JOURNAL OF CONTEMPORARY ASIA
https://doi.org/10.1080/00472336.2022.2032800

Routledge
Taylor & Francis Group

RESEARCH ARTICLE

Capital Accumulation in the "Lucky Country": Australia from the "Sheep's Back" to the "Quarry Economy." Part I: The Colonial Period

Nicolas Grinberg

CONICET, Buenos Aires, Argentina; UNSAM, San Martin, Argentina

ABSTRACT
Australia is unique as the only ex-colonial economy that has remained throughout its history at the top of high-income countries despite continuously specialising in the production of raw materials for world markets. Conscious of this peculiarity, a Treasurer once warned the nation of the risk of becoming a "banana republic." This article, the first of a two-part contribution, presents an account of Australia's economic history that explains that peculiarity as an alternative to mainstream and critical positions. Drawing on Marx's critique of political economy, it is argued that Australia's role in the production of surplus-value on a global scale has determined its pattern of economic and political development. Since its creation by British capital, the Australian economy became both a source of raw materials and of ground-rent for appropriation by competing economic actors. After introducing the general theoretical approach to the relationship between global- and national-scale processes of capital accumulation, this article analyses the colonial period. It argues that despite inheriting a variety of political institutions and cultural traditions, British colonialism produced a national economy specialised in, and limited to, the production of low-cost primary commodities and bearers of ground-rent that could be recovered by capital through specific state-mediated dynamics.

KEY WORDS
Australia; capital accumulation; ground-rent; political economy; colonial period

In its relatively short history, the Australian economy went from being one of the most promising areas of colonial settlement – especially for wage-earners – to become only a mediocre performer amongst rich countries – especially in terms of technological development – and to later enjoy a "miracle" renewal – especially regarding growth (Gruen 1986; McLean 2013). These changing fortunes of the Australian economy have meant that academic efforts to understand its long-term pattern of development have had diverse centres of gravity. While the theoretical background of mainstream and critical positions has changed with the focus of debates, scholars have tended to explain the historical record through the lens of recent developments, relating, explicitly or implicitly, the economy's current shape and future potentialities to long-standing politico-institutional settings.

CONTACT Nicolas Grinberg ngrinberg@unsam.edu.ar CONICET, Av. Pres. Roque Sáenz Peña 832, 7° Piso, Buenos Aires C1035AAQ, Argentina

Broadly defined, there have been three main contending theoretical traditions on Australia's economic development: one that has emphasised the importance of institutions supporting private property rights and market development (For example, Butlin 1959; Jackson 1977; Schedvin 1990; McLean 2013); another that has focused on the role played by institutional settings strengthening state capabilities (For example, Duncan and Fogarty 1984; Tsokhas 1996; Ravenhill 2000; Lloyd 2003); and a third that has centred on those shaping antagonistic class relations (For example, Buckley 1975; McMichael 1984; Tsokhas 1984; Heino 2015). Focusing on particular aspects of Australian political development and quantitative manifestations of its economic growth process, none of these approaches find any qualitative difference, other than its peculiar origins and distinctive resource endowment, in the form taken by the process of capital accumulation in Australia vis-à-vis other high-income countries, the so-called advanced capitalist economies. Tellingly, only when the Australian economy manifested itself in a distinctive pattern of industrial development and lagged behind, from the 1920s to the 1980s, did critical social scientists point at its continuous "dependence" on external demand for its primary-commodity exports, the extended presence of foreign-invested capital, and, relatedly, to its lacking a technological base; calling as did their Latin American dependency theory peers for further "economic nationalism" (see, for example, Wheelwright 1975; Tsokhas and Simms 1978; Cochrane 1980a).[1] Yet, though these dynamics indeed characterised Australian economic development, dependency theorists ignored that trade is a bilateral relationship and that foreign-capital investment patterns are co-determined by local conditions of valorisation (Tsokhas 1989). They also ignored that the raw-material exports by "dependent" economies rest on the monopoly over a non-reproducible means of production, land (Tsokhas 2017). More importantly, they ignored that the Australian national economy is but an integral part of a single self-differentiating worldwide process of social reproduction through capital accumulation rather than a self-determined independent unit (Bryan 1991). Hence, the necessity of those "dependent" dynamics, or their eventual overcoming, needs to be found not in the consciousness and agency of social actors but in the objective conditions of capital's valorisation, which are expressed through them.

In a nutshell, the problem with these approaches is that market-structuring political processes and institutional settings are social relations that, through the mediation of state policies and legal rules, regulate, however contradictorily, the allocation of the individual organs of social labour before these are performed, by means of *direct* command. Yet, in capitalism, social production and consumption are, as a general norm, undertaken privately by society's independent organs and the division of labour amongst them is, therefore, organised not through *direct* social relations between persons but autonomously from producers' conscious will and *indirectly* from their purposeful actions (Marx 1976, 125–187).

The goal of this two-part contribution is to outline an account of Australia's long-term politico-economic development alternative to those offered by different variants of the institutionalist approach in its neo-classical, Weberian, and Marxist versions. This account draws on several insights of Marx's critique of political economy. First, that the contemporary process of social reproduction is regulated autonomously through the boundless self-expansion of the materialised (objectified) capacity to organise the individual portions of social labour; that is, as a process of capital accumulation. Second, that, as an expression of its historical potentialities, the process of social reproduction through capital accumulation is structured on a world scale; that is, the production and appropriation of surplus-value is organised globally. Third, that, though autonomously regulated, capital accumulation comes about through different direct relations amongst social labour's independent individual organs, some of which transcend their private sphere to become political relations; that is, the class struggle and the state are forms of realisation of capital's self-valorisation (see Iñigo-Carrera 2014, 2016). In short, that national processes of capitalist development are specifically determined, class-struggle-driven, state-mediated particularisations of the production of surplus-value on a global scale which takes form in the international division of labour.

To fulfil the above-stated goal, this article, Part I of a two-part contribution, is organised as follows. The next section expands on those general insights and points at key global-accumulation dynamics related to Australia's place in the international division of labour. The subsequent section analyses the formation and development of capital accumulation in Australia during the Colonial period. The article then offers a brief, partial conclusion and points at the way in which Part II will continue the argument by focusing on the Commonwealth period.

From Global to National Capital Accumulation: Relative Surplus-Value and the Relocation of Primary-Commodity Production

Marx discovered long ago that the historical specificity of the capitalist mode of production resides in the fact that the division of social labour is organised not through direct relationships of personal dependence, as in previous modes, but indirectly, through the exchange of the products of labour processes privately performed by independent producers. Hence, to produce things useful for social reproduction, private organs of social labour produce exchangeable products, value, and relate to one another not as individuals who bear as a personal attribute their place in social production and consumption, but as persons who alienate that organising capacity in the objects they privately produce; as personifications of commodities who recognise each other as free individuals and owners of private property (Marx 1976, 125–177; see also Iñigo-Carrera 2008, 10–12, 2014, 557–560).

Personal independence means that direct productive co-operation to expand social labour's appropriation of its natural environment can only arise through impersonal association; that is, under the form of wage-labour employed by a private capital. In capitalism, the expansive potency of human life thus takes the form of a process in which the individual, private organs of social labour are deployed not with the immediate purpose of increasing the production of use-values, nor of producing use-values bearers of value, but of producing more value than what is needed to set them in action independently of each other; that is, producing for-a-profit or self-valorising. In other words, the *objectified* capacity to organise private individual organs of social labour, value-as-money, becomes, as capital, the *automatic subject* of social reproduction and never-ending accumulation its driving force (Marx 1976, 178–269, 707, 929; Iñigo-Carrera 2008, 12–15, 2014, 560–563).[2]

Organised as a process of capital accumulation, the general material unity of social reproduction is only established indirectly, as a by-product of private capital's market-based, competitive interactions. Hence, the indirect organisation of social labour through commodity exchange needs to come about through diverse types of institutionalised relations between the conscious bearers (personifications) of objectified social relationships that regulate those inherently antagonistic relations. The contract between trading partners is the simplest such institution (Marx 1976, 178–179; Pashukanis 2003, 109–133). The state is the most universal direct (non-market) social relationship amongst private independent organs of social labour that has arisen to regulate their potentially disruptive interactions and to organise their necessary extra-private co-operation (Poggi 1978, 79–85;

Pashukanis 2003, 134–150). Though incipient state-like forms emerged in societies, where private property and market-oriented independent production were extensive as in ancient Greece and Rome during their republican periods, this impersonal social relationship only develops its full historical potentialities in the capitalist mode of production (Marx 1976, 471–514; Dusza 1989). The historical *specificity* of the capitalist state is thus determined in the reproduction of the *generic* human capacity to produce use-values for social consumption, and thus value, transformed into a very commodity, labour-power, with the physical and mental conditions needed by the *total capital of society* to produce surplus-value and accumulate. Hence, the process of social reproduction through capital's bondless self-valorisation subsumes the intrinsically antagonistic, uneven and disruptive relations between buyers and sellers of labour-power, reproduced as poles of universal personifications of commodities – the capitalist and working classes – into a universal relationship of solidarity based on non-market and non-status, thus formally equal, personal attributes such as birthplace and bloodline; namely, *citizenship*.[3] Yet, as a concrete form of realisation of the indirectly regulated general social relationship, *capital*, citizenship can only exist objectified as an autonomous power that imposes itself over the otherwise "free" and "independent" individuals who relate through it; namely, the *state* (Marx 1976, 375–411; Iñigo-Carrera 2008, 95–101).[4]

As an objectified, direct, and universal (public) relationship amongst private organs of social labour, the state is organised under the form of an objective, self-contained system of rules (the legal system) based on ethical principles and, as such, is the political representative of the process of social reproduction through capital accumulation in its unity; that is, of the general material unity of social production and consumption in capitalism. Hence, in addition to pursuing all necessary actions to assure the circulation of commodities, the capitalist state subsumes all the *necessary*, direct forms of regulation of the circulation of the commodity that specifically determines the capitalist mode of production, labour-power, and of its consumption by capital to produce surplus-value. The former includes not only its "protection" to avoid its overconsumption and early exhaustion by private capital (labour laws) but also its physical and moral disciplining to assure its suitability for capitalist work (Marx 1976, 375–411). *Mutatis mutandis* the same holds for the regulation of capital's free appropriation of social labour's natural conditions of production. And, as the political representative of the total social capital, the state directs social labour's extra-market socialisation to produce relative surplus-value through labour-saving direct productive cooperation and scale-intensive technical change, whenever this process is beyond the market-based competitive relationships amongst social capital's individual organs. This involves not only the provision of "public goods" and the management of "natural monopolies," as often acknowledged, but also the centralisation of capital, either under public or private ownership, as an expression of its historical trends to negate private property (to concentrate) in the process of increasing social labour's productive powers through the development of the system of machinery of large-scale industry (Marx 1976, 776–779; Iñigo-Carrera 2008, 106–108, 2014, 566–572).[5]

As any other objectified social relation, state regulation of social labour is borne in the conscious and voluntary actions of individuals who are, and to the extent they are, private owners of commodities, and hence relate to one another as personifications, of the material conditions of production differentiated into antagonistic social classes (Heller 1971, 219–220, 247–248, 277–278). Yet, as an expression of the appearances of commodity circulation – where unequal relationships between buyers and sellers of labour-power appear as based on personal freedom, exchange equality, private property, and self-interest – citizenship-based political relations are potentially able to accommodate intra-class differentiation and inter-class amalgamation (Fine 1984, 95–121; Iñigo-Carrera 2008, 100–105). For, under the relationship of *citizenship of the state*, the disruptive character of the class struggle comes about through the collectively organised, formally-even contest to gain the capacity to embody the state institutions in charge of producing and implementing the rules that regulate market-based capital-labour and intra-capital relations as well as directing the extra-market co-operative socialisation of private portions of social labour: party-based, representative democracy. Not only do the capitalist and landowning classes become physically and mentally incapable of embodying the higher hierarchies of the state, as the complexity and extension of state functions develop; their continuation in those tasks would also militate against the appearance of independence from sectional interests (autonomy) that the state requires to be acknowledged as a legitimate authority and its functions to run smoothly. Nevertheless, capital, the alienated subject of social production and consumption, whenever necessary for its accumulation process, partly or fully, suspends, through state legal force, those citizenship rights in order to reduce, limit, or differentiate working-class reproduction. It does so whenever the coercive and ideological costs of dictatorial or authoritarian rule to deal with state-labour open confrontation vis-a-vis those of consensual conflict-minimising politics become lower than the extra surplus-value is able to gain through this form of state management (Heller 1971, 223–226, 261–267; Jessop 1990, 170–89; Iñigo-Carrera 2008, 102–106).

As a historically specific mode of human-life production where the social division of labour is organised indirectly, through the exchange of the products of independent self-valorising capitals, the laws of capitalist reproduction realise themselves through the constant self-correcting deviation of privately undertaken actions from their underlying social norms. As with any other concrete form of realisation of such process, state direct regulation of social labour through rules and directives (laws and policies) takes shape in the conditions of valorisation of individual capital, either directly through the distribution of surplus-value or indirectly thorough the reproduction of the labour force. It thus comes about through profitability swings and class struggles. These express themselves directly through the state-aimed actions of interest-group organisations and indirectly through party-based participation in state institutions. State regulation of social labour, hence, comes about through push-and-pull corporatist and political struggles mediating trial-and-error policy movements, which manifest themselves in uneven accumulation dynamics.

Organised as an impersonal, boundlessly expansive process of capital accumulation, the capitalist mode of social reproduction is global in terms of its inner structure, general dynamics, and historical trends. As Wallerstein (1974, 390–391, 398) put it, though without fully uncovering its historical specificity as a mode of social labour's development nor the potentialities and contradictions that arise from it, with the advent of capitalism the human process of social metabolism came to be organised under a single driving force and a unified locale, profit-seeking, market-mediated production. Yet, contrary to Wallerstein, the global or universal potentialities of capitalist social reproduction develop not simply from the private character (That is to say, commodity form) of social labour and the possibilities for impersonal interaction that arise with it. As with every other potentiality of capitalism this one is only fully developed in the socialisation of private labours; that is, in their transformation into ever-larger objectively organised co-operative powers under the alienated form of a materialised social relationship, capital.

Nevertheless, as an expression of its historical origins in feudal societies organised in the form of "parcelised" and overlapping sovereignties (which meant that the "modern" state arose necessarily as a territorially based social relationship) and of the private character of social labour in capitalism (which has yet limited the development of a universal direct social relationship),[6] as well as capital's continuously reproducing need to self-differentiate in order to enhance its accumulation process, the production of surplus-value on a global scale has hitherto come about through the interaction of politically mediated economic units; that is to say, of interdependent fragments of capital accumulation represented by formally independent "national" states and state-like institutions.[7]

National processes of capitalist development, then, are but class-struggle-driven, state-mediated forms of realisation of the process of capital accumulation on a global scale, however closely might the former have come to resemble the latter's potentialities at various moments of capitalism's historical development. In other words, the boundless self-expansion of capital accumulation, the historically specific form of social metabolism, takes form not only in its worldwide reach, by means of impersonal relations, but also in its unitary and autonomously regulated reproduction, through the profit-seeking agencies of individual capitals and the conscious and voluntary, yet alienated and ideologically shaped, actions of their personifications.[8] However, inasmuch as capital's globally based valorisation realises through its self-differentiation, this process exists in and through the regulating powers of nationally based, class-anchored political relations and the voluntary, yet alienated and ideologically shaped, actions of their conscious agents. And, inter-capital competition being mediated by nation-state direct regulation of social labour, the process takes form in inter-state political and military relations. Hence, long-term cultural, ideological, and institutional settings are not autonomous societal forces that jointly and "dialectically" co-determine national patterns of capitalist development. Nor are the geopolitical forces that emerge from inter-state dynamics. Rather, these direct or non-market forms of regulation of social labour reproduce, regardless of their pre-capitalist history, as an expression of the process of capitalist development and thus shape national societies in order to mediate the self-differentiating, organic unity of the process of capital accumulation on a global scale; that is, social reproduction through capital's never-ending valorisation (Marx 1976, 222, 702, 929; Braunmühl 1979; Iñigo-Carrera 2014, 562–565).

Now, it is well known that the expansion of capital accumulation beyond its original geographical locations was initially driven by the search for low-cost raw materials, especially foodstuffs and textile fibres, for Europe's growing urban populations and incipient wage-earning industrial workforce. Later, as the development of large-scale manufacturing production increased labour productivity, especially in Britain, enlarged markets also began to play an important role in capital's outwards expansion. Initially, the process was largely, though not necessarily, led by national states through their concentrated military power. Later, once political control of new territories was accomplished, private capital generally took over the organisation of colonial economic activities (Marx 1976, 579–581, 915–922; Iñigo-Carrera 2016, 34–49). It is also well known that the historical origins of capital accumulation in Australia are to be found in that process.

From Penal Colony to "Wool Capital of the World": Formation of the Australian Process of Capital Accumulation

The south-eastern territory of present-day Australia was incorporated into the British Empire in 1788, eight years after Captain Cook landed in Botany Bay. It was meant to operate as a self-sufficient penal colony in replacement of the recently independent 13 North American colonies. Not only could Britain dump part of its growing surplus population, but it could also control potentially useful lands long cherished by competing European economies. Its location also gave this part of the continent a geo-political value.

Aboriginal inhabitants were thus forcefully displaced or eliminated to make room for the colonial project. From there it would subsequently expand to take over the entire landmass under the legal form of *terra nullius*, in the process killing through arms, disease, malnutrition, destitution, and addiction thousands of its original inhabitants. *Terra nullius* was a natural law fiction based on the Lockean ethical principle that land belonged to those who worked it and that aboriginal peoples, allegedly, were neither agriculturalist nor pastoralist (Miles 1986, 113–114, 127–128; Wells 1989, 12–16; Karskens 2013; Pascoe 2014).

Soon enough, local production of low-price food, energy, and materials (by bonded inmate, emancipated, and free labour using freely distributed aboriginal lands) developed to supply the gaol and military establishments, thus reducing the costs of importing them from farther in the Empire. For the first decades of the 19th century, that was the colony's main economic activity. It did not take long, however, for civil and military colonial bureaucrats and early colonists to engage in the provision of food and services for the USA and British sealing and whaling ships working in the area and, later, to invest in the fishing industry themselves. Easy catches around the coast of the south-eastern colonies made whaling attractive, especially in view of Britain's loss of North Atlantic whale oil supply sources. Distance and the predominance of rapidly decomposing black-whale oils, nevertheless, constituted too high a barrier for such an exporting industry to develop fully in the Antipodes. Hence, it would only be around the 1830s that colonial primary-commodity exports to British markets began to enter a sustainable growth path with the development of merino wool production for high-quality industrially made worsteds. The natural conditions of south-eastern Australia were particularly suitable to produce fine long-fibre wool, with dry and warm weather and extensive grasslands conditioned by centuries of (allegedly never-occurring) aboriginal fire-stick farming and with easy access to surface and artesian water (see Pascoe 2014). In addition, the disruption of European trade caused by the Napoleonic wars had created a strong incentive for the relocation of wool production into the colony of New South Wales (NSW). British industrial capital, through the agency of its political representative, the imperial state, thus reorganised the business by displacing the aboriginal populations, expanding the flow of British labourers and capital into the colonies, and reducing import taxes in the motherland, to increase the supply of wool from NSW and its two outposts, Van Diemen's Land (later Tasmania) and, subsequently, New Zealand (McMichael 1984, 35–75; Wells 1989, 16–25; Butlin 1994, 8–46).[9]

Under favourable market and natural conditions, the wool industry grew strongly as technical changes in wool-yarn weaving and trans-oceanic transport occurring through the mid-19th century allowed the further replacement of coarse British fibres with fine Australian material. Wool became the colonies' leading export. Thanks to its low production costs, their high-quality fibres slowly but steadily out-competed higher-cost production from high-quality suppliers in continental Europe; mainly from east Germany where merino wool production had relocated after the Napoleonic Wars destroyed the Spanish flocks. Australian production expanded strongly to take 50% of the British market by 1850, despite a slowdown in the mid-1840s, when an international economic crisis resulted in depressed global demand and, consequently, reduced market prices (Clark 1975, 51–54; McMichael 1984, 55–66).

The lower cost of Australian wool, including internal and oceanic transport costs, allowed industrial capital using it as input to reduce the cost of producing woollen textiles without investing in further labour-saving technical development. Competition passed that reduction onto consumer prices and, therefore, pressed wages down without affecting their purchasing power and the quality of the labour-power that could be produced through workers' private consumption. Australia's incorporation into the international division of labour resulted, *ceteris paribus*, in the reduction of the portion of the working-time during which wage-workers in Britain (and later elsewhere) produced the equivalent of the value of their labour-power and, hence, in the expansion of the portion during which they produced surplus-value for industrial and commercial capital; it resulted in the production of relative surplus-value (Marx 1976, 579–581). Moreover, lower-cost imports of raw materials also freed up, on a one-off basis, capital for accumulation (Marx 1981, 200–206). As in all cases of intra-empire primary commodity production, wool from Australia, as well as production credit, became, since its inception, directly or indirectly controlled by "metropolitan" commercial capital (Clark 1975, 53; McMichael 1980, 321–323; Wells 1989, 42–64).

The production of primary commodities in the Australian colonies, especially as wool exports took off, expanded the amount of surplus-value available for capital accumulation in Britain. Yet it also resulted in a flow of surplus-value in the form of ground-rent or "natural resource" rent towards the colonial economy.[10] For, contrary to manufactures and services, primary-commodity prices are regulated not by average but by the least favourable, non-reproducible natural conditions of production used to satisfy effective demand which are compatible with the normal valorisation of capital. Hence, for all output other than that produced in the marginal conditions of production and valorisation, the prices of primary commodities not only amount to an equivalent in money of the socially necessary labour time privately spent in their production, but also include a portion of extraordinary surplus-value over-and-above what constitutes capital's normal profits that competition transforms into *differential* ground-rent appropriated by those personifying landed property's monopoly of intra-marginal natural conditions, landowners (Marx 1981, 779–823).[11] Moreover, since owners of marginal natural conditions also need to be paid in exchange for the use of their lands, primary-commodity prices must rise further above that simply covering production costs and normal profits for "marginal" capitals to include a rent for the *absolute* monopoly of natural conditions of production (Marx 1981, 882–907).[12] As such, both types of rent are paid by capital consuming rent-bearing commodities, directly or through their employees' private consumption, and, through profit-rate equalising trends, by the total capital of society; it thus reduces the surplus-value available for accumulation.[13] As the new legal owner of the natural conditions of production in the Australian colonies, the imperial state, the general political representative of rent-paying British capital, became entitled to that flow of surplus-value.[14]

Initially, while export activities remained unimportant, the colonial state directly appropriated a portion of the small inflowing ground-rent to fund part of its penal operations, thus reducing the need for imperial-state contributions. It did so through the imposition of export taxes on such primary commodities as wool, hides, timber, and seal/whale oil (Reinhardt and Steel 2006, 4). Commercial capital exporting those commodities passed these taxes onto land-owning capital producing them who, having freely appropriated agrarian land or exploited maritime "commons," paid them with a portion of the extraordinary profits they received in the form of "natural resource" rent, however mixed with normal profits this might have been. Incipient commercial capital, in turn, appropriated another portion of the inflowing ground-rent through its control of export and import trade while Britain-based industrial capital did so through the effect of tariffs that increased the prices in the colonies of British manufactures relative to those prevailing in Britain. In addition to these fiscal contributions and British state resources, import taxes and excise duties were increasingly levied on working-class consumption items, mainly narcotics and stimulants, falling on the meagre wages of local bonded labourers (Butlin 1994, 73–92).

Subsequently, as wool exports began to take off, and primary-commodity production for world markets overtook in importance the servicing of penal and military establishments, the colonial administrations began to pursue other methods to capture part of the inflowing ground-rent. Through the 1830s, they replaced the policy of free grants with the selling, licensing, and leasing of crown (state-owned) lands for agrarian production (Fitzpatrick 1949, 36–38; Wells 1989, 16–19; Butlin 1994, 83–84). In all cases fiscal revenue was made of current or capitalised ground-rent. Nevertheless, wool-producing capitalists would continue to freely appropriate large tracts of land; this time outside of the "limits of settlement," where the state was unable to enforce its property rights. Squatters' claim to freely appropriated land would be partly acknowledged in 1847, allowing landowning capitalists to further add rent to profits (Fitzpatrick 1949, 80; McMichael 1980, 324–325; Wells 1989, 33–36).

Ground-rent appropriation/recovery by rent-paying British capital was not only circumscribed to colonial land privatisation policy and mild foreign trade taxes. Since its inception, wool-trading capital managed, as a result of its higher degree of concentration and stronger market power, to appropriate a portion of the ground-rent together with its normal profits. For that purpose, legal restrictions on usury lending were lifted in the colonies in the early 1830s, justified as necessary to attract commercial capital into the risky wool business. Commercial banks and merchant capital would charge higher interest rates for local loans than to those made in Britain. Primary sector capital would only be able to afford those taxing financial costs because it could pay them with a portion of the surplus-value taking the form (in the unity of the world market) of ground-rent (Fitzpatrick 1949, 33–34, 39–42; Wells 1989, 55–60).

During its first decades of development, Australian wool production was organised around the free or semi-free occupation of conquered, state-owned land by agrarian capitalists and the allocation by state directives of low-cost convict labour to their operations. Landowning capitalists thus also managed to appropriate extraordinary profits (a portion of the ground-rent and of the value of labour-power) while consolidating their activities (Buckley 1975, 26–31; Miles 1986, 114–120; Butlin 1994, 46–52). However, as wool and complementary food production expanded, change was introduced on imperial labour policy. Through the early 1840s, while land grants were cut back, convict transportation to NSW was suspended and later abolished while it continued for an extra decade in Tasmania and was yet to begin in Western Australia. With the revenue raised from land rentals and sales, immigration of free, non-convict workers would be "assisted." As labour redundancy in Britain grew rapidly, displaced by technical change and the mid-century global economy crisis, prisoner transportation to Australia was replaced by voluntary migration (Miles 1986, 121–122; Wells 1989, 44–49). As voluntary migration outpaced forced movements, and early convicts completed their sentences, bonded labour arrangements eventually became incompatible with the normal reproduction of capital accumulation in the colonies. This was because unfree workers would have undermined the bargaining power of free wage-earning labourers, and hence their reproduction in the physical and mental conditions capital required from them. Moreover, as urban activities flourished and extensive pastoral, rather than intensive agricultural, production consolidated in NSW's interior regions, bonded workers generally became an inefficient source of labour-power, even if short-sighted land-squatting capitalists attempted to trade off quality for cost and replace them with bonded and semi-bonded Aboriginal labour and indentured workers from Asia and the Pacific Islands (Fitzpatrick 1949, 56–70; Butlin

1994, 122–132; Miles 1986, 126–135).[15] Hence, British capital would kill two birds with one stone by developing a new source of cheaper raw materials for its leading manufacturing sector while getting rid at low cost of part of its large and growing surplus population. It funded this operation with the surplus-value that had previously taken the form of ground-rent earned by its Spanish and German suppliers of merino wool.

During most of the 1840s, the world market underwent a crisis, which negatively affected the Australian production of wool and the colonial economy in general. The crisis, however, also yielded an unexpected positive development as the general fall in the prices of commodities manifested itself in an increase in the purchasing power of the commodity that functioned as money in the global market, gold. The increase in the profitability of gold production resulted in the development of new sources of supply, first in California and later in geologically similar areas of NSW, where local explorers had long been searching for precious metals (Blainey 1970, 305–306). Attracted by the possibility to work in the south-eastern Australian alluvial deposits and in ancillary activities, migratory inflows increased, tripling the total population in one decade (the increase was seven-fold in what became the new colony of Victoria, where the "rush" centred). Stimulated by high profits and supported by large inflows of labour-power, Australian gold production boomed during the 1850s and the flow of ground-rent to the colonial economy thus expanded strongly (Fitzpatrick 1949, 102–113; Clark 1975, 54–55; McLean 2013, 80–95).

In an exception to general principles of common law, gold deposits within the British Empire belonged to the state. This took its share of the surplus-value in the form of ground-rent materialised in the price of Australian gold, partly to organise mining operations and partly to fund other public sector activities. The colonial states of Victoria and NSW thus passed, in 1851–1853, a series of government acts asserting those rights and imposing a licence fee on miners and a 10% royalty on the value of gold found in hard-rock mining. However, after a series of miner rebellions and refusals to renew licences, the high upfront annual fee and the royalty were replaced by a combination of a low nominal fee/royalty and a uniform export duty. By then, yields of alluvial gold had fallen sharply from initial levels and independent labour-intensive mining was giving way to company-based, capital-intensive operations on deeper deposits and, increasingly, to quartz mining. Being levied on revenue rather than capital, export taxes would fall on profits. Being levied exclusively on gold mining capital, they could only fall on extraordinary profits or ground-rent, not on normal profits. Mining laws were amended in 1855, as colonial assemblies gained legislative powers, changing taxation methods while reasserting state's rights over all sub-soil resources, not only gold as in the English common law tradition. As ever, British banks took their share of the mining ground-rent by applying a 10–12% discount on bills against bullion during the prosperous early years of the Victorian gold rush (Fitzpatrick 1949, 102–117; Wells 1989, 36, 111–112; Curthoys and Mitchell 2013, 176–180).

The development of gold mining manifested itself in several changes in the political economy of the British colonies in Australia. First, it finally led to the separation of southern NSW into Victoria (1851), after several failed attempts made by local pastoral capitalists, and a few years later of northern NSW into Queensland (1859). Rapid economic prosperity in the area around Melbourne had greatly strengthened their claim for a place in the political representation of the process of capital accumulation, especially in view of the 1850 *Australian Colonies Government Act*, passed by the British Parliament to enable "responsible" government in the colonies. Second, the expansion of mining and related activities accelerated and shaped the transition to self-government and political democracy in the main colonies; not least by providing a local source of material for coinage and extra fiscal revenue. Thereafter, colonial legislatures with elected representatives (initially under limited franchise and a marked rural bias) took over, from the British Parliament and Governors, the right to regulate local economic activities (Jackson 1977, 159–165; Curthoys and Mitchell 2013, 157–164; McLean 2013, 63–67). Local economic actors had long demanded direct control over the privatisation of Crown Lands and restraint on the colonial economy's contribution towards residual penal activities and assisted immigration, and hence the appropriation of ground-rent. In the primary-commodity producing colonies, where the state still owned most productive lands, the process of capital accumulation required political representation independent from that in industrialised Britain, where ground-rent was appropriated by private landowners. By separating this portion of its original process of accumulation, rent-paying British capital could somehow step up its already contentious and highly disputed attempts to recover the Australian ground-rent without violating the private-property rights of Britain-based landowners. An independent state using this type of income to promote local economic development would be acting in its stead. Hence, the unity of interest and purpose between the two sides of the semi-independence process and the relative smoothness of the transition towards colonial self-government.

Political separation from Britain offered the possibility for capital in the colonies to use state powers to form a national space of accumulation based on the general production of commodities, as the one that had engendered it, taking advantage of the vast natural wealth and ground-rent at its disposal. For that, industrial capital should have rapidly achieved the degree of concentration necessary to produce manufactures competitively. Without a large population and internal market, as in the contemporary USA and Germany, where political unification and tariff protectionism sufficed, the semi-autonomous colonial states should have pooled resources, merging into a unitary state and a single domestic market, and centralised capital not only in public utilities, as they would eventually do separately and uncoordinatedly, but also in large-scale capital-intensive manufacturing (iron and steel, industrial machinery, transport material) while briefly shielding it from foreign competition and rapidly increasing the inflow of workers into the sector. Empire and extra-Empire markets of manufactures should have rapidly been targeted. Such transformation would have meant the end of British capital's appropriation of the Australian ground-rent, for this would have been transformed into fully concentrated industrial capital. This structural change, however, did not eventuate. Its potentiality for the process of capital accumulation on a global scale, vis-à-vis the reproduction of the previous economic structure and form of participation of the Australian colonies in the international division of labour, was rather limited. Hence, the imperial government in Britain both retained veto power over economic policy and control over diplomatic relations while remaining as a military force in the self-governed Australian colonies, thus restricting the state's capacity to carry out the transformation of the local process of capital accumulation in the direction, and as a competitor, of the one that had engendered it as a primary-commodity producing appendage. Moreover, the brief history, sparse population and, thus, fragmented character of colonial polity that resulted from the transition to self-government during the second half of the 19th century reinforced this limitation by enhancing inter-colonial competition and delaying political unification and market consolidation. Hence, the little appetite to engage in any US-style revolutionary enterprise by local actors (Wells 1989, 65–68; Curthoys and Mitchell 2013).

Thus, starting in 1852, import tariffs were reformed, ending with the differential duties that had favoured British manufacturers and decreasing, rather than increasing, average levels of protection for local capital. In other words, to reduce the cost of gold and wool production in, mainly, NSW and Victoria, the semi-autonomous colonial governments adopted a broadly free-trade policy for European origin equipment and consumer goods, while fragmenting the home market for locally made manufactures and foodstuffs through external competition and residual inter-colony taxes. Tariffs would be implemented mainly for revenue purposes. And, they would indirectly fall on the profits of those capitals who could not pass their burden into local consumers, namely, wool and mineral exporters. In other words, low import tariffs were a form of ground-rent appropriation by the colonial states and, through them, by private capitals in general. It would only be in the last part of the 19th century that the governments of Victoria, Queensland, South Australia, and Tasmania established tariffs to protect the incipient secondary industries. These, however, would mainly include simple non-durable consumer goods such as woollens, leather goods, earthenware, and woodware, which could be made with local raw materials and female workers, thus saving one or even two oceanic freights and reducing the value of male labour-power. They also included equipment replacement parts and repair services, which could be produced with the unemployed labour skills left by the decline in mining employment as production slowed after the 1850s and the technical composition of capital in the sector increased. The older self-governing colony of NSW, nevertheless, would remain largely open to foreign trade. With extensive publicly owned land resources it could raise revenue through sales and rentals and its manufacturing industry, having a longer history, required lower levels of protection to grow. Moreover, given Victoria's relatively extensive development of small-scale agriculture, and hence relatively large domestic markets for labour-intensive, non-durable goods, tariff-influenced domestic terms-of-trade became an incipient form of ground-rent appropriation by manufacturing capital. Conversely, NSW's more extensive stock of Crown Lands and mining resources, as well as the presence of large-scale pastoral interests, meant that land sales and land taxes were a more suitable form of ground-rent appropriation by capital (Fitzpatrick 1949, 113–118, 181–183; Butlin 1959, 43–45; Wells 1989, 89–92; Lloyd 2003, 410–411).[16]

The mid-century increase in the size of the colonial population, however small by international standards, manifested itself in expanded demand for manufactures and gave rise to an increase in the consumption of foodstuffs. Meat was sourced locally, compensating sheep-farming capital for the weakening wool prices, while new sources of supply were added in Australia and elsewhere. Wheat had to be, initially, partly imported from Chile and California. The impact of the oceanic freight on market prices, nevertheless, rapidly promoted the expansion of colonial production through the state-managed development of railways, reducing internal transport costs, and of irrigation systems, complementing low rainfall in arid regions, and through private-sector initiatives in the development of agricultural machinery capable of adapting for temperate-weather agriculture the harsh soil conditions of the warm xerophyte woodlands of west NSW, north Victoria, and north South Australia (Fitzpatrick 1949, 144–164).

Under the technological conditions of the time, wheat growing was undertaken in smaller land holdings than those predominating in sheep raising for wool or meat production. Initially, cereal production was thus organised in the form of land leases/sales to small agrarian capitalists and petty-commodity producers in the newer Wakefieldian colony of South Australia as well as in the older colony of Tasmania, while meat was produced on the large runs of NSW and Victoria. Cereal production, however, expanded into Victoria and, to a lesser extent, NSW, when the end of the labour-intensive stage of the gold-mining boom manifested itself in rapidly growing unemployment and mounting social conflict. Colonial governments were forced, by political pressure, to pass the *Crown*

Land Acts of NSW (1861) and Victoria (1865) to facilitate the "selection" of land by displaced miners and pastoral workers. Nevertheless, in control of colonial legislatures, wool-producing, land-squatting capitalists would minimise their impact by purchasing, often through illegal or illegitimate methods, large tracts of land at relatively low prices, partly funding their acquisitions by borrowing, directly or indirectly, from British creditors (Fitzpatrick 1949, 138–144; Clark 1975, 55–56; McMichael 1980, 325–328).

Through the 1860s, the Australian colonies entered a new high-growth period. By then, the second industrial revolution was manifesting itself in the expansion of the demand for materials and food for European manufacturing sectors and in the reduction of transport cost thanks to the development of railways, steel-clad steamships, telegraphs, and food conservation methods such as refrigeration and canning, as well as the 1869 opening of the Suez Canal. These developments not only directly reduced the cost of delivering Australian primary-commodity products to overseas markets, but also the cost of imported industrial goods and, therefore, indirectly the cost of production of primary or semi-finished commodities in Australia. One direct result was an increase in the ground-rent flowing into the colonial economies. Another result, that would indirectly enlarge the ground-rent available for appropriation, was the development of agrarian production in extra-marginal regions, especially in Victoria and Queensland, which was encouraged through investment in mechanical equipment and technical innovation to adapt to local soil and weather conditions for wheat and sugar production (Fitzpatrick 1949, 151–186; Cochrane 1980a, 18–29).

As Australian wool and mineral production expanded during the 1860s–1880s, while the international economy boomed and the mechanisation of the woollen industry advanced (For example, in wool combing) and spread through Continental Europe, British capital inflows recovered strongly. However, private commercial finance for wool production and trade were now overshadowed by loans for land acquisitions, by squatters and selectors, and, especially, by purchases of state debt securities to fund public sector investment in transport, port, and urban facilities directly and indirectly related to the primary export industries, as well as by direct investment in base metal mining. These investments yielded returns above similar undertakings in Britain because of their low-risk high interest and low-tax high profits (Fitzpatrick 1949, 118–122; Jackson 1977, 68–69, 143; Wells 1989, 120–124). The wool trade, conversely, fell increasingly into the hands of local commercial capital, which had grown and matured throughout the previous period as export markets diversified into North America and Continental Europe. Moreover, as the ground-rent contained in Australian wool was increasingly paid with surplus-value from various national sources, direct control by British capital became obsolete. Newly developed telegraphic connections would assist marketing centralisation (McMichael 1984, 228–229; Wells 1989, 124–130; Tsokhas 1990). Hence, differences in the organisation of business notwithstanding, instead of transforming the expanding ground-rent into an industrial capital with the degree of concentration necessary to produce manufactures for world markets, the semi-independent colonial states transformed it, by action or inaction, into extraordinary profits for landowning agrarian capitalists and their partners, rent-paying international capital (Wells 1989, 81–104).

The global economic crisis of the early 1890s manifested itself, as five decades earlier, in a drop in the international price of wool, bankrupting many indebted, landowning capitalists and transferring the foreclosed property to their creditors, mostly funded in British capital markets. Some of these began to be administered by moneylending capitals while others, especially in South Australia and Victoria, where soil conditions favoured it, were re-sold to state-financed small capitalists or petty-commodity producers of wheat, meat, and dairy for the growing domestic and, increasingly, international markets (Schwartz 1989, 64–67, 87–94; McMichael 1984, 228–232). This limited transformation of wool-producing lands into small-scale food-producing farms, which continued the "selection" process of the previous decades, resulted in an increase in the extensive and intensive application of capital on the land, and ceteris paribus in the amount of ground-rent available for appropriation in the colonial economy. These activities, on average, were more "capital intensive" than pastoral investments. Since small-capital valorisation and petty-commodity reproduction are regulated by the "opportunity cost" of capital (the interest rate) and of (family) labour (market wages), rather than the (higher) average rate of profit earned by normal-size capitals, investments could be made on lands where pastoral capital did not find it profitable (McCarty 1964, 18–19). Moreover, to the extent that small capitalist and petty-commodity producers did not pay the full price of the land they bought, as was the case under several state-run schemes for "closer settlement" (land redistribution), the restriction to intensive and extensive capital investment lifted by landed property was further reduced (Marx 1981, 763–764, 938–950).

Despite the negative, crisis-driven movements in prices and profitability in the early 1890s and adverse climatic conditions in the late 1890s, the final decades of the 19th century witnessed a strong growth in Australian export-oriented production of agrarian origin commodities such as meat, wheat, and dairy, as well as minerals such as copper, iron ore, lead, zinc, and silver. Yet, once the international 1890s crisis had passed, wool recovered its predominant position in the Australian export-oriented economy and consolidated Australia's leading position in the global market of textile fibres (Fitzpatrick 1949, 190–193; Jackson 1977, 63–73).

Hence, the development of British colonialism in Australia did not produce, thanks to the cultural, institutional, and political heritage, a society with an economy organised in a form similar to that which had engendered it, though with different resource endowments, as implicitly argued by neo-classical economists (McLean 2013, 5–6). Nor was this the early-stage product of hard-won democratic institutions of government by local actors, leading to extensive private-property rights, as suggested by new institutional economics authors (Acemoglu and Robinson 2012, 274–282). And, indeed, nor was it produced by its non-democratic institutions of convictism, monopoly and land-grabbing or by their mid-century crisis-triggered reversal, as Marxists historians such as Buckley (1975) and World-system theoreticians such as McMichael (1980, 323–329) respectively claimed. Rather, British colonialism in Australia produced a group of small "national" economies structured to function in the valorisation of capital on a global scale as appendages specifically limited to the production of low-cost raw materials under favourable non-reproducible natural conditions and, therefore, as sources of ground-rent to appropriate by capital through the actions of increasingly semi-autonomous colonial states. As noted above, political and economic institutions shaped the historical development of colonial societies as an expression of global-scale accumulation dynamics; they did not determine it.

Concluding Remarks: Australia in the Global Economy

This article, the first of a two-part contribution, claimed that Australian capitalism is anything but a specific national organ of global capital accumulation, and that Australian modality of capital accumulation developed from its mode of subsumption in the ever-expanding production of surplus-value on a global scale; that is, from its participation in the capitalist international division of labour as a producer of raw materials. The article thus analysed the genesis and transformations of Australian capitalism during the colonial period from 1788 to 1901. It was argued that British colonialism in the territories that became Australia produced a group of economies that despite inheriting a variety of political institutions and cultural traditions, reproduced as an appendage specialised in the production of low-cost primary commodities bearers of ground-rent that could be recovered by capital through state policies and the agency of political actors. Capital thus managed to partly overcome its antagonistic relation with landed property while sterilising that surplus-value from being transformed into a new competitor in global markets. The article showed that the colonial relationship, formally tying metropolitan and colonial landowning interests, somehow limited capital's options in the direction. Part II, to appear in a later issue of this journal, will analyse the political economy and development of Australian capitalism during the post-colonial period, when rent-paying capital lifted that restriction through the conformation of an "independent" nation-state.

Notes

1. Even more telling is the lack of criticism amongst some present-day Australian Marxists. For example, Bramble (2015) who, in the wake of the recent commodities boom, not only mocks "left-nationalist" claims that Australia was ever a "dependent" economy, frequently a tool of US "imperialist" efforts in Asia, but defines it as a wealthy and "diversified," "independent" capitalist economy that pursues its own mid-level imperialist projects, sometimes drawing the USA into backing its strategies. Probably noticing that the evidence presented to support his "left-internationalist" hypothesis is the same as that which had supported the "left-nationalist" claims, Bramble (2015, 79) then qualifies his criticism with the vague statement that: "However, on balance, foreign investment since the 1980s has strengthened the overall fortunes of Australian capitalism by extending accumulation and enhancing its capacity to exploit the Australian working class."
2. Contrary to Bonefeld (1995) capital is not a mode of existence of "alienated" but of private labour; that is, of the alienation or positing of the power to organise social labour into the material product of its independent organs, commodity-value. Capital is thus the necessary form of realisation, through its self-negation, of the expansive potentiality of privately performed social labour, that is, self-valorising value.
3. Class struggle, then, is not simply "the daily resistance of the labouring class to the imposition of work – a permanent feature of human society above primitive levels" as argued Burnham (1994, 225). For this "definition" already assumes the quality it needs to explain. What is common to all societies where the separation of the direct producers from the non-producers has already taken place is the daily resistance to exploitation of the labouring *population*. Class struggle is such a process under a historically specific form. For class is an impersonal, yet direct, universal relation between personifications of commodities (competition under the form of co-operation to maximise the outcome of commodity sale/purchase) that arises as an necessity of capital's reproduction, the sale/purchase of labour-power for its value, and develops as an expression of its historical potentialities, the socialisation of private labour through the state.
4. Contrary to the Open Marxism position seen in, for example, Holloway and Picciotto (1979) and Burnham (1994), capital is not a historical form of "class domination," and hence its movement determined in the process of class struggle. Rather, the capital-form of labour organisation exists through the differentiation of its individual organs into antagonistic social classes.
5. The specific determinations of the capitalist state – that is, the necessity of the state *form* of social relations – and, hence, its potentialities cannot be discovered other than by uncovering its inner relationship with the self-regulated process of social reproduction through capital accumulation. This was the goal pursued by the 1970s German "capital-logic" school (see Holloway and Picciotto 1979). In a nutshell, the key difference between that school and the approach on the capitalist state followed here lies in that "capital-logic" authors implicitly tended to consider the state as an entity separated from capital that comes to fulfil different functions to assure its reproduction rather than a form of realisation of the capital relation through its self-negation. Hence, despite their valuable contributions, most of the authors working within this research programme failed to find the specific determination of the capitalist state in the production of *absolute* surplus-value; rather, they emphasised different functions pursued either by the state as an expression of simple commodity production (For example, the regulation of money, contracts, and patents or the granting of internal and

external security) or the production of *relative* surplus-value (such as the provision of welfare, education, and infrastructure or the management of crisis tendencies inherent in capitalist regulation of social metabolism). For a notable exception, see Müller and Neusüss (1975) whose 77-page essay appears as a 7-page summary in the Holloway and Picciotto edition. Nor do structuralist authors, such as Poulantzas (1978), advance much further when pointing at the unity of state's repressive, co-optative and ideological functions to reproduce capitalism's internal cohesion as a system of class exploitation. They failed to see not only that class struggle is itself a concrete form of existence of the capital social relationship but also that capitalism is, before all else, a historically specific mode of social labour's organisation based on the generalisation of commodity production. Hence, capitalist reproduction as a mode of social labour's development requires, above all, the normal reproduction of its commoditised individual organs. In other words, the cohesion in the exploitation of direct producers as-wage-labourers by the total social capital requires above all the regulation of their over-exploitation by the independent and uncoordinated, competing private capitals that constitute it.

6. Contrary to the position taken by Political Marxists such as Teschke and Lacher (2007), the international "state system" did not pre-date the formation of the capitalist mode of production, thereby having a contingent relationship with it and shaping its course of development thereafter. Regardless of its historical origin in the form of generalised personal dependence based on "national identities" rather than status, the state, as an impersonal social relationship, is but a necessary mode of existence of the general objectified (impersonal) social relationship of capital accumulation. As the product of previous historical development, the (capitalist or "modern") state could have only been created by a ruling authority that unified the pre-existing fragmented sovereignties and the various overlapping legal systems across an extended, yet limited territory. Such centralising power could have not been other than one based on (generalised) personal dependence; that is, an absolute monarchy (Poggi 1978, 60–85). And, given the differential patterns of Europe's feudal development and the differential timing of its capitalist transformation/transition, this process could not engender a unitary state.
7. This does not mean that the national form of the state exists for efficient, localised control of labour's reproduction and inter-capital relations, as argued by Political Marxists (see Meiskins Wood 2002). That argument is falsely based on comparing the controlling capacities gained through the combination of coercion and consent of an independent nation-state with those of an imperial/colonial one rather than with a world-scale "national" state. Rather, it means that the state is the objectified form of the co-operation-based (direct) universal relationship of citizenship, which itself is a *specific* form of realisation of the competition-based (indirect) *general* social relationship of capital accumulation. In other words, the *state-form* is a developed (concrete) mode of existence of the *capital-form* of the general social relationship, the *commodity-form* of social labour. Beyond its historical genesis, its nationally differentiated form, hence, is reproduced in the process of production of *relative* surplus-value; that is, in capital's necessity to differentiate the productive characteristics of labour-power and in its differentiated necessity for centralising powers, both of which are, as a general trend, path-dependent processes. The organic unity of world capital accumulation thus imposes itself through state-mediated market and political competition of the individual organs of the total social capital.
8. Hence, it is not simply that "the international" causally conditions national processes of class struggle and state formation or provides the context in which they occur, as some neo-Gramscian political theorists claim (For example, Morton 2007). Rather it is that a globally structured process of social reproduction exists in and through national forms of class struggle and state formation. Nor, conversely, it is the process of (capitalist) class formation and agency that drives the global unity of capital accumulation, as proposed by so-called "transnational historical materialism" (see for example, Overbeek 2000) but the other way around. The global character of the class struggle between poles of universal personifications of commodities realises through national forms as much as the process of capital accumulation that produces, and is reproduced through, such process.
9. Industrial capital refers to productive (use-value, value, and surplus-value) producing capital regardless of its field of investments. It contraposes to commercial capital invested in commodity or money trading.
10. See Iñigo-Carrera (2008, 2016) for the discovery of this contradictory characteristic of primary-commodity producing areas and the specific economic structure to which it has tended to give place.
11. The rent from the differential monopoly of natural conditions of production arises not only in relation to extensive applications of capital but also whenever intensive capital investments of a given magnitude result in different levels of labour productivity and/or production time. It also arises from differentially favourable location and lower transport costs.

12. Absolute monopoly rent can be made of surplus-value from two different sources. First, it could be made of surplus-value produced in the primary sector and not contributed to the general pot of surplus-value appropriated by individual capitals according to their participation in the total social capital, when the organic composition of capital is lower than the economy-wide average and/or when the turnover of capital is faster than the average; an absolute ground-rent. Second, it could be made of surplus-value produced in the consuming sectors of production, whenever it exceeds the former magnitude; a genuine monopoly price driven by market power.
13. The lower cost of Australian wool did not result from the relatively low cost of colonial land and land rentals due to its abundance via-a-vis Britain and Continental Europe, as neo-classical trade theory has it. The price of land is nothing other than the future stream of rent capitalised at the current rate of interest and rentals are determined by production costs (Marx 1981, 908–916). Had rents and land prices been lower than what the process of profit-rate equalisation determined, as they were at times, ground-rent would have been, *ceteris paribus*, appropriated by agrarian capitalist rather than wool consumers.
14. Ground-rent has remained almost invisible to Australian Marxist Political Economists. Exceptions are Wells' (1989) monograph on colonial Australia and Tsokhas's (2017) review article on mining-boom dynamics.
15. This was not the case in the newer colony of Western Australia where, in the absence of voluntary migration, the imperial state sent convicts from 1850 to 1868. The sugar and cotton plantations of north Queensland used coerced and indentured Melanesian workers until Federation (Miles 1986, 119–120, 135–139).
16. These economic differences would find distinctive political expressions. In Victoria, the early development of inward-oriented industrialisation came about through an alliance between manufacturing capital and urban labour, led by "liberal" protectionists backed by labour organisations. In NSW, the capital-labour alliance was led by commercial capital and represented politically by the "radical" branch of the free-traders party and backed by labour organisations. In both places, fiscal forms of ground-rent appropriation by capital were eventually combined with mild "pro-labour" policies; slightly earlier and more universal in Victoria where labour-intensive manufacturing prevailed. These political alliances superseded the landowner-led, bourgeoisie-backed ones that represented the early developments of the "responsible government" period (Rickard 1976, 81–162).

Acknowledgements

The author thanks the referees for their comments.

Disclosure statement

No potential conflict of interest was reported by the author(s).

References

Acemoglu, D., and J. Robinson. 2012. *Why Nations Fail, the Origins of Power, Prosperity, and Poverty*. New York: Crown Business.

Blainey, G. 1970. "A Theory of Mineral Discover: Australia in the Nineteenth Century." *The Economic History Review* 23 (2): 298–313.

Bonefeld, W. 1995. "Capital as Subject and the Existence of Labour." In *Open Marxism 3*, edited by W. Bonefeld, R. Gunn and K. Psychopedis, 182–212. London: Pluto Press.

Bramble, T. 2015. "Australia, a Mid-Level Imperialist in the Asia-Pacific." *Historical Materialism* 23 (3): 65–100.

Braunmühl, C. 1979. "On the Analysis of the Bourgeois Nation State within the World Market Context." In *State and Capital, a Marxist Debate*, edited by J. Holloway and S. Picciotto, 160–177. Austin: University of Texas Press.

Bryan, D. 1991. "Australian Economic Nationalism, Old and New." *Australian Economic Papers* 30 (57): 290–309.

Buckley, K. 1975. "Primary Accumulation, the Genesis of Australian Capitalism." In *Essays in the Political Economy of Australian Capitalism*, Vol. *1*, edited by E. Wheelwright and K. Buckley, 12–32. Sydney: Australia & New Zealand Book Company.

Burnham, P. 1994. "Open Marxism and Vulgar International Political Economy." *Review of International Political Economy* 1 (2): 221–231.
Butlin, N. 1959. "Colonial Socialism in Australia." In *The State and Economic Growth: Papers of a Conference Held on October 11-13, 1956 under the Auspices of the Committee on Economic Growth*, edited by H. Aitken, 26–78. New York: Social Science Research Council.
Butlin, N. 1994. *Forming a Colonial Economy, Australia 1810–1850*. Cambridge: Cambridge University Press.
Clark, D. 1975. "Australia, Victim or Partner of British Imperialism." In *Essays in the Political Economy of Australian Capitalism, Vol. 1*, edited by E. Wheelwright and K. Buckley, 47–71. Sydney: Australia & New Zealand Book Company.
Cochrane, P. 1980a. *Industrialization and Dependence, Australia's Road to Economic Development, 1870-1939*. St. Lucia: University of Queensland Press.
Curthoys, A. and J. Mitchell. 2013. "The Advent of Self-government, 1840s–90.". In *The Cambridge History of Australia, Volume 1: Indigenous and Colonial Australia*, edited by A. Brashford and S. Macintyre, 149–169. Cambridge: Cambridge University Press.
Duncan, T., and J. Fogarty. 1984. *Australia and Argentina: On Parallel Paths*. Melbourne: Melbourne University Press.
Dusza, K. 1989. "Max Weber's Conception of the State." *International Journal of Politics, Culture and Society* 3 (1): 71–105.
Fine, R. 1984. *Democracy and the Rule of Law: Marx's Critique of the Legal Form*. London: Pluto Press.
Fitzpatrick, B. 1949. *The British Empire in Australia*. Melbourne: Melbourne University Press.
Gruen, F. 1986. "How Bad is Australia's Economic Performance and Why?" *The Economic Record* 62 (2): 180–193.
Heino, B. 2015. "Capitalism, Regulation Theory and Australian Labour Law: Towards a New Theoretical Model." *Capital & Class* 39 (3): 453–472.
Heller, H. 1971. *Teoría Del Estado*. Mexico DF: Fondo de Cultura Económica.
Holloway, J. and S. Picciotto, eds. 1979. *State and Capital. A Marxist Debate*. Austin: University of Texas Press.
Iñigo-Carrera, J. 2016. "The General Rate of Profit and Its Realisation in the Differentiation of Industrial Capitals." In *The New International Division of Labour; Global Transformation and Uneven Development*, edited by G. Charnock and G. Starosta, 25–53. London: Palgrave-Macmillan.
Iñigo-Carrera, J. 2008. *El Capital, Razón Histórica, Sujeto Revolucionario y Conciencia*. Buenos Aires: Imago Mundi.
Iñigo-Carrera, J. 2014. "The Historical Determination of the Capitalist Mode of Production and of the Working Class as the Revolutionary Subject." *Critique. Journal of Socialist Theory* 42 (4): 555–572.
Jackson, R. 1977. *Australian Economic Development in the Nineteenth Century*. Canberra: Australian National University Press.
Jessop, B. 1990. *State Theory: Putting the Capitalist State in Its Place*. University Park: The Pennsylvania State University Press.
Karskens, G. 2013. "The Early Colonial Presence, 1788–1822." In *The Cambridge History of Australia, Volume 1: Indigenous and Colonial Australia*, edited by A. Brashford and S. Macintyre, 91–120. Cambridge: Cambridge University Press
Lloyd, C. 2003. "Economic Policy and Australian State-building: From Labourist-Protectionism to Globalisation." In *Nation, State, and the Economy in History*, edited by A. Teichova and H. Matis, 404–24. Cambridge: Cambridge University Press.
Marx, K. 1976. *Capital*, Vol. *I*. London: Penguin Books.
McCarty, J. 1964. "The Staple Approach in Australian Economic History." *Business Archives and History* 4: 1–22.
Marx, K. 1981. *Capital, Vol. III*. Harmondsworth: Penguin Books.
McLean, I. 2013. *Why Australia Prospered*. Princeton: Princeton University Press.
McMichael, P. 1980. "Settlers and Primitive Accumulation, Foundations of Capitalism in Australia." *Review* 4 (2): 307–334.
McMichael, P. 1984. *Settlers and the Agrarian Question; Foundations of Capitalism in Colonial Australia*. Cambridge: Cambridge University Press.
Meiskins Wood, E. 2002. "Global Capital, National States." In *Historical Materialism and Globalisation*, edited by M. Rupert and H. Smith, 17–39. London: Routledge.
Miles, R. 1986. "Anomaly or Necessity? Capitalism and Unfree Labour." Unpublished PhD Thesis, University of Glasgow.

Morton, A. 2007. "Waiting for Gramsci: State Formation, Passive Revolution and the International." *Millennium: Journal of International Studies* 35 (3): 597–621.

Müller, W., and C. Neusüss. 1975. "The Illusion of State Socialism and the Contradiction between Wage Labor and Capital." *Telos* 21 (25): 13–90.

Overbeek, H. 2000. "Transnational Historical Materialism." In *Global Political Economy. Contemporary Theories*, edited by R. Palan, 168–183. London: Routledge.

Pascoe, B. 2014. *Dark Emu: Black Seeds: Agriculture or Accident?* Broome: Magabala Books.

Pashukanis, E. 2003. *The General Theory of Law and Marxism*. New Brunswick: Transaction Publishers.

Poggi, G. 1978. *The Development of the Modern State. A Sociological Introduction.* Stanford: Stanford University Press.

Poulantzas, N. 1978. *Political Power and Social Classes*. London: New Left Books.

Ravenhill, J. 2000. "Aiming to Secure a Piece of the Action: Interests, Ideas, Institutions and Individuals in Australian Integration into the Global Economy." In *Responding to Globalization*, edited by A. Prakesh and J. Hart, 118–148. London: Routledge.

Reinhardt, S., and L. Steel. 2006. "A Brief History of Australia's Tax System." Paper, 22nd APEC Finance Ministers' Technical Working Group Meeting, Khanh Hoa, Vietnam.

Rickard, J. 1976. *Class and Politics. New South Wales, Victoria, and the Early Commonwealth, 1890-1910.* Canberra: Australian National University Press.

Schedvin, C. 1990. "Staples and Regions of Pax Britannica." *The Economic History Review* 43 (4): 533–559.

Schwartz, H. 1989. *In the Dominions of Debt, Historical Perspectives on Dependent Development*. Ithaca: Cornell University Press.

Teschke, B., and H. Lacher. 2007. "The Changing 'Logics' of Capitalist Competition." *Cambridge Review of International Affairs* 20 (4): 565–580.

Tsokhas, K. 1984. *A Class Apart? Businessmen and Australian Politics 1960–1980*. Melbourne: Oxford University Press.

Tsokhas, K. 1989. "Business, Empire and the United Australia Party." *Politics* 24 (2): 39–52.

Tsokhas, K. 1990. *Markets, Money and Empire. The Political Economy of the Australian Wool Industry*. Carlton: Melbourne University Press.

Tsokhas, K. 1996. "War, Industrialisation and State Intervention in the Semiperiphery: The Australian Case." *Review* 19 (2): 219–241.

Tsokhas, K. 2017. "Review of Malcolm Knox, Boom, the Underground History of Australia, from Gold Rush to GFC, Melbourne, Vic., Viking, 2014." *Journal of Australian Political Economy* 79: 140–149.

Tsokhas, K., and M. Simms. 1978. "The Political Economy of U.S. Investment in Australia." *Politics* 13 (1): 65–80.

Wallerstein, I. 1974. "The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis." *Comparative Studies in Society and History* 16 (4): 387–415.

Wells, A. 1989. *Constructing Capitalism. An Economic History of Eastern Australia, 1788-1901.* Sydney: Allen & Unwin.

Wheelwright, E. 1975. "Introduction." In *Essays in the Political Economy of Australian Capitalism, Vol. 1*, edited by E. Wheelwright and K. Buckley, 1–11. Sydney: Australia & New Zealand Book Company.