A Hundred Years of Socialism in Australia

by Eric Fry

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Beliefs and theories cannot be understood separated from the society in which they exist and which gives rise to them. I will outline the main changes in Australia over a century, the setting for socialist ideas. I will not be able to say much about the other side of the coin, the ruling classes and their dominant ideologies, against which the socialist ideas were put forward. I have also to leave aside, largely, the individual men and women who formulated and fought for revolutionary principles, many of whom are commemorated and some of whom, themselves, are participants at this conference. My purpose is to show that, for a hundred years, socialism has been a force in the making of Australia.

We could trace socialist ideas back more than a century if we wished. As early as the 1830s some notions of producers’ and consumers’ co-operatives were current among the artisans of Sydney, derived from Robert Owen, and brought here by chartists and radicals. Later, in Melbourne, a scattering of European revolutionary exiles discussed socialist theories in their clubs. Socialist ideas that count, however, take root only when they answer the perceived needs of a working class in a capitalist mode of production.

From about 1860, Australia became a predominantly capitalist economy despite its distance from the world centres of capitalism, despite the pioneering which continued on its frontiers, and despite the hopes that gold or cheap land would make it a country of
independent producers or yeoman farmers. The most profitable industry was large-scale wool growing, the main support of the merchants and financiers who exported primary products to Britain and imported manufactured goods in return. The largest enterprises were British firms which controlled shipping, banking and the raising of new capital. The processing of raw materials and the supply of everyday goods was giving rise to some local manufacturing. Transport and distribution, building and construction were important in the economy, shared between many small businesses and a few large ones. The cities of Sydney and Melbourne were growing to populations of half a million as the centres of this economy.

This was commercial rather than industrial capitalism, a colonial economy dependent on Britain, not an autonomous one, providing a place for a substantial petty bourgeoisie — tradesmen, small owners, contractors, agents, shopkeepers, farmers, who were self-employed. Yet the mode of production — the way the economy was organised — was capitalist. A simple measure of this is the census of 1891 which recorded the sources of income of all breadwinners. Less than 15 percent were employers of labour, another 15 percent were working on their own account, and about 70 percent were wage or salary earners. This is a picture of capitalist relations of production in which more than two-thirds of the income earners are employees, although from the other side, almost one-third are employers of labour or self-employed, showing a broad, rather than narrow, top to the class structure.

Relations of production are not the whole of class relations, which enter into and are, in turn, permeated by, the entire web of social life — law, politics, family, ideology. Class, too, is a dynamic relationship, not a static set of categories. Nevertheless, a picture at a point of time is revealing so long as we recognise the forces which produced it and will change it. I only want to make the point that by the late nineteenth century Australia was a capitalist country and that therefore we find socialist ideas emerging in opposition to capitalist ideology. This dialectic is the one thing of which we can be certain.

Socialist ideas before 1890 were utopian, that is, the reality of capitalist society was contrasted with an ideal society based on abstractions such as “justice” and “reason”. This ideal was so plainly superior, it was supposed, that it had only to be understood in order to be accepted by people of goodwill from all social classes. Its advocates were small groups of writers and speakers, fringe intellectuals and self-educated craftsmen, using the methods of propaganda and publicity to proclaim the truth. William Lane is the best known of them, more because of his weaknesses than his strengths. His emotional journalism accorded with the taste of the day; his conception of socialism was particularly innocuous — “Socialism means the brotherhood of man, the union of all for the securing of social justice”; his exodus to Paraguay and subsequent life as a conservative newspaper editor could be used to demonstrate the absurdity of socialist doctrines. Other socialists of the time were made of sterner stuff.

By 1890 there was a labor movement in Australia as well as socialist ideas. This labor movement consisted of trade unions, mostly of skilled workers which, over thirty years, had won improvements in wages, hours and conditions by direct bargaining with employers. They did not confine themselves to simple economism; they made their voice heard in public affairs — on immigration, the White Australia policy, government works, access to farming land, education, and legislation to protect employees. Seeking a better place for labour in existing society, they emphasised their respectability, inscribing on their banners “Defence, not Defiance”. But their proudest banner celebrated the Eight-Hour Day, a reduction in surplus value and hence profits which no employer gave willingly and many still refused.

The unions had been successful basically because of the relative shortage of labour in this developing but distant part of the British world economy. They were sure of their
strength and confident about their future. So trade unions grew early and strongly in Australia, evolving a union consciousness which could lead to class consciousness. They were the potential mass audience for socialist ideas and even by 1890 some of the most active unionists were touched by socialism as an ideal.

A generation of prosperity ended suddenly in the early 1890s with a depression as severe and more prolonged than that of the 1930s. After a series of bitter strikes and lockouts, the trade unions were greatly reduced, though not destroyed. Turning to direct political action, they launched the class-conscious mass movement which created the Labor Party. The program of the Labor Party, as it was hammered out over ten years or more, had three components: full political democracy, trade union demands for the protection of labour, and Australian nationalism. Later, some social welfare provisions, such as old age pensions, were added and the national policies became more prominent.

The Labor Party was never a socialist party. Socialists had flung themselves into building it and had some influence on it in its early fluid years when socialist aspirations could be accepted as a distant objective. Genuine socialists were for ever thereafter confronted by the dilemma of whether they should work within a mass reformist party which did not seek more than palliatives, or stay outside it and risk becoming isolated.

I will not recount the comings and goings between the socialist groups and the Labor Party. Those who tried to influence the Labor Party were best represented by the Victorian Socialist Party which, under Tom Mann, became a political and intellectual force on the left. Those who stood outside the Labor Party found they could not win votes against it in elections, so became more doctrinaire in their hostility to the Labor Party and other socialists.

All these socialist groups took their theory from abroad, from Britain and the Second International. Their goal was some kind of state socialism, to be achieved by parliamentary means, for which they sought to find the right kind of electoral strategy. They were all products of their time, marked by a narrow Australian nationalism, almost invariably racist in their support of the White Australia Policy, declaring the equality of women only as an abstract principle, sectarian in their attachment to dogmas which reflected their powerlessness to shape events. For all this they kept socialist ideas alive as an opposition to the dominant ideology and they were not wholly separated from class-conscious unionists, on whom they had some influence.

The frustration of the socialists, which seemed everlasting, was being resolved by 1914. The Labor Party had to wait twenty years, to 1910, before it won office in the Commonwealth and New South Wales parliaments and was accepted as the alternative government in all states, forcing its conservative opponents to combine against it. What was the outcome of this first period of Labor in power? The reforms amounted to some industrial legislation to protect trade unionists, a little social welfare, a more comprehensive arbitration system, a modest land tax on large holdings and a weak Commonwealth Bank. More fundamentally, there was an all-round strengthening of the national government, accompanied by compulsory military training and an Australian navy. Most of this program followed on from earlier Liberal governments, as Labor became a consensus party. There was not much for the workers, not much to show for twenty years of rank-and-file devotion to building the party. Deep divisions were present in the Labor Party before the First World War.

Disillusioned militants turned to the IWW (the Industrial Workers of the World), the new force which revitalised class struggle in Australia, sweeping aside the old socialist groups unless they joined it. The doctrines of the IWW came from outside Australia, from the United States, but took root in this country because they made sense to class-conscious workers. The IWW told the
A Hundred Years of Socialism

By 1917 World War I brought Australia to a crisis which crystallised around the two conscription referendums. Australia entered the war on a wave of patriotism and Empire loyalty which provided a flood of recruits for the Army. By 1917 feelings had changed. At home, unemployment spread, prices rose, living standards fell, war profiteers flourished, at the front the slaughter mounted with no end in sight. So Hughes, Holman and other Labor leaders joined with every voice of the ruling class to call for conscription. In two referendums in 1916 and 1917, conscription was rejected, despite the weight of the whole establishment for it, censorship, intimidation and prosecution of opponents under the war powers. It was a great victory for a mass movement which formed on class lines.

The IWW spearheaded this mass movement. They completely opposed the war from the beginning. From the first, their slogan was: "Answer the declaration of war with a call for a general strike."

As Tom Barker, editor of Direct Action, put it simply:

Let those who own Australia do the fighting .... Workers of the World, unite! Don't become hired murderers!
Don't join the army or navy!

The IWW was suppressed. They were prosecuted and jailed under the War Precautions Act, charged with treason, with conspiring to burn down business premises in Sydney (receiving sentences of up to fifteen years), leaders like Barker, who was born in England, were deported. Refusing to be silent and scorning to hide, the IWW stood up with great courage, defiant to the end.

By its nature the IWW could not be a tight and disciplined party which would organise and survive underground. So it was destroyed as an organisation. Yet its ideas of socialism did not disappear — neither its rejection of all capitalist ideology nor its method of militant industrial unionism. Reaction had not triumphed wholly. Lines had been drawn beyond which the rulers could not go: on conscription, or reduction of standards of living, on the right of workers to defend themselves through their trade unions.

A revolutionary turn

Although the revolutionary upsurge of World War I shook the ruling classes in many countries, only the Bolsheviks were able to seize and hold power. Their success was an
inspiration for communist parties formed in other countries, as in Australia in 1920. On the one hand, the Australian Communist Party sought to model itself faithfully on the Bolsheviks; on the other, it was the heir to the Australian socialist tradition and had to live or die in the Australian environment. So from the beginning there was always tension between the outside theories and the local circumstances.

This was not new in Australian socialism — it had always been the case. It was particularly pronounced with the Communist Party because, now the road to socialism had been opened in the Soviet Union, the Soviet Union must be defended against its enemies who would destroy it. The Third International centred there embodied the experience and wisdom of the world working-class movement.

The Labor Party had been decimated after it split in 1916. Nevertheless it endured after shedding its right wing, regained support, persisted as a more class-conscious, even embittered, party, adopting a hesitant Socialist Objective in 1921. The unions were prepared to strike in defiance of arbitration courts and governments to defend their conditions and move on to the offensive for a 44-hour week. By the mid-1920s both Labor Party and unions had distanced themselves from the reviled Communist Party without rejecting socialism as the ultimate goal of their reforms. The old socialist groups withered, leaving the small Communist Party to carry on their tactics of publicity and propaganda on the outskirts of the labor movement. Despite its new name and doctrines the Communist Party could only continue the educational role which the earlier socialist groups had followed.

In fact, the influence of socialist ideas was ebbing by 1920. In the uneasy 1920s, conservative politics prevailed, repressive measures by governments against revolutionaries were institutionalised, a determined effort was made in every way to hold to the values of the past. This could not succeed. Britain was no longer the dominant imperialist power; it could not offer prosperity or security to Australia. There, local manufacturing grew behind tariff protection; commerce, transport and communications enlarged their scale with new technology; the primary industries and mining came more under the control of finance capital.

The national bourgeoisie was more diversified, less dependent on Britain for capital or migration, or even trade. The capitalists devised a network of government intervention for their protection and to win popular support. They could only go a certain distance with this: they could not break with dependence as a truly national bourgeoisie, nor provide either welfare or ideals which would bind the working class to them. Politically this was reflected in Australia's status as a self-governing dominion of the British Empire, and in the strength of the Labor Party, and culturally in a strong strand of Australian national feeling and isolationism, side by side with Britishness.

In the crisis of the depression of the 1930s, the Scullin federal government, powerless against the hostile Senate and the bankers, agonised as it inexorably followed the dictates of the most powerful Australian and British capitalists to cut wages and welfare in order to restore profits. The story has often been told, so I will not give it here. The simple facts of hardship and desperation are overwhelming, when one in three were unemployed, often homeless and hungry, and all hopes of the future were swept away. In the shock and uncertainty, society was violently polarised, the majority certainly accepting the conservative answers, but a large part of the labor movement rejecting them and pinning their hopes for a little while on Jack Lang's brand of laborism.

Depression and socialism

Lang was no socialist, yet both instinct and cunning led him to denounce the British bondholders, the banks and the money power which fattened on Australia. He dramatically presented himself as the fearless champion of the Australian people, not only the workers.
When it came to the point he went quietly after his dismissal by the New South Wales Governor and, in his subsequent career, became a virulent anti-communist. Nevertheless, large sections of the Labor Party had been radicalised. In 1931 the New South Wales State Conference of the Labor Party adopted a plan to achieve socialism in three years, which Lang managed to have reversed. The traumatic events of the early 1930s, when capitalism seemed on the verge of collapse and fascist groups drilled to save it, strengthened socialist ideas inside and outside the Labor Party.

This was the third crisis which had shaken Australia since the 1880s, appearing superficially as disasters thrust on Australia from abroad. In fact, Australia’s involvement in them arose from internal causes interwoven with its place in world capitalism, bringing to a head the contradictions in the mode of production, class relations and ideology within Australia. In the first, in the depression of the 1890s, the age of optimism ended and the employers triumphed over the unions, but the Labor Party was born. In the second, in World War I, the socialists were suppressed but the electors said no to conscription. In the third, capitalist answers to the depression were imposed, but a large part of the working class was radicalised.

So, although in each crisis the radical forces were defeated, at the same time the ruling class had been seriously challenged, forced to reconsider and change its methods of ruling, to accept a new relationship of class forces. Each left in its wake heightened working-class consciousness and a new form and force for socialist ideas.

For the rest of the 1930s, socialist ideas were centred on the transformed Communist Party while extending far beyond it. By 1929 the tiny Communist Party was abandoning hope of co-operation with Labor leaders and turning to denounce them as social fascists against whom the workers must be organised to struggle. The communists had not been surprised by the depression, having always foretold a new crisis of capitalism. They opposed Lang as much as any labor leader which, for some time, isolated them from many class-conscious workers. Then, from the early 1930s, the Communist Party grew in numbers, finding a base in the unemployed and the trade unionists who accepted militant leadership to restore their conditions. From the mid-1930s, communists in Australia, as elsewhere, worked for a united front to advance democracy and welfare at home and oppose the aggressive fascist powers abroad.

The socialism which the Communist party envisaged as its goal was centralised state socialism, as seen in the Soviet Union. The party tried to model itself on the Communist Party of the Soviet Union; at least as depicted from Soviet sources, basing itself on democratic centralism which, in practice, meant tight party discipline and strict obedience to higher party bodies. Not that revolution in Australia was seen as an immediate possibility. The economic struggle was pursued through the trade unions where strikes and arbitration were combined and the driving force was the workshop party branch. In pursuit of the united front, co-operation of Labor Party and non-party workers was consistently sought. More widely, communists organised broad movements against conservative governments and in defence of democratic liberties. They advocated collective security abroad against both subservience to Britain and Australian isolationism.

This was a comprehensive program combining industrial and political action directed by a unified party for both immediate and ultimate aims. It drew on democratic traditions to incorporate Australian nationalism into the socialist movement and to promote a popular counter-culture. It proclaimed internationalism as more than an abstract principle, for the defence of peace, of Australia and, of course, of the Soviet Union. It provided both a philosophy and a guide to action in all spheres of social life, action which was proved effective as the Communist Party grew in numbers and force.

The outbreak of war in 1939 with the Soviet Union neutral under the German-Soviet Non-Aggression Pact cut across communist policy,
leaving the party uncertain and soon to be made illegal, without being seriously damaged. Then, from mid-1941, with the Nazi attack on the Soviet Union and the Japanese threat to Australia, the communist policies of the 1930s were widely seen to have been vindicated, the appeasers and Menzies government completely discredited. All the allies joined in admiration of the Red Army. The Curtin government marshalled the country for an all-out war effort with a high level of national unity, wholeheartedly supported by the Communist Party and most of the left. The far-reaching controls imposed by the central government were accompanied by full employment, social security and the promise that a rising standard of living would continue after the war.

The largest socialist party

So, for a few short years, from 1941 to 1945, the largest socialist party Australia had seen was in firm alliance with a popular reforming government, and nationalism and internationalism marched hand in hand. What would happen when the war was over? The Communist Party and socialists outside it hoped that the united front would continue, that the Labor government would carry out far-reaching reforms of capitalism, while also taking for granted that there would be resistance from reactionary forces, there would be further economic crises and, out of these struggles, some time in the future, socialism would be won.

From their position of strength in the unions, the communists led large strikes for higher wages and the forty-hour week. The Labor Party sought industrial peace through arbitration, a prospering Australian capitalism moderated by government controls and eased by welfare measures. Meanwhile, the first shots of the Cold War had been fired, the world was dividing into two camps and, despite Labor nationalism, there was no doubt Australia would be an ally of the United States, taking over from Britain.

1949 was a turning point, not only in Australia. The world capitalist economy was entering a long period, twenty-five years and more, of expansion of the productive forces nowhere more visibly than in affluent Australia. Australia’s growth and prosperity was comparable to that of the second half of the nineteenth century and with much the same foundations — an influx of capital and migrants, a strong demand for its exports, now particularly minerals. The capital came from the United States and Japan rather than Britain; the migrants were European as well as British, the markets were world-wide, with Japan’s share rising. The scale of industry had grown, methods of production had been transformed, transnational firms were now dominant in the most profitable sectors and Australia remained a dependent economy integrated into their world strategies.

The working class was segmented by the diversity of migrants who filled the lowest levels, the opportunities for advancement open to old Australians and the drawing in of new sections, especially women, in a time of full employment. These changes were accompanied by a relentless offensive against any kind of socialist ideas or, indeed, any criticism from nationalists or liberals who defended older bourgeois principles. The Cold War was waged at home as well as abroad.

Under these circumstances, the influence of socialist ideas weakened. In 1949 the Communist Party had challenged the Labor Party for leadership of the working class, and failed. By now the socialist ideas shaped in the 1930s had lost their force. The Communist Party tried to maintain itself by moderate industrial policies, concentrating its attack on American imperialism and the danger to world peace. In the long run, nothing could prevent its decline and splits which were part of the decline of the whole left in advanced capitalist countries. The splits were more effect than cause of its weakness. Since world socialism was now varied, not monolithic, with conflict between its parts, hope could be pinned on different overseas models, none of which convinced Australian workers. Socialists lamented the delay of the revolution in the West; apologists of
capitalism celebrated the end of ideology, by which they meant the common acceptance of bourgeois practices.

Socialists were now divided. At one end of the spectrum, they turned to the Labor Party which had again purged itself of its extreme right wing in the split of the 1950s. Others emphasised trade union militancy which, in more confident days, they would have seen as mere economism. Some clung in increasing isolation to the earlier doctrines around which their consciousness had been formed. Among the growing number of intellectuals, students and young professionals, a New Left trend emerged, trenchantly criticising the narrowness of old socialist ideas without being able to formulate any agreed strategy or any which could command solid support.

Surviving Trotskyist groups had a new lease of life temporarily as their manifestoes seemed to offer an alternative. Since objective conditions were recalcitrant, emphasis was often placed on the power of a few to change the world by strength of will, a variety of Left Wing Communism. The Australian working class was now sometimes written off as innately reactionary, the reverse of earlier optimistic beliefs that it was inherently progressive.

This fragmentation of the socialists was, on the one hand, marked by a search for new ways forward; on the other, by disputes and doctrinaire attitudes, characteristics of revolutionaries in a non-revolutionary period which they could not change. This is not to disparage the courage with which they stood up to decades of attack and persecution, nor to see these years as simply a wasteland.

This period, for the first time, marxism as a body of knowledge became widely available, its concepts permeating, even if in a diluted form, the way in which the world was seen not only by activists but by ordinary people. It was necessary that, during this period, socialists should give much of their effort to contesting the hegemony of capitalist ideology. To a degree, intellectual leadership — I don't just mean pronouncements by prominent intellectuals — was won away from the establishment which wielded power despite the acceptance of the status quo in practical matters.

By the mid-1970s the long period of expansion of world capitalism was coming to an end and there could be no possibility of Australia being exempt from this decline regardless of the wishful thinking of the boomsters. So new class conflicts emerged. Immediately, defence of the material gains of the previous period becomes the starting point of mass action. In many other ways, international as well as local, new contradictions are bringing forth new responses.

What can we say in review? Above all, that socialist ideas and action for them are part of Australia's history. For a century, socialists have been the vanguard of opposition to the ruling classes. The record is in no way a simple success story of growing strength and impending victory. On the contrary, the socialist movement is in many respects weaker than it has been on occasions in the past. Nor is it merely a narrative of gains and losses, of advances and retreats. The class struggle does not follow a straight path. We know that the working class does not determine events but we should also remember that the ruling class does not rule untrammelled. We always have a dialectic of class relationships, whether we are looking at the economy, political power or ideological hegemony, and the labor movement and socialism are part of past, present and future society in Australia.