

Week 1 – Introduction and Overview:

- **Paul Kelly, “the Australian settlement”;** Kelly argued that what was happening in the major reforms of the Hawke-keating government were undoing an Australian settlement which had effectively been locked in place coming out the 19th century and being entrenched in the federal government in the 20th century. Kelly argued that Australian settlement defied the pattern of economic development from then until the 1980s and was comprised of five elements;
 1. White Australia
 2. Protective tariffs
 3. Industrial arbitration (harvester judgement)
 4. Imperial benevolence – close ties to Britain and the belief Britain would continue to fund them.
 5. State paternalism
- **The welfare state;**
 1. State responsibility for the economic and social wellbeing of its citizens.
 2. The market and the state operating together to produce quality of life; cf socialism
 3. In practice, the government provision of social services, such as healthcare, unemployment and sickness benefits, old age pensions.
 - **Titmuss** (1959): the welfare state as institutional, covering the entire population, not just residual (those ‘most in need’)
 - **Briggs** (1961): minimum income, security, standards of social services
- **How the welfare state emerged;** Emerged out of World War II social reconstruction: a reaction against austerity
- **Beveridge report (UK, 1942);**
 1. Establishment of a National Health Service (NHS) (1948)
 2. National Insurance Scheme
 3. Proposals implemented by the Attlee Labour Government (1945-51)
- **Influence of Keynes;** “In Britain, Keynes and Beveridge represented a linked response to the pre-war crisis focusing respectively on demand management and the sphere of social reproduction. Together they formed the core of the ‘post-war settlement’ between capital and labour which was to prove so successful a basis for post-war prosperity” (Gough 1983: 10)
- **W.K Hancock;** “Australian democracy has come to look upon the State as a vast public utility whose duty it is to provide the greatest happiness for the greatest number...to the Australian, the State means collective power at the service of individualistic “rights”. Therefore he sees no opposition between his individualism and his reliance upon Government”.
- **Australian Mining, 1900-1950;**
 - Coal exports decline and coal industry becomes inwardly focused
 - Coal strikes in 1930s and in 1940 and 1949
 - Iron ore exports stopped 1938
 - Broken Hill Proprietary Company (BHP) becomes monopoly steelmaker (using deposits in South Australia)
 - Aluminium imported from overseas
- **The coal boom, 1960,1973;**
 - 1945 Australia and New South Wales create Joint Coal Board
 - Board encourages greater efficiency and investment in NSW industry and most importantly mechanisation (unions brought along)
 - As result of 1960-61 credit squeeze Menzies agrees to subsidise coal ports
 - Japanese steel survey missions of 1958 and 1960 important
- **Japanese Steel Industry;**
 - Japan has some coal but not high quality for steel-making
 - Imports high quality US coal immediately after war
 - Decides to diversify coal supplies in late 1950s
 - Develops internationally efficient steel mills during ‘Japanese economic miracle’
 - Underakes to take more Australian coal in 1960
- **Iron Ore;**
 - Export Embargo 1938 (official explanation only enough high-grade iron ore for Australian industry)
 - Relaxation of embargo 1960
 - Lang Hancock reveals discoveries in Pilbara (resulting in Mount Tom Price)
 - Stan Hilditch discoveries 1957 (resulting in Mount Newman)

- **Industry shares of GDP;**
 - Pastoralism/Agriculture -
 - 1919: 28%
 - 1939: 20%
 - Mining -
 - 1919: 4%
 - 1939: 3%
 - Manufacturing -
 - 1919: 12%
 - 1939: 19%
 - Other/Services -
 - 1919: 57%
 - 1939: 58%
- **Impacts of World Wars;**
 - World War 1 –
 - Gross Domestic Product declined by 4%
 - GDP per capita declined by 8%
 - World War 2 –
 - Gross Domestic Product grew by 26%
 - GDP per capita grew by 17%
- **True value of hunter gatherer society;** it is often said that the agricultural revolution was a leap forward for humanity who had deciphered nature's secrets and moved forward from the gruelling, dangerous and often spartan life of hunter gatherers to settle down to a pleasant satiated life of farmers. In reality;
 - Foragers knew nature's secrets before the revolution
 - Hunter-gatherers spent their time in more stimulating and varied ways and were less in danger of starvation and disease
 - Agricultural revolution increased the volume of food for the few crops and domesticated animals but this did not translate into better diets and more leisure.
 - Violence was present in both societies.
- **Hunter gatherer economy;**
 - Hunter gatherers require little capital investment. Accumulation of wealth makes no sense & capital equipment kept to minimum but technology not simple, limited or uniform
 - The longer hunter/gatherers stay in one location the more scarce food becomes & the more cost in terms of time spent hunting & gathering versus other social activities
 - Factors of production are equally distributed (collective access to land and own labour)
 - Sexual division of labour
- **Symbolic and physical dispossession;**
 - Indigenous Australians were unilaterally dispossessed in 1770 when Captain Cook planted a Union Jack. This was followed up by physical dispossession that commenced in 1788 with the processes of colonisation
 - If GDP was measured in the immediate post-colonial period, one would see a dramatic decline as Aboriginal population plummeted (& that the hunting & gathering activities secured more output than the original colonists (certainly the convicts).
 - The 'carrying capacity' of the land was also reduced.
- **Captain Cook's observations of indigenous Australians;** "In short they seem'd to set no Value upon any thing we gave them, nor would they ever part with any thing of their own for any one article we could offer them; this, in my opinion argues that they think themselves provided with all the necessary's of Life and that they have no Superfluities"
- **Whaling;**
 - Whaling provided strategically important products, especially oil. Whale oil is a fundamental commodity as this was before petroleum oil (no service station) so whale oil is used predominantly.
 - Whaling reduced cost of convict transportation as ships could take convicts to Australia and oil back to Britain
 - Whaling stimulated ship-building and created demand for supplies
 - Both whaling and sealing employed Aboriginal labour: 'multicultural' workforce
 - Whaling more valuable than wool as export until early 1830s.
- **Sealing;**
 - Beat seals to death with clubs for their skins and oil
 - Required less capital than whaling and fewer restrictions on exports
 - Industry dying by 1830s due to over-exploitation