Atom Age Reflections

MENACED by instant mass destruction, 20th Century Man lives and goes normally about his concerns. There is no sign of a failure of nerve. On reflection, perhaps this is not extraordinary. The individual has, after all, lived his life always in the shadow of his own mortality. The primitive man did not know when he left the shelter of his cave to seek his food whether he would return to it. The modern man cannot be sure when next he drives his car out of the garage whether he will drive it back again. Life has always been a perilous enterprise and a perilous enterprise it will remain. Man seeks security, perhaps more ardently now than ever before, but an iron-clad guarantee against the inherent risks of living, he cannot obtain.

Why, therefore, should Man be any more frightened today than he has been in the past? Indeed, he may derive some macabre kind of comfort from the fact that if he is forced in the next 10 minutes or 10 hours or 10 years to make the journey into the Great Unknown, he will not make it alone. A goodly sized company will go along with him. Perhaps this affords part of the explanation of why modern Man seems to go about his everyday task in cheerfulness and good humour and without perceptible fear or anxiety, notwithstanding the over-hanging threat of nuclear annihilation.

In the course of its progress Science has added new dangers to Man's frail hold on existence — for instance, the internal combustion engine and the jet air-liner. But it has,
at the same time, subtracted many more, so that, on balance, the "expectation of life" all over the world has been marvellously lengthened. Unfortunately, the "life tables" in use today may be misleading because the actuaries have not yet been able to take into their calculations the "probability ratio" of a nuclear war.

Nevertheless, it is still probably true to say that men live in no special terror of the threat posed by the Ballistic Missile. In the Cuban confrontation last October, there was no doubt a tightening of the nerves, a feeling that we could be standing precariously on the brink of the Deep Abyss; but there was no panic, no hysteria, no manifestations of a great upsurge of fear.

Why was this so? Probably because, deep down, we never really believed that it would, or indeed could, happen. A holocaust on the scale that would be let loose by a nuclear war is something almost beyond Man's power of comprehension, too huge, too hideously monstrous for him to grasp.

Man is infinitely adaptable; his capacity for adjusting to circumstances extraordinarily elastic. He can endure the most terrible privations; undergo crushing hardships; face danger and even certain death with a stout heart. The human story is a story full of follies; but it is also a saga of courage and persistence. Courage is not the absence but the control of fear. In this lies the so-called Dignity of Man, which encompasses nobility. If greatness resides in the human species, it is to be found here rather than in its much-vaunted Intellect which seems capable of the most incredible stupidities. The outstanding fact of our times is not that Man has created the Atom Bomb, but that he has learnt to live with it. The former is cause for shame; the latter for some pride.

Man, therefore, is not altogether wise to place too much trust in his intellect. We must take the record as it is, and history gives little support to the faith of the Rationalists. The greatest achievements of men's minds are not to be found in the realms of Reason or Science — great as some of them are — but in the instinct he derives partly from his nature, partly from his experience, in his soaring, poetic imagination, in his feeling for life's mystery, in the things that far tran-
scend the higher logic or mathematics. As the philosopher Hume pointed out: "The rules of morality are not the conclusions of our reason". Logic is the tool of thought, not its end, and something more than the logical mind is required to provide answers to life's greatest problems.

Some of the wisest men have had no formal education; but they have thought much for themselves and, through the exercise of thought, have developed and strengthened their minds. Education is no substitute for thought. Certainly it helps man to think; more rarely, it stimulates him to think. This, indeed, is its true function, not the imparting of facts or of knowledge of formal procedures. The great Alfred North Whitehead of Harvard put it forcefully when he wrote: "Culture is activity of thought, and receptiveness to beauty and humane feeling. Scraps of information have nothing to do with it. A merely well-informed man is the most useless bore on God's earth".

In these days of the Atom Age there may be a tendency to expect too much from education. There is the naive idea that when everyone has a university diploma all will be well and the human race will advance into a new utopian realm. There are no grounds for any such optimism. Still more ingenuous is the modern faith in potted, highly concentrated educational courses which profess to impart within the space of six or ten weeks the knowledge and qualifications required for leadership.

This is not to denigrate education, to imply that it has little point and that we can get on just as well without it. To question the modern emphasis on education would be as foolish as to suggest that we could get on just as well in these days without the motor car, or without the vast capacity for the prevention and cure of illness provided by modern medicine. We are right to expect great things from education — but we should not make the mistake of expecting too much. It is necessary to remind ourselves that education is no more than an aid to the good life; it is not the good life itself; it is not even a magic key that will open the door to the good life.

Even the truly educated man is no better able to provide the answer to the mystery of his existence than the
uneducated. But he is, on the whole, better able to perceive the existence of the riddle and more ready to concede that it is a riddle to which he can never have an answer.

The fascination of life lies in its unexplained and unexplainable mystery. If the riddle were solved and everything were down in black and white, so that we knew for certain where we came from, why we are as we are, what we are here for, and where we are going, perhaps life would become a terrible tedium, an intolerable bore. Man has always been attracted by the Unknown. It is that which has lured the great adventurers, whether in the realm of physical things or in the realm of the mind.

Most of us are satisfied to accept life on those terms (which are its own terms) and to realize our limitations. In face of the vast mystery surrounding our existence, we experience an inner humility and from humility comes toleration. Man can adapt the fundamental conditions of life to his own advantage (or disadvantage); he cannot alter those conditions. Those who try to do so put themselves above life, above God, and from them has come many of mankind's greatest troubles. There are few, if any, more terrible sins than the sin of arrogance. The truly wise man is humble; he rests content to say, "I do not know"; he is satisfied to leave to others their own speculations and beliefs. In this attitude of mind consists the germ of true liberty; it is the opposite of dogmatism, which, whatever form it takes, is the enemy of liberty. There is nothing wrong with having a pattern for our own life; the cardinal sin is to try to impose that pattern on others.

Here indeed lies the essential difference between the two great conflicting ideologies of our day — Democracy and Communism. It is not a matter of which system is the more efficient; productivity and rates of growth may prove to be in the long run not nearly so significant as we may be disposed to think. It is a matter of an attitude to life, a view of life.

As Adlai Stevenson pointed out recently in an article in "The New York Times", the wisdom of democracy and its chief glory lies in its humility. From humility spring toleration and modesty. Against this the Communist ideology is one of
vanity and intolerance. It seeks to impose a single pattern of living, a single outlook on the peoples of the world. Communism sees glory in unity and conformity; Democracy in diversity and difference. Communism sees virtue in certainty; Democracy is certain only of uncertainty. Communism is the "closed mind"; Democracy "the open". Communism is dogma; Democracy has no dogmas, or rather it has room for all. That the testament of democracy is imperfectly practised makes it no less valid. In holding to it firmly, in striving to express it as best we can, lies our ultimate strength and protection.

Perhaps the most serious weakness of the democracies is that they do not think enough about the faith which they profess. In this we may have something to learn from the communists. How many of us who belong to the Western World could give even a moderately decent explanation of the meaning and content of Democracy and of the conditions for its success?

But if the weakness of Democracy lies in its insufficient knowledge of itself, its greatest error may consist in the too prevalent belief that its own way of life is exactly suited to the needs of others. Nations cannot assume Democracy as easily as a man can put on a suit of clothes. Those that try often find at first that the suit seldom fits. We should not be too disappointed if other nations display an unwillingness to accept our ways in toto, or an incompetence in the operation of methods of government which to them are entirely novel.

De Tocqueville said: "... there is nothing more arduous than the apprenticeship of liberty. ... Liberty is generally established with difficulty in the midst of storms; it is perfected by civil discords; and its benefit cannot be appreciated until it is already old". Perhaps, in the crises occurring all over the world, we are witnessing the birth-pangs of a new, wider liberty in the world. If so, there is nothing more certain than that the period of labour will be protracted. In these highly dangerous and perplexing times, patience is needed, infinite patience.
Inquiry into the Economy

The membership of the Committee of Inquiry into the economy was made public by the Prime Minister on the 14th February. This was four months after the Commonwealth Government had announced its intention to form such a Committee.

Rumours have abounded that the Government has not found it easy to induce people to serve on the Committee. This has been partly attributed to what many have felt to be the omnibus and vague character of the terms of reference. The long delay has also given rise to an impression that the Government and its senior advisers have not been as enthusiastic as they might be about the need for such a Committee at all.

Why, then, did the Government appoint the Committee? Is there a need for such a Committee?

The second question should be answered first. It is a long time since there was an independent inquiry of a broad, embracing character into the Australian economy. The Royal Commission on Money and Banking, appointed nearly 30 years ago, was the last. In 1929 there was the semi-official Committee on the Tariff. The last twenty years have seen immense changes in the nature and structure of the economy. In common with the other countries the Full Employment Welfare State has evolved. In addition, we have pursued a conscious programme of rapid growth, development and population increase on an unprecedented scale. From a predominantly primary producing country, Australia has become (with help from massive injections of overseas capital) in terms of workers employed one of the most highly industrialised nations of the world. Like other economically advanced countries, Australia has become, too, a high consumption economy, particularly in the "gadgets" of modern living. This has led to a remarkable development of new forms of finance, especially consumer credit in the guise mainly of hire purchase. Government expenditure, too, now plays a much larger role in the economy than ever before.

Many people have felt that these great, indeed revolutionary, changes pointed to the need for expert investigation to assess their bearing on economic plans and policies. Indeed, the I.P.A. itself was probably the first in the field to recommend (in 1955) a general economic inquiry by a selected group of people of the highest calibre to establish what it called "the basic economics of the new industrialised Australia" and to "provide the nation with a set of signposts for the future."

In recent years pressure has grown, particularly from people and bodies representative of employer opinion, for an independent inquiry into economic policy. These requests have increased since the recession which followed the
boom of 1960. Many feel that it should be possible for the expansion of the economy to proceed on a smoother trend and without the "ups and downs" of the 1950 decade. The decision by the Government in October last year to appoint a special Committee of Inquiry, seems to be, in large part, a response to these requests.

By and large, then, most thinking people would applaud the Government's decision at the same time as they would regret the atmosphere of uncertainty and apparent lack of enthusiasm which has surrounded the appointment of the Committee itself.

The terms of reference which the Committee has been given are altogether extraordinary. In extent they appear to be so embracive and, in wording, so vague, that at the moment even the Committee itself must be in a state of some confusion about what it is really expected to do, and whether it can complete its assignment within any reasonable time. One would expect a terms of reference to be framed with precision and definiteness, so that those appointed to carry out the task would know exactly what is required of them. The most puzzling thing about the terms of reference of the Committee is that the great part of it refers to sheer fact-finding—sometimes relatively straight and simple facts; at others involving extraordinarily complex statistical exercises, on which highly trained statisticians could come up with very different answers—for example, "trends in productivity," "trends in standards of living".

The Committee is expected to report its findings, for instance, on the "trends in population, in the work force, and in the distribution of the latter among various sectors". To the initiated, this data must already be well known. In any case it doesn't need an expert Committee to determine it.

The same applies to other items in these mystifying terms of reference—for example, "the growth of domestic savings and investment," and "overseas investment in Australia".

On the other hand one item concerned with the ascertainment of facts would appear to set the Committee a truly massive task —"the economic availability of known basic resources".

Mere fact-finding is surely not a job for an expert committee at all. That is largely what the well-staffed economic and statistical sections of the various government departments are for. A committee of the kind appointed should be concerned with facts only to the extent that they are necessary for forming conclusions and for basing whatever advice it chooses to give to the Government.

The central purpose of a special Committee of this nature is to assist the Government to make the right decisions on economic policy. If the Government feels that it does not need advice, but merely additional facts, then it doesn't need a Committee. All it has to do is to serve requests for more information on its permanent departments. But if there are aspects of the economy on which the Government and its permanent advisers believe that they need help in arriving at policy decisions, then the terms of reference should state precisely what those aspects are and leave it to the Committee to determine for itself what facts it needs to tender the advice in question.

The terms of reference are a classic example of woolly wording. What, for instance, can be made of a phrase such as "availability of credit"? If the Committee can determine—if it can—how much and what kinds of credit are available at a particular point of time (it must
be in the present or the past, because it could not do it for the future) what conceivable use would the information be?

The Committee is expected to report on "the situation with respect to the balance of payments" (what situation?) and "questions involved in the production of goods in Australia that would otherwise be imported" (what questions?). At least the Committee can place pretty well any interpretation it wishes on items such as these; but will it be doing what the Government had in view?

The terms of reference should have left no doubt at all about what was expected of the Committee and should have been limited in scope to fundamental issues. What, then, are the questions on the economy to which Australia really wants answers?

The "64 dollar" question in everybody's mind is whether the economy can expand and grow faster, on average, than it has done in the past or than it is doing at present? There is a school of thought which believes it can. There are others who think it unlikely. This is the big central issue of Australian economics, and indeed politics, at the present time.

What is the bearing of the balance of payments on this question?

Is faster growth possible without more imports? Or can it be achieved by expanding home production of things at present imported and by a more rapid industrialisation encouraged by stronger policies of protection?

How far is it, in fact, possible to replace imports in a rapidly expanding economy?

In the Australian economic context, can the rate of growth be regularised from year to year, or are fluctuations unavoidable?

If there must be fluctuations, how can they be minimised?

Should stability of costs and prices be a prime purpose of policy?

These are the real questions at the heart of the Australian economic problem. The terms of reference touch upon them here and there, but affected apparently by some strange timidity, refrain directly from asking them.

If the Committee of Inquiry had a reference of this kind it would know exactly where it stood.

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The composition of the Committee is also open to criticism. The first and over-riding consideration in appointing a Committee of this kind is that it should be thoroughly technically equipped for the task it has to do. But the Government has obviously been more concerned to give the Committee a representative character. There are three business appointees and two economists—one academic and one with a distinguished career in the public service. Of the three businessmen, one is an industrialist, one a retailer and the third is associated with export trade in primary products.

The principle of constituting the Committee on a representative basis has little to commend it. The only question to be asked of those considered for appointment is whether they can make a worthwhile contribution in their own right to the immensely complex economic questions which the Committee is expected to answer. This means that all members of the Committee should have much more than a nodding acquaintance with broad
economic matters; they should have given evidence in their careers of having contributed in a substantial sense to economic thinking on national problems.

This does not mean that the Committee should be composed wholly of economists. On the contrary it is very desirable that there should be a leavening of members who have been concerned with practical business affairs. There are quite large numbers of businessmen in Australia who have participated actively and significantly in major economic deliberations and who would qualify for appointment.

Nevertheless, the make-up of the Committee (concerned with complex problems of economics) consisting of only two professional economists is surely ill-balanced. These criticisms imply no reflection on any of the people chosen for the Committee, all of whom have achieved distinction in their own field.

However, some things that have unpromising beginnings end on a happy note. All will hope that this will be so with the Committee of Inquiry, and that its report will prove to be of real practical worth in the great tasks of Australian economic development.
Restrictive Practices Legislation

THE Commonwealth Government’s proposals for the control of restrictive practices in industry are meeting with mounting opposition in business circles. Since the legislation would have far-reaching effects on the conduct of business in Australia, the fears to which it has given rise are understandable.

Legislation directed specifically at the control of restrictive business practices exists, in one form or another, in practically every Western country. One reason for the absence of effective legislation in Australia can be traced to the limitations imposed by the Constitution on the powers of the central Government. The Attorney-General believes these obstacles could be overcome by a broader and more “modern” interpretation of the Constitution, and the passing of complementary legislation by the States. The constitutional problem is immensely complex and there is no point in discussing it here. Although the Attorney-General seems to be optimistic about the eventual outcome of the proposed legislation, the difficulties of by-passing the constitutional barrier by the means proposed are not inconsiderable. It is hard enough for highly contentious legislation to achieve a successful passage through one Parliament let alone a number. Whether legislation of the kind contemplated can be brought into effective existence in this way remains to be seen. At least there must be an element of doubt.

Disregarding the political and legal complications which arise in Australia from the division of powers between the Commonwealth and States, the first question to be asked is whether legislation to control restrictive practices in industry is desirable. Is it necessary? Is it justified? Would it contribute to the more efficient conduct of business, to greater enterprise, to better service for the consuming public, to a more rapid economic progress and to the general strengthening of the economy?

It must be conceded immediately that there are some business arrangements and practices which tend to work against the purposes just mentioned. But no one can say with assurance how serious, in sum, are their effects measured against the totality of the economy.
However, even if there is doubt about the magnitude of the benefits to the economy which might result from such legislation, it could be argued that there is a moral obligation on government to discourage activities, whether in business or anywhere else, which are designed to give advantages to the few at the expense of the many or which, in effect, confer upon a few the right to determine who shall engage in a particular branch of business. In other words, government has a responsibility to ensure conditions of "fair trading" so that, as far as possible, no business or individual is exploited or unfairly penalised by the actions of others.

This seems to have been largely overlooked in current discussions of the problem, which tend to concentrate on the supposed economic benefits of such legislation. A referee in a boxing match is in the ring to "keep the game clean"; he doesn't necessarily improve the standard of boxing.

There is a further consideration which would lend some support to the Commonwealth Government's wish to introduce restrictive practices legislation. This support is to be found in the area of liberal principles and thought and in the basic propositions of free enterprise itself.

The keystone of the free enterprise doctrine is competition. The supporters of free enterprise claim that competition results in efficiency, progress, enterprise, the promotion of better products and new, alternative products, the reduction of real costs of production and of distribution, and the prevention of profiteering and exploitation of the public. In broad theory, then, any action which seriously reduces competition is prima facie contrary to the principles of true free enterprise and therefore opposed to the public interest.

This is, in essence, the doctrinal and theoretical justification for legislation of the kind that the Commonwealth Government proposes to introduce. In the absence of restraining legislation there must exist a temptation for groups of businessmen to endeavour to restrict competition in their own interests, and these interests may not necessarily coincide with the best national interest or, for that matter, with the interests of other businessmen. This is not to deny that, in certain circumstances, which may be quite
Numerous, arrangements to prevent or to reduce the extent of competition in a particular industry may be justified and, indeed, may have advantages for the economy and the community.

Legislation to control restrictive practices in most countries (though not generally in the United States) seems to concede the possibility of such exceptions and to make provision to meet them. But the basic doctrine of competition persists; it would be illogical for businessmen, on the one hand, to point to the benefits which competition bestows and, on the other hand, to take up an attitude of unqualified opposition to legislation which endeavours to make competition most effective so that its full advantages are realised.

Some, however, may legitimately question whether it is feasible, through legislation, to compel businessmen to compete in a manner in which they do not wish to compete, or to act in a way they feel to be against the interests of their industry. Ingenious means can often be devised of circumventing legislation which people feel to be seriously opposed to their best interests. In Britain the deregistration or cancellation of formal written agreements of a restrictive character has been succeeded, not infrequently, by what the Registrar of the Restrictive Practices Court has called “information agreements”. These vary from the circulation of information among the members of an industry about prices, conditions of sale, contracts etc., to more or less definite, but unwritten “understandings” on these matters. To that extent it may be said that the effect of legislation is to drive restrictive practices underground. These informal arrangements or understandings, although new to Britain, have been quite common in the United States for many years, where they are known as “open price agreements”. Arrangements of these kinds are very difficult to police except by the most meticulous prosecution of the law; and even then many must escape the net.

A similar consideration arises with trade union practices such as “feather-bedding”, “spread-the-work” schemes and job demarcation, which either directly impose, or have the effect of imposing, restrictions on the output of their members. It could be argued, with some force, that these practices are at least as much opposed to the public interest
as some restrictive practices indulged in by business. Indeed, legislation to control union practices of this kind has, from time to time, been advocated in Australia. But no Government has seen fit to introduce such legislation — and with very good reason. For one thing there are grave doubts as to how far it would be effective. The issue here is simple: it is whether you can, by law, compel men to work harder or to work in ways other than they wish to work. Another argument, in these modern times, against the introduction of legislation aimed at union practices is that it would be bitterly resisted and would put back the clock in the trend toward better industrial relations. In this matter, at least, it is far better in these days of full employment and the Welfare State to rely on enlightened leadership by employers and the good sense of the unions and their members, rather than on legislation, to achieve the improvements in output which are necessary to the attainment of higher living standards all round.

In the framing and execution of restrictive practices legislation, it cannot be too strongly stressed that one central purpose must be kept constantly in view. This purpose is to prevent those business arrangements and practices which are blatantly and without question seriously opposed to the best interests of the economy, or which represent a flagrant infringement of the concept of fair trading. That business arrangements of this kind exist in Australia as well as in other countries is beyond question.

At the same time it is clear that in some industries completely unrestrained competition and the absence of arrangements to bring order into the processes of production and marketing would lead to an uneconomic waste of resources and unnecessary over-capacity. The Commonwealth Government itself passed the Civil Aviation Agreement Act to eliminate uneconomic competition between Ansett-A.N.A. Pty. Ltd. and the State-owned Trans Australia Airlines. Both airlines are bound by the Act to observe uniform freights and fares and to co-operate in the rationalization of routes, timetables and services. Endless confusion in business and niggling bureaucratic interference could result from an over-zealous prosecution of the legislation in respect of matters
which do not give rise to a serious and obvious public detriment. It is probably on this point, more than on any other, that the business community needs some reassurance. Care must be taken to see that the cure is not worse than the disease.

It is true that the Attorney-General is aware of these considerations. Referring to the experience of other Western countries in the operation of restrictive practices legislation, he says: “That very experience underlines the difficulties which beset the legislature and the administration in this connection and, perhaps more significantly, throws into relief the risk of doing more harm than good by adopting ill-considered and too widely sweeping legislation”. But, in face of his own warning, the legislative scheme outlined by the Attorney-General seems to be much more “widely sweeping” than the legislation of some other countries, particularly that of Britain, which has clearly served as the chief model for the Government’s own proposals. The ambit of the British law is substantially more limited both in extent and severity than the legislation which the Government has in mind for Australia.

The British Act is confined almost wholly to manufacturing industry and to agreements between two or more producers. The Australian proposals are designed to cover all industry and trade, including services (which are excluded from the British legislation). They embrace, too, not only arrangements between groups of producers or traders but practices that may be indulged in by a single producer or trader — technically called “unilateral practices”. The Australian scheme departs from the British legislation again in that it extends to what have been called “vertical” arrangements i.e. arrangements between businesses at different levels of the economic process — for instance, between groups of manufacturers and retailers. These arrangements are not covered by the British legislation except in the case of the collective enforcement of resale price maintenance by which a group of manufacturers stipulate the price and conditions under which their products must be retailed. These arrangements are regarded by the British Act as unlawful. On the other hand, conditions as to resale price maintenance stipulated by an individual producer are expressly sanctioned by the
law. Under the Australian proposals both collective and individual arrangements relating to resale price maintenance have to be justified or face deregistration.

The provision in the Australian scheme outlawing collusive tendering is much more extreme than the British legislation, where it is merely a registrable practice and where its benefits in any particular instance are open to substantiation before the Restrictive Practices Court. There may be cases where collusive tendering can be justified on the grounds that it is necessary to make the most economic use of the productive capacity available in the industry concerned. In any case, collusive tendering is a form of price-fixing, and should, logically, be treated as a registrable practice with the possibility of justification.

The Australian proposals contemplate a dragnet clause to prohibit absolutely what is called "monopolisation". This is defined as "using monopoly power with the intention of preventing a person from entering or expanding a business in a manner that is unreasonable and detrimental to consumers of goods or services". There is nothing of this kind in the British law.

Under the Australian scheme, persistent price cutting at a loss to drive a competitor out of business is listed as an "inexcusably unlawful" practice and is, therefore, prohibited.

With the exception of collectively enforced resale price maintenance, the British law does not prohibit or condemn any practice as such. It is open to the parties concerned to show that the practice in question is not, on balance, detrimental to the public interest. This approach seems to be much preferable to that contemplated in the projected Australian legislation.

Under the Australian scheme, mergers and take-overs involving assets in excess of a suggested figure of £250,000 are to be subject to investigation by the Tribunal (to be established under the proposed Act) before they are consummated; in Britain there is no provision of this kind. This aspect of the scheme is of doubtful merit; in an economy in a state of rapid change and development, a great deal of flexibility in business operations is essential. For one thing, overseas
interests contemplating an investment in Australia could be discouraged if compelled to run the gauntlet imposed by a provision of this nature. Frustrating delays and uncertainties to enterprise could arise if this proposal were implemented. Indeed, whether it would even prove workable, in practice, is open to serious question.

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The greatest weakness of the Government's proposed legislation may very well lie in what the Attorney-General appears to regard as its major strength, that is, its comprehensiveness. It endeavours to see that no trade practice, which could conceivably be restrictive, escapes the notice and attention of the law. The Attorney-General and those who have advised him in the preparation of the scheme, while deserving commendation for the immense industry which has clearly attended their efforts, may have fallen victim to a trap which is a result of their very conscientiousness. The proposals appear to be so all-embracing that they could both enormously complicate the task of effective execution of the law by jamming-up the processes of administration and jurisdiction and also give rise to confusion, doubts and fears within the business community itself. This atmosphere of confusion and uncertainty could inhibit the efficient conduct of business and of confident decision-making at the higher levels of industry, and the disadvantages to the whole community in this regard might easily outweigh the advantages expected from the legislation.

Admittedly, the Attorney-General shows himself to be aware of the danger that the machinery could become "log-jammed" by the very extent of the practices which the scheme proposes to cover. He says: "I have already to some extent considered the wisdom of putting the scheme into operation progressively, dealing first with the more frequently found and likeliest to be harmful practices". One might add the wry comment that he would have no alternative.

From the tactical point of view, the wisdom of the Government's concern to make its scheme virtually all-embracing must be strongly questioned. A less ambitious project would not have given rise to such deep fears of the legislation as now seem to abound in business circles and may have dis-
posed many businessmen to look at the proposals in a more dispassionate frame of mind.

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Legislation to prevent restrictive practices harmful to the public interest hinges, in its entirety, upon the concept of "competition". The very word "restrictive" in this connection means "restrictive of competition" and in the main, the Government's proposals would only set in motion action designed to prohibit and prevent practices which "substantially reduce competition". But so far the scheme appears to give no guidance at all as to the precise meaning which the lawmakers attach to the word "competition". This seems to be much too big a matter to be left to the discretion of officials responsible for the enforcement of the law.

It is clearly of the utmost importance that under modern conditions a very broad interpretation should be given to the concept of competition. In these days, competition is much more than a matter of price. It can take place in multifarious forms. Even in industries where price-fixing is practised there can be fierce competition for the available market revolving around quality, service, packaging, advertising, efficient selling, deliveries and so on. Since so much, indeed everything, depends on the phrase "substantial reduction of competition", it is supremely important that the meaning which the legislation attaches to "competition" should be made as clear as it is possible to make it.

The success of legislation of the kind contemplated depends finally on the wisdom and moderation with which it is applied. We reiterate that the overriding purpose should be to protect the public interest against arrangements which are, beyond doubt, dangerously harmful to it. Any suggestion that the legislation was being applied in a punitive, vindictive or pedantic spirit would not only be morally reprehensible, but would destroy confidence, seriously impede the efficient conduct of the nation's business and thus do harm to the economy and the community. Experience suggests that the British legislation has largely avoided these dangers, and has proved in practice to have had some effectiveness. These lessons should not be disregarded by the Commonwealth Government.
Summary of Proposed Legislation on Restrictive Practices

1. Purpose:

The purpose of the legislation is to control certain business practices which substantially reduce competition in industry and trade and which may be detrimental to the public interest.

2. The proposed legislation provides that certain business practices must be registered with a Registrar.

3. These practices are arrangements involving:
   - Price fixing.
   - Uniform terms of dealing.
   - Restrictions of outlets.
   - Restrictions of output.
   - Boycotts and refusals to deal.
   - Limitations on right to membership of trade associations.
   - Resale price maintenance.
   - Discriminatory dealing.
   - Contemplated mergers and take-overs (where assets involved exceed a specified amount).

4. Failure to register any of the above practices renders them unlawful.

5. Once the practice has been registered, it is legal unless and until it is de-registered.

6. If the Registrar should decide that a particular practice "substantially reduces competition" and can satisfy a Commission of laymen that this is so, he can proceed to take action to have the practice de-registered by a Tribunal established for hearing such cases. The Tribunal is to consist of a presiding judge and laymen with experience of industry and economics.

7. The Tribunal will de-register the practice if it is satisfied that it substantially reduces competition, unless the parties concerned can show that no detriment to the public is involved. Decisions of the Tribunal are final.
8. The following circumstances, proved to the satisfaction of the Tribunal, will justify a particular practice, unless the Tribunal concludes that there is, nevertheless, on balance, a public detriment.

(a) Necessary to protect the public from injury.

(b) Without the restriction, consumers would be denied specific and substantial benefits and advantages.

(c) Reasonably necessary to counteract measures by non-members to prevent or restrict competition; or

(d) to enable the parties to it to engage in fair trading.

(e) Abandonment would cause serious and persistent unemployment; or

(f) adversely affect export trade in total.

(g) Necessary in order to maintain a practice not contrary to the public interest.

(h) Means increased efficiency.

(i) Encourages new enterprises.

(j) Contributes to fullest and best distribution of labour and materials.

(k) Confers some clear and specific public benefit.

(l) Reasonably necessary to protect sale of goodwill.

(m) Relates simply to pooling of facilities such as collection of statistics, credit information and research.

(n) In the case of resale price maintenance, is necessary to prevent the use of suppliers' goods as loss leaders or to maintain turnover, etc.

9. Certain business practices are to be totally prohibited and incapable of justification. These are:

- Persistent price-cutting at a loss to drive a competitor out of business.

- Collusive tendering or bidding.

- Monopolisation, i.e. "acquiring or using monopoly power to prevent a person entering or expanding a business, or in a manner that is unreasonable and detrimental to the public". Monopoly power is described as "the power to fix or to influence substantially the market price of any kind of goods or services or to prevent persons entering or expanding a business". (Mere possession of monopoly power would not, of itself, be unlawful.)
Jobs for an Expanding Economy

A PROBLEM causing anxiety to people concerned with promoting development is how to provide employment for the rapidly expanding population considered essential to Australian security and progress. In what industries or pursuits can the additions to the workforce, which it is expected will average somewhere around 100,000 a year over the remainder of the current decade, be employed?

It is argued that not much, if anything, can be expected directly from the great traditional primary industries. The numbers employed in rural industry are less today than before the war, notwithstanding the fact that the volume of output has increased in the meantime by 60%. This trend will probably continue. While we may confidently expect some of the agricultural and pastoral industries to continue to expand in terms of output, their capacity to employ labour may decline further.

Summary rejection of these industries as a source of future employment betrays, however, a considerable and dangerous misconception. Because the rural industries may be able to make no direct contribution to the employment of the growing work-force, it should not be concluded that they will make no contribution at all. As the volume of primary production continues to expand, this will itself give rise to additional employment in the many fields servicing the man on the land—machinery and farm supplies, government research and advisory bureaus, finance and in all the activities concerned with transporting, processing and marketing the products of the soil. The primary industries, including mining, will continue to be, for some time to come at least, the main source of the increased exports regarded as indispensable to the rapid growth of the economy. In this sense, too, they will make a major contribution to the employment of the expanding work-force.

The fact, however, that the primary industries cannot, of themselves, be expected to provide jobs for the growing population has led many people to look to manufacturing industry as the main hope. This type of thinking seems to lie behind an apparent disposition in some circles at Canberra to provide stronger encouragement and, if necessary, greater protection for manufacturing production. There is no question that secondary industry must play a very large part in providing opportunities and careers for the large annual additions to the labour force. Some economists may have doubts, however, whether it is, in the end, possible to enlarge the employment-giving potentialities of the economy by carrying too far the artificial encouragement of any particular section. This, of course, is not to gainsay the need for a properly considered policy of protection to promote the vigorous development of manufacturing in the interests of the welfare of the Australian economy as a whole. The big, unanswered question is “how far” is “too far”?
Nevertheless, this concentration on manufacturing as a source of employment makes many people overlook the growing importance of the service (or tertiary) industries in the modern, high-standard-of-living economy.

The tendency to neglect the tertiary industries no doubt arises in part from the vagueness of the concept itself. The pursuits grouped together under primary or secondary industry bear a close organic similarity. But there is no such unifying relationship in the vast range of pursuits comprising tertiary industry. It embraces activities as disparate as building and construction on the one hand and ladies' hair-dressing on the other; as the A.M.P. Society and the Sydney Water Board; or as the Department of External Affairs and The Myer Emporium.

Tertiary industry is really no more than a residual classification in which everything in the economy that does not fall within the easily recognisable primary and secondary groups, is lumped together. This may have a certain convenience, statistically speaking, but from the standpoint of economic analysis and understanding, it has limited value. Nevertheless, disregarding the unsatisfactory character of such a residual concept as “tertiary industry,” comprising as it does all those multifarious and dissimilar activities which do not qualify as primary or secondary industry, employment in this vague, omnibus item is not only very considerably greater than in the other more clearly defined two, it has also increased since the war at a considerably faster rate. Tertiary industry provides today over 60% of all employment in Australia compared with 55% some 10 or so years ago. Total employment in this field numbers, in round figures, about 2,600,000 compared with 500,000 in primary and 1,200,000 in secondary industry.

Since 1950, employment in primary industry, which includes mining, has declined by about 7%. In manufacturing, employment has increased by around 200,000, a rise of 20%, and in tertiary industry by over 700,000 or an increase of nearly 40%.

The annual rate of increase in consumers’ expenditure on services since 1949/50 has also been considerably greater than expenditure on either durable or non-durable goods — 11% (services) against 8% (both durable and non-durable goods). Apart from consumers’ expenditure on services, the most rapid increase appears to have been in expenditure on government-provided education and health services—14% a year.

The table on page 22 sets out the position in greater detail.

The important role of the tertiary industries in providing employment for the increasing population is only one aspect of the neglect which is accorded them. Another, and something which has been greatly underrated in international comparisons, is the effect of the service industries on rates of growth. As an economy becomes more mature, an increasing proportion of national expenditure is directed to industries concerned with the provision of services of various kinds, and a declining proportion to industries concerned with the production of physical goods. Close investigation might very well reveal that this is one of the main reasons—possibly the main one—behind the apparently slow growth rate of a highly developed economy such as that of the United States, compared with the economies of Western Europe and Japan.

It seems fairly certain that many of the activities in the tertiary group do not hold out the same prospect of spectacular gains in productivity as do the manufacturing or rural industries. How does
one, for instance, increase the productivity (rapidly) of a school, a government department, or a picture theatre? Indeed, how does one measure at all the productivity of many of the vast range of activities which fall within the classification, "tertiary industry"—a legal firm or a dentist, say?

**O**ne of the difficulties in discussions of the service industries is to distinguish between those pursuits which are directly dependent on the physical forms of production and those which are, so to speak, self-generating, whose existence is, in a sense, independent of primary or secondary production. Many aspects of transport and finance, for instance, are clearly dependent upon or complementary to the production of goods. A goods train conveys the products of rural or manufacturing industry to the market place. A passenger train, however, may be "a service" in the true sense of the term, in that it does not necessarily depend upon other industries, but provides a "service" required for its own sake. How much of the growth of banking facilities can be regarded as a response to the development of manufacturing industries? How much to the provision of personal banking services which may have nothing to do with manufacturing? But aggregate statistics, of course, make no distinction between the two—a distinction which may be of considerable significance from the standpoint of economic analysis.

Retailing, which is generally regarded as a good and obvious example of a service industry in its own right, in fact exists mainly to distribute the products of primary and secondary industry, and is, to this extent, complementary to those industries. As the manufacturing industries expand, so, too, will the business of retailing. There are, however, some retail facilities which exist for their own sake—the hair-dressing salon and the cafeteria are examples.

Quite a large proportion of the so-called tertiary industries provide services largely unconnected with physical production—for instance the services of education, health, life assurance, entertainment, recreation, travel and so on. As standards of living improve, people tend to spend a higher proportion of their incomes on services of this character compared with food, clothing, furniture, household appliances and material goods generally.
It is to be noticed, however, that expansion of services of this kind, required for their own sake, not only provide, directly, opportunities for employment, but also stimulate greater activity, and thus employment, in manufacturing. Thus, more spending on amusement or recreation can lead to increased demand for golf clubs, or tennis racquets or fishing equipment, holiday clothes or even furniture and household appliances for the holiday home. The mushroom growth of motels in Australia in recent years to meet the demands of an increasing number of motorists must itself initiate expansions in manufacturing to provide materials, furnishings and appliances.

This serves to emphasise a very vital consideration in economics—that is, the inter-connectedness or interdependence of all the different aspects of the economic process and thus the danger of considering economic problems in terms of more-or-less exclusive compartments. This is a failing to which much modern thinking seems to be prone. Virtually everything that happens, or is made to happen, at one point of the economy sets in motion a series of reactions at other points, a kind of chain causation of events.

The only sure way of maximising the capacity of the economy to employ increased numbers of people is to pursue policies calculated to achieve the most rapid expansion of the Gross National Product. In this objective all industry—primary, secondary and tertiary—has its part to play. But the two watchwords must be Exports and Efficiency and the aim of all policy should be to promote both. Export industries, efficient or potentially efficient industries, are entitled to every encouragement—whatever form it may take. Inefficient industries are merely a burden on the backs of the efficient, the exporter and the consumer, and are a handicap to the development of the economy as a whole. If you bolster up the weak too much, you end up by weakening the strong.

Manufacturing in Australia has developed extraordinarily in the last 10 or so years. For the continued growth and stability of Australia, it is necessary that this development should continue. But there are more ways than one of stimulating the growth of manufacturing industry in Australia. One way may be the encouragement of industries expected to yield their fruits in increased exports. If exports increase, the manufacturing industries might be expected to benefit from the expansion of spending through the economy which would be generated by the multiplier effect of greater income in the hands of exporters. They could also very likely benefit, both directly and indirectly, from the effect of a strong balance of payments on the propensity of overseas financiers to invest money in Australia. On the other hand, a policy of over-protection of manufacturing, by adding to the cost structure, might conceivably have quite the reverse effect, and react against the best interests of manufacturing itself. These things are worth reflecting on.

In economics, things are seldom quite what they seem; the apparently obvious answer is all too often the wrong one. To jump to conclusions about economic problems is generally to jump straight into the mire of fallacy; to grasp at quick, easy solutions, the surest route to error.
Education in Australia

By

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Mr. Cowan has written with force, authority and insight on perhaps the most important problem facing the Australian community today.

The most significant feature of formal education in Australia today is that it has begun to attract public interest, and that, as a consequence, it is beginning to merit the serious attention of politicians and administrators. The use of the words “formal education” in this context is not mere pedantry, because it is with the formal educational agencies, schools, colleges and universities, that this article
mainly concerns itself. "Education" as the word is currently understood has indeed almost the same limited connotation in the minds of most people, which is a pity because this limitation creates a great deal of confusion and misunderstanding.

Education in its broad and true sense denotes the entire process of personal growth and self-realisation in the human being; it deals with the whole man and his total personality. In the words of Matthew Arnold, education expands the soul, liberalises the mind, dignifies the character. It is by his attitude of mind and the qualities of his character rather than by the extent of his factual knowledge and the greatness of his technical skill, that one may discern the educated man; by his maturity, his self-discipline, his humility, his taste and discrimination, his courage and his moderation.

Education in this general sense is frequently contrasted with training, to the implied detriment of the latter. Samuel Butler satirically claimed that the Oxford dons of his day were "too busy educating the young men to be able to teach them anything," and Mark Twain made the same point in the quip "I have never let my schooling interfere with my education". In the ancient civilisations of Greece and Rome the liberal education of the free citizen was indeed different in kind from the manual skills of the slave. But in the Age of the Common Man it is difficult to maintain a rigid distinction between education and training in terms of the claims and counter-claims that education is general, coherent, respectable and useless, while training is vocational, utilitarian, limited, and vaguely second-rate. The object of educating a man cannot be merely his own private good, expressed in a kind of well-bred nihilism. It must surely imply not only that the educated man will be best fitted to use his natural talents and skills in the service of the community but also that he will actually do so.

There is little doubt that the general classical education which for nearly a thousand years has produced the leaders of western civilization has largely lost its magic. The advent of large-scale democracy accompanied by notable and rapid advances in science and technology has inevitably led to a discarding of the old and largely irrelevant subject-matter in favour of concentration on scientific method and the development of practical skills. The real danger lies in the possibility that the glamour of science and specialisation will over-balance the whole educational process. Education is not an exact science; it is a dealing with all kinds of imponderables. Both the educated mind and the trained hand and eye are necessary to the full development of the individual—assuming that we really want developed individuals. A British educationist commented after a recent visit to Russia, "The U.S.S.R. has a magnificent system of training, but it has no system of education at all". The reason is obvious. The ultimate purpose of education is to produce citizens able to judge for themselves between truth and falsehood, between the specious and the profound, and able to act on their own judgment. The ultimate ideal of training is the conditioned reflex. This, clearly, was in Sir Winston Churchill's mind when he said: "The prizes will not go to the countries with the largest populations, they will go to those with the best systems of education".

In Australia, we are concerned to promote democracy and the development of the individual as two sides of the same coin. It must be our particular care, therefore, to ensure that our educational structure does permit the achievement of these aims. For there is an almost overwhelming attraction in the theory
that every problem is soluble by formula and that group processes and mass-production in the human sphere are more important than the maintenance of the right and the opportunity of every man to live his own life and to reach the heights if his qualities of mind and spirit will take him there.

Education for democratic self-government implies first and foremost equality of opportunity for every citizen to exercise to the full the talents and ability with which he is endowed by nature. The encouragement of variety, difference and spontaneity is the only sure road to improvement. As Mill pointed out a century ago "genius can only breathe freely in an atmosphere of freedom". In education, therefore, there should be the widest possible freedom of choice on the principle that, while everyone needs educating, hardly any two need precisely the same education. We must be specially tender towards the gifted and unusual person, remembering that the tyranny of the mass mind is just as damaging to him as that of the party or the dictator; and that he will always be penalised when we apply to him "objective" criteria because they inevitably reflect the current values of society. At the same time, we must be equally careful not to force the less gifted individual beyond his capacity. This is one of the most disastrous results of egalitarianism and educational mass-production.

Any system of education is a mirror of the values and ideals of the society in which it is current. It is a process in which many agencies and institutions are concerned, and it is of the utmost importance that each should bear its proper responsibility and perform its appropriate role. For wisdom is the fruit of balanced development. The family and the home is the first and perhaps the most important educational organisation. Upon it are founded the moral, spiritual and social values of the child, and ultimately of the community. There has been a progressive disintegration of stable and secure family life in Australia, resulting not only from actual breakdown of the group itself through divorce, separation or mere rootlessness but also from the failure of otherwise settled families to accept a proper educational responsibility. It is a very common mistake, frequently encouraged by the schools themselves, for parents to believe that education is a technical and mysterious business which should be left strictly for school-hours. In fact, there are some fundamental educational problems which can be dealt with only in the context of an ordered and disciplined home life. If they are not solved in this way, they become incapable of solution. All the school and other agencies can do is to try to repair the damage.

The church, a powerful influence and ally of the home, leads—or used to lead—in spiritual, moral and social thought. In Australia it is difficult to maintain that this is any longer the case. The churches, for long partially excluded from the formal educational sector, seldom speak constructively on the great issues of the day. They are regarded, rightly or wrongly, as conservative, rigid and authoritarian. Even in the schools maintained by the denominations, it is doubtful if headway is being made against the religious indifference of many parents.

Where else should we look in the expectation of finding reinforcement of the educational effort of a community? To youth groups? In these the young citizen should learn to run his own affairs, develop his powers of leadership and become accustomed to taking part in a
variety of activities in the context of his own age-group. At present the provision of such facilities is inadequate. To political groups? The question answers itself. Nothing is so characteristic of present-day Australia as political indifference. To industry? On the whole, such efforts as have been made are directed to highly specialised training rather than to raising general standards. The adult education? In this field, too, the existing effort is pitifully meagre when contrasted with the need. To press, radio and television? Here, indeed, one might be justified in expecting that the great and powerful organs of mass communication would use their influence with a due sense of responsibility. One must remember that, in themselves, these media of communication are morally neutral, and that it is the spirit and intent with which they are used which determines whether they help to enrich or to destroy the standards of the community. It is not too much to say that, by and large, these agencies have, in Australia today, abdicated any serious educational function, that they neither enlighten nor instruct the people, and that evidence is not lacking that many aspects of their activities are positively harmful.

So we come finally to that area of the field of education in its formal aspect to which most people understand the word to refer exclusively, the schools and universities. They are, as has been said, not the sole sources of education. Indeed it might be argued that of all the educational influences which determine the attitudes and form the culture of a community they are the least important, because they necessarily devote so much of their effort to training and to the teaching of method and technique rather than to the development of personality and the promotion of wisdom and understanding.

The main danger in the prevalent view that schools, colleges and universities constitute the whole of education is that we then burden them with responsibilities which they cannot fulfil. Further, we fall into the error that they can of themselves raise the standards of the community. But we cannot, in fact, lay to our souls the false and flattering assumption that, regardless of our own conduct and values, we can contract out of our responsibilities by giving our children "a good education". As any teacher knows, young people take their standards from the adult community. The establishment of religious and moral norms of conduct should be the province of the family and the church, not of the school or the university, though the latter are reinforcing influences.

Ideally, in a democratic community, home, church, youth organisations, political groups, adult education and all forms of mass communication should play their proper educational roles. They should be in balance and in positive and continuous contact at all levels with the formal educational agencies. No one, I think, would argue that this is the case in Australia. The truth is that the failure of the informal agencies to take their appropriate part in the education of our children and, in some cases, their voluntary abdication in favour of the formal agencies, has placed an impossible load on our schools and universities at a time when they are having the greatest difficulty in carrying out their own proper functions even at the minimum level.

The present situation as it concerns schools and universities has been so frequently described and discussed in recent years that it is unnecessary in this article
to do more than repeat the salient facts in the briefest outline.* The only item not in short supply in the educational field is students. Australia is in the midst of a population explosion resulting both from natural increase and from immigration. The greatest extent of this bulge is the group of children born in 1947 who will reach the universities about 1965. The average annual increase in our population in the period 1956/60 (the source of current new enrolments in primary schools) was seven times that of the period 1935/49 (the source of new teachers). Since it is now too late to recruit more teachers from the 1935/39 group—which, in any case, is subject to hot competition and more attractive inducements from other sectors of the economy—it seems that we must resign ourselves to a general dilution and lowering of standards until the student bulge passes on into the teaching profession. Then it should be possible to achieve a rapid improvement in the pupil/teacher ratio, to reduce drastically the size of classes, and to raise the general level of teachers' qualifications.

However, it must also be realised that, when the bulge has passed, there will still be a continuous increase in the proportion of children remaining at school and proceeding to some form of higher education. As a rough measure, it is probable that if we wish to ensure that there is no substantial wastage of talent in our community, we shall have to envisage a situation in which up to 50% of all children remain at school until the twelfth or matriculation year. Even if this figure is thought to be somewhat high, it will be conceded that the present proportion of children remaining at school until the end of their secondary courses must be at least doubled as soon as possible.

Two other trends will continue to exaggerate the problems of numbers and space. In the first place, members of the younger generation expect to marry younger and to have larger families than their parents. The population explosion is still going on in their minds. Secondly, there is an increasing tendency to turn from the humanities to the study of science and technology. This trend will necessitate much equipment, which becomes obsolete, and will increase the demand for that already rare commodity, the mathematics and science teacher.

To sum up, Australia is in a teaching crisis caused by the dramatic increase in absolute numbers in our schools and universities. This short-term crisis will begin to ease in three or four years' time, but the increase in the proportion of young Australians proceeding to higher education will (and should) continue for many years. These phenomena are by no means peculiar to Australia, but they are more intense and urgent in this country than almost anywhere else. Unfortunately, one has an uncomfortable feeling that we are doing markedly less to meet our educational challenges than are most other people. Australia is right at the top of the list of nations having a high rate of population increase, and very few countries have so high a proportion of their population under 21 years of age. On the other hand, the proportion of our children remaining at school after their fifteenth year is very low by world standards, our expenditure on education expressed as a proportion of the Australian gross national product is comparatively low, and Australians pay significantly less in taxation than do the citizens of the U.S.A. and most European countries. To the impartial observer, especially if he has heard the claims of some of our political and industrial leaders, this adds

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*For those interested in a detailed study of the statistics a short bibliography is appended.
up to a surprising lack of appreciation in Australia of what really are our most important assets and our really important developmental priorities.

Some of the most important weaknesses in the Australian system of formal education may be summarised as follows:

(a) An acute shortage of trained and qualified teachers, particularly at the higher secondary and lower tertiary levels. This leads to excessively large classes, heavy teaching loads, loss of personal contact, and to the employment of unqualified or poorly qualified teachers. The result cannot but be an inferior education for our children.

(b) Inadequate provision, particularly at the higher secondary and tertiary levels, to educate an appropriate proportion of the potential student population. So serious is this at present that even those children who have survived the rigours of secondary schooling (and the counter-attraction of high wages) and qualified themselves to matriculate, find themselves turned away from our universities.

(c) A failure to provide a proper variety of educational opportunity, especially as regards secondary courses for the non-academic child and as regards a range of tertiary institutions which might divert from the universities many who at present are doomed to failure. The requirement of a diversified educational pattern has a direct relation to the whole question of training and preparation of teachers at all levels.

(d) An increasingly serious problem of transition from school to university resulting from:

i. poor preparation and inadequate guidance at school,
ii. crude selection procedures,
iii. rising standards of entry to universities, caused by the imposition of quotas and similar restrictions,
iv. differences in study techniques,
v. lack of personal contact between the university student and his teachers, and
vi. differences in pedagogical skills and training (or lack thereof) as between school and university teachers.

(e) A notable weakness in educational research, in particular in the collection of accurate statistical and other data.

(f) Inflexibility of curricula. This is symptomatic of the rigid conservatism which exists at almost all levels of the educational structure and to which the monolithic state systems are very prone. The magnitude of the problem may be indicated by the fact that each year some 10,000 papers are published in mathematics alone, many of them containing important new knowledge. This situation could only be met by having a permanent panel of specialists advising continuously on curriculum changes.

(g) Shortages of most forms of equipment, perhaps the most damaging being the absence of first-class libraries, which is itself intensified by difficulty in obtaining text-books.

(h) Failure to exploit teaching aids, either as a long-term policy or as a temporary expedient to relieve the shortage of qualified teachers.

(i) Finally and fundamentally, there is a curious absence of a philosophy of
education as such—unless it be a kind of resigned pragmatism. The public, it is true, is becoming concerned about certain aspects of the educational picture. It is increasingly exasperated by the inability of the schools to assume full care and responsibility of the child, thus allowing the parents more freedom to follow their own devices. But there is very little public opinion of a philosophic character about education. Why should there be, when most “experts” flatly contradict each other, and when teachers are more interested in method and technique, or in mere survival in the “blackboard jungle,” than in the theory of knowledge or the nature of the learning process? One can hardly blame the teachers, who have been living in an atmosphere of improvisation and crisis for almost twenty years. But it must be obvious that until there is some measure of discussion and agreement about fundamental education problems, it is most unlikely that any of the weaknesses listed above can be successfully tackled.

If these and other shortcomings are to be overcome, the first and pre-eminent need is for a national policy on education. As individuals, as families, and as governments, we have to realise that nothing is more important in the future of Australia—or indeed in the future of the world—than the education, balanced and complete, of its people. This is the most gilt-edged of all investments. Neither governments nor private enterprise seem to have grasped this truth. One often wonders at the logic behind the rearing, at vast expense, of prestige buildings as status symbols for great enterprises or as headquarters of government while the educational system is effectively on half-time and the potential leaders of the future are intellectually half-starved. It has been said that no political system demands more of the common man than democracy; and none demands more of the uncommon men who must lead it. In the tremendous rush and flux of the contemporary world, control must inevitably lie with those who understand the causes and course of change. Unless in this respect our standards are world standards, we shall have no part in the shaping of either our own or any other’s destiny.

We have the raw material ready in hand, in the cohorts of children coming forward each year. Since two-thirds of them now attend state schools it is upon the state that most of the burden and responsibility for the provision of additional facilities, equipment and teachers will fall. State Governments are already devoting a quarter of their budgets to formal education. It is therefore quite clear that a major educational breakthrough can occur only when the duty to finance formal education at all levels is placed squarely upon the Commonwealth Government. The argument that this might mean excessive centralisation hardly seems convincing when set against the existing complicated inefficiency. In any case, the independent schools will continue to perform their important function of providing variety in an otherwise rigid system, and of acting as examples and spurs towards improvement. The great independent secondary schools already demonstrate a holding power which enables them to retain most of their pupils to the end of their secondary courses. Part of the reason for this is economic—the parents can afford to pay. But most parents will make substantial sacrifices if they believe their children will benefit substantially, and the independent schools still stand in the public mind as the main gateway to the universities and the pro-
fessions. Some of them send well over 50% of each year’s school-leavers to university. It will be a considerable time before the state schools reach this position.

One of the chief reasons for variety, experiment and differences in tradition in the independent schools is stability, both in the teaching staff and in the school population. Good and original teachers may look forward to promotion within their own schools, a direct incentive to the development of new ideas and methods on a long-term basis. The independent schools place great emphasis on discipline, on ethical codes and on standards of behaviour. In an increasingly mobile population, their strong sense of tradition, the projection of the image of the Alma Mater, gives a sense of place, of stability and security to children whose parents are frequently on the move. This intense focusing of loyalties has its ridiculous side in the shape of what Lancelot Hogben has called “expensively uneducated” individuals whose greatest pride is in the oxymoronic title Old Boy, but it meets a real need in modern society.

To exert their maximum effect, the independent schools should remain closely related to the other educational agencies. Their significance relates to their existence as part of the community, and the most damaging criticism of them, if it were true, would be that they were a divisive element in society or that their standards were markedly divergent from those of the community as a whole.

To return to the main theme. It may be asked whether the transfer to the Commonwealth of constitutional power and responsibility to promote education would of itself have any beneficial effect. One answer is that it would place un-equivocally upon a single authority both the power to act and the duty to take action, and that this would be a revolutionary advance. Since this change could only result from a very clear and forceful expression of public opinion, it seems to follow that rather less than usual exception would be taken to increases in taxation to enable Australia over a period of five or ten years to put her educational house in order.

This responsibility, in a community and a system such as ours, cannot lie and must not be permitted to rest solely upon government. The life-blood of industry, both in terms of technical efficiency and management, in the last analysis, depends not on machines nor on processes nor on finance but on men. If free enterprise is to deserve the name it must be prepared to devote a major part of its resources to the raising of educational standards at all levels, particularly in those schools and institutions which cannot call on the public purse and which, for that reason, retain the possibility of independence of action. “The absorption of all the principal ability of the country into the governing body is fatal, sooner or later, to the mental activity and progressiveness of the body itself.” Certainly there is a need for a national policy, but there is an equal need for experiment and sometimes for sweeping change. It is the stimulus of public sentiment acting equally upon government and private enterprise which alone will bring about that change of emphasis necessary for full development in the future. It seems to the writer that we in Australia are prone to sacrifice the special excellence of the individual—indeed of many individuals—in our haste for mere material achievement. We must beware lest in our endeavours to build a great industrial machine and to maintain a high standard of living for ourselves we do not place in the discard the educational opportunities of our children.
at home and the interests of our neighbours abroad. If we do so there is a real danger that "the perfection of machinery to which we have sacrificed everything will in the end avail us nothing, for want of the vital power which, in order that the machine might work more smoothly, we have preferred to banish".

Bibliography


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