Labour and the Money Power

Reviewed by Alastair Davidson


This book is a valuable addition to the growing critical historical literature on the ALP. It serves a dual purpose. First, to recall that from its beginnings the labour movement here subscribed to a crude national-populism whose corollary was to identify in the foreign banks the cause of Australian woes. Second, to remind us that no matter how theoretically dubious, radically flawed and chauvinistically biased that view of the money power was, it was still miles more radical than the straight capitalist positions of the ALP today. I merely quote three telling excerpts from the leaders of the ALP in the Bank Nationalisation debate of the post-war years:

There are others of us in this House who can remember the circumstances of 1930, when the members of this Parliament and of the State Parliaments, and the governments which they had set up, were subject to a dictatorship, and the dictators were the private banking institutions. (Chifley)

I was only a child, the youngest of a family of eleven, when the banks failed in 1893, but I remember that my parents lost £100 when the bank in which they had deposited it "went hung" and they did not get a "bean". I am not surprised that only a few years earlier Kelly became a bushranger. He was only doing justice when he robbed the banks, because at that period they were robbing the people. (James)

The private banking institutions are the very basis of finance capitalism, and the Opposition Members of this Parliament stand for the maintenance of that unjust economic and social system known as capitalism. They know that if the private banks are broken the capitalist system will be weakened. They are fighting tonight for capitalism and not for the wage earner, the small farmer and the little business man ... Tyrannies have been practised in the past in this country, but there has been no worse tyranny than that of our banking institutions when Australia was in the throes of a depression. (Calwell)

These quotations sum up the theme of Love’s book. In an interesting introductory chapter he suggests that this view rests on the cult of the common people, their populist values (a conspiracy theory of the way the world works) and consequently a refusal to adopt class positions. Of course, there are nasty derivative attitudes summed up in dubbing Niemeyer a Jew, when he was not. Certainly, the ALP did not adopt class positions and this is partly at the roots of its present sell-out even of the views embodied by Chifley, but holding class positions does not, in itself, guarantee an avoidance of conspiracy theories. Left critics of the ALP should remember that it was precisely in the period of "class against class" that communists also endorsed strongly the theory of the eighty, forty, twelve families which controlled the capitalist system. This was so, no matter what country we look at.

Moreover, there was, as Love points out, a basis in fact for the view that, at the source of all the problems was the monopoly finance capitalist oligarchy. The problem is how to articulate this truth with all the other instances and levels of capitalism. Here, the labour movement certainly went no further than the absolutely obvious and, from the days when Lane deliberately left out of the first Australian edition of The Communist Manifesto all reference to the class struggle, dishonestly tried to deny the existence of a class struggle, and always fought against other alternative views to their own. But what we have lost in this ideological battle is even the commitment to a view of the money power which provided a starting point for a better understanding of Australian class relations. Now we have Keating and Hawke whose role is summed up in a thesis I am at present reading, entitled in part Hawke, Modern Prince or Antipodean Duce, which definitely suggests that they are not modern princes. That their views

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Milner concludes that "each of the existing left parties constitutes an obstacle in the way of any ... restructuring, and their combined weight is at present such as to prevent the generation of new party political forms". Part of what is required to get to the new socialist party is a new left magazine open to different views on the left so that the different varieties of radical politics can be tested against one another. What a splendid idea this is. Others have thought so too. Scarlet Woman is now in its tenth year of production, Chain Reaction has produced 39 issues and Australian Left Review began moving towards an "open concept of marxism" a decade ago, and towards a magazine format in 1981.

The magazine would be produced by "some appropriate type of pre-party political organisation". This non-party organisation would be open to members of existing parties and would develop into a "loose federation of activists working together around concrete political issues". The federation would be local and not national for "what is needed today in Victoria, is a Victorian socialist league capable of intervening in the political life of this particular city of Melbourne". These autonomous non-parties will eventually federate to form the new socialist party as the others liquidate themselves as organisations. This will sound familiar to those who have been following the CPA "Prospects Debate". It is, as Milner admits on the final page of his book, the position adopted by the 23 "Taftists" in Victoria. How embarrassing for Milner (and for the Tafts), for Milner, on the one hand, wants "a socialism which smells of revolution and the overthrow of tyrants" and, on the other, finds his practical political position preempted, "for the last thing any socialist organisation deserves is to be marked from birth by the type of pale pink humbugger which has, as much as anything, brought the CPA to its present sorry state". And so, as Milner prepares to launch himself into the void, he perceives that the Tafts and their mates are already there, waiting for him. (Will the new socialist organisation split???)

What is perhaps most enjoyable about St. Kilda Pier, the first major written contribution to the debate from outside the CPA and the Association for Communist Unity, is the sense of "newness" it exudes, a welcome "freshener" and an antidote to cynicism. For myself, I am reasonably sure that five years on I will be, as I now am, working within a marxist party which comes close to enunciating and developing that sort of full-bodied emancipatory socialism which is described so well by Milner. But I am also reasonably sure that Dr. Milner will be sitting at the end of the pier watching the waves roll by. And that is a shame.

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