

# 50 Years Back, 20 Years On

How has Australia changed since the War? What underlies our loss of economic vigour in the last 25 years? Australians today are better off than Australians of 50 years ago, but difficulties lie ahead. Widely regarded as Australia's finest historian, Geoffrey Blainey is Emeritus Professor of History at the University of Melbourne and the author of works including *The Tyranny of Distance*, *Triumph of the Nomads*, *The Causes of War*, and *The Great Seesaw*.

## GEOFFREY BLAINEY

**F**IFTY YEARS AGO Australia was at war. The turning point of the war had been reached a year previously, with the Japanese advance halted largely through simultaneous sea and air battles, and the German advance halted deep inside the Soviet Union. But those Australians living in 1943 were far from as certain as we are of the result of that War.

Inside Australia, the Labor Party under John Curtin ruled from Canberra. Labor had returned after the best part of a quarter of a century in the political desert. The Coalition was in a daze, having just been trounced in the federal election. Many goods and services in Australia, ranging from meat to petrol and interstate travel, were rationed, and nearly every activity was regulated. But there was full employment of a kind not seen perhaps since the boom of the 1880s. It was in that unusual wartime Australia, full of uncertainties, that the Institute of Public Affairs was born.

What can one say, in a few sentences, about the following 50 years? They can be divided into roughly two periods, each of 25 years; and how different they were. The first period often astonished – as did the second – those who watched it unfold. In the last years of the War a post-war slump was widely feared as inevitable. It did not arrive. Instead full employment continued year after year until it was taken for granted. There was to be a political sensation in 1961 when Mr Menzies was lucky to win the federal election – he did not win until the very end of the counting of votes in Mr Killen's seat in Queensland. Menzies was almost flung from power, because people were shocked that unemployment had reached two per cent. Now they are not surprised when it reaches 12 per cent.

A decade of large-scale immigration and big national projects, the 1950s sometimes put heavy strain on the balance of payments. The strain – unlike a comparable strain in the 1980s – was tackled doggedly, indeed too doggedly. The heavy restrictions placed on imports injected a cosy inefficiency into many factories, thus handing a problem to Australians of later decades.

In this first post-war period the prosperity soared; we can measure how high it soared by glancing at life back in 1945. Then, at least half of the families in Australia did not own a refrigerator or a washing machine, though they did own an ice chest or coolgardie and a clothesline which every Monday morning flapped with the washing hung out to dry. The average family did not own a car and did not go away for a holiday longer than one day, unless they stayed with relatives. At least half of the families in Australia probably did not eat once in a restaurant in the space of five years – unless it was a wedding breakfast. At least half of the families in Australia did not have one relative who had reached the final year of secondary school. So much of that was changed by the surge of prosperity in the 1950s and 1960s: primarily the Menzies era.

Looking back at those 25 years (1943 to 1968) it is fair to offer this comment. The World War, its destructiveness and the scarcities it created, provided much of the impetus for economic vigour. Australia after the War was in a position to export scarce goods – foods, fibres, minerals – to a world clamouring for them.


At the same time Australia itself was rejuvenated in spirit. It is almost as if the twin shocks of the world depression of the early 1930s and the war crisis of the early 1940s gave the

## AUSTRALIA THEN AND NOW

### Population:

8,315,791 (1950)  
17,528,982 (1992)

### University students:

30,630 (1950)   
534,538 (1991 Higher Education)

### Books published

745 (1950)  
10,973 (1990)



nation new goals and a new determination. Everyone agreed that the population of seven million must be quickly increased so that Australia would be capable of defending itself when the next threat arose. The manufacturing base must be strengthened: self-sufficiency was the goal. Outside enemies — the chief was communism — must be carefully watched. A higher standard of living must be achieved. A reasonable level of fairness must be attained. The great majority of Australians shared all those goals, their own disagreement being how far the government should intervene and regulate and nationalize.

Of course there were failures and failings, but the period as a whole makes our era seem abject. A nation with a reasonable degree of shared goals, whether Japan or Singapore or Germany, is likely to do far better economically than a divided nation. In that period Australians for the most part had common goals.

### Since 1968

In the second post-war period, the quarter-century since 1968 (and that is only a rough benchmark), we have not done so well. Economically we have declined, especially when compared to many of the nations with which we like to compare ourselves.

Some of the causes of our decline lie in economic policy. The cultural causes of decline are also powerful. The success of the first post-war period made us cocky. Success often carries the seeds of failure. It was increasingly believed that the economy was a jumbo jet that could carry a crowd of non-paying passengers and make costly joy rides. Mr McMahon was an early pilot, Mr Whitlam was a notable pilot; and we all know who now sits in the seat.

If I had to list the cultural causes of our decline I would include the complacency born of the prosperity of the Menzies era. It seemed so effortless, in retrospect. In the 1970s national goals became more varied and more contradictory, and at times prosperity was not a goal: it was taken for granted. There arose a cargo-cult attitude to mineral wealth, and even the best-informed circles began to accept that endlessly-chanted piece of nonsense that luck was more important than effort in mineral development. Mining was becoming probably the most efficient of the major industries in Australia but that escaped attention because mining employed so few people.

It was increasingly believed that job creation was more important than wealth creation. Mr Hawke won at least one federal election mainly by appealing to that myth. Anyone can create jobs, especially short-term jobs. Paying for them is the problem; and the nation is now paying. In some of the boardrooms of the private sector the entrepreneur was playing another version of the same spectator sport by becoming a towering figure of economic life while contributing nothing to the economy. From the mid-1980s the economy became a spectator sport.

Another cultural influence on Australia's poor

economic performance was the increasing isolation of the big cities from the remote countryside and the outback. In some ways the outback is still carrying the cities and the cities don't even know it. In addition there was the increasing isolation of Canberra from the problems of the nation as a whole.

Australia in recent decades has also suffered from the suspicion, in schools and certain departments of universities, towards new technology. Perhaps no nation in the world has owed more of its economic success to the application of new ideas, skills, machines — in short to the application of new technology — but in too many of the history books taught in schools, the busy legislator was mistakenly enthroned as the creator of jobs, while the technologist was the busy destroyer of jobs and the environment as well. Higher education is the home of some of these myths. Perhaps only a severe shock can dislodge some of these powerful enemies of prosperity from their high chairs in the nation's nursery. Alas, the shock is not yet strong enough.

Poor economic policies have hurt the nation. Perhaps cultural attitudes have been even more damaging; moreover they can't so easily be altered, because the heartland of some of these attitudes is grade three of primary school and day-long television.

### The Next 20 Years

I take just three topics.

#### *Global Unemployment*

It is rash to predict. Who in 1970, for example, would have predicted that the decade ahead would experience Australia's highest inflation in two centuries? Let me, nevertheless, be rash.

It is widely predicted that the world is now in a long phase of unemployment that will go well into the 21st century and perhaps embrace much of the working life of those now leaving school or university. I am reluctant to accept this argument. New technology and the efficiency-hunters are widely seen as the destroyers of jobs. In part they are. But in the long term, new technology is much more the creator than the destroyer of jobs. We do not know where most of the new jobs will be. Those unemployed in 1900 did not know where the new jobs would be but somehow they were created. Most who are here tonight work in jobs which in 1900 formed a small proportion of the work-force or did not even exist.

#### *Australia's Economy*

On present indications we could well continue to decline. Put in another way, Australia might well continue to decline relative to other nations. On some of the economic fronts you see good news, and even great news, but it is not

## AUSTRALIA THEN AND NOW

### Bankruptcies:

414 (1949-50)  
16,780 (1991-92)

### Growth of GDP:

8.0% (1950) ██████████  
3.3% (1993) ██████████

### Infant mortality:

(per 1,000 live births)  
24.47 (1950)  
7.0 (1992)



enough. The short-term danger is that when the world economy recovers we will climb to the first stage of recovery but halt there because the foreign debt explodes again. The long-term danger is that we will just continue to decline ever so slowly, the decline disguised and made less painful by the natural advantages of Australia's way of life: the space, the freedoms, the climate, the endless chances for leisure. But those advantages are meagre if they can't be defended. The nation could eventually enter a dangerous period. In the long term, Canberra's prediction that Australia will become part of Asia might be all too true. Economic decline sometimes ends in political feebleness or collapse. But the economic decline can be halted, if we have the commonsense and the will-power.

### Mabo

It may well be that the thorniest topic facing Australia in the next 20 years is Mabo. A pithy four-letter word, Mabo has become a form of shorthand for a topic that is very difficult to discuss. It should have been a key issue at the last federal election but Mr Keating labelled discussion of it, unless on his terms, as "racist"; and too many members of the Canberra media quietly took his side. Mr Keating raised Aboriginal expectations even higher, in speeches after the election, but they were already high. He of all people should welcome discussion, because this topic more than any other is likely to make or break him.

On present indications the sorting out of Mabo could well take 20 years. If so, it will do immense harm to Australia's economy and social fabric, and not least it will harm the standing of Aborigines. The other danger is that in the long term it will become an international issue in which Australia's sovereignty and even its territorial integrity are at stake. Some Aboriginal leaders have already made that threat. They have been aided by a succession of statements from our nation's leaders who are only too glad to appeal to world opinion for short-term political ends. Several justices of the High Court, in the Mabo judgment, also cast doubts on Australia's legitimacy as a nation, though clouding their meaning with double talk.

There is every reason under the sun why Australia should do as much as possible to improve the way of life and opportunities of Aborigines. But there is no excuse for Australians, black or white or brown, judges or ministers or human-rights officials, casting doubts on their own nation's legitimacy.

Aborigines' rights and the rights of the other 98 per cent of Australians are a matter for Australians to solve, as fairly as possible, in their own way; and those who doubt their nation's sovereignty or, when they seem like losing, call on international opinion to interfere, do harm to the nation's independence, and endanger its future.

Some people in high places say Australia will remain

illegitimate or be branded as guilty until a treaty is signed with Aborigines or until lands are given to them on a massive scale. I do not subscribe to this selective black-armband view of Australia's history. There have been many unjust episodes in our history, as in the history of every land, and even in the history of Aboriginal Australia, before 1788. It is time we realized that Australia's modern history has more fairness in it than has the history of a great majority of lands. Admittedly, Aborigines were treated harshly in some phases of Australian history but an enormous attempt has been made in the last 20 years to try to be fair to Aborigines. Few minorities in the history of the world have been so singled out for benefits in a 20-year period. Certainly no minority in South-East Asia has been so favoured by its home government — unless the home government happens to belong to the favoured minority.

This policy of affirmative goodwill towards Aborigines, or 'reparations' as some see them, has been in the nation's interest. But it is not in the nation's and Aborigines' interest, if this enormous effort is denigrated or dismissed. For some of these generous policies the nation is already paying a high price. The huge area of land already awarded to Aborigines, and the discriminatory terms on which that land was awarded, have actually done harm to large areas of the Northern Territory while giving pleasure to the small groups of Aborigines living there. Through federal policies, the Northern Territory is close to an economic disgrace. By locking up many potential export projects, this version of Aboriginal land rights has tended to aggravate the economic plight of all Australians.

Many Aborigines understandably believe that their lot should be far better: they resent money being wasted by a massive bureaucracy and the attribution of that sum to Aboriginal welfare. They are conscious of past slights and grievances. At the same time it would be salutary if the Senate, before it passed a Mabo bill, set up a select committee simply to assess what had been done in the name of Aborigines' well-being in the last 20 years: a committee to assess which policies had succeeded and which had failed, and to identify what was probably too costly for the nation and what was too costly for the Aborigines. We are rushing into new legislation without even seeing what the old has achieved, or failed to achieve.

Mabo, ineptly applied, will give much to 20,000 or 30,000 Aborigines but impose heavy burdens on all other Australians, including most Aborigines. It could even run the danger of permanently dividing the nation, if it is poorly handled or is the precursor of yet another log of claims.

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So today, as Australians, we face difficulties; but we also have remarkable opportunities if only we seize them. We are so much better off than the Australians of 1943. We are better off partly because that generation, a mere seven million of them, climbed high mountains and pulled us up behind them. ■

## AUSTRALIA THEN AND NOW

### Unemployment:

0.8% (1950-51) ■  
10.9% (1993)



### Trade union membership:

63.0% (1950)  
39.6% (1992)

