RADICAL THEORIES OF CAPITALISM IN AUSTRALIA:
TOWARDS A HISTORIOGRAPHY OF THE AUSTRALIAN NEW LEFT

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Honours Thesis

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Statement of Originality:

This work contains no material which has been accepted for the award of another degree or diploma in any university, and to the best of my knowledge and belief, this thesis contains no material previously published or written by another person except where due references are made in the text of the thesis.
Dedicated to my mother, Avice.
Acknowledgement:

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# TABLE OF CONTENTS

**ACKNOWLEDGEMENT** ................................................................................................................................. 4

**INTRODUCTION: Towards a Historiography of the Australian New Left** .......................................................... 6

**CHAPTER ONE: Resisting Whig History:**
Towards an Australian New Left in Perspective
1: Introduction: Establishing the Grounds for Comparison ........................................................... 10
2: Liberal Patriotism and The Old Left ............................................................... 10
3: Structure and Agency Debates in the British New Left ........................................................... 14
4: Towards an Australian New Left .................................................................................. 18
5: Conclusion: Applying the New Left to Research in Political Economy .......................... 24

**CHAPTER TWO: Critiquing Neoclassical Economics:**
Capital Accumulation and Heterodox Economic History
1: Introduction: Specifying an Australian New Left Economic History .................................. 25
2: Background of Economic History as a Discipline .......................................................... 26
3: Orthodox and Heterodox Debates in Labour History .................................................. 29
4: Heterodox Economic History in the Australian New Left ........................................... 33
5: Conclusion: Towards a Heterodox Economic History of Capitalism in Australia ........ 39

**CHAPTER THREE: Challenging Populist Nationalism:**
Theories of the State in the Australian New Left
1: Introduction: Specifying State Analysis in an Australian Context ................................. 40
2: Defining Theories of The (Capitalist) State .................................................................... 40
3: Instrumental Approaches to the (Capitalist) State in Australia ..................................... 43
4: Structural Approaches to the (Capitalist) State in Australia ......................................... 46
5: Conclusion: Towards an Instrumental/Structural Approach to Capitalism in Australia .... 51

**CONCLUSION: Radical Theories of Capitalism in Australia** ........................................................................ 53

**REFERENCE LIST** ........................................................................................................................................... 56
INTRODUCTION:
TOWARDS A HISTORIOGRAPHY OF THE AUSTRALIAN NEW LEFT

It has recently been remarked that people are increasingly disinterested in the study of Australia. Perhaps, as some authors have argued, this is the result of an internationalisation of Australian society, creating a set of global priorities for modern Australians quite different from those of preceding generations (Melleuish 2011). This may very well be the case. However, in a world still reeling from the fallout of a Great Recession, making sense of Australia’s place in the world requires some serious reflection. A rapidly changing global context forces us to question the way Australia has been understood and look towards alternative explanations. I suggest that how we think about Australia, and how we apply this knowledge to our reality has significant implications for political action. It is with this impasse in mind that I turn my theoretical focus to the study of the Australian New Left. As I argue, they offer a radical theoretical approach that forces us to re-evaluate our understanding of capitalism in Australia and can beneficially contribute to producing alternatives in a contemporary context.

The term ‘New Left’ is a contested term and requires some consideration. Emerging in 1960s-70s, it has been described as a movement encompassing socialist inspiration, but critical of the orthodoxy of communist parties (Old Left) in the western capitalist context (Wright 2015). Another interpretation argues that it stood to critique the capitalist state in the context of the post-war consensus, challenging the notion that: “the state had both the capacity and the need to plan social and economic development” (Hooper & Williams 1999, p.2). It has also been understood as the critique of culture power in capitalist society and its production (Wright 2015). In the Australian context, it has been proposed that it was an attempt to “come to terms with the reality of the Australian experience, its failure to develop a coherent radical analysis and critique of existing social conditions” (Gordon 1970, p.vii). The Australian New Left can therefore be seen as a reaction against communist party orthodoxy, a challenge to capitalist culture, a critique of the state and a means to attain a bearing on the origin of present social conditions. I suggest that it can best be understood as the search for political alternatives, generated by the specific experience of Australia in the 1970s.

To conduct a sweeping overview of the context-period: by the 1970s, Australian society had entered a decade of social resistance, self-consciousness, and reappraisal. In politics, Gough Whitlam’s ‘new nationalist’ program attempted to re-establish Australia’s place in the global context, forging a divergent path from Great Britain and the conservative national leadership of the previous two decades (Pender 2005). In the economy, rising unemployment, inflation and slow growth had produced policy debates within the paradigm of the neoclassical-Keynesian synthesis, leading to the Malcolm Fraser government’s decision that they would ‘fight inflation first’ (Beggs 2015, p.214). In society, opposition to the Vietnam war and the rise of new social movements threatened to undermine the established Australian social order (Brezniak & Collins 1977). These were the conditions in which a number of new social movements emerged labelled ‘New Left’.
They arose in a period of significant contestation in Australian society that saw an intellectual burgeoning of social critiques.

The Australian New Left as a social movement has been extensively studied. For example, *It is Right to Rebel* (Hyde 1972) explores the student radical activism on Monash University from the mid-sixties to the early-seventies. A more extensive overview of the student left and associated groups was undertaken in *Notes on the New Left in Australia* (Cahill 1969). Broader overviews have included *A Turbulent Decade* (Cahill & Simons 2005, pp.viii-ix) composed of autobiographical accounts of the Anti-Vietnam and anti-conscription movements; student movements; women's liberation; gay and lesbian rights; Aboriginal land rights; civil rights; anti-Apartheid groups; trade unions; and the development of the Australian Labor Party's (ALP) opposition from 1965-1972. The ‘free university’ project in Sydney (a radical alternative to tertiary education) has also been explored by some of its participants (Irving & Connell 2015). Other works include *The Road to St. Kilda Pier* (Milner 1984) – a more literary-inspired overview of this period, looking at issues of strategy and attempts to direct a way forward for the left in the post-1970s environment. Strategy is also a dominant theme in *The Australian New Left* (Gordon 1970), an anthology of perspectives on the New Left and its implications for radical organising. I argue that this social movement literature prompts us to consider the distinct theoretical aspects of the Australian New Left, which I suggest, has been largely a neglected task.

Therefore, this thesis responds to three existing deficits in assessments of the Australian New Left. First, there is a significant scholarly gap in assessments of the theoretical aspects and implications of the Australian New Left. Although there have been extensive attempts to depict the 1970s as a collection of social movements, there is yet to be a retrospective book published on the theoretical contributions of the Australian New Left (Marks 2009). Second, due to this scholarly gap, there is a tendency to conflate the Australian experience with that of the United States, and to frame the New Left as a ‘trans-national movement’ (ibid. p.93). While there may be identifiable qualities unifying the two nations’ experiences to an extent, this evaluation does not identify the concerted effort in the Australian context to come to terms with capitalism in Australia as a specific theoretical undertaking in its own right. Third, critics who have identified the Australian New Left have tended to argue that the theory they offered did not significantly deviate from the work of the Australian Old Left, and therefore have underplayed the Australian New Left’s original critique of capitalism in Australia (see Coleman 2014, p.22). I argue that this final deficit fails to appreciate the distinct theoretical developments made by New Left authors in the 1970s, who were committed to a radical and self-reflexive critique of the Australian labour movement. As two of the most iconic and influential works associated with the Australian New Left, I have chosen to compare *A New Britannia* (McQueen 1970/2004) with *Class Structure in Australian History* (Irving & Connell 1979). By no means are these works definitive statements of the broad aims of the Australian New Left, if such a claim can be made. Nonetheless, both works were certainly produced within the social movement of the Australian New Left, and this aspect is reflected in their intellectual pursuit of a
political alternative. Having specified the nature of my enquiry, I will now introduce the two works in order to assist the comparative discussions undertaken over the next three chapters.

*A New Britannia* (McQueen 1970/2004) studied the emergence of capitalism in Australia from its mythologised origins in convict society through to the emergence of the federal Australian Labour Party (1788-1901). The book is best understood as a critique of approaches to history which have served to glorify the connection between nationalism, democracy and the labour movement. In Humphrey McQueen’s opinion, a close analysis of capitalism in Australia serves to highlight the continuities between the development of British imperialism and the emergence of the Australian labour movement. This means that British imperialism and the labour movement must be understood as interconnected discussions within the development of capitalism in Australia. The ALP, for McQueen, was a developed institutional expression of capitalism in Australia, because it served to manage the interests of the labour movement within the confines of the capitalist state. The major implication of this is that the Australian labour movement cannot be understood as a revolutionary social movement, but must be understood as a historical extension of imperialism. McQueen offered a contestation of Australian history by exploring the continuities of capitalism and the emergence of Australian society. This challenges conceptions of Australian nationalism and its depiction in the history of the labour movement. In the process, this provides new ways of thinking about capitalism in Australia from an internationalist perspective.

*Class Structure in Australian History* (Irving & Connell 1979) examined the historical patterns of structural development of class society in Australia. This entailed an explanation of how the specific relations of capitalism were produced in Australia, and how these relationships might be resisted. The work is best understood as a contribution to socialist strategies of resistance through a study of the process of class formation. This analysis suggests that the relations of property ownership in Australia produced the emergence of a ruling class, which had the ability to generate consent from a ruled population. The work also focuses on the structuring of class as a historical undertaking of crisis and reformation. Crises are understood to emerge when the consensus around class rule is challenged as a result of economic depression, class struggle and uneven development. These periods of crisis produce the contestation of class relations, which have historically led to reconfigurations of the Australian political economy. Terry Irving and Raewyn Connell’s contribution is to understand the study of Australian history as a process of political contestation and resistance, helping us to develop the grounds for critiquing class society and capitalism in Australia.

I argue that despite the authors’ divergence in focus, their aim of understanding capitalism in Australia as a historically specific and distinct subject unifies their insights. McQueen’s (1970/2004) analysis focuses on a global perspective of capitalism in Australia, while Irving and Connell (1979) identify a national perspective of social action within the state. Together they offer a compelling comparative assessment of Australian within the process of global capitalism, and Australian social
relations as a site of resistance and strategy. In my table (see table 1) I suggest that these insights are compatible in three areas: in approaches to class formation, economic history, and ontologies of the state. Therefore, each of the chapters in this thesis will demonstrate how each of these comparisons are achieved, and ultimately, how they contribute to an analysis of capitalism in Australia. Towards this effort, my thesis question is:

To what extent can a historiography of the Australian New Left contribute to the study of capitalism in Australia?

In chapter one, I identify how these authors contest Whig approaches to Australian history, with an emphasis on the explanatory scope possible through integrating objective and subjective accounts of class in historical enquiry. In chapter two, I demonstrate that the New Left applied heterodox economics to their conception of accumulation in the Australian capitalist economy, which demonstrates their capacity to challenge orthodox conceptions of economic history. In chapter three, I argue that the Australian New Left produced a viable integration of instrumental and structural approaches to state theory, overcoming the limitations of the populist-nationalist thesis. Together, these conclusions provide significant scope to enhance political economic discussions of history, the economy, and the state. This is specifically advantageous in extending discussions of what capitalism in Australia is about, who participates, and what the implications are for Australian society from a national and global perspective. This provides a revival of the strategic objectives of the Australian New Left, and forges new grounds on which to produce political alternatives.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conception of Class Formation (Chapter One)</td>
<td>Extension of British Imperialism</td>
<td>Totality of Social Relations in the Australian Capitalist State</td>
</tr>
<tr>
<td>Account of Economic History (Chapter Two)</td>
<td>Development of World Market: Processes of Monopoly Capitalism</td>
<td>National Development: Processes of Urbanisation</td>
</tr>
<tr>
<td>Ontology of the State (Chapter Three)</td>
<td>Capitalist State as Mediator of Crisis</td>
<td>Capitalist State as Arena of Class Struggle</td>
</tr>
</tbody>
</table>
CHAPTER ONE
Resisting Whig History:
The Australian New Left in Perspective

1) Introduction: Establishing the Grounds for Comparison

This chapter examines the influence of Australian history and the British New Left on the contributions of McQueen (1970/2004) and Irving and Connell (1979) in the Australian New Left. I argue that it was the nature of their response to these influences, rooted in historical and theoretical debates, that defined the work of these Australian New Left historians. First, I examine the emergence and broadening of Australian history as a professionalised, specific sub-field by the 1950s. I argue that this developed from the study of history as a structure in the ‘Whig’ history of Keith Hancock (1930). This analysis influenced the work of Australian Old Left historians, who produced a Whig history, which analysed class in organisational and wage relation terms. Second, I discuss the parallel development of the first and second British New Left, and their debates concerning the balance between humanism and agency (Thompson 1965), contrasted with historical contingency and structure (Anderson 1964; Nairn 1964). I suggest that these debates offer a discussion that identifies socialist strategy and ideological formation as core concerns, which relates directly to the importance of producing compatible objectivist and subjectivists discussions of class (Barnes & Cahill 2012). Finally, I argue that McQueen (1970/2004) produced a theoretical study which challenged the weak conception of class and Whig conception of history in the Australian Old Left through an application of Anderson (1964) and Nairn (1964). In response, Irving and Connell (1979) generated a new framework of class more sensitive to objective and subjective conceptions. Therefore, I argue that the works of McQueen (1970/2004) and Irving and Connell (1979) are best understood as a collaborative historical and theoretical project. They present a challenge to both Whig Australian history, and to the dichotomisation of objective and subjective forms of class analysis, approaches to class formation. This contribution allows for a more nuanced historical and methodological approach, necessary in understanding capitalism in Australia.

2) Liberal Patriotism and The Old Left

During the Great War, the tertiary study of history in Australia was part of a general education in the humanities. The practice of teaching history was centralised within a small group of professors at elite universities, and taught within the broader context of British history. Writings tended to be canonistic, focusing on established convict and native-born Australians embedded within social contexts emanating from “the English mother culture” (Macintyre 1972, p.48). In this context, there was yet to be a course committed to Australian history as a specific sub-field in its own right. Ernest Scott’s (1916/1947) post-Great War legacy was to develop the study of Australian history, utilising empirical research and document analysis. This would establish the role of empirical study and verification as a research method in Australian history (Macintyre 1972, p.48). In its embryonic
stage, Australian history was committed to studying the ‘discovery,’ ‘settlement’ and constitutional advancement of Australia, with an emphasis on the “heroic deeds of great individuals” (ibid. p.50). This committed the field to empirical research focusing on the role of elites in history as a ‘developmental process’. As Scott (1916/1947, p.v) argues:

“[The Short History of Australia] endeavours to elucidate the ways in which the country was discovered, why and how it was settled, the development of civilised society within it, its political and social progress, mode of government, and the relations, historical and actual, with the Empire of which it forms a part... History is a record of the doings of men living in communities, not of blind, nerveless forces.”

This approach prioritised the empirical study of elites as the primary agents of historical development. The normative aspects of this type of history, despite their political implications, were not seen to be of explicit value to this intellectual project.

The Great Depression and its socio-economic implications had a defining impact on the study of history. It influenced a shift towards critical assessments of issues such as economic depression, class struggle, the effects of the Second World War, and the role of the ALP in Australian society. The professional study of history itself also expanded from six professors and six research assistants in 1936, to hundreds of positions at nine universities by 1958 (Macintyre 1972, p.51). This created the capacity for specialisation in the study of history within tertiary institutions as well as the first history journal of regular publication: Australian and New Zealand Historic Studies. This provided the context for the emergence of Hancock, who would go on to impact general historical analysis and economic history. Hancock studied contemporary Australia through an analysis of the contingencies of the past, supporting the capacity to explore Australian history as a structural process of contingent formations. This would influence the pursuits of the Australian New Left historians.

Australia (Hancock 1930) had a dramatic impact on subsequent historical enquiries. It represented a crystallisation of generational trends in scholarship of the era, identified as the ‘liberal-patriotic’ tradition (Pascoe 1979, p.5). Connell (1974) argued that Hancock’s (1930) core set of basic ideas formed the foundation of the dominant tradition in social commentary and criticism on Australia. These included: his accounts of the Australian environment (and political economy); imperial-colonial relations; egalitarianism and democracy emanating from parliamentarianism; and a critical conception of the Commonwealth and States relationship (Macintyre 2003). Specifically, Hancock formulated an Australian history around three core themes: the settlement of the frontier as a foundation for social and economic development; the emergence of a strongly nationalist-egalitarian orientated democracy; and the resulting labour movement emerging as a bearer of social progress and experimentation in Australia society (Connell 1974, p.33). These themes form the definition of Allan William Martin’s (1962/2007) ‘Whig’ account of Australian history. Hancock’s
(1930) account would also have a dominant impact of further historical enquiry. These impacts were: a scholarly emphasis on rural development (pastoral and agricultural as opposed to urban); an embedding of nationalism within Australian democracy (egalitarianism and classlessness as organising principles); and consequently, a glorification of the labour movement as the inheritors of this social history (a patriarchal and exclusive conception of participation). Hancock's (ibid.) conception of the state as a “milch-cow” (Connell 1974, p.39) of struggle informed the instrumental conception of the state (as will be explored in chapter three), while his economics supported the individualist and free-trade positions of his mentor Edward Owen Giblin Shann (developed further in chapter two). Hancock (1930) produced a distinctive historical method with a focus on primary industry, nationalist-egalitarianism, and a restricted conception of the labour movement, influencing approaches to class and the state, economic history, the formation of the Australian Old Left and respondent Australian New Left critique.

Formally, there was no self-conscious conception of an Australian Old Left, in its own right. The term was applied by the Australian New Left to distinguish their critique, and it is arguable that the term is a misnomer (Macintyre 2003). However, the identification of a core set of commonalities among a generation of historians is important in understanding the Australian Old Left's historical method, and also in appreciating the Australian New Left's response. The title 'Old Left' is applied to left-wing intellectuals who were associated with the Communist Party of Australia (CPA) including Russel Ward; Robin Gollan; Ian Turner; Lloyd Churchward; and Eric Fry (ibid.). They tended to depict the history and development of the labour movement with the intention of explaining the present social conditions of organised labour. The Old Left also lacked a holistic structural method of enquiry (class as a relationship), despite their use of Marxian-influenced analysis in conducting their historic enquiries (Pascoe 1979, p.50). Their approach was also influenced by the legacy of Hancock (1930) in their conceptions of the labour movement and nationalism, and this had implications for the nature of their social scientific enquiry (Pascoe 1979, p.4).

Class analysis in the Old Left, when applied, tended to emphasise the role of ‘organised’ labour and the wage relationship as a definitive feature. This can be identified as an ‘objectivist’ approach to class, which explores class determination via a distinct set of social production relations, as opposed to class defined by a subjective generation of social consciousness and experience (Barnes & Cahill 2012, p.50). This shares a continuity with Hancock's identification of social class: he argued “there is no class except in the economic sense” (Hancock cited in Connell, 1974, p.35). This account of class, as wealth/income, also coincides with sociological approaches to class as stratification, which were later challenged by Irving and Connell (1979, pp.3-26). Further, the Old Left did not produce an analysis of class as a totality of social relationships (Macintyre 1972, p.62). From the perspective of the Australian New Left, this produced a weak categorical appraisal of class. To illustrate this point, I take as my examples the use of class by Brian Fitzpatrick (1968), Turner (1965) and Ward (1958).
In *A Short History of the Australian Labour Movement* (Fitzpatrick 1968), class history is undertaken in categorical terms as the study of organised labour. Fitzpatrick argues he has, “taken the view that the history of the Australian people is amongst other things the history of a struggle between the *organised* rich and the *organised* poor …” (my italics, ibid. p.11). Although this text has been treated with some controversy regarding its theoretical content within Fitzpatrick’s broader contribution (see Watson 1979, p.187), the application of a categorical approach here is evident. Furthermore, Fitzpatrick utilised this conception of class to advance a claim that organised labour is a progressive force in Australian society: “My belief is simply that the Labour effort, impelled by motives similar in kind to those of the owning classes happens to coincide with an effort towards social justice” (Fitzpatrick 1968, p.11). This shows how the liberal-patriotic tradition, linking the labour movement with social progress, was also embedded in Fitzpatrick’s conception of class as a category. Another example of this conception of class is identifiable in Turner’s (1965) work in a section titled ‘a note on terms’:

“The validity of the concept ‘working class’ is often questioned. It is used here to describe an objective social category: the class of men and women who work for *wages*, as distinct from the employers of labour and self-employed” (my italics, ibid. p.6e).

This was a more nuanced conception of the working class and their approach to strategy, but it failed to account for the formation of a ruling class and its interrelated influence on the development of the working classes. That is to say, it did not identify the role of social power emanating from social relations, but took the case of waged work as an objective categorisation of labour. This was insufficient from the perspective of Irving and Connell (1979) and would become a central concern for their New Left historical analysis.

*The Australian Legend* (Ward 1958) formed the foundation of McQueen’s (1970/2004) critique, and therefore warrants specific consideration. The work was a hallmark of the Australian Old Left, as it 1) assumed a categorical conception of class, 2) assumed a Whig conception of the labour movement, and 3), lacked a totalised conception of social relations. According to Ward, the aim of his work was,

“…To trace the historic origins and development of the Australian legend or national mystique. It argues that a specifically Australian outlook grew up first and most clearly among the bush workers in the Australian pastoral industry, and that this group had an influence… on the attitudes of the whole Australian community” (Ward 1958, p.1).

In pursuit of this aim, Ward explored the development of convict society towards bush work, and later, the establishment of the union movement and the birth of a national ethos of egalitarianism under federation. He was principally concerned with the origins and development of national ‘consciousness’ as a material process. For example, Ward argued that the conditions of bushmen in
the pastoral industry, influenced by the fact that they were (ex)convicts, created the specificity of this cultural/mythical form. This developed into a cohesive and self-conscious culture by the nineteenth century (ibid. p.2). Ward noted that the development of the ‘Australian legend’ was also influenced by the antagonisms between bushmen and the squatters in frontier society, culminating in the great strikes of the 1890s. This difference, he argued, was more economic and political than social (ibid. p.21).

By emphasising the role of cultural resistance by the working class, Ward identified the labour movement as the possessors of social progress. For example, in the aftermath of the great strikes of the 1890s, he argued “without diminishing class consciousness and hostility, the new environment made society much more fluid” (ibid. p.66). Importantly, Ward asserted that geographic contingency, and its impact on social relations, produced a unique capacity for the development of democracy within Australian society. He therefore saw the ‘legend’ as having an important role in framing contemporary approaches to strategy: “Today's task might well be to develop those features of the Australian legend which still seem valid in modern conditions” (ibid. p.309). It is worth highlighting how closely this account conformed to the Whig historical account identified by Connell (1974, p.33). First, it focused on the settlement of frontier society as a foundation for national development. Second, it advocated nationalism and egalitarianism as the founding principles of Australian democracy. Finally, it argued that the labouring classes were the bearers of this legacy, which he called ‘the legend’. This serves to substantiate the claim that the liberal-patriotic and Old Left exhibit a shared conception of history and historical enquiry.

This section has demonstrated that the development of Australian historical enquiry created identifiable frameworks of contingency built on the Whig tradition. We can see a development from the liberal-patriotic to the Old Left forms of enquiry with a shared historical methodology. We can also observe the style and nature of the critique that the Australian New Left would generate. Crucially, it was the Whig account of history as settlement, egalitarian democracy and the glorification of the labour movement which would be challenged by the new framework. Furthermore, conceptions of class which lacked a subjective analysis and a totalising conception of class as a relationship would inform the theoretical aspects of the New Left critique, especially in *Class Structure in Australian History* (Irving & Connell 1979).

3) Structure and Agency Debates in the British New Left

This section identifies the development of structure and agency debates within the British New Left. It argues that debates between Thompson (1965) on one side, and Anderson (1964) and Nairn (1964) on the other, produced a theoretical consideration of British social history that would influence subsequent enquiry in the analysis of the Australian New Left. Specifically, the first and second British New Left contested the relationship between the study of history and the implications for socialist strategy. I argue that these debates had a significant bearing on the
Australian context, and are therefore an essential counterpart to the historical tradition which had developed in approaches to Australian history.

The year 1956 was a defining one for the development in the British left. Khrushchev, leader of the Soviet Union (USSR), gave a ‘secret’ speech denouncing Stalin's leadership, and later that year the USSR's invasion of Hungary created dissent and mass exodus from the Communist Party of Great Britain. The Anglo-French invasion of Egypt's Suez Canal delegitimised the conservative leadership of Great Britain, exposing their neo-imperialist ambitions. It has therefore accurately been remarked that the emergence of the New Left in Britain was contingent on the development of international communism and domestic social democracy in Britain (Matthews 2002, p.219). This context would forge the foundations of dissenting ex-Communist Party members to generate a first British New Left. They were especially critical of the ‘romanticisation’ of communist causes emerging after the Spanish Civil War and the glorification of juvenile delinquency (Hamilton 2012, pp.52-4). This amounted to a crisis in party based commitments, and a rethinking of what should constitute left politics.

As a prominent intellectual of the first British New Left, Edward Palmer Thompson saw an essential role for human agency in transitions to socialism. Reacting against Stalinism and authoritarianism, the first New Left sought to redefine the direction of revolutionary strategy by reconceptualising the pursuit of socialist theory, presenting a challenge to British reformism (Matthews 2012, p.222). The conflict between a commitment to party principles and humanist sympathies was explored by Thompson. An example of this, he argued, was the growing gap between the labour movement and intellectual participation. Thompson (1957, pp.20-22) also argued that ordinary people should be involved in intellectual assessments of class history. He observed that the position of the working class in the 1950s should not be used to essentialise the complex history of the labour movement. However, the wage and living conditions of post-war Britain were, he argued, the results of real people engaging in class struggle (Hamilton 2012, pp.55-60). Thompson suggested that a radical re-engagement with these themes would support the realisation of the New Left's project. Yet, by the early 1960s, the prosperity of British social conditions undermined the legitimacy of the first New Left's revolutionary strategy by exposing the resilience of capitalist social relations. Out of this, a second New Left would emerge, utilising the journal *New Left Review* as a forum for engagement.

The second New Left were critical of the first New Left’s inability to produce a structural analysis of British society. They argued that the first New Left had failed to address the lack of revolution and revolutionary theory in British history, which had produced a populist – rather than strategic – framework of analysis. With this in mind, the second New Left placed importance on the role of parliamentarianism in the development of British capitalism (Matthews 2012, pp.224-226). Hallmarks of this analysis were the contributions of Perry Anderson (1964) and Tom Nairn (1964), which respectively developed a long-run perspective on the emergence of British capitalism and its
structural characteristics; and an analysis of the British Labour Party, which epitomised this historical contingency. *The Origins of the Present Crisis* (Anderson 1964) developed a historical analysis of British society in order to produce a framework for socialist strategy in the context of contemporary Britain. It claimed that, in British history, the state had been subordinated to civil society (Matthews 2012, pp.226). This implied that civil society was the generator of hegemony and consent in British society and served to protect the state from economic and social crisis. It should be noted that this ‘separation’ of state and civil society is merely a methodological, as opposed to a concrete separation (Sassoon 1985). The role of civil society in Britain meant that working class challenges to capitalist society would have strict limitations. This analysis was influenced by Gramscian theory, especially: a focus on the singularity of national variation of capitalism (as opposed to similarity); the overall trajectory of British capitalism; and an anti-economism in rejecting the base/superstructure dichotomisation applied in orthodox Marxist interpretations (Elliot 1998, p.14). This theory underpinned Anderson's (1964) historical assessment of British capitalism.

There were four major historic observations emanating from Anderson's analysis. First, an emphasis on the ‘prematurity’ and ‘impurity’ of the British revolution of the seventeenth century and its effects in creating an alliance between mercantile and pastoral capitalism. Second, the role of the English industrial revolution and counter-revolutionary mobilisations in France, stunting the development of class relations. Third, the role of British imperialism in the nineteenth century, which perpetuated the influence of these specific class relations. Finally, the continuity of these processes within the British state and society as the defining influence on the present crisis in British socialist strategy (Elliot 1998, p.15). These factors, Anderson argued, resulted in a working class organisational crisis:

“A combination of structural and conjunctural factors in the nineteenth century produced a proletariat distinguished by an *immovable corporate class-consciousness and almost no hegemonic ideology*… A corporate class seeks to defend and improve its own position within an order accepted as given” (Anderson 1964. pp.33-34).

Nairn substantiates Anderson's claim, extending its implications into the context of the British Labour Party in *The Nature of the Labour Party* (Nairn 1964). Also taking inspiration from Antonio Gramsci, Nairn argued that the British Labour Party was an extension of the specificity of capitalist development in Britain. The impact of this arrangement on the working class was identified by Nairn:

“Labourism is in part an organised contradiction between the two really vital sectors of the working-class movement, a system according to which they mutually inhibit one another instead of engaging in a genuine dialectic of growth towards socialism” (ibid.).
Together, these arguments employed a historical conception of the emergence of British capitalism to explain why working class movements had opted for reformism within the British capitalist state, and failed to attain genuine revolutionary ambitions. This approach had clear implications for an analysis of British capitalism, including its limitations to social class mobilisation. As a strategic implication, it favoured the creation of a hegemonic socialist party capable of challenging the relationship between the state and civil society (Matthews 2012, p.228).

Thompson responded to Anderson (1964) and Nairn’s (1964) structural analysis and the limitations of their approach regarding socialist strategies in *The Peculiarities of the English* (Thompson 1965). Thompson’s critique of Anderson and Nairn focused on their inability to reconcile their methodological separation of the mercantile and pastoral factions of the ruling class (ibid. p.314). Thompson disagreed with the argument that because the British bourgeoisie were created ‘immature,’ the British working class were merely reflections of these social relations (ibid. p.313). Instead, he argued that we must see these contradictory elements of the ruling class as a totality of social relations, rather than arguing categorically that there is something inauthentic about the development of British capitalism. As he identified: “[British agrarian capitalism] arose, like every real historic situation… if there is no place for it in the model, it is the model which must be scrapped or redefined” (ibid. p.319). Several themes stand out from Thompson’s response and have continued to influence contemporary research: the English revolution as a process; the role of the contesting rural bourgeois ‘factions’ in producing crisis; Protestant thought and its social effects; an examination of indigenous Marxian traditions within Britain; and a sympathetic portrayal of reformist worker organisations (Hamilton 2012, p.120). Together, these observations explored the experiential components of the labour movement, and stood in contrast to processes focusing on structural aspects of capitalism.

It has been argued that an over emphasis on the debates between Anderson (1964), Nairn (1964) and Thompson (1965) has served to dichotomise the respective authors, rather than valorise their shared concerns for progressing left politics (Matthews 2012, p.230). Both approaches noted a crisis in British Old Left strategy and a need to engage with consciousness as a major aspect of working class organisation. The roles of industrial and other class alliances were also jointly stressed, framing socialism as a real possible outcome of socialist strategy. This led Thompson to stress the role of agency in resisting capitalism, while Anderson and Nairn emphasised the role of intellectuals and a worker’s party in mediating capitalist culture and the working class. Ultimately, the crisis of the working class was ideological in both accounts (Matthews 2012, pp.230-240). Furthermore, each emphasised a different side of class theory. While Thompson focused on subjectivist or voluntarist conceptions of class as a process of agency and resistance, Anderson and Nairn focused on the objectivist counterpart of structural development (Barnes & Cahill 2012, p.50).
These debates highlight the theoretical limitations of analysis in capitalist history, dichotomised chiefly along structure and agency lines. For Thompson, the empirical case study presupposed a theoretical model, while for Anderson and Nairn the opposite held — structural processes shaped the limitations to mobilisation. I argue that a strong reliance on either side of this debate can lead to theoretical overdetermination and reductiveness. This was why neither side of the ‘debate’ was sufficient for Class Structure in Australian History (1979), as will be explored in the next section. I argue that the theoretical debates between Anderson, Nairn and Thompson had a significant impact on how the Australian New Left conceptualised the empirical case of the Australian state and class formation. This can be identified through the relationships between categorical and subjective conceptions of class in historical enquiry (Barnes & Cahill 2012), and the importance of their interrelation in conducting historical analysis for the Australian New Left.

4) Towards an Australian New Left

I now analyse how the study of Australian history and the debates of the British New Left affected the contributions of McQueen (1970/2004) and Irving and Connell (1979) in the Australian New Left. First, I explore the specificity of McQueen’s (1970/2004) response to the Old Left in challenging the Whig account of Australian history. I then identify the influence of Anderson and Nairn’s approach to history and their influence on McQueen's analysis of Australia capitalism. Following, I explore how Irving and Connell (1979) responded to theoretical approaches to class stratification in the labour history and sociology traditions, making a distinctive assessment of the structure and agency debates in the British New Left to extend their theoretical assessment of class. This produced a sophisticated conceptualisation of class structure as a process of social relations that synthesised aspects of the objective and subjective conceptions of class (Barnes & Cahill 2012, p.50). I argue that together, the two works can be understood as a coherent response to the preceding scholarship in Australian history, creating a distinct theoretical engagement with capitalism in Australia.

McQueen was an active participant in the anti-Vietnam war movement in Australia, campaigning against conscription as chairman of the Melbourne-based Revolutionary Socialist Group in 1968. His organisational engagement would also shape his interest in Maoist and Gramscian theory, influencing his subsequent work (Pascoe 1979, p.140). McQueen’s early academic writing was intent on dispelling the approaches to labour history generated by the Australian Old Left, especially The Australian Legend (Ward 1958). This focus was forged in Convicts and Rebels (McQueen 1968), in which McQueen built a critique of the Whig historical approach associated with Ward (1958) and the Old Left. McQueen doubted the authenticity of a democratic and egalitarian tradition emanating from Australia’s convict history. This is because he was skeptical of the ‘egalitarian’ aspect of the tradition, highlighting the role of exclusion and racism in convict society (McQueen 1970/2004, p.31). Also, because Australian class formations never extended beyond the limitations of their British origins. As he argues:
“Ward uses class to mean nothing more than that group of people who came to the colony as convicts and ignores all social and national divisions within this category. It is misleading to clothe the convicts in the aura of class struggle since for its first fifty years Australia did not have a class structure, but only a deformed stratification which had itself been vomited up by the maelstrom which was delineating class in Britain. If a class formula must be given to the majority of the convicts it must be lumpen-proletariat or petit-bourgeoisie” (my italics, McQueen 1968, p.25).

By emphasising the continuity between British capitalism, the colonisation of Australia, and the production of class subjects, McQueen identified weaknesses in Ward’s approach to class analysis. The role of British imperialism for capitalism in Australia suggested a premature class formation and resulting social consciousness. While Ward (1976, p.179) later accepted that the role of racism in the convict period had been a neglected subject, Ward (1969) also responded that McQueen misunderstood his analysis, arguing that he had in fact produced a differentiation between “social and national divisions” (ibid. p.58). The section in question identified the disproportionate influence of Irishmen and native-born Australians on working class attitudes and the national ethos (Ward 1958, p.68). This served to further demonstrate the theoretical gap between the Australian Old and New Left in their conceptions of class. That is, while the Old Left had utilised a Whig approach to Australian history, the New Left were concerned with a closer consideration of the British empire in Australia and its effects on structuring social formations. McQueen (1970/2004) identified the roles of elitism; acquisitiveness; racism; militarism; and expansionist nationalism in the formation of Australian society, which must be identified in any discussion concerning the Australian labour movement (Irving 1970, p.55). I argue that McQueen’s desire to challenge the Old Left’s historical analysis, and apply that of the British New Left, are evident in his theoretical undertaking. He also discounted Thompson’s (1963/68) class analysis as “lopsided” (McQueen 1970/2004, p.251). For McQueen: “Classes are both things and experiences. Every class is a thing, and yet more than a thing. A proletariat is a thing because of its place in the social relations of production” (ibid.). This led McQueen to prioritise the objective account of class over subjective accounts, while accepting that both were important for a historical analysis of capitalism in Australia.

McQueen’s (1970/2004) acceptance of Anderson (1964) and Nairn (1964) in his analysis was evident in his engagement with the development of Australian democracy (McQueen 1970/2004, p.250). This meant that the ‘impurity’ of the British revolution, argued by Anderson (1964), was considered by McQueen to have influenced the development of Australia, especially in the emergence of the ALP. This served as a close counterpart to Nairn’s analysis of the British Labour Party. McQueen (1970/2004) argued first, that the British colonisation of Australia occurred before the existence of a developed working class, preventing the capacity of direct class confrontation. Second, because there was no primitive accumulation due to the absence of feudal relations, British
capitalist expansion defined Australian society’s class organisation. Third, Australian colonial self-governance prevented direct class confrontation from 1850-90 through promoting a culture of parliamentarianism. Fourth, the middle class (professional groups) dominated labour organising, developing its ideological preferences for reformism and state intervention. And finally, the ALP emerged as a parliamentary representation of the Australian working class with an acceptance of democratisation within capitalism as a primary aim (McQueen 1970/2004, p.181). In this account, capitalism in Australia emerged without the potential to produce a “revolutionary tradition or consciousness” (ibid. p.182). McQueen’s (ibid.) objective in this account was to explain the existence of the ALP as an outcome of Australian historic development, incapable of producing socialist strategy (ibid. p.250). I suggest that McQueen’s theoretical sympathies to the positions present in Anderson (1964) and Nairn (1964) are a notable aspect of his commentary concerning capitalism in Australia because he emphasises the historical continuity of British imperialism in the development of Australian class relations. McQueen also acknowledges the influence this work held over his writing (McQueen, 1970/2004, p.250). I suggest that the implication of this is that he does not focus on the specificity of resistance developed in the Australian context.

While McQueen was chiefly concerned with challenging the historical approach of the Old Left, I argue that his engagement was theoretically incomplete. For example, Pascoe (1979) identified three notable defects with *A New Britannia* (McQueen 1970/2004). First, McQueen’s account of class lacked a framework to compliment his pursuit of a holistic conceptualisation of class, and did not locate the class origins of social consciousness (Macintyre 1978). Second, the project was mainly a re-interpretation of existing secondary literatures, which limited its ability to contest the established ‘facts’. As Irving (1970) noted, this aspect may have betrayed the radical pursuits of McQueen in favour of re-establishing the legitimacy of the liberal patriotic traditions, and reasserting the validity of positivist/empiricist methodologies (ibid. p.56). Finally, McQueen’s specific application of objective class theory in accounting for organised labour seemed to reject that revolutionary strategy or resistance was practical or possible. This meant that he failed to provide scope in *A New Britannia* (McQueen 1970/2004) for genuine democratisation and political contestation. McQueen (1986) himself admitted that the work suffered from theoretical limitations including a lack of women’s and indigenous history, a lack of focus on social resistance, and a weak theoretical grip on consciousness and hegemony (ibid. p.12). Nonetheless, his achievements are substantial. In seeking to challenge accounts of Australian history presented in the Old Left, McQueen established the grounds to contest the Whig tradition in Australian scholarship. He identified that British imperialism cannot be separated from the experience of capitalism in Australia, and that Australian identity should be reconsidered in light of the role of exclusion and racism in the labour movement. Together with an application of Anderson (1964) and Nairn (1964), the approach redefined the nature of Australian historical enquiry, which would prove to be influential in the discipline of history (Bongiorno 2008, p.203).
Irving, in reviewing *A New Britannia* (McQueen 1970/2004), highlighted the work's theoretical legacy, but also the need to produce a more developed theoretical engagement. He stated that *A New Britannia* “Will provoke angry discussion, but I hope it will also provoke the new left to develop the methodology necessary to write a new history” (Irving 1970 p.57). Irving noted that without an analysis of class as a structural relationship, McQueen's depiction of Australian class relations as ‘petit-bourgeois’ was unsubstantiated. Another issue was McQueen's (1970/2004) acceptance of Ward's (1958) conception of ‘national consciousness’, which failed to identify agency and resistance in working class history (Irving 1970, p.57). These concerns had already been established as part of Irving's critique of the Old Left in *What is Labour History?* (Irving 1967, pp. 77-81). Directing his attention primarily at the work of labour history scholarship, Irving identified the lack of engagement with subjectivist accounts of class within the study of Australian history. He argued that the academic fixations on European experiences of class had distorted an understanding of the Australian experience of capitalism in its own right. This led to an unjustified prioritisation of the institutions and ideas of the labour movement over the conditions, culture and consciousness of the Australian working class (ibid. p.77). Irving, in collaboration with Baiba Berzins, also challenged the Old Left's conceptualisation of class within Whig history: “The ‘old left’ in Australia… always assumed that ‘history’ was on their side… ‘progress’ was inevitable, but it needed a little help from its friends the ‘agents of history’” (Irving & Berzins 1970, p.66). Together, these contributions marked a dissatisfaction with the Old Left and Whig history, but also the theoretical limitations of McQueen (1970/2004) in failing to look at class as both a social relationship and a subjective experience. The latter aspect indicates an interest in Thompson's (1963/68) approach to class analysis, which would influence the development of *Class Structure in Australian History* (Irving & Connell 1979), first found in Connell (1977).

Connell (1977) responded to both the methodology of class employed in the Old Left and broader sociological traditions. In the former, the work of Vere Gordon Childe (1923/1995) and Fitzpatrick (1939, 1940, 1941) had concerned itself with: class conflict; political change; economic power; ordinary life; resistance; and Australia's place in a world context (Connell 1977, p.9). By the 1950-60's, this project had been reframed from the vantage point of industrial capitalism. Also at this time, the application of class as a coherent theoretical categorisation began to waver. An empirical methodology and more narrow episodic focus, for example in Gollan (1960) and Turner (1965), began to overpower a focus on theories of resistance, limiting the experiential components of class struggle and ideological formation. Connell noted the effects of this approach on class analysis as, “Class does not disappear from history, but it is transformed; it moves from centre stage to backdrop, and changes from a dynamic process to a system of categories or social perceptions” (my italics, Connell 1977, p.23). Similarly, sociologists had developed a method of analysis which Connell identified as ‘stratification’ to explain social organisation. This approach was critiqued by Connell as being: overly abstract and therefore limited in its capacity for historical specificity; being categorical and therefore limited in locating social power; and as being overly complex and lacking the clarity necessary to conduct class analysis (ibid. pp.26-27). The study of elites in state theory
literature, especially from Solomon Encel (1970), also suffered from these critiques (as will be developed in chapter three). This meant that both the Old Left and sociological approaches were unable to produce a historically specific, coherent and unified account of class, as their attention to resistance as a subjective experience was underdeveloped. In Connell’s work, these limitations were overcome through a generative conception of class, further developed in *Class Structure in Australian History* (Irving & Connell 1979).

Irving and Connell (1979), having collaborated in the Radical Free University project in Sydney (Irving & Connell 2015), and sharing a concern with class methodology and the portrayal of resistance in social history, set to work on creating a new approach to class and history. The clear aim of the project was the pursuit of socialist strategy, as they remarked: “Our intention is political —to help people gain a clear understanding of the patterns of class relations they live in and have to act on here and now” (Irving & Connell 1979, p.x). Towards this effort, they focused on the generation of resistance by employing a humanist reading of social history, defined as ‘situational analysis’ (ibid. p.7). This entailed, on their terms, the embedding of historic structure within the situation or ‘real experience’ of people (ibid. p.11). They saw this as a major deficit in the existing literature which had failed to reconcile structure with experience in social history. They argued that the structuralism presented, for example, in Louis Althusser, Nicos Poulantzas, Guglielmo Carchedi and Erik Olin Wright was overly abstract, and therefore could not produce a concrete historical analysis (White 1984, p.98). The importance of reconciling concrete and abstract analysis of capitalism in Australia was essential, as “Structure itself… is something historically produced, and its production cannot be logically separated from the actual events that make up the process of class interaction: it is all in the one field of analysis” (Irving & Connell 1979, p.10). To this end, they introduced the work of Anthony Giddens (1975) and, especially, Thompson (1963/1968), to develop advance their method of analysis. Furthermore, in line with Thompson, they rejected a moralisation of the working class:

> “That the working class is essentially conservative, or naturally revolutionary, or invincibly racist—are all equally wrong. The working class are simply people, who improvise their lives in certain situations, which may or may not be changed by their responses” (my italics, Irving & Connell 1979, pp.357-358).

On the terms of situational analysis, class became a process of formation; an empirical and historical phenomenon. This exposed the limitations of objective approaches to class as being “a priori notions of the way class relations should go” (my italics, ibid. pp.x-xi). This led to reservations in the authors’ commitment to fixed definitions of class, for “the whole book is a contribution to the definition of class” (ibid. p.xi). We can see a comparable expression of the limitations of categorical definitions in Thompson’s assessment:
“By class I understand a historical phenomenon, unifying a number of disparate and seemingly unconnected events, both in the raw material of experience and in consciousness. I emphasise that it is a historical phenomenon. I do not see class as a ‘structure,’ nor even as a ‘category,’ but as something which in fact happens (and can be shown to have happened) in human relationships… Class is defined by [people] as they live their own history, and, in the end, this is it’s only definition” (my italics, Thompson 1963/1968, pp.9-11).

Implicit in Irving and Connell’s (1979) situational analysis is a concern for structural relationships, which enhance their subjectivist account. Situation came to entail the degree of hegemonic control exerted by a ruling class, but also the structural nature of private ownership, the labour market, and the sexual division of labour. This was identified as “the structuring of production relations” (ibid. p.19), highlighting an implicit commitment to Marxian political economy and heterodox economics (which will be developed in chapter two). Irving and Connell’s (1979) desire to engage with the tension between the structure of capitalist society and the experiential aspects of social resistance was a clear advance over the work of the Old Left and the Whig tradition. This is because their identification of abstract structure also incorporated a concern for subjective experience in class formation. In answering McQueen’s (1970/2004) methodological limitations, they produced a model of contestation which engaged with Australian history and the theoretical influence of the British New Left. This developed a new approach to the subject — one capable of grappling with the complex topic of Australian history, and, crucially, with the interrelation of objective and subjective approaches to class analysis in social enquiry.

Irving and Connell (1979) were also subject to discussions concerning ways their method could be directed and enhanced towards different aspects of the study of capitalism in Australia. In Intervention (Allen et. al 1982/2008), aspects of Irving and Connell’s (1979) situational analysis were challenged in relation to the growing disintegration of left-wing orthodoxies. The intention of the Intervention symposium (Allen et. al 1982/2008, pp.7-37) was to provide discussions concerning the left and its relationship to Marxian political economy, gender, world-systems analysis and labour history. Stuart Rosewarne (1982/2008, pp.7-15) suggested that the dichotomisation of working class and ruling class confrontation in Irving and Connell’s history of struggle underplayed the potential of other forms of economic, political and ideological resistance, such as women’s work and its impact of the development of class relations, which limited the inclusiveness of Irving and Connell’s socialist strategy. Kay Daniels (1982/2008, pp.15-18) suggested that closer attention to women’s agency outside of the labour market could enhance the subjective accounts of class advocated by Irving and Connell (1979). Philip McMichael (1982/2008, pp.19-24) highlighted that a close consideration of the world system, especially Australia’s developing role in the British inter-imperial relationship in the nineteenth century, would add specificity to the causes of class confrontation occurring in the study of capitalism in Australia. Verity Burgmann (1982/2008, pp. 25-30) argued that Irving and Connell’s (1979) accounts of class confrontation, emerging in the
crises of hegemonic power wielded by a ruling class, underplayed the role of resistance demonstrated by the working class in their own right. I argue that these criticisms have merit in suggesting ways that Irving and Connell’s (1979) work can be enriched in relation to: Marxian political economy; gender; the world system; and labour history. They enhance the available insights of Irving and Connell (1979) by providing further research possibilities, contributing to understandings of capitalism in Australia.

5) Conclusion: Applying the Australian New Left to Capitalism in Australia

This chapter has argued that McQueen (1970/2004) and Irving and Connell (1979) produced a unique contribution to the study of Australian history. This was contingent on the historical and theoretical influences of Australian and British writing, and the development of class analysis within historical enquiry. First, I argued that Australian history developed to support a Whig historical account of settlement, egalitarian democracy and a ‘progressive’ labour movement. I showed that the Old Left did not surpass their liberal-patriotic counterpart. Instead, I suggested that a more critical engagement with national history was required. Second, I discussed how the British New Left developed structure and agency debates in their own context that remained dichotomised. I proposed that these debates demonstrate the need for a reconciliation of objective and subjective accounts of class, in order to produce historical enquiry. Finally, I examined how McQueen (1970/2004) critiqued the Whig historical account of the Old Left, but was unable to generate a complete methodology of class to support his claims. Irving and Connell (1979) generated a compatible response by identifying the need to locate situation and agency in history, but also in class theory terms, through a reconciliation of objective with subjective accounts. I conclude that the study of Australian history must challenge Whig notions of enquiry, and also appreciate class as an interrelation of objective and subjective components. Towards this effort, I develop this historical and theoretical enquiry into capitalism in Australia, as my subsequent chapters will develop. In the next chapter, I will demonstrate how the New Left produced comparative assessments of capital accumulation within capitalism in Australia. In chapter three, this discussion will be extended to encompass the state and the implications for political strategy.
CHAPTER TWO:
CRITIQUING NEOCLASSICAL ECONOMICS:
CAPITAL ACCUMULATION AND HETERO DOX ECONOMIC HISTORY

1) Introduction: Specifying an Australian New Left Approach to Economic History

This chapter explores the application of heterodox economic history by McQueen (1970/2004) and Irving and Connell (1979) to assist in their analysis of capitalism in Australia. Both authors utilise a Marxian political economic perspective of the economy. However, they diverge in their long-run application of accumulation theory; McQueen’s (1970/2004) global perspective led him to utilise monopoly capital theory, while Irving and Connell’s (1979) national perspective led them to prioritise a domestic analysis of accumulation, especially in regards to processes of urbanisation. To bring home the importance of this argument, I trace the development and contestation of economic history in Australia. I argue that there are political implications for the ways in which we conceptualise the driving forces of economic growth in Australia. The next discussion identifies the contested nature of heterodox thought, and how discussions in the Australia journal Labour History contributed an enriched distinction of debates within economic history in the 1970s. Given its social and economic concerns, I argue that economic history is marked by a fundamental contestation of what is to be measured and who the core actors are, with implications for political and economic contestation.

A Note on Terminology

For the purpose of clarity, I use the work of Marc Lavoie (2014) to define what is meant by heterodox and orthodox economics. First, it is claimed that “orthodox economics is often referred to as neoclassical economics, marginalism, the dominant paradigm or mainstream economics” (ibid. p.5). In contrast, heterodox economics is composed of a pluralism of dissenting perspectives which diverge from the orthodoxy because of irreconcilable presuppositions (see appendix one). There is also a fuzzy area of dissenting orthodox economists whose positions could be located between the two frameworks (ibid. p.10). Tony Lawson provocatively argues that orthodox and heterodox economics suggest fundamentally opposing ontologies relating to the “nature and structure of reality” (Lawson cited in Lavoie 2014, p.11). This suggests that heterodox and orthodox approaches have distinct conceptions of economics, and its philosophical foundations. I suggest that these claims are useful in clarifying the differences in research programs between heterodox and orthodox positions (see Lavoie 2014, pp.1-71).
2) Background of Australian Economic History as a Discipline

Economic history is defined by a commitment to interpreting long-run characteristics of growth and development through the application of an economic research program (Lavoie 2014). This is coupled with concerns for explanations of historical causation, and the implications of actions taken by political actors. In the 1970s, two contesting research programs emerged in Australian economic history: the orthodox and heterodox perspectives (Lloyd 2014). The orthodoxy were defined by a commitment to neoclassical economics, and a limited (‘neutral’) conception of state action as the primary political actor in this process. The heterodoxy were more concerned with integrating a pluralism of economic explanations with social ontologies of class relations, the state, and institutional analysis to explain capitalism in Australia. A precursor to orthodox and heterodox discussions emerged as the ‘analytical school’ of thought (ibid. pp.53-57). However, I suggest that debates within Labour History (Snooks 1975; Rowse 1975; Clark 1976; McFarlane 1976) demonstrate that this title is a misnomer, and that the analytical approach can also be understood as a form of heterodox economic history (Clark 1976, p.59). I now explore the development of debates within economic history as a discipline to elaborate the importance of this distinction.

The analytical approach to economic history was developed during the period of colonial statistical accounting by Timothy Augustine Coghlan, who had provided records for the government of New South Wales. As a public servant, Coghlan interpreted his statistical records into the four volume Labour and Industry in Australia (Coghlan 1918). His approach was identifiable by: its use of economic statistics; factors of production theory (land, labour and capital); a focus on the role of government; and a causative narrative in explaining “events, actions, individuals, decisions and policies” (Lloyd 2014, pp.53-54). For example, in the fourth volume, Coghlan focused on industrial relations, the Labor Party, white Australia, and federation, showing his concern for institutional development and analysis within his economic history (Groenewegen & McFarlane 1990, pp.106-107). At this time, the discipline of economic history was yet to be defined by orthodox and heterodox distinctions. The interdisciplinary character of Coghlan’s (1918) approach to history, economics and economic history would go on to inform debates concerning the role of the state from the period of the Great Depression to the end of the Second World War. This interdisciplinary engagement would impact a range of economic policy debates including “labour immigration, capital imports, tariff protection and industrial self-sufficiency” (Groenewegen & McFarlane 1990, p.118). Coghlan’s analytical method influenced two important subsequent economic historians: the orthodox theorist Shann (1930) and the heterodox theorist Fitzpatrick (1939, 1941).

I suggest that Shann’s (1930) economic and political concerns were closely associated with the analysis presented in Australia (Hancock 1930), and therefore can be seen as an extension of the Whig, liberal-patriotic historical tradition (Pascoe 1979). In the context of economic policy, Shann supported flexible wages and prices in the Australian economy, and also rejected state
protectionism in favour of free trade policies. This position was illustrated in *An Economic History of Australia* (Shann 1930), where he argued that “fluctuating wages have a social function to perform in minimising and sending labour to Sydney or the bush” (ibid. p.385). This approach, which has been labelled the “economic critique of democracy” (Melleuish 2009, p.579), argued that democratic majoritarian rule had negatively affected the economic development of Australia. Shann argued that the genuine democracy of the ‘free market’ was undermined by the state ‘authoritarianism’ of protectionist trade policy (ibid. pp.586-590). Hancock similarly recognised the ‘dilemma’ between economic free markets and Australian democracy, but stressed the long-run correction of this social immaturity in the eventual development of Australian parliamentarianism (ibid. pp.590-593). I argue that this critical attitude toward state action is a defining aspect of orthodox political economic ontologies.

In contrast, Fitzpatrick’s (1939, 1941) work identified the role of the British empire, especially the exploitative nature of capitalist investment, as undermining the potential for Australian popular democracy. Fitzpatrick (1939) argued that British dependency was a hallmark of the Australian economy’s growth and its development into a market economy. He also produced a compelling historical account of the emergence of capitalism in Australia. Fitzpatrick (ibid.) explained that Australia was not first intended as a market economy for the British empire, but that the conditions of the American revolution, French revolution, the development of agriculture and the industrial revolution in England shaped the development of the Australian economy (ibid. p.32). Australia became an extension of British production, he argued, in 1834, when the New South Wales parliament passed acts encouraging the import of British capital and the creation of the Bank of Australasia (ibid. p.xiii). He used the example of pastoralism to argue that this directed the sectoral composition of the Australian economy towards primary industry (pastoralism and agriculture) by prioritising the interests of the British empire (ibid. p.62). The reliance of capitalism in Australia on this dependent relationship would inform Fitzpatrick’s dependency hypothesis: that finance and primary industry in Australia had colluded to prioritise British capitalism’s interests over Australian economic development. As he argued:

“The reservoir of Australian labour and industry has never failed to provide a stream tributary to the broad river of English wealth. The state did much towards building this reservoir, *it maintains it*, and it allows no blockage to the streams that flow to Imperial England” (my italics, ibid. p.504).

I suggest that while Fitzpatrick (ibid.) primarily saw the British-Australian relationship as parasitic, he also identified the role that monopoly interests had in directing the development of Australia’s economy. This is important because the New Left would re-interpret capitalism in Australia by using Fitzpatrick’s conception of Australia as a victim of British interests, conceptualising Australia as being “an over-anxious partner” (McQueen 1970/2004, p.21).
After World War Two, the transition from Keynesian economics towards neoclassical approaches would inform the focus of orthodox economic history. Orthodox economic history first emerged in Australia by focusing in statistical terms on new sectorial developments. This was influenced by Irving Fisher (1935) and Colin Clark (1940), and their theories of primary, to secondary, to tertiary sectoral change, and also Simon Kuznets' (1966) national income accounting and growth theory (Lloyd 2014, p.57). Influenced, although not subsumed, by the new economic history (‘cliometric’ or statistical interpretation) emerging in the United States, this approach stressed the purity of ‘objective’ economic explanations. This meant the rejection of political actors associated with the analytical tradition, and a move towards quantification and economic theory, especially growth and capital theory (ibid. p.59). Noel Butlin’s work was archetypical of this paradigm, specifically *Investment in Australian Economic Development* (Butlin 1964), with its focus on capital formation and investment in the macroeconomy. Butlin identified urbanisation as the defining influence in Australian capital accumulation. He argued that “the process of urbanisation is the central feature of Australian history, overshadowing rural economic development and creating a fundamental contrast with the economic development of other ‘new’ countries” (ibid. p.6). Butlin also identified the significant role of the public sector in Australia’s development and the long boom period, and later its poor performance through ‘overregulation’ (Groenewegen & McFarlane 1990, p.239). I argue that the identification of the Australian state as the primary economic actor of capitalism in Australia is a crucial aspect of this analysis.

Heterodox economics was influenced by radical and socialist traditions that emerged in the context of the organised labour movement in the late nineteenth century (Lloyd 2014, p.67). By the 1960s, the context of Australian society promoted a critical revival of this tradition. This was due to a dissatisfaction with orthodox economic appreciations of a number of real world problems including, but not limited to, “war, imperialism, underdevelopment and the environment” (Groenewegen 1979, p.174). The rise of the Australian New Left as a social movement was another important aspect of this trend, involving the anti-Vietnam war moratorium and associated student and academic mobilisations, a growing dissatisfaction with Australian economic policy in response to distributional inequality, and the rise of new social movements reconceptualising society. In the 1970s, social tensions were amplified via the emergence of stagflation, a related dissatisfaction with conservative governance, and a perceived failure by the Whitlam ALP government to provide a viable alternative (Groenewegen 1979, p.179). An important academic forum in developing these debates was Ted Wheelwright and Ken Buckley’s *Essays on the Political Economy of Australian Capitalism* (Wheelwright & Buckley 1975-83). Geoffrey Harcourt’s contribution to the Cambridge capital controversy and the advancement of alternative Kaleckian, Sraffian and Kaldorian theories of price, distribution and growth were also essential developments (Groenewegen & McFarlane 1990, p.198). The journals *Intervention* and, later, *The Journal of Australian Political Economy*, served as important platforms for the development of Australian political economy and heterodox economics (Stilwell 1979, p.98). I suggest that
heterodoxy emerged in this period to contest the failure of the orthodoxy to explain real social problems, and offer political alternatives.

In the 1970s, heterodox approaches were often defined by debates within and between Institutionalist, Marxian and post-Keynesian economics. Post-Keynesian economics tended to focus on: theories of short-run economic policy in developing, socialist and capitalist economies; long-run equilibrium growth theory; value theory; and issues around production and distribution. Marxian economics focused on: theories of the world-economy; the organic composition of capital; rate of exploitation; and rate of surplus value (Groenewegen 1979, p.175). Institutional economics established: the importance of social change; collective choice; the economic role of government and technology in explaining how institutions influence the capitalist economy; and the construction of market mechanisms. They also explored the interactive effects of societal and social norms, in turn creating organisations, structures and logics of power. Post-Keynesian, Marxian and Institutionalist traditions were often engaged in internal debate and contestation, creating numerous sub-fields. Heterodox economics has continued an engagement with pluralism in research programs to include Austrian; Ecological; Evolutionary; and Feminist approaches to economics (Chester & Schroeder 2015, pp.161-162).

I have suggested that Australian economic history is a contested research program between orthodox and heterodox positions. From its earliest establishment as interpretative statistical and institutional analysis (Coghlan, 1918), it developed into debates surrounding economic policy emerging from contesting conceptions of state action and its role in economic development (Fitzpatrick 1939, 1941; Shann 1930). In the post-war period, neoclassical and heterodox economics produced contesting conceptions of economic history and the role for political actors (Lloyd 2014, p.61). Orthodox economics developed a quantitative and theoretical approach in the style of the neoclassical-Keynesian synthesis, removing concerns for explaining the role of social actors in economic history. On the other hand, heterodox economics emerged in order to explain ‘real world problems’ and was marked by the methodological pluralism of Marxian, post-Keynesian and Institutionalist approaches. In the following section, I identify the crucial role of this confrontation in the ‘Labour History debates’. I also explain how heterodox positions responded to orthodox critiques in order to establish their ontological critique of the development of capitalism in Australia.

3) Comparing Orthodox and Heterodox Economic History

This section demonstrates how the work of Fitzpatrick (1939, 1941) and Butlin (1964) can be reconciled within a heterodox economic framework. To support this claim, I compare debates in Labour History between the orthodox approach of Graeme Snooks (1975), and the heterodox approaches of Tim Rowse (1975), Dave Clark (1976) and Bruce McFarlane (1976). Snooks (1975) asserted that there were two traditions in interpreting Australian economic development —
orthodox and ‘radical’, with the former being more successful in producing an analysis of capitalism in Australia, and the latter being overly reliant on the positions generated by the orthodoxy to demonstrate their alternative explanation. Rowse (1975), Clark (1976) and McFarlane (1976) responded with a range of Institutionalist, Marxian and post-Keynesian perspectives that can be used to advance alternative conceptions of Australian economic development. I suggest that these debates were part of the process of developing a definition of heterodox economics as distinct from the orthodoxy. Another conclusion to draw from these debates is that the heterodoxy and orthodoxy are constantly evolving, and economic historians who reject the orthodoxy for methodological reasons may nevertheless find it productive to borrow concepts or tools that have been developed by orthodox economists.

For Snooks (1975), the orthodox approach was founded in the work of Coghlan (1918), which was excluded from the focus of Snook's comparison on the grounds that “Coghlan's work does not provide an overall interpretation of the economy's development, possibly because of his failure to employ a theoretical framework, either economic or political” (Snooks 1975, p.1). Coghlan's work was understood by Snooks (1975) as being a collection of factual data without explicit theoretical commitments. This is the work from which Shann (1930) would take inspiration, focusing on neoclassical economic approaches to flexible wages and prices in the economy, and a distrust for government interference. However, Snooks (1975) concluded that Shann's (1930) approach was insufficient because it produced “heroes and villains” (Snooks 1975, p.4) in its account of the economy, and therefore had a teleological and utopian conception of society, coloured by its polemical treatment of government intervention (ibid. p.5). Snooks preferred the more modern work of Butlin (1964) because of his focus on the “process of growth” (Snooks, 1975, p.4), which explored gross domestic product, the role of investment, and capital formation in the economy. Snooks noted that capital formation theory relies on a Harrod-Domar model of investment and equilibrium, which is important in demonstrating a commitment to Cambridge-Keynesian analysis. Snooks argued that Butlin was superior to Shann because his: “ideology is subordinated to his concern to discover the forces underlying what actually happened” (my italics, ibid. p.5). Snooks argued that Shann (1930) and Butlin (1964) shared a neutral conception of foreign investment, and that Butlin viewed Australia's relationship as assertive in its accumulation of foreign investment. This lead Snooks (1975) to argue that, unlike Shann, who saw a negative but autonomous role for the state, that the state is a neutral and “important positive agent in the process of development” (ibid, p.7). This also led to Butlin (1964) identifying the importance of the non-primary sector in the development of capitalism in Australia. These particular differences are important in establishing that the orthodox approach does not present a political interpretation of state action. However, they also identify that non-primary sector development was an important aspect of Australian capital accumulation. In contrast, Snooks (ibid.) painted a critical portrait of the radical approach.
According to Snooks (1975), radical economic history shared a common foundation in the statistical works of Coghlan (1918) that developed into the tradition of the Old Left, epitomised by Fitzpatrick (1939, 1941). These works focused on the exploitative role of the British empire in influencing Australia’s process of development. In this relationship, the role of British capital and its connection to primary sector investment and banking were stressed. As Snooks (1975) argued: “Fitzpatrick… regarded foreign capital as exploitative; it was more than a factor of production, it conditioned the very nature and essence of Australia’s institutional development” (ibid. p.7). Australia was seen as a passive victim in its relationship to British interests, which led, Snooks argued, to an overemphasis on gold and pastoral industries as opposed to urbanisation and industrialisation financed by domestic savings, as was the case for Butlin (1964). Snooks argued that this overemphasis on dependence thwarted the radical approach’s capacity to challenge British influence, verging on economic nationalism. He suggested that the failure of the imperialism thesis to explain Australia’s long-run growth defined the weakness of Fitzpatrick’s position. Snooks also discussed contemporary radical economic approaches identifiable within the New Left and argued that the New Left, especially McFarlane, Rowley and McQueen, rejected Fitzpatrick’s positions without producing a new position to advance the radical approach. Instead, they relied on the conclusions of the orthodoxy, especially Butlin (1964), while also disagreeing with the implications of this approach. In Snooks’ (1975) opinion, this led to an irreconcilable position, suggesting that “what the radical tradition requires is a successor to Fitzpatrick” (ibid. p.11).

In response, Rowse (1975) identified a role for Marxian political economy and mode of production analysis in critiquing the development of capitalism in Australia. The former, he argued, used Marxian economics – including processes of capital accumulation, the rate of exploitation, organic composition of capital and average social labour (ibid. p.14) – to understand crisis and fluctuations within the capitalist economy. In contrast, mode of production analysis entailed an exploration of class relations and the instrumental use of the state by a ruling class. He also argued that Snooks’ (1975) use of Butlin (1964) did not expose the full political implications for Butlin’s model. Especially the “teleological [and]… apologetic” (Snooks 1975, p.16) account of foreign investment in Australian economic development. Rowse (1975) argued that we cannot see the role of foreign investment as ‘neutral’ without normalising the political and ideological development of class relationships. This emphasised the non-neutrality of economics, critiquing the orthodoxy’s self-conceived notion of conducting value-free thinking (Stilwell 2015, p.10). Together, this account stressed the role of Marxian economics and the social analysis of class and the state in developing a heterodox critique of the established orthodoxy. It also challenged the political neutrality of economics accepted by Snooks (1975).

Clark (1976) suggested that Snooks (1975) was right to be critical of the New Left’s lack of engagement with Butlin’s (1964) dominance in economic history. However, he argued that neither Snooks (1975) or Rowse (1975) expressed the radical perspective appropriately. Using the work of Gunnar Myrdal (1953), Clark asserted that there are no ‘facts’ in economics that stand free from a
political position. In both the orthodox and heterodox traditions, he stressed the implicit influence of methodological and theoretical assumptions (Clark 1976, p.62). This, he argued, was why Snooks’ (1975) conception of Coghlan (1918) as presenting value-free knowledge underplayed Coghlan’s concern for the role of government and institutional analysis in the Australian economy. Christopher Lloyd’s (2014) critique of analytical economics further supported this argument. Lloyd noted that Butlin (1964) initially employed the Harrod-Domar growth theory model, but later took up neoclassical aggregate production function frameworks (see Butlin 1970). These latter neoclassical applications were vulnerable to the weaknesses exposed during the Cambridge capital controversy, especially Piero Sraffa’s contribution (1960), regarding the problems with the neoclassical treatment of capital as a homogeneous factor of production capable of being quantified independently of the rate of profit. Furthermore, as will be demonstrated shortly, Harrod-Domar modelling is also reconcilable with aspects of heterodox research. Lloyd (2014) argued that the radical critiques offered by the Institutionalists, Marxists and post-Keynesians had in fact produced a viable alternative research program to the orthodox model of economic history.

Finally, McFarlane (1976) clarified that the Harrod-Domar model used by Butlin (1964) was also employed by Michal Kalecki, a notable post-Keynesian, and was therefore useful to heterodox economists and not an exclusively orthodox method. McFarlane identified that Butlin used this model to explain the Australian economy in Economic Policy in Australia (McFarlane 1968), in which he demonstrated that a large economic surplus and high rate of investment was generated out of accumulated economic surplus. This, he continued, was also dependent on a high rate of international capital investment (ibid. p.157). And, despite Snook’s (1975) claims, McFarlane noted that national income estimates were used in the Kaleckian model, in combination with Marxian expanded reproduction models, to account for growth factors, capital accumulation and production (McFarlane 1976, p.84). McFarlane also argued that, as long as orthodox approaches employed logics similar to heterodox positions – such as the Harrod-Domar model – they could be of value to radical or heterodox economic historians. Accordingly, producing a ‘New Fitzpatrick’ would require “a study of the uneven development of our economic system by reference to sectors and to regions, and to the ‘social relations of production’” (ibid, p.85). In closing the debate, McFarlane (1980) stressed that Fitzpatrick and Butlin could be used collaboratively to explain the external and internal causes of crisis. For example, in the form of the collapse of the world market contrasted with the role of domestic speculation and over-investment, as was the case in the 1880s and 1920s depression (ibid. p.270). This suggests that collaboration between Marxian and Keynesian theories can be used to produce heterodox economic history.

In analysing this debate, I have explored the extent to which heterodox economics can contribute to economic history by responding to deficits in orthodox methods. First, I explored how Snooks (1975) constructed the contesting positions of orthodox and radical economic histories, suggesting that Butlin’s (1964) work was yet to be surpassed by the New Left, and that Fitzpatrick was yet to produce a successor in the field of radical theory. In response, I showed how Rowse (1975)
highlighted the capacity of Marxian political economy and mode of production analysis to produce an alternative to the orthodox teleological and apologetic positions. I then explored how Clark (1976) understood the political nature of ‘facts’, highlighting the necessity to produce institutionalist analysis of social systems, and alternative viable research programs. I also suggested that Harrod-Domar growth theory shares similarities with post-Keynesian and Marxian economics and therefore cannot simply be identified as orthodox. Finally, I argued that McFarlane (1976) showed how national income measurements can be used to support Kaleckian and Marxian positions, and that these can be used to produce analysis focused on the uneven development of the Australian economy. Fitzpatrick and Butlin can help us understand crisis respectively on an international and domestic level, and are not necessarily in conflict. Together, these defences show the capacity of heterodox economics to challenge orthodox positions. In the following section, I argue that Butlin (1964) and Fitzpatrick (1939, 1941) can contribute to heterodox economic history by highlighting the role of national and international aspects of capital accumulation, as demonstrated by McQueen (1970/2004) and Irving and Connell (1979).

4) Heterodox Economic History in the Australian New Left

Irving and Connell (1979) and McQueen (1970/2004) share a skepticism for the conception of Australia as a ‘victim’ of British imperialism, instead insisting that Australia was a beneficiary of British capital in the context of monopolisation. McQueen (ibid.) utilised Marxian political economy and imperialism to substantiate his understanding of class and state formation. This identifies the important role of heterodox economic thought underpinning McQueen’s understanding of: class formation; production; the rise of the ALP; the construction of the state; and Australian racism. In contrast, Irving and Connell (1979) were skeptical that monopoly capitalism, in the form employed by Fitzpatrick, was able to explain long-run aspects of Australian economic development. To overcome this deficit, they utilised Butlin’s (1964) urbanisation thesis to extend their analysis of class and state formation. To the extent that they identified how Butlin’s work could be used to advance heterodox economic historical perspectives, they can be seen as an answer to McFarlane’s (1976) conception of a “new Fitzpatrick” (ibid. p.85).

McQueen and Marxian Political Economy

McQueen’s (1970/2004) use of Marxian political economy was restricted to his afterword, where he discussed the role of surplus value and capitalist competition in the development of capitalism in Australia (ibid. pp.250-290). This account was modified through the adoption of Vladimir Lenin’s (1899/1964) theory of imperialism, which identified the development of capitalist accumulation via a categorical periodisation of increasing competition, and the identification of the world market as a collection of nation-markets (Weeks 1985). For McQueen (1970/2004), the development of monopoly capital conditions explained: first, the emergence of class relations; second, the conditions of exploitation and technology; third, the reorganisation of labour to facilitate
parliamentarianism; fourth, the development of the state as an instrument of class interests; and finally, racism as an extension of economic interests. I argue that McQueen's commitment to Marxist-Leninism and Marxian political economy are essential in specifying his deployment of the Anderson (1964) and Nairn (1964) analyses of capitalism, but also his reconciliation of instrumental and structural theories of the state (Barrow 1993).

First, McQueen (1970/2004) identified that the creation of Australian class relations was related to epochs of the expanded reproduction of global capitalism. It was therefore the decline of mercantilism and the rise of free trade from the 1830s to the 1870s that established the capacity to capture state power and end convict transportation in New South Wales. I argue that McQueen understands the development of class relations and the seizure of state power as intimately connected with the development of imperialism in the process of monopolising capital (ibid. pp. 253-258). Second, monopolising capital produced new conditions of exploitation and competition through the introduction of price-fixing and the technological advancement of production, facilitated through the creation of the joint-stock company. Australia, from an international perspective, was impacted by increased global competition, while nationally, monopolisation occurred in export orientated industries, especially “minerals, meat, wheat and wool” (ibid. p.260). In this era, power relations in production, as well as state power, were used to disorganise workers and manage prices. However, McQueen also argued that the development of technology produced the conditions for class struggle in periphery industries during the Great Strikes (ibid. pp.264-265). Monopolising capital, therefore, incorporated the role of state power in the interests of capitalist expansion, but technological advancement also produced the crisis conditions that promoted worker organisation (ibid pp.258-263).

Third, McQueen argued that the reorganisation of the labour market and the extension of state activity produced the conditions for the rise of the ALP. In the era of monopolising capital, labour power was redirected towards assembly line production in the development of the Australian “nation-market-state” (ibid. p.271). This created the capacity to organise through unions and later through parliamentarianism. This also created the capacity for a shared consciousness, emerging out of the rearrangement of economic conditions (ibid. pp.263-268). These factors, in turn, led to the contestation of land and finance monopoly or ‘money power’. Fourth, in the era of monopolising capital, the state itself became structured as a nation-market, but also an instrument to assert the interests of oligopolistic capital by “one, organising their own capitals; two, by disorganising rival capitals and the states that back them; and three, by disorganising labour” (ibid. p.270). Federation itself is asserted by McQueen to have prevented overproduction through the creation of a national market and an interventionist state (ibid. p.274). Finally, racism was identified as embedded within oligopolistic competition in the inter-imperialist system, born in the Australian state’s desire to regulate Australian workers and their social organisation.
My analysis suggests that monopoly capitalism played an important role in underpinning McQueen’s explanation of class, state and institutions in Australian economic history. First, McQueen argued the emergence of wage labour in Australia conformed to free trade conditions in the world economy. Second, monopolising capitalism via the joint-stock company produced intensified conditions of exploitation and technology, thereby influencing the division of labour. Third, this led to the rise of parliamentarian strategies of worker resistance. Fourth, this was accompanied by the extension of state power in the period of monopoly capitalism, but also the birth of a national market in the form of federation. This also resulted in the emergence of white Australia, as state power fought to mediate the social relations of production.

**Irving and Connell and Heterodox Economics**

In contrast to McQueen’s (1970/2004) monopoly capitalism argument, Irving and Connell (1979) used Butlin’s (1964) analysis to substantiate how processes of urbanisation contributed to capital accumulation outside of non-primary sector industries in the long-run. They did, however, accept that monopoly competition was an important factor in the rise of industrial capitalism from 1930-1975 (Irving & Connell 1979, p.270). This discussion suggests Irving and Connell’s (ibid.) use of Butlin fits firmly within the heterodox framework. They used his work to substantiate the role of class formation and the state in contesting patterns of accumulation within capitalism in Australia. This extends my argument, as Rowse (1975), Clark (1976) and McFarlane (1976) suggested in their responses to Snooks (1975), that Butlin’s work can be used to understand the historical development of capitalism in Australia through a political ontology of capital accumulation.

As was foreshadowed in chapter one, Irving and Connell (1979) used Marxian political economy to explain how the social relations of class are generated in capitalist society. As they elaborated, capital is a social relation specified as the ownership of labour power mediated through exchange markets (ibid. p.19). They specified their conception of the labour market to encompass the complex of institutions which makes labour power a commodity, including:

> “The fact of private ownership of tools, machines and materials, the fact of the ownership of the product by the capitalist, the dependence of the worker on wage income, and the possibility of the *accumulation of capital* out of the labour process” (my italics, Irving & Connell 1979, p.19).

In the context of their broader concern for the history of class in Australia, they argued that the generation of economic relations are a “general structure” (ibid. 20) underpinning the situational specificity of capitalism within a given mode of production. I suggest that their historical analysis has research foundations with a model of Marxian political economy. In the following section, I identify their contestation of the monopoly capitalism thesis employed by McQueen (1970/2004),
and suggest that Butlin's urbanisation thesis can be used to extend their analysis towards the specific social relations of capitalism in Australia’s national development.

Usage of Fitzpatrick’s Dependency Thesis:

Irving and Connell (1979) generally accepted Fitzpatrick’s agency-sympathetic historical work on class, while retaining a criticality toward his monopoly capitalism thesis as a long-run explanation of capitalism within Australia. In Class Structure in Australian History (ibid.), Fitzpatrick’s work was first used to substantiate a structural account of social relations within the state. In their introductory theory chapter (ibid. pp.1-30), they praised Fitzpatrick’s attempt to construct a history of the labour movement as a history of class (ibid. p.28). They accepted Fitzpatrick’s argument that the Master and Servant legislation of the 19th century was used to enforce social order through the state, but also produced class struggle and resistance (ibid. p.136). They also supported Fitzpatrick’s (1968) account that the scale of working class struggle in 1890 and 1917 approached the levels of a mass strike due to the growth of struggle beyond work relations into the broader community, rather than because of its confinement to the state-reformism of New Unionism (ibid. p.193). These claims imply some sympathy to Fitzpatrick's historical writing, with a focus on worker's agency and resistance in class struggle. This interpretation was substantiated in Ruling Class Ruling Culture (Connell 1977):

“[Fitzpatrick made an] attempt to show the interconnections of the structure of economic power, the life of ordinary people, the emergence of resistance movements, and the place of the country in a world context… it remains the most impressive model in Australian writing of what class analysis is about” (ibid. p.9).

Fitzpatrick's application of dependency in the monopoly capitalism thesis was disputed by Irving and Connell (1979) due to its inability to explain long-run aspects of development in the Australian state. For example, they doubted that monopoly, at a national level, was consistently present in the first period of colonisation (the period of primitive accumulation):

“[British Imperialism and Australia, (Fitzpatrick, 1939)] tried to handle the problem [of capital formation] through the concept of a local monopoly. This certainly did exist in the 1790s, but was dead by the end of that decade; it probably speeded up the initial stages of accumulation, but is far from being an explanation of the whole process. As ties with merchants overseas were established, small local entrepreneurs could expand their capital through mercantile credit” (ibid, pp.69-70).

They also accepted the survey and analysis conducted in The Highest Bidder (Fitzpatrick & Wheelwright 1965) that addressed issues of monopoly regarding foreign nationals and their engagement in the Australian economy. However, they also clearly modified the monopoly capital
thesis towards the sub-imperialist (McQueen 1970/2004) account of capitalism in Australia in the 1930-1975 period by arguing that the growth of manufacture and the tertiary sector was:

“Spurred by the import of capital, in increasing volume from overseas, often bringing new technology with it. The arrival of foreign-based manufacturing companies behind the import control and tariff barrier...[was] vigorously encouraged by federal and state government in pursuit of development... From being an appendage of one, Australia had graduated economically to a field for the play of forces from several of the international centres of capitalism” (my italics, ibid. p.294).

I argue, therefore, that Fitzpatrick’s research project, in reaching towards an economic historical perspective of class structure, was broadly endorsed by Connell and Irving (1979). However, the monopoly capital thesis was criticised for focusing overly on the international accumulation and the primary sector in Australia and not accounting for national processes of urbanisation in the long-run.

Usage of Butlin’s Urbanisation Thesis:

Butlin’s urbanisation thesis was used to support claims in Class Structure in Australian History (Irving & Connell 1979) relating to: conflict within the Australian ruling class between mercantile and pastoral capital; the interrelated aspects of urbanisation of the rise of labour; and the development of the inter-imperial system. Butlin’s work was also used to account for the relative autonomy of Australian state. The influence that Investment in Australia’s Economic Development (Butlin 1964) would have on Class Structure in Australian History (Irving & Connell 1979) was foreshadowed in Ruling Class Ruling Culture (Connell 1977). In critiquing the sectoral specific analysis of Fitzpatrick, they noted that:

“By focusing on the place of the Australian colonies in the trading economy of the British empire, [Fitzpatrick] underplayed the formation and growth of cities, whose economic weight has been shown by later technical research [Butlin’s account], and whose significance as the matrix of class formation has also become increasingly clear” (ibid. p.9).

This quote echoes Rowse (1975) and Clark’s (1976) defence of the superiority of Butlin’s approach from the perspective of national development. Therefore, we can see that Butlin’s urbanisation thesis was used by Connell (1977) to supplement the analysis of Fitzpatrick by exploring urbanisation growth processes. In Class Structure in Australian History (Irving & Connell 1979) Butlin was also used to account for the alliance between urban capital and squatters under the free land acts, showing that processes of new capital formation destabilised master and servant relationships in favour of processes of unionisation due to growth in the labour market (ibid. p.107).
Irving and Connell (1979) also utilised the urbanisation thesis to support an analysis of national capital accumulation in order to show how the old mode of plantation capitalism gradually gave way to capitalist class relations. They also noted the triumph of the mercantile bourgeoisie in forming the institutions of investment companies and building societies and the internal connections between these institutions and both the pastoral industry and London finances (ibid. p. 116). This was, in turn, used to support an analysis of the growth of the labour market, and the vulnerabilities of Australian labour, in the context of expanding capitalism at the global level:

“The scope of the labour market was extended geographically, as better transport and communications developed. This process of geographic unification of the labour market was occurring in other capitalist countries and between them” (ibid. p.129).

Butlin's work was further used to explain how processes of urbanisation contributed to industrialisation in towns and cities. Irving and Connell argued that the lack of manufacturing towns in Australia restricted the development of new unionism to domestic reformism. This gave city unions a distinctively local and professional character based around “a form of local mobilisation to control the environment of the home” (ibid. p.188). This account referenced Butlin (1964) who argued that from 1860-1900 “the expansion of output and capital occurred by way of a profound structural change, with rapid growth of capital equipment… with a pronounced shift in the composition of output towards commercial-industrial specialisation” (ibid. pp.181-2).

In the final section, Irving and Connell used Butlin's analysis of manufacturing to account for qualitative shifts in production processes in the Australian working environment. It was only during this period of capitalism in Australia — from 1930-1975 — that they supported aspects of monopoly capitalism in the development of the modern corporation:

“But because of [the] pattern of growth industrialisation did not lead to a markedly more centralised corporate structure. The major industries characteristically were dominated by oligopolistic companies, or monopolies… There was no marked shift… to monopoly as a form of corporate organisation, which might be taken to mark the advent of ‘monopoly capitalism’; though there were certainly new kinds of dependence on the major corporations… what this meant, among other things, was changes in the labour process” (ibid. p.274).

This quote suggests a sympathy towards McQueen's (1970/2004) notion of ‘monopolising capital’ resulting in changes to the labour process. However, it is worth noting that Irving and Connell's periodisation (1930-1970s) was far later than McQueen's (1870s) (McQueen 1970/2004).

Butlin's work influenced the heterodox foundation of Irving and Connell's (1979) theory by reinforcing their arguments regarding a fragmented ruling class via an analysis of capital
accumulation in urban centres. This, in turn, impacted their conception of state public financing, and also their conception of the Australian labour market, which was impacted by processes of urbanisation. Butlin (1964) was used to enhance a national perspective of capital accumulation through processes of capital accumulation. Towards this effort, Irving and Connell (1979) accepted that processes of capital accumulation in Australia were dependent on Britain, but that processes of urbanisation were necessary to explain the long-run dynamics of capitalism in Australia. They used monopoly capitalism very restrictively to refer to competition in the 1930s-1975, discounting it as an independent explanation for the long-run dynamics of capitalism in Australia from a national perspective. I suggest that the analyses of Fitzpatrick and Butlin remain relevant in revealing perspectives of both global and national capital accumulation.

5) Conclusion: Towards a Heterodox Economic History of Capitalism in Australia

This chapter has identified the contested interpretations of Australian economic history. I suggested that the development and influence of neoclassical and dissenting heterodox economics had a critical bearing on contesting analysis of capital accumulation via interactions of class, state and institutions. The Labour History debates served to identify the conflicting ways that orthodox and heterodox perspectives understood the methodological pursuits of their respective research programs. This chapter has suggested that the Australian New Left offered reconcilable perspectives on monopoly capitalism, and approaches to domestic urbanisation theories, contingent on the vantage point of their respective explanatory method. McQueen (1970/2004) pursued an analysis of accumulation from the perspective of global capitalism, while Irving and Connell (1979) identified processes of urbanisation from a national perspective contributing to the formation of Australian class relations. They also identified a radical ontology of class and state complimentary to political economic and heterodox economic historical analyses of capitalism in Australia. An important conclusion to draw from this chapter is that because economic history is a contested field, both in terms of its economic commitments and political and strategic implications, it has a profound impact in contesting what the study of Australia is fundamentally about. The debates about what constitutes orthodoxy have significantly shifted since the 1970s. And, as argued by Lloyd (2014), economic history is today defined in the pursuit of “explaining the actual, historical, complex processes of what happened, and why the Australian economy today is the way it is” (ibid. p.69). What this means is that heterodox economics is valuable because it is capable of producing dissenting positions of economic history. Towards this effort, I suggest that the Australian New Left offered a heterodox economic perspective. This contributes to contesting the long-run economic dynamics of capitalism in Australia.
CHAPTER THREE
CHALLENGING POPULIST NATIONALISM:
THEORIES OF THE STATE IN THE AUSTRALIAN NEW LEFT

1) Introduction: Specifying State analysis in an Australia context

This chapter develops criteria by which to assess the Australian New Left’s contribution to state theory. I argue that the Australian state is a contested ontological subject, requiring existing approaches to state theory to be clarified to produce a viable research program. Towards this effort, section one establishes a paradigm to assess theories of the state as developed by Clyde Barrow (1993). This entails comparing instrumental and structural Marxian theories of the state. The second section looks at the development of instrumental approaches to the state as a complex of institutions, and how this account facilitated a continuation of the Old Left’s populist nationalism within Australian scholarship. I argue that instrumental theories of the state that lack a holistic conceptualisation of power as a material relationship lead to reiterations of Old Left thought and associated theoretical issues. Having assessed the insufficiency of this approach, section three explores how the structural ontologies of the Australian New Left were able to salvage instrumentalist approaches. *A New Britannia* (McQueen 1970/2004) focused on a global perspective of state relations, while *Class Structure in Australian History* (Irving & Connell 1979) from a national perspective, focused on class relations within the state. I suggest that together these approaches are capable of integrating national and global perspectives on the Australian capitalist state. This is also a crucial step in extending beyond the populist nationalism epitomised in Old Left positions, towards a more holistic conceptualisation of capitalism in Australia.

2) Defining Theories of The (Capitalist) State

Broadly speaking, critical state theories tend to conform to either instrumental or structural approaches. Within instrumental accounts, the state is defined as a sovereign political territory, with an institutional apparatus, and a claim to legitimacy through the generation of consent from a citizen population (Barrow 1993. pp.24-25). This approach focuses on state institutions and their control by particular social groups. Instrumental conceptions of the state consider class domination of core institutions to be the hallmark of state power. This approach was typified by Ralph Miliband, as he argued: “What ‘the state’ stands for is a number of particular *institutions* which, together, constitute its reality, and which interact as parts of what may be called the state system” (my italics, Miliband 1969, p.49). Within this approach, there is a focus on identifying institutions of control within the state, and the power resources they possess. Power, in Barrow’s analysis, has competing forms, include “economic power, political power, ideological power” (Barrow 1993 p.14). Groups of individuals can be said to have institutional power because of their access to these power resources. This means that the state, in a capitalist society, serves the interests of an elite class because they administer its institutions, and therefore are the possessors
of power resources. As a hallmark of the institutional method, power structure research reveals the organised centralisation and control of resources by capitalists within state institutions. The degree of monopolisation of power resources in this analysis typically reveals the degree of capitalist class control of the state. Conversely, the democratisation of power resources represents processes towards democratic egalitarianism – a normative goal of this approach (ibid, pp.15-23). Therefore, for instrumental state theorists, state institutions are a source of power, typically captured by a capitalist class, but capable of contestation.

Instrumental theorists utilise the methodology of management and ownership relationships in order to identify membership within the elite class. For example, in analysing the management of corporations, positional analysis and social analysis are generally used. The former considers interlocking interests of individuals across state institutions to identify the monopolisation and centralisation of corporate interests. The latter explores the practice of elite social rituals to identify the specificity of the ruling class and their practice of culture as an exclusive form of class identification (ibid. pp.15-24). A distinguishing aspect of the instrumental approach is the dichotomisation made between the state itself and the state’s institutions, typically held by an elite class. This is an essential characteristic as it conceptualises the state as a captured institutional apparatus, held by a class. This implies that state power is capable of being contested, and that a non-elite class, typically a highly organised working class, could attain state power through the possession of power institutions (ibid. p.44). As shall be discussed, structuralist accounts of the state take issue with this claim because it presents state institutions as neutral, not inherently capitalist, but merely occupied by a class. This point is essential in understanding the weakness of elite approaches to state analysis in the Australian context.

There are other significant criticisms of this approach emerging from its acceptance of a separation of the state and class interests. For example, the method is not necessarily a Marxian analysis. Approaches to institutional analysis may not necessarily use a holistic conceptualisation of social power emerging from the ownership and control of social relations (ibid. p.38). Following from this, the instrumental method tends to be elite-centric and limited in its analysis of capitalist social relations more generally, and especially aspects of resistance and class struggle. The Milibandian framework does recognise the essentiality of the ownership of the means of production, which allows a capitalist class to use state institutions to their advantage. Because of this, Marxian instrumental theory must provide evidence of a dominant class via the monopolisation of a mode of production to facilitate their model. This may create the necessity of proving that the capitalist class exists through the insistence of class conspiracy, to the extent that elites are shown to possess shared and conscious interests that are perceivable within institutional contexts. Instrumental approaches may also be less successful in explaining the structural relationships between classes within the state, especially how crises within capitalism generate logics and actions that can operate independently of elite conspiracy (ibid. pp.47-48). I argue that there are limitations within instrumentalism as a research program due to a reliance on conspiracy, a focus on elites and their
motives, and the acceptance of state neutrality. As an advantage, instrumental theory can be used to explain the relationship between the capitalist class and the state at an empirical level, as well as processes of the monopolisation of power resources.

The structuralist approach to the state focuses on the state as an arena of class struggles and crisis management. In this respect, the state is understood as relatively autonomous from the ruling class and serves to mediate forms of conflict within capitalism. This approach was typified in the work of Poulantzas, as he argued: “The state fulfils a general maintenance function by constituting the factor of cohesion between the levels of a social formation... and as the regulating factor of [capitalism’s] global equilibrium as a system” (my italics, Poulantzas 1968, p.44-45). In this account, structure takes on a meaning, entailing systemic functional aspects that underpin state institutions. Structural approaches are concerned with how economic, political and ideological structures function to reproduce the capitalist mode of production (Barrow 1993, p.51). They consider the organisation of production and distribution, institutionalised power, and the generation of consciousness (consent) to reproduce the relations within a capitalist state. Because the theory assumes that social and economic reproduction is a central purpose of the capitalist state, structuralism is able to explore how contradictions between these goals can lead to crises such as economic depressions and the intensification of class struggle (ibid. p.52). While each of these structural crises appear, at an abstract level, to be directed by different and distinct forms of capitalist relationships, it is generally accepted that they are mutually co-dependent and empirically embedded when analysing a concrete state form. In research terms, form and policy analysis are utilised to examine specific states. The former explores the different forms of state intervention and representation strategies within a concrete state, while the latter focuses on the underlying motives of political action in the development of a government's policy formation (ibid. pp.67-70).

An important departure from instrumental theory is structural theory's conceptualisation of state power as inherently capitalistic. State institutions are re-envisioned as arenas to exercise capitalist power, and therefore, non-capitalist objectives cannot be pursued through the capitalist state's institutions. For Poulantzas, state power and state apparatus have a functional unity, emphasising the non-neutrality of the state and its institutions. Following from this, a major criticism is the potential functional-reductionism of structural theory. Given that the state is inherently prone to instability, it is ambiguous whether states have an internal logic favouring a specific capitalist class, or whether they serve to undermine forms of capitalist class leadership. To respond to this issue, structural theorists need to identify and explain the nature of the co-dependency between the state and the capitalist class. For example, within a Western parliamentary context, it is argued that the state is dependent on private capital to ensure economic growth, implying a shared interest (ibid. p. 60). Given these concerns, the structuralist method can be superior to instrumental approaches in explaining the relative autonomy of the state in its capacity to make relatively autonomous decisions outside of the direct control of the capitalist class. In contrast to instrumental approaches,
structural methods are stronger at grasping the theoretical aspects of the state that extend beyond
the interests of a capitalist class and identifiable collusion.

The comparison of instrumental and structural theory explored in Critical Theories of the State
(Barrow 1993) was typified in the Miliband-Poulantzas debate in New Left Review (see Miliband
1970, 1973; Poulantzas 1969, 1973, 1976). However, this ‘debate’ has commonly been resolved as a
misnomer. There have been attempts to clarify the compatibility of instrumental and structural
approaches, explained as: a methodological cleavage (Barrow 1993); an analysis at different “vantage
points” (Ollman 2003, p.110) within a capitalist state; and a divide between empirically-focused
analysis of the state in capitalist society, versus a theoretical analysis of the capitalist type of state
(Jessop 2008). With these clarifications in mind, I argue that the instrumental-structural debates are
best understood as a proxy discussion about the limitations of each approach as a research
program. This identifies the need to produce a compatible theoretical and empirical analysis of the
capitalist state. This is important because of the role that conceptualisations of the capitalist state
have in constructing theories of capitalism, and the associated implications for political strategy.
For example, if we believe that the state is a ‘neutral institution’ or an ‘inherently capitalist
institution’ this affects our capacity to think about the interests and limitations of class actors
within a concrete state form. Therefore, I suggest that there are political consequences emerging
from theoretical conceptions of the state. This also has implications for understanding capitalism in
Australia.

3) Instrumental Approaches to the (Capitalist) State in Australia

Instrumental approaches to state theory have been extensively undertaken in the Australian context.
Connell (1977) observed that elite theory was a close counterpart to stratification methods of class
analysis, and therefore suffered from a weak conception of class. I extend this claim to suggest that
this also affected approaches to state analysis. This issue was evident in the works of John Playford
(1969); Wheelwright (1967); Fitzpatrick (1946); Wheelwright and Fitzpatrick (1965); and Encel
(1970). Therefore, I identify that instrumental theories of the state have an established place in
analysis of capitalism in Australia. Connell (1977, pp. 39-59) argued that the existing scholarship on
the ‘ruling class’ in Australia had been primarily concerned with three areas: the international
relations of the business elite; analysis concerned with capital and personal relationships; and
relations between business and state. Using Barrow’s (1993) typology, I observe that this is typical
of the research methods employed by these respective authors, including social (network) and
positional (interlocking directorate) analysis. Having established the practice of instrumental state
theory in the Australian context, I argue that there may also be implications for how this translates
into political strategy. Specifically, I take the example of populism and nationalism and their
influence in Australian politics, and how instrumental approaches to state analysis can be used to
substantiate their claims. This suggests that the Australian New Left’s concern for class and history,
as explored in chapter one, also has implications for state theory. I then extend how the Australian
New Left employed instrumental and structural approaches to the state to resolve this problem.

I now provide a brief overview of instrumental research programs in the Australian context. *Ownership and Control of Australian Companies* (Wheelwright 1957) was a quantitative economic
analysis of the concentration of corporate ownership and control of Australia's major companies.
It attempted to establish the “degree of separation of ownership and control” (ibid. p.vii) of
Australian companies, defined as “the power to select or change the management of a
company” (ibid. p.3). Wheelwright argued that despite a democratic aspect to company
shareholding, the control of companies is vastly centralised within “oligarchies” (ibid. p.4) and
made possible through the joint-stock company. There is a clear tendency for this centralisation to
undermine the democratisation of public companies. This analysis extended to incorporate private
companies in *Anatomy of Australian Manufacturing Industry* (Wheelwright & Miskelly 1967), which
identified a very high concentration “in a few hands” (ibid. p.2), and an especially high
concentration of overseas ownership in the Australian economy. This analysis connected economic
instability with the centralisation of corporate holding (ibid. p.14). In Barrow’s (1993) account, this
approach conforms to positional analysis, as it observed the concentration of control between
major corporations.

Another example of this approach in Australia is *Equality and Authority* (Encel 1970), which
examined the “family nexus” (ibid. p.303) of ruling families in Australia, especially in their collusion
in developing “pastoral empires” (ibid. p.307) through the monopolisation and control of land,
animal and crops. This control was shown to extend outside of the ownership of property, into
political institutions and employer associations, to control the price of export goods (ibid. 315). A
similar pattern of analysis was applied to the business elite in Australia during the 1940s-50s. The
connection between ruling families and business is identified by the role that the possession of
inherited private wealth played in investment and production of the Australian industrial sector
(ibid. p.378). Encel traced how marriage and social connectivity provided the grounds for inherited
fortune, arguing that this explains the centralised character of control in the Australian context (pp.
376-289). This paints an analysis of the business elite as a history of ruling families. Within
Barrow's (1993) typology this is comparable to social analysis, as it identifies how social connectivity
at a familial and social level produce elite class positions.

*Neo-Capitalism in Australia* (Playford 1969) identified the rise of the modern corporation and the
monopolisation of economic surplus. It argued that the “social process of production and a private
form of appropriation” (ibid. p.5) have intensified in the modern period. It also explained that neo-
capitalism is distinguishable from monopoly capitalism, to the extent that the state and economy
power have become enmeshed by their joint-administration by elite corporate management. This
approach therefore used a blend of positional analysis, identifying corporate monopolisation, and
social analysis, demonstrating how elite cultural practises cement the entrenchment of corporatisation.

I have identified an instrumental approach to state analysis in Australia, identifiable using Barrow's (1993) methodological identification of positional and social analysis. Instrumental approaches to state analysis are also applied in a contemporary context, for example in the edited book *Ruling Australia* (Hollier 2004) where the methods of instrumental analysis are applied to new research in power analysis (ibid. pp.xiii-xli). However, as I argue in the following section, this analysis has also been used to serve the interests of populism and nationalism in an Australian context. I take as my case studies *The Australian People* (Fitzpatrick 1946) and *The Highest Bidder* (Fitzpatrick & Wheelwright 1965) to observe how instrumental approaches to the state are used to produce political programs supporting populism and nationalism. I then discuss how the Australian New Left implemented structural approaches to the state in order to challenge this trend. I argue that the Australian New Left’s dissatisfaction with instrumental methods developed their critique of the Whig history of the Old left, contributing towards research concerning capitalism in Australia.

**Populist Nationalism and Instrumental Theory**

In *Class and Struggle* (Kuhn 2005), Rick Kuhn asserted that nationalism and populism have historically served to support the political ideologies of legitimations within Australia society. Nationalism proposes that citizens of a nation and the nation state share a “unity of purpose” (ibid. p.10), an ideology often used to support exclusionary practises. Populism is a complementary framework, suggesting that the imagined community of “the people” (ibid. p.13) can challenge a small and powerful elite group of power holders. In Australian history, the joint application of nationalism and populism have been used for a variety of purposes across the political spectrum. For example, nationalism was used to appeal to Australians’ belief in egalitarianism in both the Liberal’s 1996 ‘For all of us’ campaign and the ALP’s 2004 election campaign (ibid. p.10-11). Nationalism also underpinned the federation movement of the 1890s, epitomised in the Australian Native’s Association’s appeal to “Australia for the Australians” (ibid. p. 11). Populism, on the other hand, was utilised in the CPA’s 1930s attack on the bankers and financier’s ‘money power’ but also appealed to Menzies’ forgotten ‘middle class’ (ibid. pp.13-14). This merely suggests that, in an Australian context, nationalism and populism have appealed to a range of interests, highlighting the influence of these rhetorics. I also suggest that instrumental approaches to the state lend themselves to these political strategies.

This was evident in *The Australian People* (Fitzpatrick 1946), which appealed to a populist and nationalist position in the opposition to British capitalist interests. It argued that there are fundamental differences “between what is British and traditional, and what is Australian and original” (ibid. p.10). It identified the role of industrial struggle in challenging “overseas control” (ibid. p.11) of Australia’s economy through “an economic separation of Australians, as
producers, and British or Anglo-Australians, as shareholders” (ibid. p.11). We can see, in this example, how national interests and populism are conflated to produce a national interest of Australian producers against British-aligned shareholders. I suggest that this was an elaboration of the Australian Old Left's conception of class discussed in chapter one, this time serving in the context of instrumental conception of the state.

*The Highest Bidder* (Fitzpatrick & Wheelwright 1965) continued this theme with a more explicit focus on appeals to populist and nationalist strategies, combined with aspects of positional analysis (Wheelwright 1957; Wheelwright & Miskelly 1967). It suggested that foreign investment has a negative impact on “the health and growth of the economy, and the social and political community as an Australian economy” (Fitzpatrick & Wheelwright 1965, p.ix). Specifically, the work explored the relationship of foreign capital on political leadership and governance (ibid. pp.153-16). The book's conclusion points firmly towards political realisation: “…If we do not act without delay, our future will be fabricated for us—by others… soon Australia will not merely be up for sale to the highest bidder: it will have been sold” (ibid. p.197). This analysis stressed the role of elites in corporate monopolies, and demonstrated a concern for egalitarian parliamentarian democracy through arguing that it is the institutional occupation of power by elites that undermines an otherwise benign social democracy in Australia. As Connell (1977) has noted, elite theory, grounded in the same theoretical foundations as categorical conceptions of class, cannot present capitalism in Australia as a totality of social relations. This exemplifies how instrumental conceptions of the state, deployed in a populist and nationalist framework, serve to limit political strategy. I argue that the Australian New Left’s concerns about the application of instrumental theory are accurate, and that they offer viable alternatives to frameworks reiterating the logics of nationalism and populism in Australia.

4) Structural Approaches to the (Capitalist) State in Australia

This section identifies how structural ontologies of the capitalist state, used by McQueen (1970/2004) and Irving and Connell (1979), offered a reconciliation between instrumental and structural approaches to the state. Both texts identified the state as an arena of struggle, and a mediator of crisis within the structural framework (see Barrow 1993). However, McQueen’s focus (1970/2004) on global processes emphasised the state as mediator of crisis. McQueen’s (ibid.) analysis suggested that instrumental approaches to state power were used in the Whig tradition to produce nationalistic sentiments. He also argued that a nationalist and populist conception of the state as a neutral institution serves to enhance a reformist position towards state action. Like his analysis in chapter one, I suggest that McQueen was primarily concerned with explaining how instrumental approaches to the state are a form of ideology, serving the mediating role of the state. McQueen also took a global perspective on the role of the Australian state in extending the interests of British imperialism. Irving and Connell (1979), from the national perspective of social resistance, tended to focus on the structural aspects of the state as an arena of struggle between
social classes. They accepted a structural conception of the state as inherently capitalist, but also that the capture of state institutions had been used to implement social reform in Australia. They also took a nationalist perspective on the role of the Australian state as an arena of class conflict, within the conditions of economic crisis and uneven development. I suggest that McQueen's conception of the state lends itself to ideological critiques of state action and a globalist perspective, while Irving and Connell accept the capitalist state as a reality of socialist strategy and take a nationalist perspective.

McQueen (1970/2004) identified the Australian state from a global perspective as serving to extend the process of capitalist expansion. For this reason, he argued that the formation of the Australian state and the development of British imperialism must be understood as interconnected developments. Unlike Fitzpatrick, who saw Australian democracy as a victim of foreign interests, McQueen saw the Australian state as “an over-anxious partner” (ibid, p.21) to imperialist processes. As he argues:

“Australia’s prosperity, based on wool and gold, was the prosperity of expanding capitalism. Geographically, Australia was a frontier of European capitalism in Asia. The first of these circumstances gave rise to the optimism that illuminated our radicalism; the second produced the fear that tarnishes our nationalism” (McQueen 1970/2004, p.3).

In substantiating this claim, he analysed Australia’s role in the annexation of New Guinea, and the support for the British in the Sudanese War, Boer War, the Boxer Rebellion and the Great War. For McQueen, these examples revealed capitalism in Australia’s efforts to assert itself as a sub-imperial ‘new Britannia’ in the context of Asia. In Britannia’s afterword (McQueen 1970/2004), McQueen argued that the mode of production, defined by a periodisation of accumulation, is the best way to understand the historical development of the Australian capitalist state. He identified four periods: Merchant Capital (around 1606); Mercantilism (1788-1830s); Free Trade (1830s-1870s); and Monopolising Capital (1870s). He then notes how the various epochs relate to the developments of the labour market and the ALP. Implicit in this analysis is the instability of accumulation regimes within global capitalism, and the need to establish economic and class strategies within a state to resolve crisis. This is typical of the structural approach to the State as a mediator of crisis identified by Barrow (1993).

In an interesting turn, McQueen (1970/2004) argued that the instrumental approaches to the state serve an ideological purpose favouring the capitalist state. Two examples of this are his analysis of national identity and his analysis of the emergence of class struggle in Australian history. For McQueen, notions of national identity, epitomised in the Whig conception of history, are an ideological mediation of the Australian state. For example, racism is understood as an ideological extension of Australia nationalism. Having noted that nationalism serves the interests of imperialism in an Asian context, and that racism serves to promote exclusivity, he notes the
continuity between nationalism, militarism and racism in “the destruction of the [Aboriginal people], the dominance of the Pacific, and the fear of Asiatic invasion” (ibid. p.31). Therefore, nationalism and racism are both ideological expressions of the Australian capitalist state and its interests. This serves to demonstrate that the Whig conception of history is a form of ideological power that permeates conceptions of nationalism, racism, frontier settlement, militarism and national art (ibid. pp.1-110).

In the discussion of the history of the labour movement, McQueen argued that reformism is a consistent feature that manifests in the development of the Australian state. In the context of the development of state socialism, he identified the ‘petit-bourgeois’ consciousness behind Australia’s immigrants, convicts, diggers, selectors and democrats (ibid. pp.117-187). This was defined as ‘socialism’ but was a utopian ideological model (ibid. pp.191-4) used to advance a model of state interventionism particular to capitalism in Australia (ibid. pp. 188-210). He also explored how unionism and the ALP were conflict mediation strategies of the Australian capitalist state, ultimately producing class relations that were incapable of revolutionary aims and restricted to reformist parliamentary strategies. In popular consciousness, state intervention was conceptualised as a form of socialism. This was used to elaborate McQueen’s thesis that an ideological commitment to socialism was used as a popular platform to advance the interests of the Australian state (ibid. pp. 188-209). This argument conforms to Barrow’s (1993) discussion of ideology as an explanatory tool for structuralist theories of the state. These examples serve to showcase how McQueen used structuralist approaches to the state to identify Australia’s place in the expansion of global capitalism, and also the ideological role that nationalist and popular identifications of the state as a ‘captured’ institution serve in promoting crisis mediation within the state.

Class Structure in Australian History (Irving & Connell 1979) proposed that instrumental and structural approaches to the state are both important in understanding the national perspective of the capitalist state in Australia. They identified the State as “an instrument of oppression… [and the] product of class antagonisms” (ibid. p.22). This was reflected in their consideration of the differences between state organisations (institutions) and the sphere of the state (social relations). They argued that the sphere of the state underlies the formation of capitalist class relations, and therefore has a constitutive role in reproducing capitalist relationships. However, they suggested that the institutions of the state, by which these relationships are produced, can be captured, transforming the state form. This led to the theoretical conclusion in Class Structure in Australian History (ibid. 1979) that instrumental and structural conceptions of the state are interrelated, and that the history of class structure is necessarily a history of the struggle for institutional power. Importantly, this analysis treats the mobilisation of populism and nationalism as a material strategy from the historical perspective of structural analysis. While McQueen (1970/2004) treated populism and nationalism as an ‘ideological’ project, Irving and Connell materialised the problem, signifying a substantial departure. As they argue:
“Throughout Australian history, capitalists have attempted to use the state to control the price of land, control immigration, etc., to ensure a supply of wage labourers; and conversely workers have petitioned, pressured, and eventually attempted to capture state power in order to ‘civilise capitalism’ — or abolish it” (my italics, ibid. p.22).

Having established the material grounds for Class Structure in Australian History’s (1979) discussion of the state, I now explore the specificity of the state as a concept in their historical analysis. This is important in understanding how a national perspective of capitalism in Australia is complementary to McQueen’s (1970/2004) analysis.

The specificity of Australian state formation in Class Structure in Australian History was used to describe the process of uneven development in the colonial convict/wage worker labour market. This marked another departure from McQueen (1970/2004). While he argued that Australia was a sub-imperialist state, Irving and Connell (1979) stressed the combined and uneven development of the Australian state and its effects on the colonial labour market. As they substantiate:

“For all its influence and the undoubted continuities, the British State was not completely transplanted into Australia. The state as a set of social relations simply cannot be lifted from one spot and set down in another—it has to be constructed, or reconstructed in new conditions. In Australia this construction was undertaken deliberately, using the resources of the British State, and modelled on many of its features, but departing from the model in a number of ways” (ibid. p.32).

This demonstrates how the Australian state exhibited a continuity of British imperialist interests in Asia (McQueen 1970/2004), and also how Irving and Connell (1979) used a model of periodisation to deepen a historically specific engagement with the Australian state from a national perspective. Crucially, this reveals the reconcilability of McQueen’s (1970/2004) focus on the periodisation of the world system, with a national perspective on class formation, which is the principle concern of Irving and Connell (1979).

A hallmark of this thesis is Irving and Connell’s (1979) analysis of class formation emergent from combined aspects of the convict and settler labour market. The Australian state, they argued, produced a contradictory labour market (during the 1788-1840 period) emerging from the dual production of the convict-assignment plantation economy in the pastoral industry, alongside the production of an emergent mercantile wage-labour relationship emanating from urbanising townships and cities (ibid. p.51). While both are identified within a capitalist mode of production, they emphasised the specificity of capitalism in Australia emerging from a coerced plantation economy in conflict with the small-scale production economy in urban spaces. The internal irreconcilability of these structures led to the capitalist class (squatter and mercantile capitalists) to
move towards state power to secure their economic interests. In the context of labour, they noted that convict rebellion was limited by the growing replaceability of wage-labour, showing that aspects of combined development within classes had an effect on class formation and struggle. This account stands as a strong response to McQueen's (1970/2004, p.125) argument that the convicts were lumpen-proletariat, by showing that their ability to generate agency was limited by combined and uneven development within the Australian colonial state. This successfully contributed to their situational accounts of agency by showing the limits available to class actors within a given structural social relationship. Therefore, I argue that Connell and Irving introduced a framework of combined and uneven development of the labour market, complementing McQueen’s (1970/2004) global perspective of international imperialism.

Another important recognition in *Class Structure in Australian History* (1979) was the relative autonomy of the state in capitalist society (see Barrow 1993). This was a historical process, they argued, emerging after the establishment of self-government as early as the 1850s, reflecting a rebalancing of the Australian state within the imperial system, so that “self-government for the Australian colonies and the form taken by the state in Australia were interrelated processes” (Irving & Connell 1979, p.108). This periodisation of the state lines up with McQueen’s perspective, however McQueen (1970/2004) failed to identify the state itself as a historical-material relationship of contestation because of his emphasis on the global perspective. Irving and Connell (1979) also identified the growing political autonomy of the Australian state as a method to establish its legitimacy (ibid. p.111). Economically, the state had begun to organise the capitalist class via extensive programs in developing public capital formation. This was especially evident in public works, for example in railway networks, and their role in expanding capitalist production across the Australian ‘frontier’. Public works, therefore, were a method of ‘system-maintenance’ in this period (1850s onward), in order to produce economic and ideological structures. This function would later be used to manage and integrate working-class mobilisation via concessional employment and, later, welfare services. Therefore, I argue that Irving and Connell’s (1979) analysis of the state as relatively autonomous gives a stronger account of the relative autonomy of the state in mediating class relations, and as a historical-material formation emerging from the inter-colonial system. This sharpens the specificity of McQueen’s global analysis of imperialism by identifying the specificity of capitalism in Australia from a national-historic perspective.

Finally, an analysis of the emergence of organised labour, especially the origins of the ALP, reveals the improved specificity of Irving and Connell (1979) in assisting McQueen’s (1970/2004) structural analysis. McQueen (ibid.) described the ALP as “the highest expression of a peculiarly Australian petit-bourgeoisie” (ibid. p.249), and the entirety of *A New Britannia* (ibid.) can be seen as a historical analysis of parliamentary reformism as a governing principle in Australian society. In contrast, Irving and Connell (1979) identified the ALP as a “product of class-mobilisation under hegemony” (ibid. p.30). Specifically, they argued that: “a mobilising working class creates a form of power that is collectively based and experienced in the capitalist mode of production” (ibid. p.195).
In a parliamentary form, this state power creates a contradictory experience of ‘extra-capitalist power’, but also integrative power within the confines of the capitalist state. They argued that because class structure is constituted by the state, working class mobilisation is mediated within the limits of the capitalist state. In the Australian context, mobilisation was restricted within the capitalist state because of the state’s role in organising and reproducing the labour market. I argue that this is clearly both a rejection of the historic narratives of the Old Left (the Whig account), and also reveals a structuralist conceptualisation of the non-neutrality of state institutions as an arena of struggle (See Barrow 1993).

This section has established that McQueen (1970/2004) and Irving and Connell (1979) utilised a structural conception of the Australian state to explain the development of class relations (see chapter one). McQueen conceived of the instrumental state as an ideological expression within the populist nationalist Old Left, while Irving and Connell (1979) identified the instrumental aspects of the state as a material pursuit of class struggle within the sphere of the structural conception of state. Both authors utilised a periodisation of the structural state to explain the development of Australia. This led McQueen to focus on a global perspective of class formation. Irving and Connell focused on specifying the Australian state as an arena of struggle at the national perspective. This led them to periodise how conflict between social classes contributed to periods of hegemonic and counter-hegemonic mobilisation within the state. I therefore argue that the authors respective assessments of instrumental and structural state theory are complementary, offering global and national perspectives of capitalism in Australia.

5) Conclusion: Towards an Instrumental/Structural Approach to Capitalism in Australia

As Jessop (2008) comments, the nature of the state as a conceptual and empirical phenomenon is so complex that no single approach truly captures its complexities. To compliment this point, Moore (1972, p.27) notes that the Australian state’s place in global production as both ‘advanced’ and ‘underdeveloped’ poses a challenge to orthodox accounts of world-system and development theories. I have argued that the complex intersection of state theory and capitalism in Australia is a valuable component in understanding the dynamics and specifics of Australian society. Towards this effort, section one developed an account of instrumental and structural accounts of the state (Barrow 1993). I argued that collaboration is necessary to develop the empirical and theoretical aspects of such a research paradigm. Section two explored how instrumental conceptions of the state have been used to explain the role of elites and corporations, but also how this advanced the normative interests of the Old Left’s populism and nationalism. The final section identified the structural approach of McQueen (1970/2004) and Irving and Connell’s (1979) work, and how this response generated a crucial counterpoint to instrumental accounts of the state by revealing the structural ontology of the state as a historical process. I argued that periodisation can be used to complement these respective works’ focuses on the global and national perspectives of capitalism in Australia. In conclusion, the legitimacy of instrumental and structural approaches to state
research lie in their collaboration. Only through this approach can we effectively critique the application of populist and nationalist strategy, specify the historical and structural dynamics of the state and its mobilisation in the form of state institutions and, therefore, understand the complexities of capitalism in Australia.
CONCLUSION:

RADICAL THEORIES OF CAPITALISM IN AUSTRALIA

This thesis has demonstrated that the Australian New Left provide invaluable tools for understanding capitalism in Australia. It suggests that a deeper engagement with this literature can provide insights that are useful in understanding the specific characteristics of Australia from a national and global perspective. McQueen’s (1970/2004) analysis of global processes, especially: the role of Britain in manufacturing Australia class relations; the role of imperialism in facilitating capital accumulation in Australia; and the conception of the state as an ideological program of mediation can help us understand how capitalism in Australia is located and governed by interests at the level of the international system. Irving and Connell’s (1979) concern for socialist resistance at a national level is able to understand: the specific terrain of agency within Australian class relations; the role of urbanisation in producing the conditions of accumulation and Australian society; and a role for the capitalist state as an arena of struggle and an instrument of social power. Together, they suggest a new paradigm for looking at capitalism in Australia as both a product of global processes and a national site of contestation between competing social interests. I suggest that this approach identifies the generalities of capitalism as a system of social relations, the specificity of Australian society’s participation in these processes, and the grounds for political resistance.

Chapter one argued that history is something that is made and remade by real people within the confines of a set of social relations. I suggested that the Whig approach to Australian history occupied a dominant and common sense way of explaining social history, built on the foundations of predetermined conceptions of social progress. This approach failed to critically assess the limitations of the labour movement within Australian social history. For example, racism and patriarchal exclusion were not dealt with appropriately to gain a critical insight of how labour, and its reproduction, had been organised within capitalist society. This called forth a new way of looking at Australian history as the process of developing economic systems. It also produced the important response that social life is a subjective experience generated by real people who struggle. This identifies the important task of understanding the history of capitalism as a history of class relations, both structured and lived. As the Australian New Left identified, the essential task of any analysis of capitalism in Australia is the reconciliation of these contesting vantage points.

Chapter two suggested that economic history is an arena of political contestation. From its earliest practice, economic history has used the logic and ‘science’ of economics to put social history into boxes and develop causal accounts. It revealed the dynamic interplay between the analysis of economic structures and the role of political actors in pulling the strings of capitalist development. It also suggested that there are strong internal debates about whether real people should be integrated into an analysis of economic history. I have suggested that economics is a social science, and for this reason, heterodox approaches to economics are more capable of dealing with the real
world problems of economics. The Australian New Left identified the international and national aspects of capitalist development. This required accounting for the role of the accumulation of capital in producing urban society from a national perspective, but also international dependency and its consequences for Australian geopolitics from a global perspective.

Chapter three demonstrated that the capitalist state produces logics of compliance, which can be reformed in specific ways. State action must be understood within the confines of capitalist society in order to more fully articulate what the state does and what the logics of its institutions are. Instrumental approaches to the state can lack a holistic conception of social positioning contributing to their reification of power, and potentially, their advocacy of populist and nationalist mobilisations. Without a deeper analysis of the role of the state in producing ideology to mediate its own fragility, such an approach delivers a violent abstraction of social relations defeating the potential for real contestation. As the Australian New Left identified, the state produces solutions to crisis, but also requires institutions to reproduce compliance, which are vulnerable to competing interests. This suggests that the mechanics of the state must be understood in order to position social history within the confines of state power. This leads us towards an understanding of the capacity for social resistance by appreciating how the state positions political actors, and the ways in which it reconfigures itself to defend against contestation.

The value of these critical insights affords greater significance in the context of their theoretical neglect. The existing literature has failed to identify the efforts of the Australian New Left to understand capitalism in Australia as a distinct experience. I have demonstrated that in three distinct areas: class history; economic history; and state theory, the Australian New Left has produced important contributions. In some great irony, these approaches have generally also fallen into significant disregard. In the contemporary context, class theory has been labelled “no longer relevant” (Barnes & Cahill 2012, p.47), the teaching of economic history has been described as in “a crisis” (Lloyd 1997, p.256) and theories of the state have become “impoverished” (Panitch 2002, p.95). This suggests that, in reviving a New Left analysis of capitalism in Australia, a range of alternatives and also largely under appreciated methods can be integrated into our analysis and produce new approaches to critiquing dominant understandings of capitalism in Australia.

Australia now finds itself in an unprecedented age of political uncertainty. National history has been caught in a critical juncture in defining which aspects of Australian history should be praised and which should be chastised (Macintyre & Clark 2004). In a deregulating ‘free-market’ economy, generous social welfare, unionisation and state regulation have come under tremendous scrutiny, marking a major departure from the so called ‘Australian Settlement’ (Kelly 1994). The development of climate change threatens the stability of the Australian economy and therefore society (ALP Policy Paper 2016). Unprecedented complexities are developing with the rise of the Indo-Pacific region, producing the greatest challenges to the global order since World War Two (Department of Defence 2016, p.14). In this context, there is much at stake in how we approach
the problem, and the Australian New Left offer an unparalleled advantage in appreciating the intricacies of global and national aspects of capitalism in Australia.
APPENDIX:

Appendix One: Presuppositions of Heterodox and Orthodox Research Programmes

Source: (Lavoie 2014, p.12.)

<table>
<thead>
<tr>
<th>Presupposition</th>
<th>Heterodox schools</th>
<th>Orthodox schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epistemology/Ontology</td>
<td>Realism</td>
<td>Instrumentalism</td>
</tr>
<tr>
<td>Rationality</td>
<td>Environment-consistent rationality, satisfying agent</td>
<td>Hyper model-consistent rationality, optimizing agent</td>
</tr>
<tr>
<td>Method</td>
<td>Holism, organicism</td>
<td>Individualism, atomicism</td>
</tr>
<tr>
<td>Economic core</td>
<td>Production, growth, abundance</td>
<td>Exchange, allocation, scarcity</td>
</tr>
<tr>
<td>Political core</td>
<td>Regulated markets</td>
<td>Unfettered markets</td>
</tr>
</tbody>
</table>

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