SHOOT THE BOLSHEVIK!
HANG THE PROFITEER!
RECONSTRUCTING AUSTRALIAN CAPITALISM, 1918-21
HUMPHREY MCQUEEN

I have just lunched with W. S. Robinson... He is deeply pessimistic about the future of Australia — and the present too! — and apparently would like to see many people hanged.

Theodore Fink to Keith Murdoch
7 June 1921

On every count, the war of 1914-18 brought major changes to Australian economic life. The transfer of shipping to war purposes, and its sinking by German raiders, meant that by 1917-18 the total volume of overseas shipping which entered and cleared Australian ports was less than half that in 1913. This disruption to imports and exports led to increased prices and to substantial levels of unemployment. From a base figure of 1000 in 1911, the cost of living had risen to 1362 in 1918 while real wages had fallen to 932. Although the total volume of industrial production rose only slightly, there were important changes within the manufacturing sector. For example, Broken Hill Proprietary commenced its own smelter, making it possible for it to produce its own copper, and the steelworks at Newcastle were able to produce more steel from local coal.

The transition from war to a totally unexpected peace clearly presented great problems of economic management.

But these economic disruptions could not be separated from the political upheavals provoked by the war — both at home and abroad. Government intervention in primary industries brought farmers together to provide an organisational basis for the Country party. Unemploy-
ment and falling real wages led to a number of major strikes, the most important being the Great Strike of 1917 which spread from the New South Wales railways to involve nearly 100,000 workers throughout Australia. Attempts in 1916, and again in 1917, to introduce conscription for overseas military service split the Labor party, and Australia generally, into two warring camps. Rebellions in Ireland and revolution in Russia added to the political consciousness of Australian workers. The combination of these economic and political problems promised Australian capitalism its severest testing yet.

In contrast to contemporary bourgeois economics, political economy has always been distinguished by its recognition that problems of economic management are never cut off from politics. Marx's 'Critique of Political Economy' (Capital) went far beyond by conceptualising the nature of those politics as a class struggle between wage-labour and capital. He showed that capital is a special form of ownership which is maintained through varying combinations of violence and ideology. Of course, this power relationship (capital) does not exist for its own sake. Rather it enables capitalists to take some of the labour power of the working class for their own use. Class struggle occurs over the right to control the workers' labour power, and is therefore not confined to particular and spectacular events like strikes or revolutions, but is present in every act of production within capitalism, continuing every hour of every day.

From the standpoint of the capitalist, the two essential features of the class struggle are:
1. The need to reproduce the situation in which people are obliged to sell their labour power in return for wages, that is, to submit to expropriation. This essay discusses this need in relation to:
   (a) preparations for counter-revolution (violence);
   (b) anti-Bolshevik propaganda (ideas).
2. The need to increase the rate of expropriation of labour power, or at least to prevent its decrease. The essay discusses this need in relation to:
   (c) the use of State apparatuses against strikers (violence);
   (d) the production of the anti-profiteering campaign (ideas).
In sum, the essay first discusses the preservation of capitalist property relations before examining the rate of expropriation was maintained or expanded.

While the class struggle can be studied at any moment of capitalism's existence, there are sound reasons for picking out 1919 for special attention. The immediate post-war period gave rise to many of the forces which shaped Australia for the next fifty years: the Country Party, the RSL, the Communist Party and the Green tariffs—one could fairly claim that modern Australia was spawned in 1919. More important, the attempts to put Australian capitalism back together again in 1919 laid bare features of the class struggle for which it is often impossible to find quotable evidence.

Before exploring the four areas of the class struggle set down above, two disclaimers need to be made:
— the examples provided are not the full range of instances available; a fuller treatment would permit the introduction of many more instances of each of these four;
— the four areas chosen are not the only ones available. Here again a fuller treatment would include tariffs, soldier settlement, the Country Party and Imperialist rivalry.
As presented in this essay, capitalism assumes a somewhat fragmented appearance; in a full-length book, the exact inter-connections could be spelled out, more fully.

The Need to Maintain Capitalism
Prime Minister Hughes announced that there would be a second conscription plebiscite on the same day as news arrived of the Bolshevik revolution. From this moment onwards both sides reshaped their arguments about the war around their respective images of Bolshevism. The labour movement gave critical support and looked anxiously to Russia as the starting point of a new world order. This response was nearly put by Maurice Blackburn, editor of Labor Call, who told the 1919 Victorian Labor Conference that while 'the great bulk of them were in sympathy with the Russian revolution...the methods of the revolution might cause a considerable difference of opinion.' This reserve over methods in no way lessened Blackburn's enthusiasm for the revolution, whose third anniversary he celebrated in an enthusiastic editorial. To the left of Blackburn, groups such as the One Big Union were even more fulsome in their endorsement of Bolshevism and worked towards a similar system of sovjes throughout Australia.

Thus, well before the war ended in November 1918, Australian capitalism perceived a new threat: international communism. On 23 January 1919, an editorial in the Industrial Australian and Mining Standard claimed that 'there is now proceeding throughout the Commonwealth a huge, subterranean, and most sinister agitation to undermine the foundations of society.' Eight months later, a Bulletin editorial compared the situation to the Commune of 1871. Whilst Bolshevists were seen as the embryo of disorder, there was widespread agreement that it had been the war which had loosened society's bonds. With a typical flourish, the Prime Minister paraphrased thousands of editorialists when he declared in his election policy speech: 'The burning blasts of war have shrivelled, blackened, and destroyed the world we once knew.'

A major source of disruption had been the removal of over 300,000 Australian troops from the capitalist relations of production for periods ranging up to three years. The question was: would they return to the pre-war situation or would they follow the example of so many European soldiers and throw in their lot with the Bolshevists? Unlikely as it seems to us today after more than fifty years of the RSL, in 1919 returning soldiers were not looked on as a total blessing by the capitalists. Any
inking of Bolshevik influence brought forth swift retaliation as in the
case of the so-called 'mutiny' on H.M.A.S. Australia. A major problem
facing the capitalists was how to reproduce the wages system for the
bulk of the returning AIF. This did not simply mean finding employ-
ment for them. More important, it involved the re-establishment of
all those physical and ideological disciplines essential for the purchase
of labour power and for its profitable exploitation. In addition, the workers
who had remained in Australia were showing signs of restiveness with
the existing relations of production. The One Big Union gained sup-
support and the A.L.P. adopted a socialisation objective in 1919. Ide-
ological and physical restraints had to be reproduced and expanded for
these workers as well.

Brisbane’s Roman Catholic Archbishop, J.J. Duhig, noted that 'injustice to labour on the part of capital is so severely condemned by
the Scriptures that it needs no human words to emphasise its perjury'.
Ineffable dread was not sufficient to dissuade labour from its antagonism
to capital, and His Grace was obliged to spend a good deal of his 1919
Lenten Pastoral urging the workers to replace their Bolshevism with
sobriety and thrift. The fundamental requirement was the main-
tenance of the private ownership of the means of production. In the
practical situation of 1919 this meant the preparation of counter-re-
volutionary strategy and tactics; and engaging in the struggle for ide-
ological hegemony.

Preparations for counter-revolution
When the Fisher Labor government introduced the War Precautions Act
early in 1915, the party’s more progressive members condoned it for
making ‘martial law supreme over civil law’. This was no exaggeration,
and the War Precautions Act became the main legal weapon in capitalism’s
fight for survival, providing a legal cover for the emergence of an open
bourgeois dictatorship. Offences under the Act included:
- Exhibiting the red flag.
- Advancing action calculated to prevent the production of warlike material
  for purposes connected with the war.
- Making statements prejudicial to recruiting.
- Assylishing or hostility to the British Empire.
- Publishing or-printing matter which had not been previously submitted
to the Censor.
- Printing matter in such a way as to suggest that the omission indicated
  had been due to the action of the Censor.
- Having in possession prohibited publications.
- Making false statements likely to prejudice the judgment of voters in
  connection with military service referendum.
- Disturbing referendum meetings.
- Showing, in printed matter, alterations made by the Censor.

As the Solicitor-General, Sir Robert Garran, later noted: ‘The regula-
tions were mostly expressed widely to make sure that nothing necessary
was omitted, and the result soon was that, John Citizen was hardly able to
lift a finger without coming under the penumbra of some technical
offence against the War Precautions Regulations’. These regulations
remained in force until the signing of the Peace Treaty in July 1919,
when they were mostly duplicated by other specific laws. The War
Precautions Regulations allowed the authorities to open and seize mail
passing through the Post Office: the evidence of these activities rests to-
tay in the ‘Suspected Persons’ files in the Australian Archives. Telegrams
were copied, virtually as a matter of course. The government’s
intelligence network was nothing if not thorough.

Well before the end of fighting in Europe made it harder for the au-
thorities to use the law against political dissenters, a pattern of semi-
official anti-subversive agencies was set up. When the Defense Depart-
ment’s Special Intelligence Bureau suggested the establishment of ‘Prop-
gaganda and Intelligence Bureau’, Acting Prime Minister, W.A. Watt,
presided over a meeting of ‘picked citizens’ to prepare a scheme for
propaganda and for intelligence work. The leading industrialist and
crassophile organiser of the Dukinbites, Herbert Brooks, took charge and
formed the Australian Protective League. Brooks kept in touch with F.C. Urquhart,
the Queensland Police Commissioner, and with M.H. Ellis who supplied
him with information about the dangerous condition of Queensland. Brooks paid agents to infiltrate the Melbourne Trades Hall, the One
Big Union, the Victorian Railways Union and the Victorian Police
Department. In Queensland, Urquhart had planted a police spy,
Richard Brown, in the One Big Union movement, and had someone
inside all the executive meetings of the red-flag marchers.

One of the most substantial pieces of evidence of counter-revolutionary
preparations for the post-war period refers to a conference held on 18
January 1919, when the Chief of the General Staff, the Inspector of Police
in New South Wales and the acting Chief Commissioner in Victoria met
to consider the Bolshevik threat. They agreed ‘that arrangements
should be made quietly for the rapid increase of Police Forces by en-
forcement of additional and special constables, and by preparation of
lists of suitable citizens in every police district’. The Chief of the
General Staff warned that, in the initial stages of any outbreak of Bolshe-
ivism, the Army could not be relied upon for any more than
(a) military material;
(b) small groups of picked men with machine guns, and
(c) a few aeroplanes with improvised bombs.

Cabinet approval for recommendations (a) and (b) was obtained three
days later. Because Australia’s peace-time army has never been very
large, volunteers have assumed an important role in all counter-revolu-
tionary planning, as can be seen from the report just quoted. In addition,
there were countless appeals to the so-called ‘middle-class’ to get or-
ganised. Smith's Weekly led the way with weekly articles on what it called 'The Leaderless Legion', and even published a 'Coupon' which asked people to sign their names and addresses beneath the statement 'I am prepared to support an organised middle class'.

Far more important was the actual organisation of para-military forces. During the red-flag riots in Brisbane on 23 and 24 March, 1919, an anti-Bolshevik Society was launched at a mass meeting of ex-soldiers. A week later, Lt Keith Murray told a Bundaberg meeting that a vigilance committee had been formed in Brisbane and was backed by people with money: £15,000 was available 'tomorrow if needed'. On 4 April, 1919, the R.S.S.I.L. organised a returned soldiers' army of 2,000 in Brisbane which was divided into suburban units. During the July riots in Melbourne, the Mayors of Coburg and Brighton called meetings to enlist special constables. Although documentary evidence is not available, it is possible that the 'White Guard', under the command of General White, was formed at this time. In Perth late in 1920, General Sir Talbot Hobbs declared that returned soldiers there were organised, ready and willing to deal with any seditionist challenge.

One of the tactics employed to quell the three days of riots in Melbourne, 19-21 July 1919, was the calling of a parade of ex-servicemen in the gardens opposite Victoria Barracks in St Kilda road. Here the men were formed into their old platoons and drilled by their sergeant-major, while their Generals walked from section to section urging the men to uphold law and order. This is a particularly significant event in regard to the need to reproduce constantly the relations of production. Many of the returned soldiers had not yet returned to work. Others were out of work because of strikes. All had been outside the capital, absences of production for some time because of their war service. This meant that they had been free of the day-to-day adjustments demanded by the very fact of working for wages. To make up for the loss of work discipline, the discipline of the parade ground was called upon. This emergency measure revealed a good deal about the system whose 'normal' functioning it momentarily replaced.

Whenever soldiers clashed with 'Bolsheviks', their efforts were cheered on by the press. The Brisbane Courier enthused over the soldiers who attacked the offices of the Labour party's Daily Standard under the headlines of 'Exciting Street Scenes' and 'A Lesson in Respect'. Whenever such soldiers came before the courts, the sentences passed on them were the lightest possible. After the red flag riots in Brisbane, thirteen 'Bolsheviks' were sentenced to the maximum of six months for carrying red flags. Three anti-Bolsheviks were charged with crimes including the attempted shooting of a policeman, but were acquitted or merely fined.

At Ararat, six soldiers pleaded guilty to a charge of common assault after they had tarred and feathered an ex-Labor member of parliament whose anti-Boer War past had been reprinted in 1915. In sentencing the men, 'His Honour [Judge Williams] said he was very sorry to see the young men in the position they were. He intended to deal as leniently with them as possible, as the accused had acted under great provocation'...

Thus, from the few files which are open and accessible, it is clear that Australia's state apparatuses were fully geared to deal with any possible insurrectionary movement. Police spits and paramilitary bodies backed up the alerted organs of class repression—the courts, the police and the armed forces. There was no doubt in the minds of capitalism's ruling strata that political power was preserved through a gun barrel.

The struggle for ideological hegemony

Bourgeois ideologies were particularly keen to combat the near-universal sympathy for the Bolsheviks that existed within the Australian labour movement, which was itself far more militant than usual and hence open to revolutionary influences. In addition, Bolshevism had to be explained to the bourgeoisie and petit-bourgeoisie. Inevitably, the anti-Bolshevik propaganda intended for these classes became mixed up with that directed towards the labour movement. In general, anti-Bolshevik material portrayed Bolshevism as dehumanised, dishonest and destructive. Binding all these together was their threat to property. Frequent references were made to soaps as a cure for Bolshevism, with an overseas article reprinted here describing Trotsky as 'dirty, unkempt, with coal-black nails, a ragged collar, and hair which suggested that it had not been combed for a year...'. An editorial in Perth's Sunday Times identified Bolshevism as 'the refuge of the unfit, the hope of the loser and the gin-case orator...'. An essential part of this style of argument was the continuous allegation that Bolsheviks regarded women as national property and had abolished celibacy in the interests of class equality by setting up bureaux of free love staffed by the daughters of the middle-class for the pleasure of the lowest social elements. Far from being crude misrepresentations, such charges appealed to that sense of decency which the bourgeoisie associated with their own dominance, and to which 'the better type of worker', and especially his womenfolk, were encouraged to aspire. By picturing Bolsheviks as unwashed, bourgeois ideologists played upon the just demands of the working class for improved living and working conditions. Disturbing such propaganda as 'irrational' misses the whole point of how capitalism has tried to identify itself with all that is wholesome and moral.

The quest for horrible ways in which to present Bolshevism led several writers to compare it with the Spanish Flu, a disease of equal proportions. One noted that, in the past, epidemics of disease coincided with moral and social upheavals: 'just as today the mysterious physical poison of influenza appeared at the same time as a vast deluge of moral and physical poison, under the name of Bolshevism'...

Bolshevik pneumonia is a disease of the brain...and is a great danger in crowds, where pieces of red rag become impregnated with anti-Bolshevik
Ridicule was especially effective because it depended on an identifiable if concealed rationality. Ideas attacked in this way were disavantaged from the start by being cut off from their intellectual bases; they are thus defined as insane, ludicrous and bizarre. The main aim of political satire is not to gain converts, but to reinforce the certainty of the converted, and to approve the use of violence against those ridiculed because they are beyond the reach of logic. To understand what was meant by "Dissoloy" it is necessary to realise what it meant to be "British" and what the "Empire" meant. All three were well explained during a 1915 series of War Lectures given for the public by professors at Melbourne University. Germany was not condemned outright: rather its virtues were seen as virtues mishandled because Germans lacked the one essential virtue of being "British". According to the Classics Professor, T.G. Tucker, "British" was a universal virtue which, if carried out to the full, would supersede all the law and prophets, and render all government injunctions and prohibitions unnecessary and all social codes futile... Just as the Empire did not stop with political and economic considerations, so too did it extend beyond the ethical into personal relationships and daily habits. In a contrast of British and German ideas, the Professor of Physiology, V.A. Osborne, claimed to recognise the deficiency of the German in his table manners, and his conduct of war, in his literary criticisms and in the materialism which constrains his educational system, his personality, in his home and in his morals. Frederic Eggleston bore witness that "The Empire is not merely a racial or a national fabric—its strength is that it performs for its citizens and for the world generally certain indispensable social and ethical services". Its maintenance was the hope of progress towards more justice in human relationships, and away from the barbarism and tyranny of the past.

Eggleston endorsed the view of Empire as a law of social gravity by calling it "a stabiliser of contending forces since its "organic system of freedom and peace...[was]...not enjoyed by the Empire alone", but extended all over the world.

Bolshevism had betrayed this grand design by making a separate peace with Germany early in 1918. Sinn Fein had stabbed the Empire in the back with its Easter Uprising in 1916 and its subsequent rebellion. The links between atheistic communists and Papists were obvious once the common denominator of their "Dissoloy" to the Empire was recognised, as it was by men like Herbert Brookes, a leading political and business figure, who decided in 1918 to devote half of his waking life, backed by his considerable fortune, to the Protestant cause because "Everything we hold dear for our children's sake is at stake. The genius of England, Scotland and Wales for freedom, justice and fair play is challenged, is endangered". Brookes financed a weekly paper, the

Vigilant, and a group of Loyalty Leagues throughout Australia to oppose the 'Bolshevism' of Mannix and his crew, "Loyalty", like "Dissoloy", extended far beyond considerations of international politics. From its very beginnings in 1918, the propaganda of the Loyalty Leagues was specifically anti-Bolshevik, for as their Victorian secretary assured Brookes, "the Bolshevik and the Sinn Fein organisations are out against all constituted authority and to their method is the murder of the wealthy people and confiscation of their possessions." From the definition of "Dissoloy", it was no distance to deciding that Bolshevism was the unchaining of Anarchy with its watchword "Destroy!" And the target of this destruction was capital, in place of which, a prominent person claimed, Communism would put work, plunder, chaos, collapse and destructive revolution. To Sir Henry Braden, past-President of the Employers Federation, "the communist's main desire was to wreck society, in the hope of securing something for himself in the scramble.

At a time when the domination of capital was so blatantly threatened, there was little point in always concealing what capitalism was trying to defend. Consequently, its propagandists were often surprisingly frank in their defence of private property as the cornerstone of civilization. The despised ethic of materialism took the place of appeals to freedom, reason and morality in more than one sermon. Anti-Bolshevik material was directed almost entirely against domestic Bolshevists even when the news item dealt with events in Europe. Though not always referred to openly, the consistent charge against Bolshevism was its attack on property. According to an editorial in the "Industral Australian", "The appeal of the Bolshevists...is exclusively addressed to the cupidity and ignorance of the "have-nots"...They are out to expropriate, to ruin, to destroy every man who owns a cottage or "uses a tooth brush"..." For the Brisbane Courier, Bolshevism was an attack on "political equality, the freedom of speech, the law and order, the security of life and limb, and the control of individual possessions the workman's cottage, not less than the rich man's mansion..." When the New South Wales Presbyterian weekly editorialised against the Bolshevists it made perfectly clear its equation of 'social order' with the 'defence of private property in the soil and in the means of production'...

This near-explicit distinction between productive and non-productive property was very unusual and occurred only because the leader writer had just been quoting from Soviet documents. Further indication of the 'defence of property' theme was provided in the reassuring articles in Punch and the Bulletin that the Australian workers possessed too many household Gods to go Bolshevik... Anti-Bolshevik propaganda was designed to provide an ideological defence for the private ownership of productive property.

Maintaining the Rate of Exploitation

The reason for securing capitalist relations of production is not for any intrinsic sense of power. It is so that the exploitation of surplus
value can continue at as great a rate as the workers are prepared to tolerate, or are incapable of resisting. The testing ground for the rate of exploitation is initially the point of production where disputes arise continuously over issues such as the length of tea breaks, sojourns to the toilet and the speed of production generally. From here they can be reproduced as struggles over wages, or they can erupt in their own right. Wages and conditions are really two faces of the one coin since both determine the rate of exploitation of labour power. Capitalists necessarily depend on the apparatuses of the state to make sure that the rate of exploitation is maintained. The state does this by providing capitalists with a range of legally violent sanctions and ideological defences. Some of the specifics of these are the object of our enquiry for the rest of this essay.

**Governmental strike breaking**

When strikes occur the real relations of production are broken, although not destroyed. For as long as workers refuse to sell their labour power there can be no expropriation, no surplus value, no capital accumulation, no profits, no bonus shares. Since the withdrawal of labour power hits at the very basis of capitalism, the Commonwealth government’s belief in 1919 that insurrection would grow out of a strike was sound enough, even if its reasoning was fallacious. It was obliged to confront strikers with state violence, extra-legal as well as legal. The single most important fact to recognise is that there were more days of strikes in 1919 than in any other year in Australian history till the 1970s. In 1919, the total days of strikes amounted to 6.3 million. By contrast, the two years—1917 and 1929—which come closest to the 1919 record, totalled only 4.5 million each. Yet 1919 cannot be artificially isolated from the years around it. To appreciate fully the capitalists’ concern at this time, it would be necessary to consider the continuing militancy from 1916 onwards. Other writers have discussed particular strikes in detail and they need not be repeated here. Instead, this segment will concentrate on the essential features of capitalism’s responses—open violence and legal repression.

Like so many disputes in the post-war period, the 1919 Fremantle strike had its origins in circumstances which predate 1919. There had been a strike at Fremantle in 1916 which left wharf labourers working for about 25 shillings a week in 1915—a sum which was less than a third of the basic wage. The West Australian government at first tried to break the 1919 strike by using scabs glorified with the title ‘Nationalist Unions’. Pickets fought to keep these gentlemen off the wharves and the government decided to erect barricades behind which the scabs could work in safety. Naturally the barricades had to be erected by scab labour, and to this end the Premier himself led a contingent of his political supporters from Perth to Fremantle on the morning of Sunday. 4 May.

Their procession was delayed by a barrage of missiles and when they assembled they were soon driven back until mounted police intervened to hold the line. The pickets regrouped and drove the scabs and their police protectors back once more. Finally, the Premier agreed to take his supporters back to Perth and not to attempt to work the wharves that day. There had been thirty-three casualties—twenty-eight police and seven pickets. Strike meetings promising further physical resistance to the scabs and the police were held in Fremantle and Perth on Sunday afternoon. The fears of the bourgeoisie were well captured in the editorials of the *West Australian* for Monday and Tuesday. Instead of the usual demand for a strong hand against the workers, there were pleas for moderation by the government and for compromise by the ship owners. Perth, the newspaper reasoned, was two days sail from the nearest reinforcement of Commonwealth troops. The strike was settled on the Wednesday, in the strikers’ favour. The state apparatus, through the Premier, had organised the bourgeoisie into an assault on the strikers. When this failed the police were called in. When this failed the local state apparatuses were forced to compromise because they were too far from the aid of the army. The Fremantle battle is a most instructive case study of the state as the repressive arm of the capitalists, because it shows both its essential nature and the limitations which it faces.

Open extra-legal violence of the type shown at Fremantle is less successful than the violent sanctions inherent in laws. To this end, the Conciliation and Arbitration Act 1920 brought in amendments which all limited the workers’ room for legal manoeuvre. The definition of striking—already illegal—was extended to include unreasonable refusal to accept employment on award terms which meant that it was a crime to strike for improved conditions. The Arbitration Court was given power to alter awards before they expired, that is, to cut into existing standards. A reduction in the standard hours of weekly work henceforth required the deliberations of three judges, not one, which was designed to hamper Higgins. Amendments to the Immigration Act permitted the exclusion or deportation of anarchists, revolutionaries and other trouble-making strike leaders who had not been born in Australia. All these moves were designed to disorganise the working class whilst seven pickets. The immediate necessity for further strengthening the capitalists’ hand arose from the steep rises in the cost of living in 1919 and 1920. After an enormous leap in 1915, costs were relatively stable for the next three years. But in 1919 and 1920 they rose by about 15 per cent each year. Under the privileges established in 1917, these price increases should have been translated into wage increases. Consequently, the employers argued openly for an end to the assumptions underlying the Harvester judgement. Their representatives on the 1920 Royal Commission into the Basic Wage, hastily submitted a minority report which called explicitly for an end to the system by which the basic wage was tied to the cost of living: in practice, this meant a cut in real wages.
The concern which this Royal Commission caused the bourgeoisie was evident on every hand, especially after its report appeared. Herbert Brookes, President of the Board of Trade, wrote to a colleague: "We feel here that we are dwelling on the edge of a volcano now that the Basic Wage Commissioner's report has been published." The government was so perturbed that the Nationalist Party caucus met three times in one week to discuss their attitude. Although a substantial part of the recommended increase in the basic wage was granted, and real wages were higher than in any year since 1900, Australian capitalism was saved from the full force of the Basic Wage Royal Commission because the workers' power to fight was being undermined by unemployment in excess of 11 per cent., and by changes to the industrial laws.

Employers' attitudes towards working class militancy changed as the relative fortunes of each class rose and fell. In general, capitalists moved from trepidation in 1919 to outright aggression by 1921. W. L. Ballieu was so frightened about unemployment that the Socialists and Bolsheviks outlook. That, on 26 February 1919, a letter from him appeared on the front page of the Melbourne newspaper, the Herald, in which he owned. Baillieu suggested that Hughes should call for cooperation between Labor and Capital as part of the Peace settlement; in particular, he sought consultative councils of employers and workers. The scheme was enthusiastically taken up by other capitalists and by various state apparatuses, but was rejected by the labour movement.

Once the returned soldiers had shown themselves to be anything but Bolsheviks, and the election results had demonstrated the salutary temper of the population at large, the bourgeoisie felt confident enough to adopt more aggressive tactics. Throughout 1920, the major problem facing the Commonwealth government was how to get rid of Mr Justice Higgins whom they rightly feared would grant a forty-four hour week and increased margins. As a High Court judge, Higgins had life tenure, but his Presidency of the Arbitration Court was due to expire in 1922. The capitalists could not afford to wait two years, and so they amended the industrial system in ways so offensive to him that he took no new cases after September 1920, preparatory to quitting the Arbitration Court entirely in the following June. The awards that he brought down in the final months of his Presidency were quickly watered down by his successor, Mr Justice Powers. In 1923, Powers wrote to the Attorney-General asking for a knighthood and specifically mentioning his blocking of the Basic Wage Royal Commission's findings, his restoration of the forty-four-hour week and his cutting of 12½ per week off farmers' wages:

All these were very unpleasant duties but necessary in the interests of the Commonwealth. Imagine for 11 years refusing to increase the basic wage. Where men have families of more than two it is hard work to insist on them getting only the basic wage... Powers unavailing pleaded that such devoted public services, and the worry which they had caused him, more than warranted the reward of a knighthood.

Even the replacement of the independently-minded Higgins with the totally lick-spittle Powers could not satisfy the capitalists' needs, as they encountered the post-war depression in 1921. Their solution was to abolish the Arbitration Court for a period, a solution to which Hughes was tempted. Under the leadership men such as BHP's retired managing-director, G. D. Delpratt, a Single Purpose League was established with the aim of abolishing compulsory arbitration. Most political representatives of the capitalists preferred to fight the class struggle within the confines of a state apparatus (the Arbitration system), rather than have to slog it out in open conflict. To this end, the Commonwealth spent a good deal of its energies in the 1920s devising means of stacking the legal deck in the employers' favour.

Producing the 'profiteer'.

So far, numerous instances showing the immediacy of class struggle have been presented. These illustrate the economic, political and social features of the post-Great War period, and simultaneously serve as the necessary prerequisite for an investigation of the production of an ideological defence of the rate of exploitation, namely, the 1919–21 campaign against the elusive 'profiteer'. For a particular piece of ideology to be understood correctly, it must be reinserted into the social practices through which it developed. Our analysis of this particular instance of ideological production will be organised under four headings:

1. The governments' anti-profiteering campaign;
2. The etymological and social origins of profiteering;
3. Profiteering's congruence with longer-standing ideological defences of capitalism;
4. The dominance of the manufacturing fraction at the political level.

The Government's Campaign

The campaign against the profiteer was woven into every political activity. Long before its first public endorsement by the Prime Minister tied it to anti-Bolshevism, 'profiteers' were presented as the root cause of Bolshevism. Anti-profiteering legislation was enacted in each of the five mainland states; and it was the central argument advanced for the alteration of the Constitution to give the Commonwealth government temporary powers over prices. According to the leader of the Federal Parliamentary Labor Party, Frank Tudor, profiteering was the 'most vital question' of the 1919 election; his party had moved several censure motions and amendments on the question. The Inter-State Commission prepared twelve reports on wartime price-fixing and profiteering. In 1919, Hughes wanted to set up a Royal Commission and, in 1920, a Court of Commerce, to investigate and deal with the problem, but was frustrated by opposition from within his own government.
The Victorian government appointed a Royal Commission in August, 1919, which prepared five reports before the end of the year. Much of this investigative work was a surrogate for hard action, but the need for so many diversions is a testament to the depth of public concern at the rising cost of living.

The Origins of Profiteering

So what was a 'profiteer'? There are two possible answers. First, these are the definitions used by the framers of legislation where a typical form of words alleged that 'profiteering' was the charging of:

A price far in excess of the amount which might reasonably be claimed (after due allowance for abnormal conditions), having regard to the ratio of profit customarily asked or expected by fair traders or dealers in the case of a like article or commodity prior to the 31st day of July, One thousand nine hundred and fourteen.

What this meant in practice was almost always vaguely defined. Indeed, vagueness was central to the campaign. The reason for this deliberate impression will be clear once a different way of defining profiteering is employed. This definition will not be a dictionary-style one, but one derived from the reasons for the production of this particular piece of ideology. The second definition is the crux of this final segment of the essay.

Before proceeding, it is important to point out that this segment is not concerned with the truth of allegations about profiteering. That would require another essay entirely. What concerns us here is the ideology of 'anti-profiteering', not the practice of profiteering itself. There are two ways of pursuing the origins of the 'profiteer' as an ideology. One is to trace the appearance, spread and adaptation of the word in question. This approach has value, but largely only in so far as it elucidates the second method of pursuit, namely, the identification of the exact social practices with which 'profiteering' was expected to cope.

Though 'profiteer' first appeared during the wars of the 1790s the word fell into disuse, and did not regain currency until the latter half of the Great European War. For example, it was not used in 1915 when it would have enabled politicians to avoid circumlocutions such as 'the incapacity of the corn suppliers' or 'the makers of high profits'. 'Profiteering', as an expression, started to become popular in 1917. One measure, The Times Index, shows it having a fulsome existence of fewer than a dozen mentions in 1917 and not really becoming a major heading until 1919. Its first appearance in the Caucasan Minutes of the Federal Parliamentary Labor Party was on 2 August 1917, and it was sprinkled through parliamentary debates in 1918.

The argument does not list three references for the last third of 1918 and then no more until July 1919, when Hughes promised to shoot the 'profiteer'. Certainly, speakers in the Victorian parliament of late 1919 remarked upon its novelty, as well as upon its recent ubiquity. One member claimed that

Profiteer had replaced the pre-war term 'speculator' while another noted that it had 'become a household word...used in every part of the globe'. From even this fleeting examination of the re-emergence of the word 'profiteer', it is clear enough that it was the product of a particular conjunction. To define 'profiteer', it will be necessary to locate the features of that conjunction in more detail than the preceding three segments have done already. Nonetheless, it remains a partial account.

Briefly, the most important single feature was that the cost of living in Australia had risen by 62 per cent between 1913 and 1920, while wages had increased by only 51 per cent. More particularly, between March 1919 and January 1920, the wholesale price index rose by nearly 20 per cent. One line of descent from these facts to the ideology of 'profiteering' was spelled out in Hughes' policy speech where it was argued that 'profiteering' and industrial unrest both arose from the 'lack of wealth' for which the cure was more production, but this could come only from industrial peace, and so a Royal Commission into the Basic Wage was to be established since wage demands were caused by price increases.

Or, as Hughes put it in his speech to the House of Representatives on the Constitution Alteration Bill:

So we see that these three things—industrial unrest, the high cost of living, and the scarcity of raw materials and other necessities, that is to say, of wealth—are intimately related one to the other. Each results on the others. Each is the cause of both the others, and an effect of both the others. The high cost of living helps to cause industrial unrest; industrial unrest is fatal to production, and helps to cause the high cost of living. The scarcity of necessities contributes to the high cost of living, and to industrial unrest, and so on in a vicious circle, and in and out through the warp and woof runs the trail of the profiteer, who takes unfair advantage, for his personal greed, of the abnormal and unsettled condition of the world.

Despite the web which Hughes wove, he did not leave matters at this confused azeologic, and within another two paragraphs he had selected a determinate cause: 'So we come back again, by whatever road we travel, to the central problem of all—the problem of industrial peace.' Victoria's Premier, Lawson, was even more explicit when he introduced his Necessary Commodities Control Bill. Noting the impact of war on production, he argued that lower production had resulted in shortages which the 'greedy' take advantage of, before stressing the need for increased production through industrial peace, that is, no strikes. E.W. Greenwood, MLA for Boronia, and acknowledged spokesman in the Legislative Assembly for the commercial faction, defended his fellow traders against allegations of criminal profiteering with an attack on 'another crime against any community which is as serious, and that is the number of actions which arise under this measure'. So, as well as defining capitalists from charges of profiteering by segregating capitalism from 'profiteers', the 'anti-profiteering' campaign was a stalking horse for intensifying legal attacks upon the working classes' defence of their real wages.
To sum up: the purpose of all bourgeois ideology is twofold—to help defend the property rights of the Capitalists, and to assist in their expropriation of surplus value. ‘Anti-profiteering’ did both simultaneously at a time when property rights were under pressure from the Bolsheviks, and when inflation was undermining real wages, thus forcing the proletariat into increased demands. The need for a target other than the capitalists themselves was consequently very much in evidence. ‘Profiteering’ was presented as a very special category of economic activity, and despite its name did not refer to the normal practice of making a profit, but was presented as something external to the normal functioning of the capitalist system. The ‘profiteer’ supposedly exploited the capitalist just as much as he exploited the worker or the peasantry’s widow. In Premier Lawson’s words, “There are black sheep in every flock, and we are introducing this Bill to get at the black sheep.”

**CONGRUENCE WITH LONGER-STANDING DEFENCES**

Attacks on ‘profiteers’ fitted into both populist objections to capitalism, and into the Marshallian school of economic thought. This was not because disembodied ideas fitted together, but because all these ideas were part of the mystification of capitalist relations of production. The persuasiveness of ‘anti-profiteering’ was partly due to its ability to reproduce such widely accepted propositions as populism, and marginal utility, in a concrete situation. Broadly speaking, populism meant the endorsement of ‘profiteering’ by the labour movement, and marginal utility by the Right. Necessarily difficult to define, the pre-eminent characteristic of a populist appeal is its rallying of the overwhelming majority of the people into an undifferentiated alliance against a tiny handful of enemies. Profiteers temporarily took over from the ‘money power’ in Labor’s rhetoric. Typical was the pre-election advertisement headlined ‘The People’s Manifesto’ which pictured ‘The strong right arm of every honest man and woman’ using their franchise to write: ‘Down with the Profiteer!’—where else?—in the sky. Tudor’s endorsement of ‘profiteering’ as the ‘most vital question of the present election’ did not signify his satisfaction with the way the Nationalists proposed to deal with it, and a special Federal Labor Conference in October 1919 declared that ‘the referendum proposals..are merely intended to mislead the electors.’ Yet neither did Labor’s leader resolve to end profiteering extend to ending profit-taking as such, no matter how fondly this may have been desired by the party’s more radical spirits. Although the Labor leaders expanded the definition of profiteering to include a large body of well-known capitalists, Labor’s plan for them stopped well short of their expropriation.

The relationship between the ideology of ‘profiteering’ and the ideology of marginal utility was less direct than it was for populism. Despite one member’s attempt to remind the Victorian Legislative Council that ‘the Law of supply and demand is inexorable’ against Sir Frank Clarke’s ‘never-ceasing astonishment’ at its ‘apparent failure’, the contribution of the marginal utility school to ‘anti-profiteering’ was not at the level of articulate debate, but rather in the way in which marginal utility presented price as being determined solely in the processes of distribution. ‘Profiteering’ was seen as a dislocation of this natural process which, required Government intervention to restore. Even Bruce Smith, that paragon of laissez faire, supported the Constitutional Amendments because he believed that ‘profiteering’ resulted from ‘the hysterical condition of the people’ which prevented them from seeing the true value of commodities to the extent that they actually revolted in paying exorbitant prices. Marginal utility thinking also assisted in making ‘anti-profiteering’ more amenable to the interests of the manufacturing fraction of the bourgeoisie, precisely because it concentrated on prices being determined in the realm of distribution, and not in production.

Showing something of the connections between ‘anti-profiteering’, and populism and marginal utility analysis, reveals the nature of Marxist intellectual history which treats ideas, not as disembodied figments that move from brain to brain across the centuries picking up footnotes as they go, but on the contrary, as being in need of constant reproduction through social practices. Consequently, there is no such thing as a Marxist history of ideas, since ideas cannot have a history: it is the relationship of ideas to social practices which has a history.

**POLITICAL DOMINANCE OF THE MANUFACTURING FRACTION**

One of the important things to note about the anti-profiteering campaign was that it received the endorsement of segments of the state apparatuses. One might almost go so far as to say that it was produced there. Although most ideology was then produced outside the state apparatuses in Australia, ‘anti-profiteering’ became an official ideology of the capitalist state. It was not a wild left-wing protest. To appreciate why this was the case, it is essential to consider which fraction of the dominant capitalist class was dominant at the political level around 1919-1921. Although it cannot be proven in the space available here, there are very strong reasons for arguing that the manufacturing fraction was temporally dominant. Since ‘profiteering’ had its direct impact on the producer, whilst its most obvious beneficiary was the retailer, manufacturers were better able to hide behind the notion of the ‘profiteer’ than was the commercial fraction, which was by far the most outspoken in its opposition to the whole campaign. The future Prime Minister, S.M. Bruce, made the distinction between the various fractions of the capitalist class perfectly clear in a long letter to Hughes in which he (Bruce) expressed his strong support for dealing harshly with the ‘profiteer’:

The great primary industries I would leave untouched...the secondary industries we should also leave alone...In respect to the distributing traders...
Thus, the demands of war were not separate from the requirements of class struggle. Political, industrial and ideological repression increased during and after the Great War because of the changed nature of capitalism. Naturally, there were peculiarly Australian contours to this arising for reaction at home. The working class had been smashed during the strikes and lockouts of 1919-1920. It was left with virtually no independent organisation—industrial or political. It is not generally recognised how complete this destruction was. The rebuilding did not even commence until the late 1920s and most of it took place in the decade after 1920. In organisational terms, the working class then outstripped its opponents—with the powerful exception that the Imperialists still had all the state apparatus, such as arbitration tribunals, police and army. (Capitalism does not have a party, it has the state). In the war years, these state apparatuses were updated to outflank the recent organisational gains of the working class. And the state apparatuses organised around themselves a series of voluntary bodies recruited from the bourgeoisie and petit-bourgeoisie. The war was not an ‘excuse‘ used by the Imperialists to tighten the screws on the working class. The economic laws which produced the war were simultaneously driving Imperialism to more open forms of dictatorship, and eventually to fascism.

NOTES
1 N.L.A. MS 2823/46.
4 Labor Call, 8 May 1919.
5 Labor Call, 16 November 1920.
6 Bulletin, 21 August 1919.
7 Arora, 31 October 1919.
10 Freeman’s Journal, 20 May 1919.
11 Labor Call, 20 May 1919.
12 Firth, Scott, Australia during the War (Angus & Robertson, Sydney 1936), pp. 145-7.
16 Australian Archives, CP 447/2, SC 292.
17 For example, A.A., CP 447/3, SC 911.
18 W.A. Wall, to W.M. Hughes, 25 May 1918, N.L.A. MS 1314/575.

21 Hume Cook recorded that Hughes claimed in 1930, that he had been so familiar of a radical uprising in Queensland, towards the end of the war, that he had dispersed machines and machine parts, powdered in paper (1) and furniture, to loyalist elements there. N.I.A. MS. 601:736. my thanks to Peter Crampton for this reference. Ken Fenwick drew my attention to a file on T.J. Ryan’s alleged disloyal associations, in which the conservatw’s fear of a radical conspiracy is more prominent. See note in the Queensland Times in November 1917 is set out. A.A. 8, 1917:21(1370).


24 A.A., CP 447/2, SC 55.


27 Courier, 26 March 1919.

28 Courier, 2 April 1919. It is more than probable that the organisation had been established before the red flag riots, and that it is not engaged with them. See F.C. Upton to H. Brooke, 31. February 1919, N.I.A. MS. 9242:1; and A.A., CP 447/3, SC 55. However, Stables to W.A. Want, 9 February 1919.

29 Courier, 7 April 1919.

30 A.A., 23 July 1919.


32 A.A., 24 July 1919.

33 Courier, 26 March 1919

34 Courier, 21 May 1919, Worker, 10 April 1919.

35 Labor Call, 14 January 1919.

36 Gr($(Yorkshire), 12 February 1920.

37 Punch (Melbourne), 2 January 1919 and Australasian, 5 July 1919.

38 Freeman’s Journal, 20 March 1919.

39 Sunday Times, 13 April 1919.


42 Soldier, 14 February 1919.

43 Melbourne University in War Lectures, (George Robertson, Melbourne, 1919), pp. 5-6.

44 Ibid., pp. 70-71.


49 T.E. Ratt, Playing the Game. (Coffsohale, Sydney, 1925), p. 22. Lament in the source, Ruth determined expropriation by pointing out that even Christ had a treasurer in his little community, and larger so six from his name was Justinus.

50 Sir Henry Braddon, Essays and Addresses (Angus & Robertson, Sydney, 1939), pp. 176-178.

51 Industrial Australian and Mining Standards, 23 January 1919.

52 Courier, 15 March 1919.

53 Messenger, 23 May 1919.

54 Punch, 23 January 1919, and Buller, 3 April 1919.

55 A.A., CP 447/2, SC 294.


58 Western Australia, 5-8 May 1919, Daily News, 5 May 1919; and The Fremantle Wharf, 10 May 1919; B.R. De Corte, “An Incident in Fremantle”, Western Australian, 10 (May 1919), pp. 32-37.


61 C.P., 1900-1, IV, pp. 589-590.


66 F. Fink to K. Mundock, 2 April 1919, N.I.A. MS 2382:50.

67 The Australian Chamber of Manufacturers held a Special Conference on ‘Profi- Shoting the Bolshievik! Hang the Propertists!’ 205