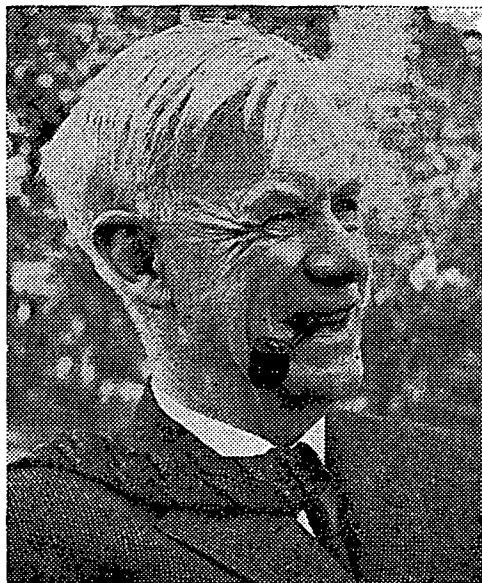


Then and Now

by

SIR KEITH HANCOCK



Sir Keith Hancock, an historian and scholar of world renown, ranks among the best minds this country has produced. His book, "Australia", written in 1929, is regarded as a classic in its field. The London "Economist" described Sir Keith's most recent work "Smuts: The Fields of Force 1919-1950" as "the crowning achievement of one of the great historians of our time".

From 1924 to 1933 Sir Keith was Professor of Modern History at Adelaide University. He left his native country to take a similar chair at Birmingham University. In 1944 he became Professor of Economic History at Oxford and, in 1949, Director of the Institute of Commonwealth Studies, London.

In 1957 Sir Keith was invited to head the Research School of Social Sciences at the Australian National University. On his retirement in 1965, he was created the first University Fellow of the A.N.U.

The I.P.A. is honoured that Sir Keith agreed to contribute to "Review" his impressions of Australia today compared with the Australia he wrote about 40 years ago.

Under editorial instruction I have re-read an old book, W. K. Hancock's *Australia*, with a view to spotlighting some differences between conditions and prospects then — the late 1920's — and now — the late 1960's. I did not enjoy

my return to the book. I found its style showy and its pronouncements sweeping. The author seemed to me far too fond of ticking off his fellow countrymen. I thought him a cocky young man. Nevertheless, I tried to make allowances for

him. If he was a scold, he was also a patriot. His book was a call to his fellow-Australians to put their house in order.

In the brief span of their recorded history up to that time — a bare 140 years — their achievement had been immense. By the late 1920's, six million Australians were holding in firm possession a continent of three million square miles. To be sure, they were not holding it entirely by their own military, political and economic power. They had grown to nationhood under the protection of the British navy. Britain had primed their economic pump, supplied them with people and enacted their constitutions. In breed, social habit, legal order and political behaviour, they were, in their own phrase, 'ninety eight per cent British'. Yet they were British with a difference. Inside the British Empire, they themselves were making an Australian nation which was destined, they felt sure, to strike out along a new and glorious path. With their gaze fixed on the future, those six million Australians were already finding inspiration in the legendary achievements of their own short past.

In the 'Australian Legend', pioneering held pride of place, as well it might, considering the sheer physical achievement of the pioneers. Muscle power — the farmer and his three tall sons swinging their axes — had imposed discipline and productive order upon the Bush. Brain power — Macarthur breeding his sheep and Farrer breeding his wheat — had given purpose and direction to muscle power. Working together, muscle and brain laid the foundations of Australia's economic independence. Upon these foundations, Australia's political independence stage by stage took shape. In 1900, the Australians achieved national unity. In 1915, Gallipoli told the world that the new nation had arrived.

When Hancock began to write his book, the Commonwealth of Australia

was not yet thirty years old; but the lineaments of its self-portrait were already firmly drawn. Racial homogeneity, political democracy, social justice — these three articles constituted the Australian creed. Between 1900 and 1914, the creed took institutional shape. White Australia, industrial protection and the judicially determined 'fair and reasonable' standard of living became 'the settled policy of the country'. Poets applauded the policy; the people defended it. All parties took a hand in shaping the national navy and the citizen army. Australians saw themselves, in those exuberant early years of their nationhood, as a people at once idealistic and realistic, the high-minded and hard-headed pioneers of human progress. Alas, they pitched their self-praise too high. During the 1920's, their high-mindedness turned sour and their hard-headedness turned soft.

In those years, White Australia became definitely a nasty slogan. As embodied in the Immigration Restriction Act, the policy had a core of sound sense; a capitalist economy, dependent upon coloured labour, would have ruined democracy in Australia without conferring any tangible good upon Pacific Islanders or Asians. This said, the xenophobic smell of White Australia has to be frankly admitted. After the first World War, that smell became a stink. Demagogues jeered at the 'semi-coloured' Italian immigrants and launched the slogan 'Don't Let A Day Go By Without Kicking Out A Dago'. Australia would sink herself, they cried, if she failed to keep herself ninety eight per cent British. Equally, she would sink herself if she failed to fill her 'vast open spaces'. These two propositions underpinned the 'development and migration policy', a joint British-Australian effort which got off to a fair start but after a few years ran into trouble. As the 1920's approached their close, the flow of British settlers dried up; but the

costs of land settlement stuck. If prices were to fall, those costs were likely to become ruinous, both to the settlers and to Australia as a debtor country. Moreover, the policy contained a paradox: while Australia was borrowing hundreds of millions of pounds to settle British city dwellers on the land, native born Australians in their scores and hundreds of thousands were quitting the land and flocking to the cities. That trend was not peculiar to Australia; but Australian policy aggravated it. During the 1920's, tariff protection became the natural right of every Australian manufacturer, large or small, efficient or inefficient. On this issue, the city workers were at one with their bosses; protection, they believed, safeguarded their standard of living. Yet was it fair for people in the cities to enjoy these safeguards while people on the land remained deprived of them? Under pressure from the Country Party, some of the farmers — most notably the dairy farmers — were given protectionist shelter. But the game stopped there. No shelter was available for the graziers and wheat farmers. Heavily burdened by the excess costs of protection, they had to earn the foreign exchange which Australia needed to sustain her programme of development and her standard of living. In the terms of suburban comfort, that standard was respectable; but Hancock's *Australia* labelled it 'the middling standard'. 'Middling' perhaps was too kind a description of Australia's contribution during the 1920's to the spiritual, artistic and scientific endeavour of mankind.

A minority of Australians stood out against the middling standard — such Australians as Vance and Nettie Palmer, whose unflamboyant, unflagging devotion to literary quality deserves to be well remembered. In industry, in the churches, in the universities — in every walk of life — like-minded individuals were taking the same stand against easy-going medio-

crity. The time came at last when the Commonwealth government began to see the danger signals. An important landmark of policy was the financial agreement of 1927, which led, among other things, to the rational co-ordination of public borrowing through the Loan Council. About the same time, the inauguration of C.S.I.R.O. promised a new deal for science in Australia and immense benefits in long term to the Australian economy. Unfortunately, the economy could not wait for the long term. It required immediate and drastic surgery. In 1929, a magisterial report on the tariff measured the excess costs which had been piled upon the export industries; in the same year, those industries suffered the first disastrous instalment of a long continuing fall of their returns. An economic blizzard began to blow throughout the world. It grievously afflicted the Australian people. At the same time, it toughened them.

In the early 1930's the author of *Australia* went overseas. For the next quarter of a century, he earned his living there. when at long last he returned home, he saw few surviving traces of the boom-and-burst society that his book had depicted. He has not yet ceased wondering at the differences between then and now.

These differences are quantitative. Australia then had approximately six million people; now she has twelve million — as large a population as Great Britain had when she confronted Napoleon. The equipment per head of these twelve million Australians is on a scale which nobody in the 1920's ever dreamt of: instead of the farmer and his sons swinging their axes we see today fantastic earth-moving monsters imposing the will of Man upon Nature's immemorial design. Nearly all the monsters are Australian-made, for Australia nowadays possesses a robust engineering industry with a firm industrial base. For this achievement, part of the

credit is due to the tariff reformers of the 1930's who made industrial protection conditional upon industrial efficiency; part of it is due to the captains of industry who gave their country, among other blessings, high quality and low-cost steel. The contribution of secondary industry to Australia's national income has grown sensationally. However, the same cannot be said of its contribution to Australia's export income, upon which the pace of national development depends just as much in the 1960's as it depended in the 1920's. Now, as then, the man on the land is the main earner of foreign exchange; now, as then, he finds the price signals dispiriting. Yet the nation does not, and seemingly need not, share his forebodings. Minerals are coming to the rescue of the balance of payments. No comparable transformation of the economic quantities has happened in Australia since the gold rushes of the 1850's.

The transformations of recent decades are not only quantitative but also qualitative. The new technology has its roots in science. In the late 1920's, C.S.I.R.O. was a puling infant; today it is a lusty giant. Scientific research flourishes in the universities. The Australian taxpayer no longer needs persuading that science is a profitable investment; he sees the men of science achieving in depth what the explorers had achieved superficially and applauds their discoveries for the grist they bring to his own mill. What is more, he understands that the scientific discoverers are queer animals who will not work at their top form if they are tied down too tightly to tasks of immediate utility. For these and other reasons, our nation no longer suffers a net drain of scientific talent. In some branches of research, such as astronomy and microbiology, Australia has made herself a Mecca for scientific pilgrims. This achievement has not been bought by the excessive concentration of effort in a few zones; on the contrary, progress has been on a wide

front, extending from the natural sciences to the social sciences. Nor would anybody maintain, as he recites the names of the nation's creative painters, poets and novelists, that the arts in Australia are trailing hopelessly behind the sciences.

Australia's intellectual life, it thus appears, no longer remains subservient to 'the middling standard'. What is more, Australia no longer remains 'ninety eight per cent British'. Quantitatively, the inflow of immigrants from continental Europe has been an essential condition of Australia's industrial effort; to cite only one example, the Snowy Mountains Authority has been heavily dependent upon the immigrant component of its work force. Qualitatively, these New Australians have acted like a lively yeast in Australia's Anglo-Saxon dough. Moreover, they have enjoyed on balance a better welcome than once seemed likely. To be sure, some Australians have treated them with indifference or dislike but others have offered them a warm-hearted hospitality. No demagogue nowadays would dare to launch the slogan "Don't Let a Day Go By Without Kicking Out A Dago". As a nation, we seem to have outgrown our xenophobia. What other explanation can there be of the welcome we are now giving to nearly twenty thousand students from Asia?

Perhaps the greatest contrast of all between the late 1920's and the late 1960's is the awareness which Australians at long last have achieved of their close neighbourhood with Asia. Hancock's *Australia*, setting aside its saving last page, was Europe-centred. That was understandable, in view of the economic, political and strategical pattern of those years; but the fall of Singapore in 1942 tore the pattern. Ever since then, the balance of world power has kept on shifting to the detriment of Europe and, in particular, of Great Britain. This fact does not justify the geographically inept and historically

ridiculous slogan, 'Australia is a part of Asia'. Australians remain, as they were before, a people of European descent and culture. What they have lost is the shelter which European world-dominance once gave them; what they have gained is the knowledge that they must stand on their own feet and learn to live with Asians on terms of good neighbourhood. Of course, as their wide flung trading and diplomatic connections demonstrate, they have to live with other peoples also; the Asian region does not and cannot contain all their activities and interests. In the contemporary community of nations, almost every local conflict or constructive achievement has repercussions far beyond the local boundaries; consequently, Australia has to conduct her foreign policy on the world scale. In the late 1920's, she did not as yet possess the trained administrators who are required for this large task; in the late 1960's, she may congratulate herself upon possessing a highly competent Department of External Affairs. Whether or not the departmental officials have received wise political direction—whether or not, for example, the Colombo Plan and military intervention on the Asian mainland are mutually supporting components of Australia's foreign policy — is too large a question for this short article.

The article, up to this point, has painted so encouraging a picture of the contrasts between then and now that it may have pandered to the mood of lazy self-satisfaction which, forty years ago, infuriated and alarmed the author of *Australia*. It is right for Australians to feel proud of their good management and grateful for their good luck; but complacency could do them as much damage now as it did them during the 1920's. In the nation's economic, political and social life there are today some headaches which, failing the right remedies, could well become dangerous illnesses.

Anybody who wishes to take realistic stock of the economic prospects should do some hard work on the Vernon Report of 1965. It offers encouragement; but it also offers warnings. One of them concerns the import of capital. There are few, if any, signs of the quantities getting out of hand, as they did during the 1920's; but there are some signs that Australia may be drifting into the Canadian error of surrendering to foreigners strategic areas of economic freedom which they ought to hold firmly in their own hands. Another warning of the Vernon Committee brings to mind the classic report of 1929 on the tariff. It would be economically damaging and politically ignominious if Australians were to make a second surrender to the propaganda for protection all round, irrespective of efficiency.

For the past twenty years, Australia has been governed most of the time by cabinets of identical, or near-identical party political complexion. According to the classic expositors of democratic theory and practice, this state of affairs is unhealthy. If the same kind of people remain too secure in power for too long a time, they tend to become arrogant or — what is almost as bad — self-satisfied. They do not fear the opposition; but they are apt to handle the pressure groups timidly and to postpone decisions which are of national, but not of party, urgency. It is not for me to say whether or not this has been our recent experience in Australia; but the long-continuing failure of the Labor Party to make a convincing bid for power seems to me a national misfortune. I cannot here discuss its causes; but I shall refer to one of its effects. Nearly all the young Australians whom I know intimately are bored with parliamentary politics. In the 1920's, which in most other respects were a sterile time, political action through one or other of the organised parties was attractive to

idealist youth. This, unfortunately, seems not to be the situation now.

Australia is an affluent society. This does not mean that everybody shares the affluence; too many white Australians and nearly all the Aborigines live miserably. Still, the great majority of citizens have never had it so good. What suits the individual does not, however, invariably suit the society. We enjoy our suburban comforts but curse the exhausting battles that we have to fight every day to get from our homes to our offices and back again. In terms of economic friction and psychological frustration, the congestion of our cities is beginning to cost us dear — but never mind; let us get out the motor car and take a week-end in that nice little shack by the sea. Within twenty years or so, if the pace of motorised

sprawl continues at its present rate, the rash of nice little shacks will be continuous from Sydney to Melbourne; but the beach fishermen will not be thinking it worth while to cast their bait. On the rocks and under the sands and in the estuaries there may no longer be any bait.

Are we merely a nation of despoilers? I will not believe it. With this declaration of defiance, unsupported by argument, I conclude my impressionistic survey of then and now. A well informed and well considered survey would demand a new *Australia*. Actually, we already have it — the old title, the old series but, thank God, a new author. O.H.K. Spate's *Australia* appeared a few months ago in Benn's Modern World Series. The book is superb. You can forget Hancock. Read Spate.

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