capitalist system. In short, the shape of economic and political relations fundamentally circumscribes the so-called freedom of private enterprise. These relations, the dominant pattern of class relations, are the premise and the product of capitalist commodity production. It is towards the elucidation of these class relations that capital history should be directed. These relations should be

seen as structural — that is, involving basic property distinctions — and dynamic — illustrating the evolutionary trends of a particular capitalism. From this perspective, the concern of capital history is directed towards the same end as labour history: it is the evidence employed, the orientation and the starting point which is somewhat different.

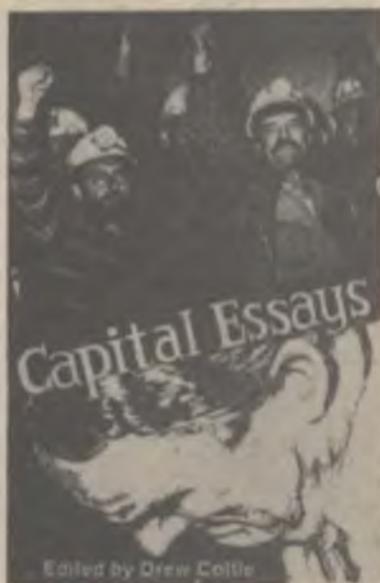
In illuminating the structure and dynamic of an Australian capitalism, capital history might proceed in two separated though related ways. First, an attempt could be made to identify the general pattern of economic (and other) relations in which the general experiences of capitalist firms is explicable. This would involve a consideration of the entire process of the production and the circulation of surplus value. Second, the analysis might concentrate on a particular firm or branch of the capitalist economy thereby grasping the system as it impinges on a part of the totality. Neither approach is useful for socialists unless they are built on theorisation. Theorisation is necessary because there already exists a vast literature, a conceptual vocabulary and research methods capable of simplifying a vast undertaking. Given that the Australian economy has been subjected to powerful international economic forces there are some important characteristics requiring theoretical innovation. Theory is useful in pointing to the relevant questions, relations and issues; not in providing ready-made answers. Ultimately, successful capital history should, as I said earlier, complement labour history. But the writing of class history should not be seen as total history. Rather, it illuminates a central dynamic of capitalism; a dynamic of particular interest to socialist thinkers and activists.

It follows from these comments that capital history as an intellectual project may be assessed in the following way:

- What does it tell us about the process of producing and reproducing surplus value?
- How successfully does it explain specific capitalist economies and branches and firms within that economy?
- What light does it throw on the wider pattern of class relations in their dynamic totality?

With these questions in mind, I shall turn to the contributions in this pioneering Australian work. The collection commences with a short introduction by Drew Cottle explaining the purpose and indicating the content of each essay. A short exposition of the potential of capital history by Ken Buckley follows Cottle's introduction. Buckley illustrates his discussion with reference to his important work on the Burns Philp Company. Despite an assertion that company history should be distinguished from capital history, with the latter embracing a more critical orientation, the purpose of capital history is ill-defined. One turns to the bulk of the remaining essays with the expectation of reading clear examples of the more innovative promise held out by the notion of capital history.

The first substantial essay is John Shield's "Capital, Craft Unions and Metal Trades Apprenticeship in NSW Prior to World War II". As an article, it would not look out of place in *Labour History*. Its purpose is to investigate the role of apprenticeships in the struggles between metal trades bosses and workers. Shield hoped to throw some light on the (by now vast) literature on deskilling of the labour process and of writings by Australian labour historians on the skilled "Labour Aristocracy". The undermining of craft through job reclassification, the displacement of master craftsmen by boys and the use of piece-rates in the mid-1920s considerably enhanced the powers of employers. The arbitration court conspired to weaken the system on indentures, threatening the privileged labour aristocracy. But, with the shortage of skilled labour



experiences during the second war, the skilled unions were able to reassert their earlier controls over skill. We are left wondering about the ambiguous nature of skill for both capitalists and workers and how the vagaries of the capitalist labour market rather than skill *per se* determines the position of skilled workers. An explanation of the transformation of the labour market, an aspect of a wider pattern of commodity relations indicates the need to venture further into the analysis. The need to move from labour to capital history is demonstrated; the execution not accomplished.

Contrasting with the bulk of the essays, Donaldson et al. engage in a regional analysis of contemporary Wollongong, generating in the process an explicit political strategy. The coherence of such an exercise might be questioned at the onset: a regional analysis and strategy must be related to a comprehensive national strategy to have a chance of long-term success. What future exists for socialism in one city? Despite these reservations, at least we are given the outline of how capital history might be attempted and how it directly relates to socialist political practice. At the onset, the dominant economic agents and processes are sketched in. This enables the major trends — monopoly ownership, industrial

concentration, plant modernisation, economic integration, workforce rationalisation and declining commodity markets — to be identified. Collectively, they result in regional economic decline and mass unemployment. We are given a sense of the vulnerability of the Wollongong region to national and international market conditions that have shaped the investment, production, management and employment practices of the major economic actors (BHP, CRA, Shell, BP, etc.); a sense pointing to the broad concerns noted above and crucial to capital history.

These developments have generated signs of working class resistance. Marches, meetings, protests and debates within the industrial and political labour movement have occurred. But the optimistic note of the authors seems unwarranted. The encouragement of public and private investment initiatives, the promotion of high technology industries and the formation of local financial co-operatives might be welcomed by those interests (especially small business) fearful of continuing recession. But, in themselves, such initiatives do not mark a break with commodity relations or transform the balance of class forces. Industrial employment could still continue to wither away. Perhaps to invert Gramsci's slogan, optimism of the intellect might result in pessimism of political will.

Chris Cunneen's "Capitalism, the State and Youth" is a most interesting essay but it is not well integrated with the collection's explicit themes. It has much to say about the state's role in contemporary capitalism. He claims that the NSW government is increasingly repressive in its policing against the young unemployed. A strategy of control involving remand centres, community residential care and an anti-terrorist squad point to the dual nature of repression in mobilising high technology and professional counselling. Concurrently, the Child Welfare Act, and a kibbutz solution to unemployment show cynical "concern" by the ruling class with effective social control.

One feels Cunneen's well-placed concern and anger at the indifference and response by the employers,

bureaucrats, police and politicians at the wasted lives of the unemployed. Yet, I wonder if the policies and responses of the state are as co-ordinated, coherent and sinister as Cunneen suggests. Does the state have the sort of power and interest in the containment of potential working class rebellion as he maintains? Nevertheless, the essay remains disturbing and powerful. Its real target is the power of the state and its interest in maintaining social order and commodity relations. But the assumption that the state responds to the needs of capital, a valuable hypothesis, is in need of more careful elaboration. The state, like the relations it works to reproduce, is subject to contradictory pressures.

**S**imms, in an essay on the Liberal Party in Victoria, draws our attention to the characteristic form of "developmental statism" in Australia and its impact on Victorian conservative politics. Simms warns us not to equate post-1945 liberalism with laissez-faire ideology. Victorian liberalism was the political expression of divergent streams of ideas, business interests and branch concerns, not without complex contradiction. Its political success derived from the translation of these divergent class and sectional interests into a politically viable notion of the national interest. To a considerable extent the essay, despite its confused presentation, might be viewed as a variant of Gramscian interpretation of the articulation of the dominant interests of capital, with those of the capitalist class as a whole and with those of the people/nation and their translation into a political program. But Simms' essay leaves unresolved the precise nature of the Liberal Party's relationship to the capitalist economy. It might be said that, until the nature of Australian capitalism is more clearly defined, the question of political power and the role of parties will remain unanswered.

**I**n his "Convicts and Capital — Absences in the Imagery of Early Settlement", Terry Smith demonstrates the pitfalls of non-historical theorising employing an ill-defined conception of early Australian capitalism. Though generating arresting images and provocative assertions, the value of

Foucault's influence must be doubted. It is not so much that the characterisation of convictism as punishment, confinement and surveillance is invalid (though John Hirst's *Convict Society and its Enemies* argues otherwise) but that the direction of these acts of state coercion need delineation. To say, as Smith does, that during the convict period ".... the State was interested above all in their (i.e. the convicts) wastage unto death" (p. 74) is to misconstrue the transition towards mercantile capitalism and the various state interventions to produce that result. A preoccupation with power and the multiple sites of domination, the forms of symbolic and pictorial representation and a reliance on Foucault can, when aligned to a political economy of class relations, expand our historical understanding. Freed from historical and class constraints, such an approach creates a bizarre historiography. Unfortunately, Smith does not exploit the approach to greatest advantage.

**T**he concluding essays are concerned with a neglected topic; the nature of rural capitalism in Australia. Geoff Lawrence shows in "The 'Poor Old Farmer' Revisited" why this is central to our perception of class relations as a totality. He attempts to specify the structural conditions which account for the trajectory of recent agricultural developments. The trends he discerns are relevant: the consolidation of rural holdings, increased capital intensity in the production process, an increasingly competitive world market in agricultural commodities and the ascendant position of monopoly capital. The contradictions of rural capitalism result in the emiseration of family farms, the powerful hold of merchants over producers, ecological and environmental damage and growing dependence on the state. State subsidies, taxation, research support and controls over production and marketing have failed to create a co-ordinated approach to rural capitalism. While the purpose of Lawrence's essay is excellent, the structural aspects he considers are not comprehensive. For example, the issues of rent — private and public, differential and absolute — and the provision of rural credit are largely absent. Moreover, the division of

labour in rural capitalism, relations of domination in the paid and unpaid labour force and the characteristic forms of exploiting women's work are not explored. In short, the analysis is incomplete.

**T**he book concludes with Drew Cottle's "A Compradore Countryside: Rural New South Wales, 1919-1939". It presents an important contrast with the rest of the book by emphasising the powerful links between rural capitalists and British finance capitalists. Cottle argues that the NSW countryside was dominated by a compradore class, acting as "Dependent Allies of Foreign Capital". Cottle argues that this compradore class held control over rural production, exploiting a compliant workforce with assistance from the Australian Workers Union (AWU) and exercising cultural and ideological power. From this powerful economic position sprang an organised politics: parliamentary and otherwise. At the margin of this organised politics arose a rural fascism, a fascism influencing the more respectable face of rural conservatism. Cottle probably overstates the power of reaction and underplays the tensions with class and compradore politics. The value of his approach lies with the emphasis on the political consequences of the high level of Australian economic integration with world capitalism. The success of capital history depends on the investigation of this theme.

**A**s a whole, these essays are worthwhile. They vary considerably in quality and accessibility. To an extent they can be compared favourably with the essays in the Wheelwright and Buckley volumes. But how well do they succeed as capital history? The answer is just tenuously. In one sense the subject is so broad as to be elusive, even though modest progress towards a clearer definition of capital history emerges in this collection. Lawrence's piece, for example shows the most profitable direction in writing capital history even if the execution is partial. More importantly, the lack of clear conceptualisation, the specification of the subject matter (including the inevitable constraints) and strong collective editorial control are all too evident.

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energy supply that is proof against external forces — be they militant trade unionists, consumer pressures, environmental pressures or whatever; 2. a protected civilian fuel cycle capable of supplying the nuclear needs of the military. (p.203)

When Arthur Scargill says the strike is over but the struggle will continue, you can begin to appreciate what he means.

## Scargill

**B**ut what of Arthur Scargill? In complete contrast to the other books, Michael Crick, a TV journalist, has focussed on the most dynamic socialist trade union leader seen for many years. *Scargill and the Miners* is a most readable short history of Scargill's life, his rise to the presidency, some of the inside developments of the NUM from the '50s into the '80s when the left was voted in, and the strike itself.

This is, in true journalistic fashion, a book about the man. As a youth of 15, Scargill "decided that the world was wrong and I wanted to put it right, virtually overnight if possible". It described his first days down the mine, the influence of his communist father, the Young Communist League, his fights for better conditions for the miners and the battles with the rightwing leadership. He was elected as pit delegate, as compensation officer and became prominent at NUM conferences. The famous Sallley Gates incident in Birmingham is described, when thousands of workers went on strike in solidarity with the miners (unlike in 1984) and marched to a mass picket, with Scargill organising, which divided and weakened the then Tory Heath government. The significance of the fight against redundancies is made clear by the fact that Scargill won 78 percent of the vote to become president in 1982 on such a program and the left won control of the executive.

Few political figures in this country arouse such strong feelings as Arthur Scargill. Those who dislike Scargill often positively detest him. And yet, among his own supporters he is almost worshipped. To the young men on the miners' picket lines he is like a pop star. They have trust in him, and a respect for him, that no other British trade union leader or politician in living memory has

enjoyed. Rank and file activists in the labour movement snare that adulation.

I attended a number of Scargill rallies and heard 10,000 sing the battle cry "Arthur Scargill, Arthur Scargill, we'll support you evermore".

This level of support continued even after the return to work. Two weeks after the end, Scargill contrasted the 1984 strike with 1926 when the miners went back to work cowed to lower wages and longer hours. *In 1985 at the end of the most historic strike seen, Britain's miners marched back to work having seen the 1984 closure program not implemented, five pits still open, a new procedure giving an appeals body on closure intact, and above all this union refusing to acquiesce to the closure of pits on the grounds of so-called economics. That's not defeat, that's victory as far as this union is concerned.* (to rousing cheers)

As this review is completed, just before Easter 1985, the miners, despite having suffered a setback, are still a force; the British economy under the Tories is severely strained; opinion polls indicate that Thatcher's position on the strike and her policies are causing divisiveness; and the Labour Party is in front. History may judge the strike as not so much of a defeat for the miners after all.

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The pressing need to construct the "The Political Economy of Australian Capitalism" or more precisely to map out the complex pattern of Australian class relations remains. This mapping requires labour and capital history as the necessary condition. An informed socialist politics that engages with the pattern of Australian commodity relations is still in its infancy. One precondition of a potential hegemonic socialist political strategy is a set of appropriate responses to Australian circumstances. Socialist writings of which capital history is an important part is valuable, not because theoretical analysis should determine the course of political struggle. Rather, its importance lies in the effective contribution that socialist scholars can make in clarifying the important strategic issues. To this end, capital history in general, and this volume in particular, may aid the struggle to socialism: under socialism the writing of capital history would be of purely academic interest.

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