

Australia

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Introduction

Capital: -	Canberra
Area: -	7,682,300Sq. Kms.(3,287,303 Sq. Kms.)
Population: -	19.5 million (India – 1,049.5 million)
Language: -	English and aboriginal languages.
Literacy: -	100% (India 65.38%)
Currency: -	1 US \$ =1.84 Australian\$
Religion: -	Christianity, Islam and Judaism.
Prime Minister: -	Jhon Winston Howard.
Governor- General: -	Maj. Gen. Michael Jeffery.
Latitude: -	11 ⁰ South to 38 ⁰ South.
Longitude: -	112 ⁰ East to 153 ⁰ East.
GDP	

(Per capita income in US \$) = 25,370

“Australia is located in the Southern Hemisphere between the Indian ocean and the South Pacific Ocean. Australia is a political federation with a central government (the Commonwealth) and six constituent states (New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania). Papua New Guinea, formerly an Australian external territory, became an independent nation in 1975. The most striking characteristics of the vast, three-million-square-mile (eight-million-square-kilometre) country are its global isolation, its low relief, and the aridity of much of its surface. Its isolation from other continents explains much of the strangeness of Australian plant and animal life.”¹

The Land & Climate

“Australia is a land of Great Plains. The island continent is 2,966,200 square miles (7,682,300 square kilometers) in area, but, of this, only 6 percent is above 2,000 feet in elevation. Its highest peak, Mount Kosciusko, rises to only 7,310 feet (2,228 metres). Australia is an arid continent; fully one-third of its area is occupied by desert,

another third is steppe or semidesert, and only in the north, east, southeast, and southwest is rainfall adequate to support a vegetation that significantly protects the land surface.

Permanently flowing rivers are found only in eastern Australia, southwestern Australia, and Tasmania. The major exception is the Murray River, a stream that rises in the Mount Kosciusko region in the Eastern Uplands and is fed by melting snows. As a result, it acquires a volume sufficient to survive the passage across the arid and semiarid plains that bear its name and to reach the Southern Ocean southeast of Adelaide. (The southern portions of the Atlantic, Pacific, and the Indian Oceans surrounding Antarctica are called the Southern Ocean; this body of water is also known as the Antarctic Ocean). All other rivers in Australia are seasonal or intermittent in their flow, and those of the arid interior are episodic.”²²

Australia is divided into four major landforms. They are known as:

1. The Western Australia Shield.
2. The Flinders- Mount Lofty Ranges.
3. The Eastern Uplands.
4. The Great Artesian Basin.

“Australia is an arid continent. Over two-thirds of its landmass, rainfall per annum averages less than 20 inches, and over one-third of it is less than 10 inches. Only just over 10 percent receives more than 40 inches per year. Australia is an extremely hot country, in consequence of which evaporation losses are high and the effectiveness of the rainfall is reduced. The principal features of Australia’s climate stem from its position, shape, and size. Australia is a compact tropical and near-tropical continent located between latitudes 10⁰ 41’ S and 43⁰ 39’S.

In summer, when the sun is directly overhead in northern Australia, temperatures are extremely high. But, on the whole, high temperatures dominate the Australian summers in all but Tasmania. Temperatures in winter remain moderate except in the uplands of Tasmania and southeastern Australia, where snow is common. Because of its

latitudinal position, Australia comes under the influence of the southeast trade winds in the north and the westerlies in the south. Over Australia as a whole, rainfall is indeed extremely variable. The monsoon brings summer rains to the northern coastal area and extends inland for variable distances. Southern Australia receives winter rains from depressions associated with the west-wind zone.”³

Flora and Fauna

“Australian plant life is distributed in three main zones, the Tropical, Temperate, and Eremian, a pattern that reflects overall conditions. The Tropical Zone, arced east and west across the northern margin of the continent and extending halfway down the eastern seaboard, has a mainly dry monsoonal climate, with very wet patches. The Temperate Zone, with a cool-to-warm temperate-to-subtropical climate and mostly winter or nonseasonal rainfall, is arced across the southern margin, embracing Tasmania and extending up to the eastern seaboard to overlap slightly with the Tropical Zone. The Eremian Zone covers the whole of central Australia through to the central west coast; its climate is characterized by aridity.

The Tropical Zone carries mixed deciduous woodland and sclerophyll low-tree savanna, with areas of tussock grassland, coastal mangrove complexes, and tropical rain forest with a high occurrence of exotic vegetation, particularly in the northeastern parts of Cape York Peninsula and in Queensland. The Temperate Zone is characterized by dry and wet sclerophyll forests, temperate mixed woodlands, savanna woodlands, mallees, and scrubs, with areas of Alpine vegetational complexes, temperate rainforest, and sclerophyll heath. The vegetation of the Eremian Zone ranges from barely vegetated desert and hills through a variety of semiarid shrubs savannas, shrub steppes, semiarid tussock grasslands, and sclerophyll hummock grasslands.

The distribution of climates, topography, and soils that has produced the zonation and ecological variation in the Australian vegetation is also reflected in the distribution of animal life. Australia

probably has between 200,000 and 300,000 species, about 100,000 of which have been described. Recent counts give 244 species of mammals, 656 species of birds, 380 species of reptiles, 122 species of frogs, and 180 species of freshwater fishes. The remainders are invertebrates, including insects. In Tropical Zone, some species are confined to the rain forests of the mountainous northeast: these include the tree kangaroos, *Dendrolagus*, and the gorgeous bird-wing butterflies, *Ornithoptera*. The animals of the Eremian Zone are characterized by their ability to survive under extremely arid conditions and irregular rainfall. Marsupial mole and water holding frog are found in these regions. The fauna of the eucalypt forests and other habitats of the Temperate zone contains animals whose life cycles rely on regular winter rainfall. Many are highly adapted to the eucalypt forests. The only Australian Alpine animals occur in the high mountains of the Temperate Zone. They include the mountain *pygmy possum*, *Burramys*, and the Alpine grasshopper. Some species occur in all zones. These include the galah (A specy of Cockatoo), and the Australian magpie.”²⁴

Tourism

“Kakadu National Park in the Northern Territory is just one, albeit one of the biggest, of Australia’s 516 national parks and 2,700 designated conservation areas that together cover about 7.5% of the continent’s land surface. They include attractions as diverse as the Great Barrier Reef Marine Park, the Uluru-Kata Tjuta National Park (which includes Ayers Rock) in the arid red heart of Australia, and the temperate Tasmanian Wilderness World Heritage area. They offer a unique geography, flora and fauna (including a pleasingly spine-chilling collection of venomous creatures), fascinating traces of the country’s first inhabitants, and enough empty space to give visitors from more crowded places agoraphobia. Add to that a low Australian dollar, excellent food and wine, friendly and easy-going people who do not sneer at tourists, because they travel themselves, first-world health and safety standards and a low crime rate, and the place sounds irresistible.”²⁵

“Twenty metres below the surface of the Pacific is a good place

to reflect on the majesty of Australia's natural blessings. The Great Barrier Reef must surely rank among the world's natural wonders. Along the hundreds of miles of its coral expanse, even a dilettante diver with but a day to spend recently encountered reef sharks, schools of barracuda, friendly giant cod, turtles, manta rays, strange jellyfish (some deadly) and myriads of smaller iridescent fish of many different kinds. Scaremongers have often shrilled that the reef is dying, a result of agricultural run-off from the over-farmed Queensland coast. In truth, the preservation of the reef is something of a success story, a combination of active government intervention and the beneficial effects of responsible tourism."⁶

"Not everyone comes to Australia to dive the reef, but even for landlubbers the Queensland coast has much to offer. The Daintree national park is one of the world's finest rain forests. Sun-lovers will find mile after mile of deserted beach. Port Douglas, the departure point for both the reef and the Daintree, is a lively resort town with excellent eateries. And that is just one part of one Australian state. From Uluru to the ancient Tasmanian forests, from Sydney (surely one of the world's coolest cities) to the magnificent wine lands of the south and west, Australia is a remarkable place for a holiday."⁷

"Foreign tourists seem to agree. Over the past decade the number of visitors from abroad has more than doubled, to 4.5m in the year 1999. That figure is expected to rise to 8.4m by 2008, partly thanks to the knock-on effects of the Sydney Olympics, which should boost numbers for several years to come. Tourism is already the country's largest single earner of foreign exchange, generating an income of A\$ 17 billion in 1999, and it creates lots of jobs. If domestic tourism is included, the industry may account for as much as 11.5% of total employment.

As an international destination, Australia does not even make the top 15 in terms of numbers, but comes 12th by revenue, just behind Mexico. One reason is that most visitors have had a long journey to get there, so they stay for a while and spend some money. Australia tends to market itself as a "premium destination". Nevertheless, the country

is not at all sniffy about welcoming budget travellers. John Morse, chief executive of the Australian Tourist Commission, says backpackers are a useful crop because they typically stay for six to nine months, so their spending adds up. Many of them also help to boost the local labour force, whether as fruit pickers, waiters or anything else that is in short supply. And although they may economise on accommodation, they often take expensive adventure tours to Australia's wildernesses.

The Australian tourist industry's greatest enemy is work. In a world where most people in jobs find it hard to take more than a fortnight off, Australia is just too far away for many Europeans and Americans. On the other hand, it is an obvious destination for much of Asia. Numbers of visitors from there are picking up with economic recovery.

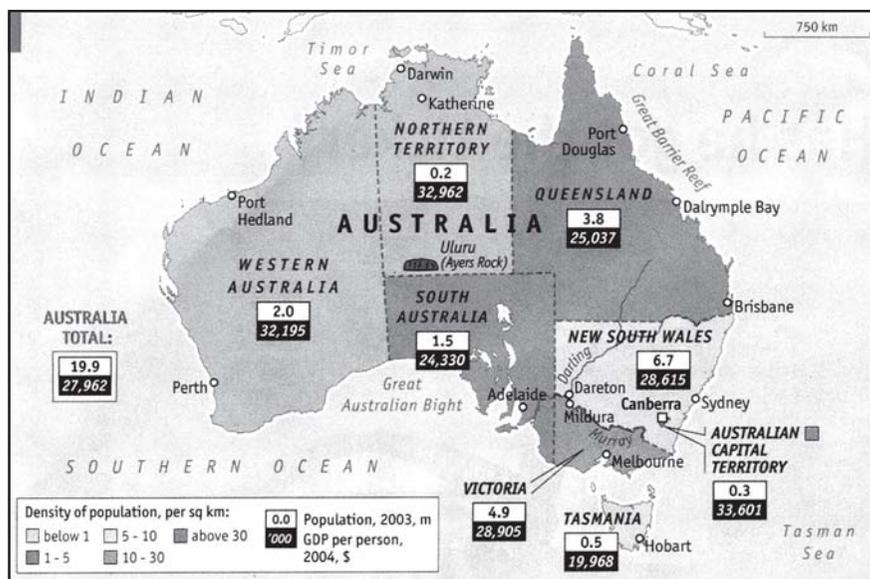
However, remoteness has its compensations. Much of what the country has to offer is fragile and needs careful management. If you are selling solitude, people will not put up with crowds. The "chastity girdle of distance", as one regional tourist chief puts it, helps to protect Australia from getting spoilt."⁸

The people

"The population of Australia is 19.9 million. Australian society is regarded in the wider world as essentially British or at any rate Anglo-Celtic, and until recently that was not too wide of the mark. The ties to Britain and Ireland were scarcely affected by immigration from other sources until the mid-20th century, although local concentrations of Germans, Chinese and other ethnic groups had been established in the 19th century."⁹

"After the mid-19th century, population growth was frequently adopted as an index of economic success and environmental adaptation, and the proximity of Asia's crowded millions deepened national insecurities. One of the first objectives of the new federal government, established in 1901, was the design of a White Australia policy to avoid diluting the Anglo-Celtic heritage. On its own, the policy was unproductive as well as discriminatory, but it was made more attractive by the blending of imperial and nationalistic sentiments that proclaimed

“population capacities” of between 100 and 500 million in Australia’s “vast empty spaces.” In the interwar period the Australian geographer Griffith Taylor argued that there were stringent environmental limits that would restrict Australia’s population to 19 to 20 million persons at the end of the 20th century.



The battles in the Pacific Ocean during World War II revived the old catch-cry, “populate or perish”, and a vigorous campaign was launched to encourage immigration from all parts of Europe. Initially, that did nothing to relax the emphasis on an exclusivist White Australia policy, and the nation’s ethnic composition was only slightly affected. Over the next four decades, however, ethnic diversification gradually intensified, and the 1980s brought heated debates on the relative merits of publicly funded programs for assimilation and for multiculturalism.

At the outset of this new era of policy formulation, the federal government preferred to maintain British and Irish immigration at a high rate, but those sources were soon deemed insufficient to meet rising expectations, and further “assisted migration” and “private

sponsorship” agreements were negotiated with other European and Middle Eastern governments. In addition, most major world crises have introduced fresh waves of immigrants: refugees from Hungary and Czechoslovakia after the uprisings in the 1950s and ’60s; from Lebanon and from Chile and other Latin American countries in the 1970s; and from Indochina (Cambodia, Laos and Vietnam) and China in the late 1970s and 1980s. Between World War II and the late 1980s some 500,000 refugees and displaced persons arrived in Australia. In the late 1980s it was estimated that some 42 percent of the population had been born overseas or had at least one overseas-born parent.”¹⁰

“In every census since the early colonial era, most Australians have professed to be Christian, principally Anglican and Roman Catholic, but simple materialism has become more influential than Christianity. The Roman Catholic total population exceeded the Anglican for the first time in the later 1980s. The proportions registering as Orthodox Christians, Muslims and Buddhists increased quite sharply after the mid-1960s, but so did the totals of those indicating “no religion” or not replying to the appropriate question on the census form. In contrast to the white invaders who dispossessed them, traditional Aboriginal Communities are intensely spiritual.”¹¹

“The total number of Aborigines and Torres Straits Islanders exceeded 427,000, or about 2% of the total population, in the late 1990s. This was an impressive increase on the 115,953 recorded in 1971, but it was eclipsed by the rise in the numbers of Asian-born Australians, who constituted about twice that number. The largest Aboriginal concentrations are in Queensland, New South Wales, Western Australia, and the Northern Territory. Until the later 1960s the Aboriginal population was not inaccurately described as being as rural as white Australia was urban. In the 1970s and ’80s the drift of Aborigines to the towns and cities transformed the old patterns except in the Northern Territory, where the rural distribution remained predominant. The Aboriginal communities that have been awarded freehold or near-freehold rights over extensive areas have been made well aware that their management skills are under close observations.”¹²

The Economy

“Australia’s world reputation was long that of a wealthy, under populated country prone to natural disasters, its economy “riding on the sheep’s back” and heavily dependent on foreign investment.

That was a reasonably fair description during the first century of white settlement, when wool exports reigned supreme. Wheat, beef, lamb, dairy produce, and a range of irrigated crops also became important, but the key significance of farming and grazing was not challenged. This image was essentially shattered by the growth of manufacturing and services and by the spectacular developments in mineral exploitation after World War IInd.

In another sense, there was no break in continuity. Reliance on foreign investment and a vulnerability to world markets made it difficult for Australians to divest themselves of their traditional roles as minor or peripheral players in an interconnected global system. After the 1960s the relative decline of manufacturing exposed other aspects of this entrenched dependency status. Australia’s government have usually shown a pronounced readiness to intervene in the economy, which has been dominated all too easily by foreign interests – first by those of the United Kingdom, then by the United States and Japan, and more recently by giant multinational corporations. There are two other distinctive and comparatively new features. The first has been a grudging acceptance within Australia of the vital economic and strategic significance of the Asia-Pacific region and a rising awareness of the opportunities to be grasped in that emergent part of the world economy. Second, as the 21st century opened, despite a measure of discomfiture in some quarters, Australia’s corporate, financial, political and bureaucratic cultures were steadfastly embracing “economic nationalist” philosophies that seemed to accept as inevitable a comprehensive economic globalization.”¹³

“Try as you may, you won’t find anyone to say anything uncomplimentary about the Australian economy. Politicians of all stripes, officials, businessmen, bankers, academics – every one of them

will tell you the economy is in tip-top form. And not just Australians either. The OECD's annual economic survey of Australia, published earlier this year, was equally full of praise: "... Exceeded most expectations", "...Based on a judicious mix of sound macroeconomic and structural policies". A recent analysis of the Australian economy by Charles Bean, the Bank of England's new chief economist, joined the chorus: "...A mixture of good institutional design and wise decision-making." And when Paul Krugman, a well-known American economist visited Australia a couple of years ago, he dubbed it "a miracle economy" for emerging from the Asian economic crisis virtually unscathed.

This will be Australia's ninth year in a row of substantial growth. For the past 12 quarters the economy has expanded at the rate of 4% or more, with only a minor slowdown forecast for the rest of this year. For much of the 1990s multifactor productivity (ie, of capital as well as labour) has grown at more than 2% a year, well over twice the OCED average and faster even than in the rip-roaring American economy. Inflation, which in the 1980s had touched double figures, has steadfastly remained at 2-3% through most of the 1990s – just where the Reserve Bank of Australia, the country's central bank, wants it. Real unit labour costs have hardly budged. Unemployment has come down from 10.8% in 1992 to 6.3% now. And thanks to a run of budget surpluses in recent years, net public-sector debt, already low by international standards, is declining further. In a few years it may vanish altogether. This is the same economy that had been sliding slowly downhill since the mid-1960s, and which went through a deep recession about a decade ago. For a while it looked as though it could do nothing right. Yet the turnaround was due not to luck, but to a series of economic reforms that were begun 17 years ago and have continued ever since.

When the labour party came to office in 1983, the first thing its new prime minister, Bob Hawker, did was to float the Australian dollar. It came down with a bump from an artificially high level, making exports much cheaper. Over the next few years the government deregulated the financial sector, broadened the tax base, introduced tougher competition laws and privatised state-owned industries. It also

started to cut tariffs, aiming eventually to remove protection from all manufactures except cars and textiles. All this boosted growth and jobs, but by the end of the decade it had also caused overheating and a big jump in the current-account deficit. The Reserve Bank responded by pushing up interest rates, tipping the economy into recession.

To the labour government's credit, it pressed on with its reforms, cutting tariffs further in 1991 and – when Paul Keating took over as prime minister later that year – starting on a round of labour-relations reforms that introduced enterprise bargaining and productivity-based pay. Perhaps it overstretched the voters: in 1996 they threw it out in a general election, seemingly signalling that they had had enough of reform. John Howard's new government of conservative Liberals and their National party coalition partners duly changed the rhetoric, but sensibly continued on the path of reform.

The Asian crisis of 1997-98 plunged two-thirds of Australia's export markets into recession. New Zealand next door, which found itself in much the same position, suffered a downturn, but Australia proved more resilient. Its exports did take a temporary dip, but soon found other markets, mainly in Europe. They were helped by a steep drop in the Australian dollar which the authorities did not resist. The financial sector, which had undergone a shakeout of its own in the early 1990s', proved robust enough to avoid contagion. To almost everyone's surprise, overall growth continued unabated. Meanwhile, Australia's economic reform programme is grinding on. The latest installment is a tax package introduced on July 1st. Alan Preston, a top official in the Australian Taxation Office, described it as "the most significant tax reform in the whole post-war era". This involves a big redistribution from direct to indirect taxes through a new broad-based goods-and-services tax (GST), the same sort of thing as the value-added taxes already levied in the most developed countries. The GST is charged at the rate of 10% and replaces a range of more narrowly based imposts.

To compensate for the increase in indirect taxation, personal income tax has been cut and social-security benefits increased. The

government reckons that in the first year consumers will benefit to the tune of A\$ 16 billion, or 10% of GDP.

Its advocates insist that the new system will improve economic efficiency. One big attraction is that the GST covers services, by far the most important sector of the economy, which had previously escaped the tax net. Another advantage is that it will improve compliance, as tax experts put it – a polite way of saying that it will reduce the scope for tax evasion.

Every business with a turnover of more than A\$ 50,000 has to register for GST, or risk severe financial penalties. By registering, many small businesses tax will come to the office's notice for the first time. Naturally they are not keen, but they should benefit from reforms in business taxation that the government has also put in hand, including cuts in company tax and a reduction in the effective rate of capital-gains tax.

For the moment nothing much else looks likely to take the shine off Australia's golden economic performance. Last year the country chalked up its biggest current-account deficit in recent memory, but it seems to be causing little concern. Ted Evans, the secretary to the Treasury, helpfully points out that "Australia has had a current-account deficit for 200 years". Most market analysts put the recent increase down to the Asian crisis, which inevitably affected Australia's exports. But this year those exports have been powering ahead again, thanks partly to Asia's recovery and partly to higher commodity prices. Moreover, the current-account deficit poses no threat to public-sector finances: it is almost entirely paid for by private capital inflows, which remained unaffected by Asian crisis."¹⁴

"The Australian economy is bumping up against supply-side limits. In February 2005, Ian Macfarlane, the governor of the central bank, said the country had to get used to growth rates beginning with a two or a three, rather than the three or four that has been the norm for the past decade or so. He was promptly proved insufficiently pessimistic when the figures for 2004 were published, showing that GDP growth in the last quarter had slowed to 1.5% on a year earlier and to a dismal

0.1% on the previous quarter. Sober voices such as the OECD, as well as more excitable ones from the opposition, blame this on labour shortages, infrastructure bottlenecks and lack of training. One outcome has been a ballooning current-account deficit. In March, it hit 7.1% of GDP, nearly a percentage point more than it was when Mr. Keating was put in mind of banana republics Chris Richardson, director of Access Economics, an influential think-tank based in Canberra, puts it bluntly. “We have failed at managing prosperity,” he concludes. John Edwards, chief economist at HSBC in Sydney, agrees. “We didn’t believe our luck,” he says. “We have failed to invest sufficiently to sustain the upswing.”¹⁵

Mineral resources

“The most economically important of Australia’s abundant mineral reserves are located in Western Australia (iron ore, nickel, bauxite, diamonds, gold, mineral sands, and offshore natural gas), Queensland (bauxite, bituminous coal, lead, zinc and silver), New South Wales (bituminous coal, lead, zinc and silver), and Victoria (Brown coal, or lignite, and offshore oil and natural gas). Australia has about one-fourth of the Western world’s low-cost uranium resources, with the largest known reserves found in northern and north western Queensland, the Northern Territory, Western Australia and South Australia.

Australia is one of the world’s top producers of iron ore, use partly for domestic iron and steel production but largely exported to Japan, Taiwan, and South Korea. The most extensive of the high-grade deposits are those of Mount Tom Price, Mount Whaleback, Mount Newman, and the Robe River area. Tungsten, mined since colonial times, is a major export. It has been produced in Queensland and from wolframite and scheelite deposits located on King Island in the Bass Strait. The other important minerals of Australia are gold, mica, lead, zinc and copper. Australia also produces hydroelectricity. The major hydroelectricity plants are located in New South Wales, Victoria and Queensland.”¹⁶

Agriculture

‘Australia’ s total sheep numbers peaked at 180 million in 1970; at the turn of the 21st century the total was about 115 million. Nevertheless Australia remains the worlds leading producer of wool, regularly supplying roughly one-third of the global total, despite a collapse in the world prices that caused production to fall by a third during the 1990s. During the early 1950s, agricultural production accounted for between 15% and 20% of the gross domestic production (GDP); by the end of the century, less than 5%. Much of the decline was attributed to recognised economic priorities within Australia; some of it, however, was set down squarely to increasing competition from European and North American producers who enjoy the benefits of subsidies and enhancement programs. Australia is an important source of export cereals, meat, sugar, dairy produce, and fruit. Landholdings are characteristically large, specialized, owner-operated, capital-intensive, export-oriented, and interlinked through the activities of producers’ associations and government organizations.

Wheat is the country’s leading grain crop and is grown in every state, with production concentrated in the wheat belts of the southeast and southwest. Australian wheat varieties are white-grained, principally intended for breads and noodles, and are planted in winter months of May, June and July. The main harvest begins in Queensland in September or October and ends in Victoria and southern Western Australia in January; a high degree of mechanization is employed. The crop has become increasingly integrated with sheep grazing and the cultivation of barley, oats, and other grains and with the production of green fodder and hay for livestock.

Intensive sugarcane farming is significant in Queensland’s coastal districts, on the northern coastal plains of New South Wales, and in the Ords Irrigated District in northwestern Western Australia. Other important crops include cotton (the second most valuable crop after wheat), rice, tobacco, temperate and tropical fruits, corn, sorghum, oilseeds and, a host of other items reflecting the expansive latitudinal

range of farming operations. Wine-making is represented in every state but is most significant in the southern parts of the country. Mutton and lamb production is particularly important in mixed-farming areas of Victoria.”¹⁷

Forestry and Fishing

“At the end of the 20th century, official (and controversial) estimates suggested that a total of one-fifth of Australia’s land area was native forest, nearly a third of which was in private hands. Most of the private native forest is not actively managed for wood, and much of the publicly owned area is set aside in national parks and other reserves. Roughly one-fifth of the overall total is managed for wood. The chief commercial areas are in high-rainfall areas on the coast or in the coastal highlands of Tasmania and the southeastern and eastern mainland, and along the southwestern coast of Western Australia. The main types of trees are from the evergreen *Eucalyptus* genus, which provides timber of great strength and durability, and a great variety of rainforest trees. Since World War IInd several regions have been intensively exploited for wood pulp, partly for export to Japan.

Except for the temperate seas in the southeast and around Tasmania, Australia’s extensive marine ecosystems are found in comparatively warm waters over a narrow continental shelf; by world standards their productivity is low, but they support a small domestic industry and are significant for tourism and recreation. Administered by the Australian Fisheries Management Authority the 200 nautical-mile (230-statue-mile[370km]) Australian fishing zone – third largest of its type – proclaimed in 1979 as safeguard against foreign incursions. It covers an area considerably larger than the Australian landmass and is difficult to police. Although the influx of Asian and Southern European immigrants has enlarged the local market and diversified the catch, less than one-fifth of the marine and fresh water species are commercially exploited. The most valuable exports are prawns, tuna and pearls oysters. Other important species include bream, cod and Australian salmon.”¹⁸

Trade

“Overseas trade has been vital to the development of Australia since the early 19th century, and the export-import balance has exercised a direct influence on regional economies and national living standards. The value of Australian exports is the equivalent of approximately one-sixth of the GDP. Minerals contribute nearly one-third of export income, with coal being the most important; also significant are gold and iron ore. The leading imports are machinery and transport equipments, electronic and telecommunication equipments, miscellaneous manufactured items, chemicals and petroleum products, and foods and beverages.

During the second half of the 20th century Britain’s share of Australia’s exports was reduced from roughly two-fifths to only 5%, and the rise in Japan’s share from less than 5% to one-fifth during the same period hinted at the direct supplanting. Import trends were less clear-cut. Britain’s share declined from nearly half to about 5%, Japan’s increased from less than 5% to one-seventh, and that of the United States more than doubled to about one-fifth. Other major trading partners now include China, South Korea, Germany, and New Zealand. An alternative opinion interprets some of this data as evidence of a substitution of one form of colonial status for another. Proponents of this view often refer to the close intertwining of Japanese industrial expansion and the direct influence exerted by Japanese investment in Australia, notably in the mining of coal and iron ore.”¹⁹

Government

“The constitution of Australia may be described crudely as an amalgam of the constitutional forms of the United Kingdom and the United States: Like the United Kingdom, it is a monarchy, and the British king or queen is the king or queen of Australia. Like the United States, Australia is a federation, and the duties of the federal government and the division of powers between the Commonwealth and the states are laid down in a written constitution. The constitution can be altered only by a referendum that gains the consent of a majority of all the

electors and a majority in at least four of the six states, as well as majority in both federal houses. Disputes arising out of the constitution are decided by the High Court of Australia. Although the monarch of Britain is also the monarch of Australia, the country is essentially independent. The functions of the monarch are regarded as almost entirely formal and decorative and, except when he or she is in Australia, are exercised by a governor-general who resides in Canberra and by the state governors. The sensational constitutional crisis of 1975, when the elected Australian Labour Party (ALP) government was dismissed by the governor-general, called into question the conventional assumptions about the relationship between the elected government and the British crown's representative. The constitution defines the form and duties of the federal government in some detail. The most important of these are defence, foreign policy, immigration, customs and excise, and the post office. Those powers not given to the federal government in the constitution are left to the states: they are responsible for justice, education, health and internal transport.

Australia is a true parliamentary democracy. Both the federal upper houses (the Senate) and the Lower House (the House of Representatives) are directly elected by universal adult suffrage, with a minimum voting age of 18. All state lower houses are similarly elected. Voting in both federal and state elections is compulsory (with the exception of elections to South Australia's Legislative Council). Both preferential and proportional systems are current in Australia.

For most of the years after 1949 the federal government was formed by a coalition between the Liberal Party of Australia, which was stereotyped as representing the concerns of private enterprise, and the National Party, said to represent the farmers, graziers, and other groups in the rural constituencies. The ALP developed into a typical Western social democratic party, retaining the support of the trade unions and normally preferring practical reforms to socialist theories. The Australian Democrats, formed in, 1997, have drawn support away from the main parties. The deeply divided Communist Party of Australia gradually passed into oblivion in the late 1980s. At the end of the 20th

century there were 730 local government authorities serving almost the whole of the settled area of Australia. Their main powers are derived from special legislation in each state that integrates them into the higher state administration. The law of Australia is based on the common law of England, and many laws are identical with those laid down in acts of the British parliament. The administration of the law is largely in the hands of the states, each of which have a series of courts culminating in a supreme court. The High Court of Australia, established by the constitution, is the federal Supreme Court. Australian defence policy for the late 20th century emphasizes self-reliance within the limits of national resources and in the context of a supporting framework of international alliances and agreements. Fundamental strategic importance is attached to the security of Australia's relationships with the countries of Southeast Asia and the southwestern Pacific. Trilateral security arrangements with the United States and New Zealand under the ANZUS alliance are considered crucial."²⁰

“The division of responsibility between the Commonwealth and its six constituent states was clearly laid down in the 1901 constitution. The Commonwealth was meant to look after matters of national importance, such as defence and external affairs, the currency, international and interstate trade and commerce, navigation and immigration. The states were supposed to be responsible for everything else. But critics claim that it has not worked out that way. Instead, the central government has gradually taken on more and more powers, and is now in a much stronger position vis-à-vis its constituent parts than in other federal countries such as the United States, Canada or Germany.”²¹

“The good thing about all those layers of government is that Australian voters get plenty of opportunity to tell their lawmakers what they think of them; indeed they must, or face a fine, because voting is compulsory. Even general elections come round surprisingly often. The maximum term for a Commonwealth government is three years, but a prime minister can call an election at any time. That gives Mr. Howard between now and the end of next year to choose his moment, but the

betting is that it will be later rather than sooner. His Liberal-National coalition government has been trailing Labor in the polls, but now that his tax reforms are in place, Mr. Howard has been getting better marks for economic management than the Labor leader, Kim Beazley.”²²

“In 1998, Mr. Howard devastated the hopes of his Labor opponent, Kim Beazley, when he wondered aloud, on radio, whether he had “the ticker” for the job. He was calling into question Mr. Beazley’s political toughness, and perhaps even taking a dig at his less-than-trim appearance. Mr. Howard duly won his second election. Mr. Beazley resigned as leader after a third Howard victory, in 2001, but four years on he is back in charge of Labor. Mr. Howard has proved a good manager and a skilled political tactician but not yet a great reformer. The interesting question now is this: has Mr. Howard got the ticker?”²³

“Australia has a strong military tradition, extending from the involvements of colonial troops in British engagements in Africa, China and New Zealand and especially from the mythologized landing of the Australian and New Zealand Army Corps (ANZAC) on the Gallipoli Peninsula during World War Ist. Since that time, Australian forces have served with distinction in the two world wars and in Malaysia, Korea, Vietnam, the Persian Gulf, and East Timor. There is no compulsory military service.”²⁴

Education

“The governments of the states and the territories manage all aspects of education except for the university sector. The federal government is responsible for the total funding of higher education and provides supplementary funding to the states. In the late 1980s a federal ALP government intensified Commonwealth involvement at every level: in addition to its long-standing financial role, if attempted to develop a stronger nation or centralist perspective. Basic literacy rates are high, and school attendance is compulsory throughout Australia between the ages of 6 and 15 years (16 years in Tasmania). Almost three-quarters of Australian children attend free government schools; the remainder attends fee-paying non-governments schools

monitored by government authorities. Most of the private sector institutions are government-assisted Roman Catholic schools; the previously divisive issue of “state aid” gradually lost significance in the late 20th century.

Secondary-school curricula tends to focus on compulsory cores of traditional subjects coupled with a generous list of options or electives. Specialist services include educational, physiological, and vocational counseling, assistance for Aboriginal children and adults, programs offering English as a second language, courses for gifted and handicapped children, and programs to assist children in remote areas. Foreign languages have not been well represented, despite the continuous rhetoric about multiculturalism, and several ethnic groups have felt obliged to organize independent programs.

Most of the older public universities were founded in the colonial era, and were established before World War Ist. In chronological order of establishment, they are: the universities of Sydney (1850), Melbourne (1853), Adelaide (1874), Tasmania (in Hobart, 1890), Queensland (Brisbane, 1909), and Western Australia (Perth, 1911).²⁵

History

Aboriginal Australia

“Genetically Aborigines show considerable diversity but are quite distinct from groups outside Australia. They came originally from somewhere in Asia and have been in Australia for at least 40,000 years. The first settlement would have occurred during an era of lowered sea levels, when there was an almost continuous land bridge between Asia and Australia, but watercraft must have been used at some points. By 30,000 years ago most of the continent was occupied, including the southwest and southeast corners. Archaeological evidence suggests that much of the interior of Australia was abandoned by Aborigines during a period of harsh climatic conditions between 25,000 and 15,000 years ago and reoccupied after conditions improved.

More than 200 different languages were spoken, and most Aborigines were bilingual or multilingual. Both languages (or dialects) and groups of people were associated with stretches of territory. Their members shared cultural features and interacted more with one another than with members of different groups. These groups were not, however, political or economical entities, and, while language names may have been commonly used by groups as labels for one another, individual and group identity was grounded in much more locally oriented affiliations and memberships. The Aborigines were hunter-gatherers who grew no crops and did not domesticate animals, so they were directly dependent on their natural environment. Although nomadic, they had a very strong sense of attachment to sites and areas in their home territory, where most of their hunting and gathering was done.

Aboriginal society was the outcome of interplay between economic, ecological, social, and religious forces. An understanding of all these forces is essential to an adequate understanding of Aboriginal social life. The adult male of the estate group were the principal guardians of its sacred sites and objects and organized appropriate rituals to renew and sustain the land. Residence rules generally required women to move into the groups and territories of their husbands after marriage, so their role in the affairs of their natal estate group was diminished, even though strong ties remained.”²⁶

Treatment of Aborigines in Australian society

“Aborigines who lived on the north coast were the only ones to encounter foreign visitors before European settlement. Seagoing Maccasan traders, from what is now Indonesia, began making regular visits to Arnhem Land sometime before the 1700s to harvest sea cucumber for export to China. They had powerful impact on local art, music, ritual, and material culture. In the northeast, on Cape York Peninsula, Papuan visitors from New Guinea also had an influence: bows and arrows, dugout canoes, masked ritual dancing, and the use of drum can all be traced to them. Yet these influences did not penetrate into the rest of the continent, the inhabitants of which had no knowledge

of non-Aborigines and no need to develop cultural mechanisms aimed at withstanding the impact of alien and culturally different peoples.

British settlement, dating from 1788, was altogether different. The arrival of carriers of a powerful, imperialist culture cost the Aborigines their autonomy and the undisputed possession of the continent, and it forced them into constant compromise and change as they struggled to accommodate the newcomers. Initial contacts were often tentative but friendly. Although the Colonial Office in London prescribed the safeguarding of indigenes' rights and their treatment as British subjects, friction soon developed between the colonists and local Aborigines. Communication was minimal and the cultural gulf was huge. Once European settlement began to expand inland, it conflicted directly with Aboriginal land tenure and economic activities and entailed the desecration of Aboriginal sacred sites and property. Clashes marked virtually all situations where conflicting interests were pursued, and the Europeans viewed Aborigines as parasites upon nature, defining their culture in wholly negative terms."²⁷

"The economic development had as its necessary complement the ravaging of Aboriginal life. Especially if it is accepted that the pre-1788 population exceeded one million and that living standards were high, the subsequent story must all the less appear as one of "growth" and all the more as one of forced transfer (or theft) of wealth from Aborigine to European. Some tension always threatened as the two races met, but often the Aborigines were accommodating and responsive. A kind of coexistence might have evolved had not European pastoralism generated inexorable demand for land. Aborigines responded with guerrilla war, often fiercely and tenaciously: ultimately more than 20,000 Aborigines and almost 2,000 Europeans are estimated to have died as a consequence. Disease and alienation, often allied with massive physical displacement, wreaked further havoc."²⁸

"The distance between the two cultures was vast. Some European consciences were troubled – most notably those of British Evangelicals in the 1830s. There had always been a stream of humanitarian and Christian concern for the Aborigines in European Australia – albeit

one that often ran into the ground. In Tasmania only a very few persons of full Aboriginal descent survived by 1860, and they were the last. The “protectorates” (reserved areas) that imperial policy had established in several mainland colonies served little purpose.”²⁹

“The Aboriginal experience continued to be grim. The estimated number of persons of predominantly Aboriginal descent declined from about 180,000 in 1861 to less than 95,000 in 1901. In accordance with contemporary ideas of racial superiority, many Europeans believed that the Aborigines must die out, and they acted in such a way as to ensure that outcome. Frontier violence continued, or even intensified, in northern Australia. In the more settled south, miscegenation was common, and a feeling of despair prevailed among the nonwhite population. The newly self-governing colonies made some sympathetic protestations, but they rarely took appropriate or effective action. Even the shelter of mission and government “stations” diminished from the 1880s as policymakers decided to disperse Aborigines, especially those of predominantly European descent. As a result, even more people suffered the miseries of ghetto life on the margins of capital cities and country towns. Aborigines served as workers and servants in the OUTBACK, where they were often crucial to the pastoral economy, but they rarely received due respect or reward.”³⁰

“The frontier was a wild and uncontrolled one for a long period. Aborigines in some areas used their superior bushcraft to wage prolonged and effective guerrilla campaigns until they were finally overwhelmed by force of arms. In the period of “pacification by force” up to the 1880s, a large numbers of Aborigines were killed. Others were driven into the bush or remained in small pockets subject to the “civilizing” influence of missions or were left to fend for themselves in the fringe settlements of cities and towns; still others remained in camps or postural and cattle stations to become the nucleus of the labour force.

Introduced diseases exacted a terrible toll and probably killed many more Aborigines than did direct conflict. The disappearance of the Aborigines in southeast Australia was so rapid that the belief arose

that all would soon die out. Growing humanitarian concerns and reactions to frontier excesses led the Australian colonies to pass laws, beginning in 1856 in Victoria, concerning the care and protection of Aborigines. They were put onto reserves and given food and clothing, to “smoothe the dying pillow” as they awaited what the Europeans took to be cultural extinction. These laws offered Aborigines no place in the economy of the society of the colonists, and in practice they resulted in much greater restriction and control exerted by whites over the lives of Aborigines. Aborigines were kept off their land and were therefore unable to survive by hunting and gathering. Those who survived were drawn – often forcibly, always uncomprehendingly – into wretched poverty on the margins of life in the developing colonies. Armed conflict was superseded by a more passive but nonetheless determined opposite to cultural absorption by the invaders. Forced adoption entailed impoverishment, both material and cultural, but no alternatives were left. Gradually, missionaries and government welfare agents began to have some effect, and questions of humane treatment came to a more practical meaning. But in outlying areas maltreatment and violence lingered on into the early 1940s. Further, whenever European settlement was intensive, miscegenation took place, and Aborigines mixed descent eventually outnumbered those with pure Aboriginal ancestry in southern and eastern Australia. Their traditional life ceased to exist as a living reality over much of the southwestern, southeastern and middle eastern areas of the continent, though continuities with the past have remained important in the values and modes of the behavior surroundings kinship and social relations. In the central and the northern regions traditional life remained, even on some pastoral, mission, and government stations, although in a modified form. In more remote areas it was still possible for Aborigines to live approximately in the way they had before but with notable modifications, particularly in the arena in the law and order. It was for some time believed that the Aborigines would eventually die out and reserves were established in the late 1920s and early 1930s to serve as a buffer between them and Europeans. But they were attracted to the

fringe settlements, where they were formed tribally and linguistically mixed communities. This meant the emergence of a new form of living, structurally linked to the wider Australian society. It was not until the 1960s that the frontier period finally ended, with the more into settlements of the last few nomadic groups from the Great Sandy Desert.”³¹

“Aboriginal activism became more assertive than it had been since the days of physical attack on European settlers. The estimated number of persons of Aboriginal descent had risen from a nadir of 73,828 in 1933 to more than 170,000 in the early 1980s. The 1960s were crucial, with Aboriginal claims moving from wage equality with Europeans to landrights over territory with Aboriginal associations. The South Australian government acted in this direction from 1966, and the federal Aboriginal Land Rights Act (1976), applying to the Northern Territory, was particularly important. In 1967 the general electorate overwhelmingly supported a constitutional amendment to increase Commonwealth powers in Aboriginal matters. Equality in formal civic rights, wage payments, and social welfare benefits became the norm. Some groups received considerable royalties from mining activities on their land. The High Court’s much-publicized 1992 decision on the Mabo case seemed to promise a radical legitimation of indigenous landrights claims. It confirmed that Australia had already occupied in a manner recognizable under British law when the first white settlers arrived. The court also ruled that, while native title had been exterminated over vast areas, it might still exist over leaseholds and unoccupied Crown Land. The resulting Native Title Act (1993) was unsuccessfully challenged, and subsequently, under its Wik judgement of 1996, the High Court decided that Native Title and pastoral leasehold could coexist.

The Whitlam government in particular encouraged a variety of racial organizations, most importantly the National Aboriginal Consultative Committee (founded in 1973, from 1977 renamed the National Aboriginal Conference). These organizations contributed to a growing strength and pride in Aboriginality. Early in the period

Aboriginals became known for their contributions to sport; later Aboriginals became celebrated in the fields of public administration. While various researchers have expanded knowledge of antiquity and richness of Aboriginal life, not all Aborigines have accepted the right and capacity of white scholars to comprehend the tribal past, but this attitude itself affirmed their independence. School curricula began to provide sympathetic teaching of Aboriginal culture to all Australians. Such policies reinforced a shift away from assimilationist ideas. In the late 20th century the number of Aboriginal with some experience of traditional Aboriginal life was to be about 10,000. Meanwhile, despite such advances, the bleakness of much Aboriginal experience remained stark and disturbing – illness, alcoholism, and violence all having their part. The many deaths of Aboriginal men while in official custody added to such feeling, and still more so invocation of the long history of Aboriginal families being forcibly separated. While all governments upheld the desirability of racial reconciliation, they have been reluctant to make a formal apology of past wrongs.”³²

Australia to 1900

“In 1605 Willem Jansz of Amsterdam sailed from Bantam in the Dutch East Indies in search of New Guinea. He reached the Torres Strait a few weeks before Torres himself and unknowingly saw, and also named, part of the Australian coast – Cape Keer-Weer, on the western side of Cape York Peninsula. More significantly, from 1611 some Dutch ships sailing from the Cape of Good Hope to Java inevitably carried too far East and touched Australia: the first and most famous was Duck Hartog’s *Eendracht* from which man landed and left a memorial at Shark Bay, Western Australia. Most important of all was the work of Abel Tasman, who won such respect as a seaman in the Dutch East Indies that in 1642 Governor-General Anthony Van Diemen of the Indies commissioned him to explore southward. In November, having made a great circuit of the seas, Tasman sighted the west coast of what he called Van Dieman’s land (latterly Tasmania). He then explored New Zealand before returning to Batavia. A second expedition of 1644

contributed to knowledge of Australia's northern coast; thereafter new Holland was the name for the landmass.

In 1688 the English pirate William Dampier relaxed on new Holland's northwestern coast. On returning to England, he published his Voyages and persuaded the Admiralty to back another venture. The middle decades of the 18th century saw much writing about the curiosities and possible commercial value of the Southern seas and *terra australis incognita*. This was not restricted to Great Britain, but it has especial vigour there. The British Government showed its interest by backing several voyages. Hopes flourished for a mighty empire of commerce in the eastern seas.

This was the background for the three voyages of Captain James Cook on behalf of the British Admiralty. The first, that of the *Endeavor*, left England in August 1768 and had its climax on April 20, 1770, when Lieutenant Isaac Hicks sighted southeastern Australia. Cook landed several times, most notably at Botany Bay and at Possession Island in the north, where on August 23 he claimed the land, naming it New South Wales. Cook's voyages led to settlement but did not complete exploration of the Australian coast.

Two Britons – George Bass, a naval surgeon, and Matthew flinders, a naval officer – were the most famous postsettlement explorers. Together they entered some harbours on the coast near Botany Bay in 1795 and 1796. Bass ventured farther South in 1797-98, pushing around Cape Everard to Western Port. Finders was in that region early in 1798, charting the Furneaux Islands. Late that year Finders and Bass circumnavigated Tasmania in the *Norfolk*, establishing that it was an island and making further discoveries. Several other navigators, including merchantmen, filled out knowledge of the Bass Strait area; most notable was the discovery of port Phillip in 1802. Meanwhile Flinders had returned home and in 1801 was appointed to command an expedition that would circumnavigate Australia and virtually complete the charting of the continent. Over the next three years Flinders proved equal to this task. Above all, he left no doubt that the Australian continent was a single landmass. Appropriately, flinders urged

that the name Australia replaces New Holland, and this change received official backing from 1817.”³³

European Settlement

“The British government determined on settling New South Wales in 1786, and colonization began early in 1788. The motives for this move have become a matter of some controversy. The traditional view is that Britain thereby sought to relieve the pressure upon its prisons – a pressure intensified by the loss of its American colonies, which until that time had accepted felons. Convicts went to the settlement from the outset, and official statements put this first among the colony’s intended purposes. But some historians have argued that this glossed a scheme to provide a bastion for British sea power in the eastern seas. Some have seen a purely strategic purpose in this, but others have postulated an intent to use the colony as a springboard for economic exploitation of the area. It is very likely that the government had some interest in all these options.

Whatever the deeper motivation, plans went ahead, with Lord Sydney (Thomas Townshend), secretary of state for home affairs, as the guiding authority. Arthur Phillip was commander of the expedition; he was to take possession of the whole territory from Cape York to Tasmania, Westward as far as 135° and eastward to include adjacent islands. Phillip’s power was to be near absolute within his domain. The British government planned to develop the region’s economy by employing convict labours on government farms, while former convicts would subsist on their own small plots.

The First Fleet sailed on May 13, 1787, with 11 vessels, including 6 transports, aboard which were about 730 convicts (570 men and 160 women). More than 250 free persons accompanied the convicts, chiefly marines of various rank. The fleet reached the Botany Bay on Jan. 19-20, 1788. Crisis threatened at once. Botnay Bay was poor in soil and water and even as a harbour. Phillip therefore sailed Northward on January 21 and entered a superb harbour, Port Jackson, which Cook had marked but not explored. He moved the fleet there; the flag was

hoisted on January 26 and the formalities of government begun on February 7. Sydney cove, the focus of settlement, was deep within Port Jackson, on the southern side; around it was to grow the city of Sydney.

Phillip at once established an outstation at Norfolk island. Its history was to be checkered; settlement was abandoned in 1813 and revived in 1825 to provide a jail for convicts who misbehaved in Australia. Phillip remained as governor until December 1792, seeing New South Wales through its darkest days. The land was indifferent, disease and pests abounded, few convicts proved able labourers, and the Aborigines were often hostile. The nadir came in Autumn 1790 as supplies shrank; the arrival of the second fleet brought hundreds of sickly convicts but also the means of survival.”³⁴

A Major Shift:-1830-60

“The three decades between 1830 and 1860 saw rapid change. The impact was not evident in politics and the economy, but culture was no less affected. Not until 1825 did the European population pass 50,000; in 1851 it was around 450,000, and by 1861 it has reached 1,150,000. Four of Australia’s six states were formed between 1829 and 1859. A British naval captain, James Stirling, examined the Swan River in 1827 and interested English capitalist-adventurers in colonization. Two years later he returned to the Swan as governor of the new colony of Western Australia. The Colonial Office discouraged schemes for massive proprietary grants; still the idea persisted, with Thomas Peel – kinsman of the future prime minister Sir Robert Peel – investing heavily. But colonization was grim work in a hot, dry land, with the government reluctant to spend a penny. Western Australia’s story for decades was survival, not success.”³⁵

Australia since 1900

“The world’s passions and conflict of the early 20th century were to shape the new nation’s history, despite its physical distance from their epicentres. By many standards, this was the least attractive of the

major periods of the Australian history. In national politics, people fought for office with increasing vigour and resource, while their administrative performances generally began well but then ebbed. A constant theme was the strengthening of the central government as against the states. This complimented the high degree of homogeneity, especially in personal and social matters, that extended through Australia's great physical spread; it was expressed primarily through the Commonwealth's financial powers – at first especially relating to customs and excise duties but later by direct taxation. From World War Ist both levels of governments imposed income taxes, but in 1942 the federal government virtually annexed the field, with the high court's approval. The establishment of a national capital at Canberra, where a Parliament first sat in 1927 after meeting in Melbourne since federation, symbolized this situation."³⁶

World War 1st

“Some 330,000 Australians served in World War Ist; 60,000 died, and 165,000 suffered wounds – few nations made such relatively heavy sacrifice. The most famous engagement of the Australia and New Zealand Army Corps (ANZAC) was in the Dardeneless campaign (1915); the day of the landing at Gallipoli – April 25 – became a day of national reverence, honoured far beyond any other.

The War profoundly affected domestic affairs. In economic development, it acted as a supertariff, benefiting especially textiles, vehicles and the iron and steel industry. Such products as wool, wheat, beef, and mutton found a readier market in Britain, at inflated prices.”³⁷

The Postwar Years

“Whereas Australia had been virtually spoiling for war before 1914, passivity became the international keynote after 1920. At the Paris Peace Conference that formally concluded World War Ist. Hughes (Prime Minister) won a mandate for erstwhile German New Guinea and Nauru and effectually opposed a Japanese motion proclaiming racial equality, which he thought might persegue an attack on Australia's

immigration laws. In the league of Nations, Australia was an independent member from the outset. Bruce's succession as prime minister marked as new emphasis. Very much an Anglo-Australian, Bruce led the nation into a period when "the empire" became the object of even more weightily rhetoric and more desperate hope than earlier. Australia did not ratify the Statute of Westminster (1931, embodying the 1926 Balfour declaration as to the constitutional equalities of the Dominions) until 1942. The UAP governments followed Britain closely in its attitude toward the totalitarian expansion of the 1930s; if Australian influence counted for anything, it was to strengthen appeasement of Germany and Japan. Although fear of Japan continued, that country's accession to the fascist camp did not provoke a tougher governmental line."³⁸

World War IInd

"When war came again, however, the nations response was firm – some 30,000 Australians died in World War IInd, and 65,000 were injured. From early in the war, the Royal Australian Air Force was active in the defense of Britain. After the Japanese attacked the U.S. Naval base at Pearl Harbor, Hawaii (Dec. 7, 1941) , however, the focus shifted homeward. The Japanese victories of the following months more than fulfilled the fantasies that fear and hate and long prompted in Australia. On Feb. 15, 1952, 15,000 Australians became prisoners of war with Singapore's fall, and four days later war came to the nation's shores when Darwin was bombed. Then came a Japanese swing Southward, by August threatening Port Moresby, New Guinea. The United states became Australia's major ally.

On land, the fortunes of war turned against the Japanese in August-September 1942, beginning with an allied (primarily Australian) victory at Milne Bay, New Guinea. More prolonged – and of more heroic dimension in Australian eyes – was the forcing back of the Japanese from Southern New Guinea over the Kokoda Trail. The war brought some passion into domestic affairs, albeit less than in 1914-18. Curtin's government exercised considerable control over the civilian population,

“industrial conscription” being scarcely an exaggerated description. Overall this was accepted – partly because of the crisis, partly because the government showed purposefulness and capacity. Curtin easily won the 1943 elections; thereafter his ministry and the bureaucracy gave considerable thought to postwar reconstruction, hoping to use war-developed techniques to achieve greater social justice in peace. The war carried industrialization to a new level. The production of ammunition and other material (including airplanes), machine tools, and chemicals all boomed.”³⁹

Australia since 1945

“World War IInd generated economic vigour that continued into the 1970s. While some groups always suffered disadvantages, the 1960s especially ranked as something of a golden age. The population rose from some 7 million in 1945 to 13.5 million in 1976, with expenditure per head about doubling. This prosperity reflected the general Western experience and depended much upon the export of basic commodities – notably wool in the 1950s and minerals thereafter. The number of private automobiles multiplied from 500,000 in 1945 to 4,000,000 in 1970-71. The car joined the personally owned home as a lodestone of most Australians lives. Tourism and travel enriched traditional leisure patterns, which continued strong.”⁴⁰

International affairs

“Both world wars encouraged, even forced, Australian governments to assert themselves internationally. The ALP had tended toward a comparatively forthright international policy. Appropriately, therefore, the Curtin and Chifley governments, especially in the person of Evatt, took a sizable part in founding the United Nations. Evatt helped secure recognition of the rights of smaller nations in the United Nations and served as president of the United Nations General Assembly in 1948-49. The Labour governments also had some sympathy for Asian nationalist movements, most importantly in Indonesia.

Relations with Japan were particularly important. Antagonism ran

strong in the postwar years and lingered for decades. Nevertheless, trade recommenced in 1949 and grew rapidly; by the mid-1960s Japan had surpassed the United Kingdom as the nation receiving the largest share of Australia's exports, and it was second only to the United States as the largest supplier of imports.

While the influence of Asian communism was feared and Japan was regarded with suspicion, more genial relationships developed in the hemisphere. The Colombo plan, which went into effect in 1951, provided for Australia to give aids to its friends within the region and began an inflow of Asian students into Australia that became a permanent and considerable phenomenon. The minister for external affairs between 1951 and 1960 was Richard Gardiner Casey. He was unique among Australians in his experience of traditional diplomacy, yet he was ready and able to come to terms with the new Asia. As Indonesia became an ever more populous, and sometimes assertive, nation, there had to be wariness in Australia, but the fall of Sukarno in 1966 helped stabilize relations for many years. The grant of self-government to Papua New Guinea by the Whitlam government came early enough to provide some basis for goodwill into the future.⁴¹

Australia's foreign policies

“After John Howard took office in 1996, Australia's priorities seemed to swing back clearly in the direction of America and the West, and away from the enthusiastically pro-Asian sentiments of his predecessor, Paul Keating. On the very day on which the new government was sworn in, America dispatched two aircraft-carrier battle groups to the Taiwan strait after China started lobbing missiles towards the island. Mr. Howard endorsed the deployment, to Chinese fury.

The Asian financial crisis of 1997-98 caused a certain amount of Schadenfreude among Australians, who still remembered the warning issued in the 1980s by Singapore's Prime Minister, Lee Kuan Yew, that they risked becoming the “white trash of Asia”. It also led directly to the collapse of General Suharto's regime in Indonesia, which in turn led to the event that most alienated Australia from its Asian neighbours:

its intervention in East Timor, after that wretched Indonesian province voted for independence and then descended into mayhem. In 1999, Australia organised and headed a multinational peacekeeping force to which it contributed 5,700 of its own troops, half the total. Though this was done with the acquiescence of the Indonesian government, it was hugely resented, especially by the powerful Indonesian army. Throughout the presidencies of B.J. Habibie and Abdurrahman Wahid, and well into that of Megawati Sukarnoputri, relations between Australia and the largest and most powerful member of the Association of South-East Asian Nations (ASEAN) remained glacial.

At the same time, ties with America improved, especially following the election of George Bush, whom Mr. Howard found much more congenial, personally and politically, than Bill Clinton. But the biggest change came on September 11th 2001. Mr. Howard felt the terrorist outrage deeply, all the more so because he was in Washington, DC, on that fateful morning. Australia invoked the right of collective self-defence under the ANZUS security pact to pledge its support for America. Along with Tony Blair, Mr. Howard has proved one of America's most steadfast allies in the war on terror, volunteering to send Australian troops for the invasion of Iraq even though the war was deeply unpopular in his country. Although several Asian countries, including Japan, South Korea, Thailand and the Philippines later sent troops too, Australia's two Muslim neighbors, Indonesia and Malaysia, were strongly opposed. Mr. Howard did not help matters by agreeing with an interviewer that he was America's "deputy sheriff" in the region."⁴²

"Two tragedies have helped to reshape Australia's relations with South-East Asia. The first was the Bali bomb of October 2002, which counted 88 Australians among its 202 victims. In its wake, the police forces of Indonesia and Australia embarked on a programme of close co-operation that worked, and has gone on working, surprisingly well. Some 30 people suspected of involvement in the attack have been rounded up. Jemaah Islamiah, the al-Qaeda offshoot held responsible, may not have been eliminated, but it has been badly weakened. The

Australian intelligence services now work very effectively with their counterparts in Indonesia, Malaysia and Singapore, and this practical cooperation has given a boost to the relationship at higher levels. For example, Mr. Howard last year attended the swearing-in ceremony for Indonesia's president, Susilo Bambang Yudhoyono, a courtesy he had not extended to previous presidents.

A further sign of Australia's rehabilitation in the eyes of ASEAN came last November, when Australia (along with New Zealand) was invited to attend ASEAN's summit meeting in Laos. Shortly after that came the second tragedy that profoundly changed Australians' and South-East Asians' views of each other: the tsunami of December 26th. The response by ordinary Australians was magnificent. They donated about A\$ 300m (\$235m), to which the government added A\$ 1 billion. But even in such adversity old habits die hard: the troops Australia sent to the devastated province of Aceh were viewed with suspicion by the Indonesian armed forces, which are suppressing a secessionist uprising there.

Plainly, there are still tensions: Mr. Howard caused offence by refusing to sign up to ASEAN's "treaty of amity and co-operation" which he instinctively feels is anti-western. In general, he has preferred bilateral arrangements to multilateral ones. This has its drawbacks: driven mainly by concern about China, Asia is moving fast towards some form of regional institution-building, with a planned "East Asian Community", consisting of the ten ASEAN nations plus China, Japan and South Korea, being its most promising form. Mr. Howard must do much more to ensure that Australia is moving in the same direction. In the end, he will probably have to back down and sign the treaty.

The use of bilateralism as a political and economic tool is also much in evidence. Last year, Australia completed negotiations on a free-trade agreement (FTA) with America, which took effect on January 1st. It has also signed FTAs with Thailand and Singapore, and is studying one With Malaysia. The real prize, though, will be the proposed FTA with China, potentially the first that China will sign with a developed country.

If ever there were two countries that were made for each other, at

least economically, it must be Australia and China. Australia has the raw materials-coal, iron ore, gas and even oil-that China needs; China makes all the manufactured goods that Australia needs to import.”⁴³

The Present Scenario

“There is certainly much to regret in Australia’s past treatment of its indigenous people. When the first British settlers arrived in 1788, they simply got on with colonising the place. As far as the newcomers were concerned, the original inhabitants had no recognisable system of government, and there was no evidence of land ownership. They therefore concluded that Australia was *terra nullius*, a land without people that was theirs for the claiming. If the Aborigines fought back, they were killed. If they got in the way, they were moved from their ancestral land. Many died, if not from violent causes, then from new diseases to which they had no resistance.

Historians think Australia’s first people may have arrived from South-East Asia at least 50,000 years ago. By the time the British arrived, the number of Aborigines and Torres Strait Islanders (natives of the far north) spread over the Australian continent may have been as high as a million. Yet when the continent became a nation in 1901, it had dropped perhaps 50,000. The new settlers assumed it would be only a matter of time before the black men disappeared altogether.

For much of the 20th century white politicians, bureaucrats and churchmen did their best to expedite this process by removing children of mixed parentage from their Aboriginal mother to bring them up in institution. The idea was to give the mixed-blood children a chance to escape from their black background and perhaps marry whites, so that over a generation “the colour would be bred out of them”. Under this policy, pursued from about 1910 and abandoned only in the 1960s, probably tens of thousands of young children were, in effect, orphaned. Some of the angriest of today’s Aboriginal leaders belong to that “stolen generation”.

Australia has been remarkably slow to acknowledge the rights of the continent’s first people. The 1901 constitution mentions them only

to say they were not to be counted as citizens. Only in 1962 were they allowed to vote, and not until 1967 did white Australians vote to amend the constitution so that Aborigines were included in censuses, and the federal government could legislate on their behalf. The first Aboriginal Member of Parliament, Neville Bonner, was elected in 1971.

The following year a Labour government under Gough Whitlam introduced a policy of self-determination for Aborigines and set up the Aboriginal Land Rights Commission. Land is of fundamental importance to the Aborigines. They believe that its boundaries were drawn by the ancestral beings of the Dreaming (creation), and maintain strong spiritual links with it. Some of their land rights have been restored. Some 15% of Australia's land is now owned and controlled by Australia's first people. Aboriginal efforts to go back their land were boosted by two landmark High Court decisions in the 1990s. In 1992 the High Court found in favour of Eddie Mabo, a Torres Strait Islander who was claiming "native title" (common-law rights according to Aboriginal traditions, and customs) to his traditional land, in effect striking down the doctrine of *terra nullius*. The court ruled that native title could exist if it had not been extinguished by the subsequent granting of exclusive possession, such as freehold and residential leases. In 1996, in response to a claim for native title by the Wik people of Cape York over land held by farmers on pastoral leases, the High Court decided that native could in fact coexist with pastoral leases. This decision triggered many hundreds of native-title applications, including some overlapping ones, hardly any of which have been resolved to date.

Peter Foss, Western Australia's justice minister, thinks that under current legislation no resolution will be possible, and that a constitutional amendment will be needed to change it. Others disagree. Norman Fry, chief executive of the Northern Land Council (one of the statutory bodies that handle land matters on behalf of the Aborigines), and himself an Aboriginal, says there are in fact few overlapping claims, and insist that Aborigines are quite businesslike when it comes to commercial development. As an example, he sites an

agreement recently reached with Aboriginal land owners to allow a 1,500 km (930 mile) rail link to be built between Alice Springs and Darwin. “Land is very important”, says Mr Fry, “but so is being mindful of the 21st century.”

At perhaps 390,000 now, the Aboriginals make up less than 2% of Australia’s population, a smaller proportion than, say, first-or-second generation Italians or New Zealanders. But the numbers hardly matter. Italians or New Zealanders or Britons or Chinese arrived as immigrants, ready to adapt to the ways of their new country. The Aboriginals were there long before anyone else. They knew how to survive in an often inhospitable land, how to look after it, and how to look after each other.

That way of life was shattered when the newcomers imposed their own culture and their own values. Before 1788 there were at least 250 different aboriginal languages and several hundred dialects. Until quite recently, Aborigines were prevented or discouraged from speaking these languages, many of which have already died out unrecorded.

Only about a third of all Aborigines now live in rural areas and maintain something approaching their traditional lifestyle. Another third live in small towns and villages, and often find themselves marginalised in every sense. The rest live in urban centres, many of them leading lives that are indistinguishable from those of other Australians. Many of them inter-marry with other ethnic groups. According to official government policy, anyone of Aboriginal descent who considers himself as such and who is recognised as such by other Aborigines is an Aboriginal, no matter how remote the connection. As Aborigines have learnt to hold their heads higher, so more people with Aboriginal roots have claimed membership of their community.

By any measure of ordinary well-being, Aborigines are worse off than other Australians. Their life expectancy is about 15 years lower than that of the average Australian, and infant mortality is several times higher. Diabetes and ear and eye diseases are much more common. Drink and drugs problems are widespread. Unemployment among Aborigines is running at four times the national level. A large proportion

of children drop out of school. Housing standards are often poor.

For those who live traditional lives in remote areas, such disadvantages are inevitable. In the outback, schools, medical care and jobs are thin on the ground for people of any colour. A big effort is now being made to employ Aborigines in the tourist industry, say as national park rangers or tourist guides, where their traditional knowledge of the land gives them an advantage. Many Aborigines are also talented artists. Aboriginal art and artefacts have become fashionable and are selling well.

But many Aborigines are poor and likely to get into trouble with the law. They end up in prison, and seem to die there more often than other prisoners. An Australian Royal Commission report in 1991 expressed strong concern about the number of Aboriginal deaths in custody. Western Australia and the Northern Territory have a mandatory sentencing policy for repeat offenders that seems designed to put large numbers of young Aborigines behind bars. It recently attracted adverse comment from a UN human-rights committee. In the Northern Territory, seven out of ten people in jail are Aborigines. The federal government has put pressure on the two state governments to drop the legislation, but has made little progress.”⁴⁴

Time for a treaty?

“More money would help to remedy the Aborigines’ problems, say their champions, but even where money is available it is not always well spent, and there is not enough co-ordination between the federal authorities and the individual states. Even so, the last decade or so has brought enormous changes. Aborigines are still at an economic and social disadvantage, but there have been some improvements, and at least their difficulties are being acknowledged. In a speech on a visit to London in July as part of the centenary celebrations, Mr Howard spoke of Australia’s share of errors as well as its achievements, and singled out “the way in which we have on so many occasions mishandled the treatment of the indigenous people of our country.”

So how can Australia put these errors right? Some Aboriginal leaders are calling for a treaty between the Australian government and

the country's first people, along the lines of the treaties drawn up in New Zealand and Canada, but others think the idea could be potentially divisive. Linda Burney, the deputy director general of the Department of Aboriginal Affairs in New South Wales and herself an Aboriginal, reckons that such a treaty might take 30 years to negotiate. But although angry, she is optimistic: she believes that the Aborigines' current difficulties are a generational problem. And how many generations will it take to resolve them? "Oh, perhaps six or seven." ⁴⁵

Rowdy neighbours

"With its palm-fringed views over a sparkling Blue sea, Darwin, the capital of the Northern Territory, looks as glamorous as any tropical holiday paradise. But for the past year its airport has been busy not only with tourists and business travellers, but also with soldiers and military aircraft commuting to Dili, the capital of East Timor, just 500km across the water. In September last year, after the former Portuguese colony's vote for independence from Indonesia sparked a massacre by pro-Indonesian militias, Darwin became the departure point for the Australian-led, UN-mandated International Force East Timor (INTERFET), made up of about 5,000 Australian troops and 4,500 from other countries. INTERFET has now been replaced by a United Nations transitional administration, but Australia maintains a strong presence on the island.

Although the Australians went in with the Indonesian government's agreement, relations with Indonesia went through a bad patch last year, says Alexander Downer, Australia's foreign minister. A few days before the peacekeeping force was deployed, Indonesia tore up a security agreement signed between the two countries in 1995. The alternative, Mr Downer suggests, would have been far worse: the imposition of sanctions on Indonesia, withdrawal of support, the collapse of the Indonesian economy and knock-on effects on the neighbours. The East Timor issue has dogged Australia's relations with Indonesia since 1975, when Indonesia invaded East Timor after Portugal pulled out. Now that it has been resolved, he thinks the process of

restoring that relationship is well under way.

But a team of Australian foreign-policy experts who recently visited Jakarta found that members of the armed forces there remained suspicious of Australia's motives in East Timor. The Indonesians feared that their neighbour might be trying to exploit unrest in places such as West Papua (until recently called Irian Jaya) and Aceh, a deeply Islamic province in the west, to encourage the break-up of their country. Nonsense, say Australian officials: East Timor was a special case, and there is no question of intervention in any other part of Indonesia. Australia would much rather have a peaceful and stable Indonesia next door than one disintegrating. Indonesia, after all, is one of Australia's four most important international relationships – the other three being America, Japan and China.

But Australia's neighbours might be forgiven for being confused by its policy on Asia, which over the past few decades has performed a number of twists and turns. As long as the country pursued a white-Australia policy, complete with a bar on Asian immigration definitively abandoned only in the 1970s, its relationship with the region was bound to be delicate. After the communists took over Vietnam in 1976, Australia – which had sent troops to fight in the Vietnam War – accepted about 70,000 refugees from there. And in 1989, after student protests in Beijing's Tiananmen Square had been bloodily put down, Australia offered all 70,000 Chinese students on its soil at that time the chance to stay on permanently. Most accepted. Meanwhile, Japan and most of East Asia were enjoying a long economic boom even as the Australian economy was down in the dumps. In the early 1980s Lee Kuan Yew, then Singapore's prime minister, had mused that Australia might become "the white trash of Asia". Doing business with those highly successful Asian neighbours suddenly seemed essential.

When Paul Keating became prime minister in 1991, after eight years as treasurer in a Labour government, he immediately launched a policy of close engagement with Asia. That seemed a sensible idea, but he was widely criticised for overdoing it, giving the appearance of cutting links with Australia's traditional allies to cosy up to its new

Asian friends. When the Liberal-National coalition came to power in 1996, its new prime minister, John Howard, moved away from the idea that Australia might become part of Asia, and re-emphasised the country's traditional links with the English-speaking world and Europe. But he put it delicately. The Keating government's policy, he said, had been "Asia only"; his was "Asia first".

The big test of Australia's engagement with Asia came during the Asian economic crisis in 1997-98. Australia and Japan were the only two countries to chip into all three of the emergency support arrangements put in place by the IMF for Indonesia, Thailand and South Korea. Yet Australia's Asian neighbours can still be critical. Some see Australia as too close to the Americans and too supportive of the IMF. When earlier this year an Australian magazine quoted Mr. Howard as describing his country as a kind of US deputy sheriff in South-East Asia, Australia's northern neighbours choked with indignation. He later denied he had said it, but the damage had already been done.

Australia is a member of the Asia-Pacific Economic Co-operation (APEC) group, set up in 1989 to advance regional economic co-operation between countries on both sides of the Pacific. But that body – which Australia invented – recently seems to have lost much of its momentum. APEC, in turn, is a member of a joint task force with the ten-country Association of South-East Asian Nations (ASEAN) to work on a free-trade agreement, but progress has been slow. Australia was not invited to join a new grouping to strengthen regional co-operation: the ASEAN+3 (China, Japan and South Korea), which met for the first time last November. It would have liked to have been invited, but was too proud to ask. Given a free choice, it would prefer to tackle trade problems on a multilateral basis. It was deeply disappointed by the WTO's failure to launch a new trade round in Seattle last year.

Many Australians now feel that the arguments over whether their country is part of Asia or simply Asia's partner have become counterproductive. "Australia is best regarded as just Australia," says a top official at the foreign ministry. But the Asian connection is clearly

crucial. Seven of Australia's top ten trade partners are in East Asia, and more than half its exports go there. Six out of ten of its foreign visitors come from the region. Tens of thousands of young people from East Asia study in Australia. They return clutching not only their education certificates but also contact books full of Australian names, which in time may translate into businesses."⁴⁶

Arc of instability

“Whatever the rhetoric, there is no denying that Australia lives in a troublesome neighbourhood. Newly independent East Timor, even if there is no further violence, will need plenty of help. And there are other actual or potential problems wherever you look: in Indonesia, Malaysia, Bougainville, the Solomon Islands, Fiji, and to the west Sri Lanka, India and Pakistan. Further north things are looking more hopeful now that North and South Korea are tentatively talking to each other. This summer Australia resumed diplomatic relations with North Korea. It has had a strong relationship with China since 1972, when it accepted the “one-China” policy which acknowledges Taiwan as a disputed part of that country. But its exports to Taiwan are almost exactly the same as those to China.

Given this less-than-tranquil setting, Australia has been surprisingly parsimonious in its defence spending. Last year this amounted to A\$ 13 billion, or 1.9% of its GDP the lowest proportion since 1939. The strength of its armed forces has remained at 57,000, but spending on hardware has fallen below even what is needed to maintain present capabilities, let alone step them up.

This parsimony cannot continue indefinitely. Much of Australia's defence equipment – fighter and transport aircraft, helicopters, frigates, support ships – will reach the end of its useful life over the next 15 years. Replacements could cost A\$80 billion-110 billion over the next 20 years. The American defence secretary, William Cohen, on a visit to Australia in July, urged his hosts to invest more “if Australia hopes to maintain a modern inter-operable force with the US and other allies.” This means putting money into advanced communications, sensors and

weapons, as well as training Australian forces to work with their American counterparts.

The Australian government is currently conducting the most thorough review of its defence policy since the mid-1980s. Mr Howard wants to increase defence spending significantly from next year. To prepare the public, he has launched a consultative green paper. The paper says that at present no country has any intent to use armed force against Australia but, in an extraordinarily dynamic and complex region, the country would be wise to be prepared for anything. It concludes: “Major wars are uncommon, but they are not impossible.”⁴⁷

Is there anybody there?

“To a visitor, the most striking thing about Australia is its sheer size. On a standard world map, it looks like a medium-sized island in the bottom right-hand corner, a long way from most places. In real life, of course, it is a proper continent with about the same land area as the United States minus Alaska, and much the same as the European Union—except that its population is only 19m, instead of America’s 276m or the EU’s 370m. And it really is a long way from most places.

The old tyranny of distance, both within Australia and between it and the rest of the world, has been partly overcome by new communications technology (though note that if you live in Alice Springs or Darwin, you still cannot buy Australia’s national newspapers until lunchtime the following day). But there is still plenty of scope for improvement even in old-technology surface transport. A new rail link between Alice Springs and Darwin has been given the go-ahead at last, and a long-standing proposal for a high-speed train between Sydney and Canberra is being dusted down. Internal air travel is still prohibitively expensive, but fares should come down as new competitors undercut the existing Qantas-Ansett duopoly. As for the physical distance to the rest of the world, Australians are great travellers. But they still need to persuade more of the rest of the world to return the compliment.

Still, that physical distance has become less important now that new ideas and habits can travel instantly on the electronic highway. Australia is no longer disadvantaged by being at the back of beyond: it

is up to speed with everything that is happening in the world. Its metropolitan city centres are as glitzy as anyone's. Its sophisticated urban consumers lap up culture in many forms. Its affluent young are clad in the latest fashions. "Modern Australian" food, though notably good, is not wildly different from modern anywhere else. A decent cup of coffee is now readily available almost anywhere in urban Australia, although in remote places you may be offered strange local brews such as "mugguccino" (a sort of cappuccino in a mug).

But urban Australia, however impressive and up-to-date, is mainly confined to Australia's southeast corner. The two most populous states, New South Wales and Victoria, contain over half the population, but make up little more than an eighth of the country's land area. Adelaide and Brisbane, with a further 2.5m people between them, are also in that busy corner. Apart from the Perth area on the west coast, the rest of the country is almost empty. True, the thinly populated states of Western Australia, the Northern Territory and Queensland are gaining people faster than the rest of Australia, but they have a long way to go. The Northern Territory, an area twice the size of Texas, aspires to increase its population from 190,000 to 1m in 25 years' time. That will still leave each and every one of them with 1.3 square kilometres to rattle around in.

Does Australia need more people? Absolutely not, says a line-up of environmentalists. It is an old, fragile and arid continent. Since the white settlers arrived 200 years ago, irreparable damage has been inflicted on it. Introduced plant and animal species have wrought havoc on its unique flora and fauna. Water is short, and much of what there is has been used recklessly for intensive agriculture which is proving unsustainable. Because much of the water-retaining bush and forest has been cleared, rainwater leaches salt out of the ground, causing increasing salinity and soil infertility. Moreover, some of the big conurbations are already congested.

Bob Carr, the premier of New South Wales, is perhaps the best-known advocate of keeping Australia's population small. His perspective is influenced by living in Sydney, a city of 4m people that

is forecast to gain another one million in the next quarter-century, but he clearly feels that the continent, with its thin soil and its degraded rivers, is vulnerable. It may have a lot of land area, he says, but it simply lacks the potential for population growth that has made the United States such a successful immigration country. Indeed, Australia may be beyond its carrying capacity already.

However, a report to the Australian parliament a few years ago found that at present levels, population pressures were not a cause for concern. And there are plenty of champions of a much more populous Australia. Malcolm Fraser, a former prime minister, has long argued that the country could easily sustain a population of 50m. That may be a little over the top, but there does appear to be room for more than at present. Glenn Withers, a professor of public policy at the Australian National University in Canberra, is impatient with the idea that Australia is soon going to be “full up”. He points out that the part of Australia used as agricultural land alone is bigger than the combined land area of France and Japan, countries which between them have a population ten times as large as Australia. Moreover, he says, the continent’s renewable water resources per head are twice as large as America’s, and 80% of them are currently used for farming, most of which goes for export.

One good reason for trying to boost the number of Australians, he reckons, is to mitigate a problem that will soon be facing all developed countries: an ageing population. For the past decade the number of people in Australia has been growing steadily at 1-2% a year, most of it through natural increase. But the average number of babies born to each Australian woman has dropped below 1.8, not enough to keep the numbers up in the long term. If nothing is done, the population will reach about 20m by about 2030 and decline thereafter. As the average age of the population increases, a huge chunk of extra money will have to be found to pay for more pensions and medical care.

Nobody has yet found a way of persuading women to have more babies, but Australia is well placed to increase its population through

immigration – unlike many European countries, which are now agonising over the political implications forecasts that they will need vast numbers of immigrants to keep their labour forces up to strength. In Australia, too, economists are already talking an impending labour shortage, but the remedy would come more naturally: the country has defined by immigration from a succession sources throughout its modern history, and it has thrived on it. Even its national anthem extends a welcome to new arrivals:

For those who've come across the seas
 We've boundless plains to share;
 With courage let us all combine
 To Abidance Australia Fair.

Numbers have waxed and waned, but the fact of immigration itself is barely a political issue these days, even though the main source of the flow (Leaving aside New Zealand) has switched from Europe to Asia. Under current, carefully regulated policies, about 80,000 people a year are arriving to seek thier fortunes. If that rate were to be maintained, the population would level out at around 25m by 2050. But turn up the tap a little – only enough to produce an annual population increase of 1%, much the same as over the past decade – and by 2050 Australia could have 40m people. Provided they were spread around, it would make little difference to the equality of life, because the place would still be thinly populated by most standards; but it would promote it from having a population similar to that of the Netherlands to about the same as Spain's.⁷⁴⁸

Critical mass

“Leaving aside the rather curmudgeonly wish to spread the burden of pension payments, there some perfectly respectable reasons for wanting a larger population. It can give a country critical mass in all sorts of ways – to be taken more seriously in the councils of the world, to resist outside threats more successfully, to spend adequate sums on things like defence and infrastructure without squeezing citizens. Many economists argue that size – of companies, industries, cities, economies

– can cause a step change in output and productivity, and facilitate technological change and innovation. Bigger economies are more diversified, less vulnerable and have a better chance of being successful.

For the past decade or two, Australia has engaged in a number of projects to put its house in order. There is still some tidying up to do, particularly in the corner marked “indigenous Australians”; a bit more wiring for the online world; and no doubt endless bits of housekeeping. But the economy now looks in better shape than for half a century, and with sensible management should be able to carry on that way. Perhaps this is the moment for the country to start thinking about a new project: matching its population more closely to its size.”⁴⁹

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