

## **Labor's Socialist Objectives: from 'Socialist Tiger' to 'Sacred Cow' to 'Dead Dog'**

Reflections on the centenary of the Socialization Objective of October 28, 1921

All 'news' is fake because it derives from 'the context of no context.' Context, of course, is not everything since *exactly how* each decision is arrived at sculpts its content. The shaping context for the Labor Party's adoption of a new Socialization Objective to October 1921 was twofold: first, the Bolshevik Revolution and, secondly, last century's First Great Slaughter. The Objective's content is a double surprise because it calls for *socialization* – not socialism or just nationalization – and outlines a *plan* for getting there.

Bourgeois revolutions succeeded before 1917, buffeted by rebellious working peoples. The Paris Commune in 1870-71 provided an exemplar for Soviet power through its councils of workers and soldiers. Where Russia stood alone was in surviving everything the forces of reaction threw at it. Japan's armies of intervention did not withdraw until May 1922.

The centuries-long dream of a world free from war and from want was being realised. The aims of the Victorian Socialist Party since 1905 were no longer songs at its Sunday school but deeds around the globe.

If Bolshevism provided the positive ingredient for adopting the Socialization Objective, the War to End All Wars was proof positive that monopolising capitals possessed not a shred of moral authority. More than ever, capitalism deserved to perish.

Wartime Australia endured mounting unemployment, despite 300,000 volunteers for the Australian Imperial Force. Price hikes close to 20 per cent fuelled hatred of capitalists as profiteers. The failure of the Federal Labor government to deal with those economic burdens on working people led the Party to split internally from late in 1915.<sup>1</sup>

Economic suffering brought an upsurge of strikes and lockouts on the waterfront, in abattoirs and mines, notably the eighteen-month lockout at Broken Hill from May 1919. This open class war was

personified by ‘the best hated man in Australia,’ Percy Brookfield, Industrial Socialist Labor Party MLA for Sturt (Broken Hill) until his fatal shooting on 22 March 1921.

Victory for the anti-conscription forces at the 1916 and 1917 plebiscites encouraged belief that our class could win against any odds. The battles for Irish Independence that followed the repression of the Easter Uprising attracted support for the Objective from Irish Catholics who could look on Bolshevism as their enemy’s enemy. On 11 November, 1920 the Commonwealth parliament voted to expel Hugh Mahon, the tame-cat Labor member for Kalgoorlie, who reacted to the death of the Mayor of Cork on a hunger strike by railing against ‘This bloody and accursed Empire.’<sup>2</sup>

Sectarians cobbled a Communist Party together in October 1920, but it had to be re-founded two years later. Many times more influential was the Industrial Workers of the World whose ideal of One Big Union had been endorsed at an Interstate Trades Union conference in Melbourne during January 1919.

To win back the militant unions,<sup>3</sup> the Party endorsed the following Objective that year:

*The emancipation of human labour from all forms of exploitation, the obtaining for all workers of the full reward of their industry by the collective ownership and democratic control of the collectively used agencies of production, distribution and exchange.*

Here is Marx’s discovery of why exploitation thrives despite an exchange of wages equal to the socially necessary costs of reproducing the labour-power that we wage-slaves must sell if we are to exist. Moreover, the ‘full reward’ is not to be individualized as wage rises but enjoyed ‘collectively’ through meeting our social needs for health, housing, education, transport and at work. The call for the ‘full reward’ leaves no room for hedging about ‘the extent necessary to remove exploitation,’ or today’s gabble about ‘a fair day’s pay.’ Nonetheless, it is likely that some of the delegates who voted in favour of the 1919 Objective thought of ‘exploitation’ in terms of sweating and profiteering.

Despite the directness of the 1919 Objective, its 1921 replacement has been the only one to come with a statement of ways and means. To anyone joining the A.L.P. in the last forty years, the expanse of the 1921 Objective and its Methods is breath-taking. They lay out how to establish the Socialization of Industry by: -

- (a) The constitutional utilization of Industrial and Parliamentary machinery.
  - (b) The organisation of workers along the lines of Industry.
  - (c) Nationalization of banking and all principal industries.
  - (d) The municipalization of such services as can best be operated in limited areas.
  - (e) Government of nationalized industries by boards, upon which the workers in the Industries and the community shall have representation.
  - (f) The establishment of an elective Supreme Economic Council by all nationalized industries.
  - (g) The setting up of Labor research and Labor information Bureaux and of Labor educational institutions in which the workers shall be trained in the management of the nationalized industries.
- Weld the two Objectives together and we're getting somewhere.

Some of the exceptional elements in the 1921 resolution show why *Socialization* goes beyond nationalization in the sense of an industry's being taken over by the capitalist state. Many advocates of both Objectives had read *Socialism Utopian and Scientific* (1880) where Engels spells out that

*The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of the productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage-workers – proletarians. The capitalist relation is not done away with. It is rather brought to a head.<sup>4</sup>*

Like every domain of life under the rule of capital, the state remains a site for conflict, the outcomes of which are conditioned by the relative strengths of the contending classes.

To see to what extent the seven Methods dealt with the problems from operating inside the apparatuses of the capitalist state as a covert class dictatorship, requires comment on its seven clauses.

*(a) The constitutional utilization of Industrial and Parliamentary machinery.*

In moving the 1921 Objective, Victoria's Jim Scullin warned that

All over the world, the capitalist system is breaking down. If something is not done, chaos will eventuate, bringing about that revolution by force which we are trying to avoid.<sup>5</sup>

Could socialism be achieved through the 'constitutional utilization' of 'parliamentary machinery', even if tied to 'Industrial' as an extra-parliamentary propeller?

'Constitutional' had to be included to ward off anti-Labor propagandists. The Constitution was an Act of the Parliament at Westminster, until repatriated in the 1980s. It remains an insurmountable barrier to nationalization, let alone to socialism. Federation had been forged in the 1890s to serve the needs of imperial capitals. Even though Labor will never 'smash the state,' it would have to tear up the Constitution to take the slightest steps towards any socialization.

In *Equality* (1937), the English Christian Socialist R.H. Tawney rejected the violent overthrow of the state demanded by Communists. However, he acknowledged that a future UK Labour government might need to mobilise its supporters should sections of the propertied classes threaten a clear Labour majority in the House of Commons. Tawney raised that possibility because of how ruling classes had reacted against the miners during the General Strike in the UK in 1926, and across Europe with overt dictatorships in Italy, Germany and Spain when just a few of their privileges were challenged. The English Labour Party's Westminster parliamentary majority in the 1945

General Election was overwhelming. Far more important was that the workers who kicked the Tories out were still under arms. For once, the propertied class dared not 'summon the magistrates,' which, as Adam Smith told his students, is how governments operate as combinations of "the rich to oppress the poor, and preserve to themselves the inequality of the goods ..."

Leo Huberman's *Man's Worldly Goods* (1936) asks whether the personifications of capital will ever voluntarily give up their spoils. He answers his question with a parable about an Asian monkey highly prized by zoos. Its trappers place a piece of sugar inside a coconut. The monkey can put its paw in to seize the prize but cannot withdraw without letting go. It never does. Or, as Norm Gallagher told his members: "When we see the struggles we have to get a few more dollars, I can't see the bosses handing over the keys to their treasure-house just because we ask."

### Bump me into parliament

The parliamentarians at the 1921 Conference had the numbers to prevent the 'Objective and Methods' being included in their election programs. They also backed the 'Blackburn Declaration,' named after Maurice Blackburn (1880-1944) who, as editor of Victoria's *Labor Call*, championed Bolshevism for Russia but Guild Socialism for Australia, an admixture typical of the cross-currents that secured the 'Objective.' His Amendment hoped to reassure the electorate

- (a) That the Australian Labor Party proposes collective ownership for the purpose of preventing exploitation, and to whatever extent may be necessary for that purpose.
- (b) That wherever private ownership is a means of exploitation it is opposed by the Party, but
- (c) That the Party does not seek to abolish private ownership even of any of the instruments of production where such instrument is utilized by its owner in a socially useful manner and without exploitation.

Such 'on the one hand/on the other hand' neither appeased middle-ground voters nor satisfied militants.

Before dismissing the Amendment as nothing more than a politicians' trick, it is rewarding to connect its third clause to the 1919 Objective's call for 'the collective ownership and democratic control of the collectively used agencies of production, distribution and exchange.' To identify which 'agencies' are 'collectively used' is to distinguish personal possessions from productive property. Owning one's own house does not make one any kind of capitalist because the past labour present in one's dwelling cannot be used to extract value from living labour. However, if all or part of the property were rented out, then the landlord does benefit from exploitation elsewhere. A parallel criterion applies to a self-employed plumber or seamstress who operates without employing anyone and so cannot appropriate value. By contrast, small farmers and corner shopkeepers are likely to exploit the labour of other members of the family. Whether such applications of instruments of production and exchange should be judged as a 'socially useful' allocation is another matter.

*(b) The organisation of workers along the lines of Industry*

In 1912, the Industrial Workers of the World (I.W.W.) adopted a plan for One Big Union. They divided the workforce into six departments which were in turn split into as many as nine sub-groups. The way forward was illustrated by a Wheel. The concoction looks as impenetrable as does the intricate plan for One Big Union endorsed in 1919. How many rank-and-filers ever absorbed its significance for their struggles? The Wheel summons up the Phalansteries conceived by the French utopian Charles Fourier (1772-1837), and is Utopian in the bad sense of the term by drawing up elaborate schemas to cope with circumstances that a revolution will throw up and therefore cannot be known in advance.

All attempts to construct socialism prove that only those who are building that future can draft the plans. In doing so, workers must stumble. No model can protect us from unknown unknowns. That is why Marx and Engels say almost nothing about what a socialist society would be like. The I.W.W. Wheel is a denial of all that the Wobblies stood for in basing their practice on workers' learning by doing.

*(c) Nationalization of banking and all principal industries*

By '*industries*,' the delegates intended more than boot factories and blast furnaces. Banks are singled out, but their significance goes further than the delegates appreciated, as explored below. The glaring absence is agriculture which employed a quarter of the workforce in 1921, and even more in related services. Conference delegates were not alone in overlooking Marx's recognition that 'the farmer is just as much an industrial capitalist as the manufacturer.'<sup>6</sup> Few of his followers ever get beyond equating an industrial revolution with Dark Satanic Mills.

### Agriculture

While the Labor Party was neglecting agriculture for its Socialization Objective, the Bolsheviks were implementing a New Economic Policy to feed urban proletarians by encouraging farmers to produce more by lifting the threat of confiscation over any surplus.

The neglect of agriculture is remarkable considering the Labor movement's long and deep commitment to closer settlement as an escape from wage-slavery. Breaking up the big estates and attacking the squattocracy had been part of the radical legend from the convict era into the Free Selection Acts of the 1860s. During the 1880s, Henry George gained disciples for his panacea of a Single Tax on land values, often associated with demands to nationalize the land. Federal Labor leader Andrew Fisher during 1910 campaign promoted a graduated land tax as the Party's prime promise. When an interviewer put it to him: "That isn't socialism, you know, - the creation of a large number of small-landed proprietors?," Fisher spoke for many of his colleagues and voters: "It's my kind of socialism."

By 1910, conflicts between rural unions and small-holders were fracturing the worker-farmer alliances that furthered Labor parties in the 1890s. Caught between wage pressure from labourers and the power of suppliers and produce merchants, small farmers established radical Country Parties in Victoria and, for a time, in Queensland. Those Parties competed with the nation-wide Country Party set up in 1919 as the agent of the U.K.-based pastoral and financial interests, or local monopolies such as Colonial Sugar. To gain a say over distribution and exchange, farmers set up co-

operatives for eggs and milk, and marketing pools for grains and the golden fleece. Their state socialism had more success at cushioning the blows from 'market' fluctuations than wage-slaves got through compulsory Arbitration.

All Australians were riding on the sheep's back literally because the total wool cheques determined how much Australia could import, and they set interest rates on overseas loans and the exchange rate against Sterling.

### The Money Power

Why does the Objective single out 'banking' for nationalization?

Even if a Labor government could have nationalized every local bank, others were wholly or partly owned overseas, for example, The English, Scottish and Australia. Banks were only one part of any financial sector, the most obvious, but not alone in maintaining the flows of credit on which the expanding social reproduction of capital depends. For instance, wool and metal brokers supplied lines of credit.

The Fisher government established a People's Bank – the Commonwealth – from 1911; some Labor States followed suit, often to finance rural producers. Australia did not get a Central Bank until 1945. Chifley did not see his 1947 bank nationalization as the first step to nationalizing the rest of capitalism. The agents of capital, however, fought back because they recognised the import of their regime of credit to direct the entire economy.

Looming over all these institutions was The City of London as the source of government loans. The Colonies-cum-States borrowed to expand their rail networks, which did not need to be nationalized since they were always government undertakings. Not even the swindlers who promoted rival railway lines across Britain could round up enough fools to lend to colonial crooks. The City insisted on government guarantees. The Colonial Office did its part in 1900 by rewriting the Draft Constitution for the Commonwealth to include appeals to the Privy Council to protect British bondholders. The magnitude of the interest payments and war-induced spikes in the

rate of interest proved decisive in the N.S.W. Railways Commissioners' actions that provoked the 1917 General Strike. The British bondholders were also pivotal in the dismissal of the Lang government in 1932 after it threatened to withhold interest payments.

When Queensland's Labor government set out in 1920 to break up the big estates by increasing pastoral rents, The City warned that those moves would make it harder for the State to raise loan funds. Premier Theodore denounced 'the bondage of despotism of the money lenders of London.' He borrowed from New York where interest rates were higher and thus had to retreat by 1924.

Hence, nationalizing the banks could never be more than a partial solution to allocating capital for the general good. To accumulate the profits extracted from the surplus-value of workers across Australia would require blocking the repatriation of profits and interest charges, in effect, nationalizing almost every firm. In 1920, the Victorian liberal, F.W. Eggleston saw that "if a Socialist State seeks to realize its objective it must rely on its own resources for money."<sup>7</sup>

*(d) The municipalisation of such services as can best be operated in limited areas*

City councils took over buses and trams, State governments the supply of gas and electricity. In the late 1940s, when Tom Playford took charge of them in South Australia, the Adelaide Club frothed against 'socialism' until the international mining financier, W.S. Robinson, passed through town and gave them a lesson in how governments serve the needs of big capital.

*(e) Government of nationalized industries by boards, upon which the workers in the Industries and the community shall have representation*

This clause needs to be linked to (f) and (g), although there is no mention here of 'elective.'

Worker control is essential for on-site matters, especially health and safety. More broadly, wage-slaves can demand a say over the purposes to which our labour is put, as the wharfies did at Port Kembla

by blocking shipments of pig-iron to the Japanese military in 1938, and as BLs did from 1970 over what should be built – hospitals or hotels, public housing or office towers?

But how can fitters and turners at Bluescope know how much to invest, and when and where, to meet demands for different strengths of steel and its alloys 10-30 years hence? That agents of capital get it wrong is no guarantee that class-conscious proles will be more clairvoyant. Today, the pace of innovation challenges even medium-term predictions.

*(f) The establishment of an elective Supreme Economic Council by all nationalized industries*

Elected by whom? By all wage-slaves in all those industries? What has happened to the community representatives in section (e)? Was the Supreme Economic Council to plan the economy? If it were, then its members would discover soon enough that they were far from ‘supreme.’ The natural world does not rain or shine at our command.

Economic planning had not been tried in 1921, except to wage war and manage scarcities. A handful of engineers cobbled together the first Soviet Five-Year Plan in 1928 only to have it jettisoned before making a fresh start from 1930. Their guide was the final chapter in volume two of *Capital* which deals with accumulation for social reproduction on expanding scales. The problems of how to balance the proportion of production goods against that of consumer goods was never solved by the central planners, many of whom turned to ‘market socialism.’ As Nicolas Bukharin put it: “You can’t build houses out of future bricks.”

*(g) The setting up of Labor research and Labor information Bureaux and of Labor educational institutions in which the workers shall be trained in the management of the nationalized industries*

Our class got its earliest lessons on street corners, workplaces, and pubs, in country halls, around the Yarra Bank and the Sydney Domain and Brisbane’s North Quay on Sunday afternoons. More formal instruction went on from the several Socialist Parties before a Labor College started in the Melbourne A.R.U. rooms from 1917. Those

tasks were taken up by the Communist Party and through shop committees under its influence, notably the Seamen, with a captive audience on board.

Clause (g) resounded in battles over the direction of who taught what at the Workers Education Association as one more challenge to universities as boot camps to train engineers and architects to manage men, money and materials – as they did as A.I.F. Generals. Philosophy meant theology everywhere until John Anderson landed in Sydney in 1927, five years after the radical economist R.F. Irvine had been sacked, ostensibly for adultery. History courses trailed the sun around the Empire.

### Clinging to the wreckage

Skip sixty years to 1981 and another debate about socialism throughout the labour movement which resulted in the Party's National Conference's affirming the democratic socialism of its 1957 Objective. Here the context runs back to the late 1960s and the breakdown of the Bretton Woods Accords by 1971 when Nixon declares a trade war with Japan, followed by an end of the post-war trough in unemployment, compounded by oil-price shocks in 1974 and 1979.

The loss of 250,000 Australian jobs between early 1981 and late 1982 got the A.C.T.U. to corner the Labor Party under Hayden into the Accord Mark I. The arrangement was taken over by the Hawke-Keating reform programme, shaped by the December 1983 decision to float the Australian dollar, thereby surrendering to global piracy. Small wonder *The Banker* names Keating as Treasurer of the Year.

The Communist Party of Australia shuts up shop in 1991 by when a Labor Party also had ceased to exist here, leaving the initials 'A.L.P.' to stand for **anti-labour party**. The Soviet Union disintegrated and the Peoples Republic of China heads down the capitalist road. Enthusiasm from October 1917 became a caricature. Defeat of secular solutions nourished religious fundamentalisms and quests for individual redemption via mindfulness or reincarnation.

Hence, the centenary of the Socialization Objective is no occasion to celebrate. Rather, we should take the opportunity to reflect on what has gone wrong. Indeed, we need the intellectual and moral gumption to ask whether socialism is doomed to remain a dead dog. Was Hegel right in 1807 when he announced the End of History in the dominance of bourgeois society?

Clear-cut choices seem optimal neither in tactics nor strategies. Rather than shots of pessimism of the will and optimism of the intellect, we can benefit from homeopathic doses of both along with regularly recalibrated measures of optimism of the will and pessimism of the intellect. Too much of any of the four risks blinding us to the obstacles before us as well as to our opportunities.

What has not lessened is our apprehension that capitalism is What the enemy of humankind. For 75 years, academic-corporate-legislative-military complexes have kept the planet on the knife-edge of nuclear holocaust, against a foreground of wars without end. Throughout, monopolising capitals have plundered earth and oceans for resources before polluting both with the waste from their compulsion to expand if their system is to persist. One result is that we are entering the twenty-fifth year of a century of pandemics spawned from corporatized agriculture, genetically-constrained livestock, slum urbanization and commodity exchanges at jet speed, all in an effort to maintain the accumulation of capital at rates needed to ward off another implosion.<sup>8</sup> Disruptions to the last of those drivers is slowing turnover-times for commodities, including labour, leading to disproportionalities which will contract the production of surplus-value and its realisation as profit, thereby clogging the circuits of money-capital: here be crisis conditions.<sup>9</sup>

Post-1940s capitalism in Australia has been marked by the paradox of lessening degrees of absolute impoverishment but an intensifying of workplace immiseration, registered in pandemics of anxiety and addiction.

The lead-up to October 28 can be used to do what this article attempts in making a start towards reviving socialization as a movement and not a Party icon. Stress what we are for more than what we are against by putting the 'social' back into socialism, upholding the moral imperative of mutual aid against the selfishness mass marketed for

capitalism. Our best and worst have been evident throughout the Covid upheavals.

We can rebuild socialization only upon everyday needs in housing, transport, work, health, and education, with the environment running through each pillar of daily life, helping to hold them together, but not focused on distant forests or atolls. The seventh pillar is our willingness to withdraw our capacities to add value, and to protest, twin guarantees of winning through on the other six.

Out of those practices we can conceive a society generating a superabundance of non-material goods and services, although the crudest demand can still seem utopian: that no one goes to bed hungry. Enriching our individuality through social labour and meaningful work will, as Marx observes, open pathways towards the 'development of human potentiality for its own sake, the true realm of freedom.'<sup>10</sup>

We take up these challenges confident that a majority of people cannot believe that the world of 2021 is the best of which our species is capable.

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<sup>1</sup> Humphrey McQueen, "Shoot the Bolshevik! Hang the Profiteer! Reconstructing Australian Capitalism 1918-21," E.L. Wheelwright & Ken Buckley (eds) *Essays in the Political Economy of Australian Capitalism*, volume two (Sydney: ANZ Books, 1978), 185-206.

<sup>2</sup> H.J. Gibbney, 'Hugh Mahon,' *Australian Dictionary of Biography*, volume 10 (Carlton: Melbourne University Press, 1986), 379-80.

<sup>3</sup> Looking back from 1951, A.A. Calwell thought "that the change in the Objective" had been determined to resist 'the spurious claims of the communists to be a working class party.'" Quoted S.R. Davis *et al.*, *The Australian Political Party System*, (Sydney: Angus and Robertson, 1954), 67.

<sup>4</sup> Frederick Engels, "Socialism: from utopianism to science," *Marx-Engels Selected Works*, volume 3 (Moscow: Progress Publishers, 1970), 147.

<sup>5</sup> Quoted Ian Turner, *Industrial Labour and Politics: The Labour Movement in Eastern Australia 1900-1921* (Canberra: A.N.U. Press, 1965), 224.

<sup>6</sup> Karl Marx, *Capital*, I (London: Penguin, 1976), 941n.

<sup>7</sup> *New Statesman*, October 16, 1920, 20, quoted Tom Cochrane, *Blockade The Queensland Loans Affair 1920 to 1924* (St Lucia: University of Queensland Press, 1989), 73.

<sup>8</sup> Mike Davis, *The Monster Enters* (New York: OR Books, 2021) and *Planet of Slums* (London: Verso, 2006); my *The Essence of Capitalism, The Origins of our Future* (Sydney: Sceptre, 2001), chapter 18.

<sup>9</sup> Karl Marx, *Capital*, II (London: Penguin, 1978), Part Two.

<sup>10</sup> Karl Marx, *Capital*, III (London: Penguin, 1981), 874.