The Menzies Era

The decade and a half, 1950 to 1965, has become known, inevitably, as the Menzies Era. The nature of the designation is unique. No other period in Australian history has been named after an individual; we do not talk of the Chifley era, the Lyons era, the Hughes era, or even the Deakin era. Doubtless this is partly because Sir Robert Menzies is the only Prime Minister who occupied the throne of leadership for a period of sufficient length to be dignified by the term “era”. (Like Bradman’s records, it is almost inconceivable that the 16-year period of Sir Robert’s uninterrupted Prime Ministership will ever be surpassed.) But it is also because, over the entire period, Sir Robert exercised an unparalleled personal dominance in Cabinet, Parliament and in the country. He was in the minds of Australians more than just a leader of singular talents; he became a kind of national institution; it became increasingly difficult to envisage a Government without him as Prime Minister. Whether one liked or disliked him, agreed or fundamentally disagreed with him, the majority of Australians felt that nothing could go too seriously wrong while he remained at the helm. With others there was an element of risk; with him the risks were minimised; it was wise, therefore, to play safe.

But, paradoxically, the Menzies Era was, above all, a period of movement, of vast and significant change in every aspect of domestic affairs, in Australia’s relationships with the rest of the world, in national attitudes and national thought. Over 16 years of rapid, bewildering transition it was Sir
Robert's peculiar contribution to provide the country with a sense of stability and a background of solid continuity. In all this turmoil of change and movement and uncertainty, when today was different from yesterday, and tomorrow would almost certainly be different from today, the great mass of Australians were inwardly relieved to have as their leader a man who personified the solid virtues of stability and integrity, who in himself provided such a stalwart link with the past, who indeed served as a reassuring reminder that no matter how rapid the transformations taking place, the good things belonging to earlier times would not be altogether overlaid.

Sixteen years is not a long time in the life-story of a nation, but into the Menzies Era were packed more significant changes than in other times might have been expected in fifty or a hundred. In the last days of 1949, when the Era was born, the Australian economy had just about completed the long transition back to a normal peace-time basis. The major structural dislocations to the economy caused by six years of war had nearly been ironed out; the period of post-war reconstruction was virtually over. The substantial electoral success of the new Liberal Party meant, too, that the bitter battle between free enterprise and socialism which had raged throughout the post-war years, and which had begun so unpromisingly for the former, had ended in a victory for the free enterprise forces. But it was victory in a battle not a war. What it meant was that for the time being the people were impatient to be rid of the last remaining remnants of the war-time controls and were prepared to give the free enterprise economy a chance to show what it could do toward meeting the new demands and aspirations that had been born in the fires of World War II. These demands were for full employment, for steadily improving living standards, for more widely spread welfare and educational opportunities, for renewed national development and utilisation of natural resources.

In all these respects, the Menzies Era was successful to an astonishing degree. At the beginning of the period probably no one would have been sufficiently optimistic to think that we could prevent unemployment from rising above 3 per cent. It is easy to forget that in those days the goal of Full Employment in a peace-time economy was no more than an ambitious aspiration. The new economic theories and the new techniques
of economic management had still to be tested in practice; moreover, the ingenuity of the policymakers and managers themselves in the manipulation of the new instruments of economic control was unproven. The fact that we now take Full Employment so much for granted that even the smallest deviations from the Ideal give rise to angry protest is itself a measure of the success achieved.

The rise in all-round living standards is just as notable. Who would have been so bold at the beginning of the Era (when there were 9 motor cars for every 100 Australians) to predict that within the short space of 16 years there would be 25 cars for every 100 Australians? But this is merely symbolic of an amazing material advance on all fronts. In the Menzies Era Australia achieved the status of An Affluent Society, a phrase which a decade or so ago we associated with perhaps only the United States of America.

The achievements in the last 16 years in the fields of population expansion and national development have been no less remarkable. Again the expectations of the most optimistic have been far exceeded. Year after year the migrants have flowed into Australia in impressive numbers and have been successfully absorbed in the expanding Australian economic complex. Massive immigration on a continuing, regular basis is now an integral part of Australian policies, something right at the core of Australia's national aspirations and ambitions. It is not something to be indulged in only when the economic signs and portents are propitious.

The Menzies Era has been, too, the era of the most spectacular and sustained economic expansion in Australian history. Production in all areas of the economy has grown almost unbelievably. In the primary industries where, at the beginning of the period, output was widely supposed to be approaching the boundaries of maximum economic capacity, the expansion has been no less spectacular than in manufacturing, where already-established industries have multiplied in size and where new industries, some of great dimensions, have emerged. Natural resources of almost inexhaustible extent, have been uncovered — bauxite in the mid-1950's, iron ore in the early 1960's, copper, natural gas, and many others. We are now hoping, not entirely groundlessly, for the Great Oil Strike.
In the Menzies Era, Australia has become one of the great sources in the world of mineral wealth. Sixteen years ago all this was unknown. Moreover, there is little reason to think that the story is yet fully told. Looking at the long picture, the revolution in Australia’s mineral prospects is perhaps the most portentous economic fact of the Menzies Era. It is typified by the removal of the traditional ban on the export of iron ore — which, of course, has given a powerful incentive to the rapid development of the ore fields. And there can be little doubt that, in the 1970's, minerals will challenge the long-standing pre-eminence of wool in the balance of payments, and at long last it will no longer be true to say that “Australia rides on the sheep’s back”.

Among the great industrial nations of the world Australia may still be “small potatoes”, but today one would be hard put to find more than a remnant of the thought, which used to be quite general, that the proper course for this country was to concentrate on its so-called natural role as a provider of food and raw materials and to leave the more complex and sophisticated forms of production to others.

The rapid economic expansion, the growth of population, and the discovery of vast natural resources, have attracted investment capital from abroad on an unprecedented scale. The large and sustained annual inflow of overseas money was indeed one of the most characteristic and distinctive features of the Menzies Era. Without it, our economic growth would have laboured along, under-nourished for lack of financial sustenance and of complex technical “know-how”; at the end of the Era, Australia's economic stature would have been a stunted, miserable thing compared with the robust, muscular dimensions it has assumed.

On the other side, the Era was a period of rapid inflation in which the purchasing power of the £ was cut by half. This, of course, could not be entirely laid at the door of the Commonwealth Government. Abnormal export prices (at times) and the decisions of wage-fixing authorities played a part. And, in recent years, the Government could claim that a close approach to price stability has been achieved.

One of the most striking features of the Era was the educational “explosion” at the higher levels. The proportion of
young people in the 17-22 years age-bracket receiving a university or other tertiary education has about doubled over the past 16 years. In the last 10, the numbers of university students has sky-rocketed from 31,000 to 83,000. In 1950, a second university for a city such as Melbourne would have been inconceivable; but by 1965 it is busy planning for a third. This great development in higher education was partly a mark of rapidly increasing affluence (indeed, it would not have been possible without it). It was partly also a response to the demands in industry and elsewhere for highly qualified men and women. But more significant than this, it reflected a great blossoming of intellectual curiosity and a passionate desire for knowledge on the part of the young.

The contribution of the Menzies Government itself to the great economic advance which marked the Era could be debated endlessly. Some will argue that the Government had little to do with it, that the “break-through” would have taken place no matter what the political colour of the government. It may be claimed that it resulted from a combination of forces which had little or nothing to do with politics as such: a deep-seated, compulsive national urge to grow—the “double or quit” philosophy; advancing scientific knowledge and managerial competence; new, sophisticated techniques of economic control; and rich, new opportunities in the field of international trade. There was also an unusually large element of good fortune; the Era was relatively drought-free and at times we were paid fantastic prices for major exports.

Nevertheless, in the matter of overseas capital at least, which was an indispensable ingredient of the whole process, the Menzies Governments could justifiably claim to have made a special contribution. There can be little doubt that the political stability provided by the long-continued dominance of a government favourable to free enterprise inspired a confidence in financial interests abroad which might otherwise have been missing. There was confidence, too, in the integrity and general competence of the Administration and in the massive figure of its leader. Investors, at home as well as overseas, felt, with good reason, that this was a Government that would steer clear or rash political or economic experiments, that, at the least, it would take care not to “rock the boat”.

Indeed, it was not until right at the end of the Era that the Government acted somewhat out of character by embarking on a major piece of experimental legislation in the shape of the Trade Practices Act, a venture which, whatever its prospective merits or defects, seems somehow peculiarly foreign to the political temperament and disposition of Sir Robert Menzies himself.

In the Menzies Era, the traditional orientation of Australia's trade, dominated by the British nexus, was replaced by a new, more complicated pattern. At the beginning Britain took 39 per cent of Australia's exports and provided 52 per cent of its imports. At the end the proportions had fallen to 20 per cent and 26 per cent respectively. As a market for exports, Japan was almost outstripping Britain and the miraculously expanding Japanese economy, providing a rich outlet for Australian primary products and for its newly-found mineral wealth, had become of prime significance to Australia's growth prospects. Moreover, (something inconceivable at the beginning of the Era) China had become the largest single outlet for Australian wheat. The United States, too, was beginning to loom very much larger in the total trade picture.

All this was paralleled by an equally dramatic change in Australia's external political alignments. Under the pressures of the Indonesian confrontation and the ominously aggressive attitudes of the Chinese giant, the Australian focus of interest shifted inevitably more and more to the South-East Asian area. For the first time, Australia was to share a common land frontier with a major Asian power — an historical fact, surely, of momentous importance. The Menzies Government was quick to see the over-riding importance of American policies in this region to Australia. Hence the ANZUS Pact, which Sir Robert himself has claimed to be one of the most significant achievements of his Administration, and the eager acquiescence in the establishment of the U.S. tracking station at North West Cape. Moreover, whatever one might think of the rights and wrongs of the Vietnam War, the provision of Australian assistance — at least of token proportions — to the American forces was an insurance premium which any Australian Government would probably have felt compelled to pay. For the stark fact is that the preservation of Australia's
independence in today’s world can be guaranteed only by the continued friendship and protection of the United States.

During the Era there were signs of the disintegration of the British Commonwealth as a potent political force—signs of which Sir Robert Menzies himself seems in very recent days to have become increasingly aware. In the light of this, deeper students of international affairs may be disposed to criticise the Menzies Government for its apparent insensitivity to the changing pattern of world power relationships. It might fairly be said, for instance, that at the time of the British attempt to become part of the new, evolving European Community, the Australian Government showed little understanding of the import of this tremendous political concept.

The basic facts of the domestic political picture, too, have been transformed in the decade and a half of the Era, by the inexorable march of events. At the beginning, traditional socialism, while suffering from the body-blow of the failure of the Chifley Government’s attempt to nationalise the banks, was by no means a spent force. But the extraordinary economic gains of the Era have changed all that. An affluent people, expecting, and largely getting, additional increments of affluence year by year, can hardly be expected to give its support to radical changes in economic organisation. Old-time socialism, at the moment, is a political doctrine without popular appeal and very nearly without hope. It is not yet dead, but it could be revived to vigorous, meaningful life only by an economic crisis of major proportions.

The Menzies Era is thus the era of the decline and probably the disappearance of socialism in Australia, at least in its traditional guise, as a serious political force. How much of this must be attributed to Sir Robert Menzies and the governments he has led, and how much, simply to the forward leap of scientific and economic knowledge, is something for this historian to decide.

While the Era was not marked in the main by significant legislative change, it was distinguished by conscientious, skilful and honest administration. This would have to be conceded even by the political adversaries of the Government. Over 16 years mistakes were to be expected — and some serious ones were made — but, by and large, the all-round standards of
government and public administration were of a high order. There are those who will criticise the Government on the grounds that little legislation of historic moment was placed on the Statute Book. But good solid, incorruptible administration may contribute more to the advance of a nation than legislative achievement. It was not an era of reform, at least in the traditional political sense of the word, but the administrative proficiency of the Menzies Governments and their senior advisers commanded widespread confidence.

Finally, the Era has seen a surge of national pride and national aspiration which has no parallel in Australian history, except perhaps at the beginning of the century when the Commonwealth was born. We have emerged from adolescence into vigorous young adulthood, and are like the young man who looks in the mirror frequently to admire his rapidly expanding physique. As a nation we are becoming increasingly pleased with what we see. But what we are now is nothing to what we hope to become — a nation in size and economic power and influence comparable with all but the super-powers.

Our national ambitions and pride may indeed be racing ahead of our understanding of the world and its problems and our awareness of the inescapable responsibilities of mature nationhood. But nations, like individuals, must believe in themselves if they are to do great things. In the Menzies Era, Australia began to entertain visions of a great destiny.
The Economy in 1966

—AN OVER-DOSE OF THE SUN

In recent weeks, the concern felt in some business and economic circles over the drift of the economy has intensified.

Toward the end of 1965, the severe drought in the western parts of New South Wales and Queensland, the recession in the two key industries of motor vehicles and housing, and the large deficits being incurred on current account in the external balance of payments, were combining to give rise to some uncertainty and caution.

1966, however, opened on a somewhat happier note. Good rains had fallen in the drought-affected areas; the external payments' prospects were turning out much better than most people had anticipated; even the Stock Exchanges exhibited some signs of life on the New Year resumption. The Reserve Bank had also acted in December to stimulate activity in the housing field by providing additional finance for home purchase through the Savings Banks.

But, in recent weeks, several factors have given rise to renewed apprehension. Among these have been the continued slackness in consumer spending; reports from a number of large companies, including The Broken Hill Proprietary, of declining business; and the failure of the drought-stricken areas to receive adequate follow-up rains. The Stock Exchange after its New Year flutter, has relapsed again into a condition of listlessness.

Moreover, the subdued psychology in business and other circles has been aggravated by a series of “scare” newspaper reports, based on a wrong interpretation of current statistics on the state of the economy. The most glaring example of this concerned the quarterly National Income Estimates released by
the Commonwealth Statistician at the end of February. These were interpreted to mean that there had been virtually no rise in the real Gross National Product over a period of twelve months and that the expansion of the economy had slowed to a crawl. The effect of the drought on the figures of real Gross National Product, because of the reduction of rural output, was largely overlooked. The truth was that the non-rural sector of the economy had continued to grow at a rate somewhere in the region of 4% a year, with civilian employment in December, 1965, 3½% above the level of a year previous.

While there are undoubtedly "soft spots" and areas of difficulty which need careful watching, the fact is that the economy is forging quietly and steadily ahead. The level of employment remains high and, in view of the December influx of school-leavers and the retrenchment of seasonal workers in Queensland, unemployment at about 1.4% is remarkably low. Migrants continue to flood into the country and are being successfully absorbed into the work force. Despite the recession in housing and motor vehicles, output in most sections is rising and the economy overall continues to expand, although at a reduced rate. Great basic developments in mining and other fields, involving investments running into hundreds of millions of dollars, are proceeding apace.

The Australian economy is suffering, in the main, from what might appropriately be described as an overdose of the sun, and as usual the physical discomforts are accompanied by some depression of the spirits. But, basically, the patient is as robust as a young bull. Unfortunately the self-appointed doctors are busy telling him that he is far sicker than he really is, and that he is going to get much worse unless he is dosed with powerful drugs and stimulants. People suffering from a mild ailment can think themselves into a state of quite serious illness: And the greatest dangers to the economy at the moment are the perennial gloom-mongers, ever-ready to seize upon some apparently adverse movement in the economic indicators as portending major trouble ahead.

In much current discussion of the economy, there is one important facet of the present situation which seems to be overlooked. When the Commonwealth Budget was introduced in August last year, it was recognised that there would have
to be some shift in resources to meet the demands of the sharp
rise in expenditure on defence, and of accelerated national
development and migration. The basic intention behind the
Budget was to effect this re-deployment manoeuvre with the
least possible dislocation of the economy. The boom in private
fixed capital investment of a developmental kind and the sharp
expansion in Government spending, partly but by no means
wholly on account of defence, have had the effect of drawing
resources away from the personal consumption field, which has
been feeling the pinch. Nevertheless, but for the unpredictable
occurrence of the drought, the re-deployment operation might
have taken place with comparatively minor disturbance to
the economy.

While some sectors of the economy have flattened out
more than was anticipated a few months ago, the external bal-
ance of-payments’ position for the current year is turning out
far better than anybody expected. At the beginning of the year,
many felt that the drain on the reserves during 1965/6 could
exceed the large deficit of $316 million in 1964/5 by a sub-
stantial margin. A figure of $400 million at least was widely
canvassed.

Fortunately the balance of payments has been holding
up much better than many expected and the run-down of the
overseas reserves during 1965/6 is sure to be materially less
than the original estimates. There are a number of contributing
reasons. The drought has had a smaller impact on this year’s
export picture than was earlier believed likely. Accumulated
stocks have enabled us to maintain export sales of wheat,
notwithstanding a 75% fall in the New South Wales crop.
Wool prices have returned to the more encouraging levels of
a year ago, thus helping to counteract a 10-15 per cent lower
clip. With the resumption of production at Mt. Isa, and the
exceptionally prosperous condition of the American economy,
exports of base metals are buoyant; efforts to promote addi-
tional exports of manufactures and miscellaneous goods are
also meeting with success. The Commonwealth Statistician’s
index of export prices is now at its highest level for 12 months.
Moreover, imports, while high, look like being somewhat lower
than anticipated and in total may be not much above last
year’s level.
In spite of a larger deficit on current account in the December quarter of 1965/6, overseas reserves rose by $18 million compared with a fall of $26 million during the same quarter of the preceding year. This is attributable to a big rise in the capital content of the balance of payments. Admittedly the figure of capital inflow covers a multitude of items and not only direct investment of new capital. Delays in paying for imports, particularly major items of defence equipment, have helped maintain an abnormally high rate of capital inflow for the half year; but this trend could be reversed when the bills have to be met. Nevertheless, huge investments in mining projects and fabricating facilities, such as those in Western Australia and Queensland are blunting any effect the restraints imposed in Britain and the United States might have had on overseas investment. The statistical figure for capital inflow could exceed the $468 million achieved in 1964/5 by at least $300 million.

The still healthy condition of the overseas reserves — $1307 million in February — backed by expanded drawing rights with the I.M.F. amounting to $560 million, means the economy is in a position to withstand a further large run-down in Australia's currency holdings abroad.

The question in everyone's mind is whether the Government should act forthwith to stimulate demand in the recessed areas of the economy. There is a strong body of opinion in business circles which feels, perhaps not without justification, that some stimulus to the economy, additional to that being provided by the Government in the housing and drought areas, is required. The Prime Minister's speech in the House of Representatives of March 8 made it clear that the Government would step in to act quickly if undoubted signs of a serious down-turn began to manifest themselves. This may not satisfy those convinced of the desirability of immediate action.

On the other hand, even the critics must concede that the Government is faced with a situation of extreme delicacy and complexity. It has to take into account a number of future possibilities in deciding whether or not the economy is in immediate need of special measures to boost demand. It is
widely believed, for instance, that a rise in wages in the next few months could result from the hearing at present before the Arbitration Commission. If the Government were to give a strong stimulus to consumption in advance of the Commission's decision, the economy might be diverted towards inflation and in a direction opposed to the course set in the Budget last August.

There are also one or two underlying influences at work, which may lead to some revival of demand in the coming months. The long-continued slackness in consumer buying could of itself soon produce a reaction in this critical area of the economy, with consumers spending more freely to catch up on postponed purchases. It must be expected, too, that home-buying will continue to rise shortly as the additional money channelled into this field takes effect. These two factors could lead to increased purchasing by manufacturers and distributors for stock purposes. Finally, there is always the hope and possibility of good rains falling where they are most needed. This would undoubtedly give a powerful psychological boost to the economy as a whole.

Perhaps if activity in the key sector of housing could be more rapidly increased, this might be all the medicine the economy needs at the moment.

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It cannot be emphasised too strongly that all the uncertainties over present tendencies in the economy are taking place against the background of developments that must rank as the most momentous in Australian economic history. The immense significance for Australia's future of the iron ore developments in Western Australia and, to a less extent, the aluminium projects based upon the bauxite fields in Queensland has not yet seeped into the Australian consciousness. Contracts involving thousands of millions of dollars of exports have already transformed the 'balance-of-payments' prospect; and even this may be only the beginning. It is impossible to say at the moment what the iron ore deposits in particular may eventually mean for Australia's export income.
But even that is only part of the matter. Deposits of this incredible extent and richness cannot fail to trigger off a massive tidal wave of development, which should carry us on to heights that no-one can at present foresee. For one thing, the scale of the search for additional riches, for instance for oil as well as metals, is likely to be doubly, even trebly intensified. Overseas interest in Australia, already considerable, is certain to be further increased. As the new developments get well under way, they will give rise to a whole host of related activities, the nature and extent of which at the moment can only be dimly perceived. Australians have not yet begun to appreciate the incredible good fortune which has befallen them as a result of these recent discoveries which place the continent among the greatest sources of mineral wealth in the world.
“Freedom or Free-for-all”

A MOST significant phenomenon of the post-war years is the numerous private research organisations concerned with economic education and policy that have sprouted throughout the countries of the Western World. One of the most interesting — and probably one of the most successful—is the Institute of Economic Affairs in Britain.

The work of this body represents, in effect, a protest against prevailing fashions in economic thinking and government policies. For many years now — one might say since World War II — the emphasis of modern economic thought has been on a larger and larger role for government, whether in the every-day management and control of the economy or the provision of ever-expanding welfare and social services, or — as most notably in France and Britain — attempted forward planning of the economy in pursuit of set targets and objectives. By contrast, the Institute of Economic Affairs has contended that the freely expressed preferences of the consumer through the market provide, in general, the most efficient basis for the allocation of resources.

This is the fundamental premise which underlies and inspires the work of the I.E.A. If such a protest came from businessmen only, some might suspect it as being biased and even uninformed. But when it comes, as it does in the publications of the I.E.A., from a wide range of economists and experts of distinction, it cannot lightly be brushed aside.

At the lowest assessment, the work of the Institute provides a needed corrective against the fashionable modes of thought, which if left unchecked, would be in grave danger of over-reaching themselves. At best, however, the endeavours of a body such as the Institute could usher in a new approach, based upon a new way of thought, to the major economic issues common to all the advanced democracies.

The I.E.A. has just published a new book under the arresting title of “Freedom or Free-for-All”. The book brings together revised editions of five papers published separately in pamphlet form two or three years ago as part of a series which has now become widely known as the “Hobart Papers”.

Reminiscent of the pamphleteering of the great economists of an earlier age, the “Hobart Papers” have become a feature of contemporary economics in Britain. The sceptical London “Economist” has complimented the Institute of Economic Affairs on the contribution it has made to economic thinking. Recently “The Economist” praised the Institute for having opened an umbrella of shelter for all economic dissenters against “a particularly phoney current panacea: Britain’s chosen version of long-term planning”.

The “Hobart Papers” are written by people specially chosen for their particular knowledge of the subject concerned. The authors are expected to state without reservation the conclusions to which their investigations lead. These
studies are then offered to the public as responsible and important contributions to the continuing debate on economic policy. There is, however, an obvious connecting link between the various studies. This derives from a strongly held belief, shared by most of the writers, in what might be called "the ultimate sovereignty of the consumer" as the primary basis for economic policy.

The introduction to "Freedom or Free-for-All", written by the Director of the Institute, Mr. Ralph Harris, is perhaps, the most interesting part of an interesting, important book. For in it, Mr. Harris provides us with a clear statement of the underlying philosophy and principles which have inspired the foundation of the I.E.A. and its subsequent work. Mr. Harris writes:

"... the loudest voices in journalism and broadcasting have appeared to be those of fashionable exponents of a succession of panaceas, on which for the moment all seem agreed. In retrospect one may wonder that anyone should have taken such ad hoc prescriptions seriously, starting with urgent pleas for more investment — at first simply undifferentiated investment, to be followed only by slightly more specific calls for more investment in science, then in education, then in business management, and latterly in automation, computers and new technologies."

Mr. Harris goes on:

"In retrospect, this ad hoc approach to serious problems may look simply frivolous, despite its plausible presentation as sophisticated thinking."

Mr. Harris protests against the notion, implicit in much economic thought today, that economic analysis can lead to objectives and prescriptions for public policy having the kind of inevitability and authority attached to the physical sciences. He would agree that there are few, perhaps no solutions to economic problems in the sense that one finds an answer to a problem in algebra or geometry. "It is", he writes, "a pretence that economists can offer advice on some aspect of public policy without incorporating assumptions that rest on other than technical economic analysis." Mr. Harris contends that the theory of markets, based upon the concept of consumer sovereignty, provides the core of economics as a social science. When we depart too far from that we enter a world of value judgements derived from the preferences not of the great body of consumers (whom economic policy is concerned to serve) but from the subjective preferences of politicians and bureaucrats.

"We have become accustomed", says Mr. Harris, "to talk about the 'imperfections' of competitive markets... But there has been no comparable attention paid to the arbitrariness of the prices by which political priorities are established in response to such irrelevant pressures as the personalities of rival ministers, administrative convenience, the unequal power of organised lobbies, or simply short-term electoral calculations. Who will assert that the outcome of such crude, capricious pressures must necessarily prove superior to the dispersed preferences of consumers who know what they want and increasingly have the money to pay their way? If one rather than the other had to be characterised as 'the law of the jungle' or 'a free-for-all', is it so clear that consumers in markets are less competent and consistent in judging their needs than politicians or civil servants in ministries? Can there be any doubt that markets can be more surely and more easily purged of imperfections than the monolithic..."
governmental experiments which have provided so much evidence of extravagance and incompetence since 1945?"

The first Paper in “Freedom or Free-for-All” concerns itself with an outstanding example of this extravagance: the British National Health Service as a monopoly supplier of virtually free hospital and medical services. The author, Dr. Lees, is claimed to be the first British economist to subject the Service to critical and detailed examination. Dr. Lees deplores the fact that although Britain had been spending more than 4% of the national income per annum on health services over the past 13 years, no attempt had been made by any economist to discover whether the nation’s medical resources are being used to the best advantage. After exhaustive examination of the facts, he comes to the conclusion that there has been great waste of resources under the National Health Service which could have been largely avoided had the free market been allowed to operate. He rejects any suggestion that the National Health Service has reduced administration costs, and quotes a study showing that as a proportion of total health costs, administration expenditures have risen from 4% before the war to over 7% today.

Dr. Lees claims that the record on hospital building since 1948 has been deplorable: capital expenditure in real terms has been below the level of the depressed 1930’s. Regimentation of the medical and dental profession has created great professional discontent, “perpetuated a shortage of dentists and failed to anticipate or alleviate a shortage of doctors.” (It has been established that between 1954 and 1963 one out of every four graduates of British medical schools emigrated abroad permanently.) With an insatiable demand for drugs, provided virtually free by the State, neither doctor nor patient has had any positive incentive to economise. Attempts to curb demand by imposing nominal charges on prescriptions have met with only limited success. (We seem to be having a similar experience in Australia under the Pharmaceutical Benefits Scheme where costs have snowballed in recent years from £13 million in 1955/6 to an estimated £45 million in 1965/6).

Dr. Lees maintains that medical care is a personal consumption good, not markedly different from anything else bought in the free market. He recommends that apart from the dwindling minority who cannot provide for themselves, the Government should move away from taxation and free services to privately arranged insurance and free choice of doctor. He believes it is essential to re-introduce the influence of the market in determining the incomes of doctors and dentists.

“Despite the enormous expenditure of money on national health”, Dr. Lees concludes, “the National Health Service has done no better than the diverse medical systems overseas in raising health standards.” He asserts that the fundamental weaknesses of the National Health Service i.e. the dominance of political decisions and the absence of built-in forces making for improvements, can only be overcome by resort to the free market. However, Dr. Lees is reconciled to the fact that the National Health Service can only be gradually superseded by the spontaneous growth of private institutions.

The second paper in “Freedom or Free-for-All”, by J. E. Meade, the Professor of Political Economy at Cambridge University, deals with Britain and the Common Market.

In view of recent encouraging signs that President de Gaulle may be relax-
ing his opposition to Britain's entry into the Market, the publication of Professor Meade's paper comes at a particularly opportune time. Professor Meade, while not an unreserved advocate of British entry, would support Britain joining the European Economic Community if it has real promise of becoming a "liberal, outward-looking institution".

The author holds the view that the political issues are ultimately more important than the economic.

"The Common Market could" he writes, "become a liberal, outward-looking confederation of like-minded communities, which exercised influence in building a bridge between East and West, between developed and under-developed countries, between socialism and free enterprise and thus make a major contribution toward the building of the One World which, in my view, with present technological changes must necessarily be our main political objective" — a conclusion which men of vision would surely applaud.

The remaining papers in the book deal with industrial arbitration and the market for labour; the economics of library services provided by public authorities; and means of relieving ratepayers from some of the mounting costs of local government. The interest of these essays for Australians lies mainly in the illustration they provide of the central theme of the "Hobart Papers" — namely the avoidance of waste and extravagance in the use of free services provided by public authorities, by making them more responsive to consumer preferences. This is to be done by imposing some charges on those who use the services.

This would also have the advantage of making the allocation of resources by public authorities more responsive to consumer preferences and less dependent on more or less arbitrary decisions by governments.

The significance of this book stems primarily from its protest against the fashionable mode of economic thought which tends to accept higher and higher taxes and increasing government direction of the economy as unavoidable. A fully employed society of growing personal affluence should, on the face of it, have less rather than more need for government-provided welfare services.

The time is coming when it may be desirable to contemplate a much more selective approach so that the services are reserved for those who really need them. This will allow consumers to exercise a greater say over the way in which economic resources are employed rather than politicians or bureaucrats. The essence of a democratic economic system lies in the concept of consumer sovereignty and we should never forget it.
The Institute of Economic Affairs

The Institute of Economic Affairs was formed in 1957 "to raise the standard of economic discussion by spreading knowledge of basic principles". It was established with the help of a generous grant from its founder, Mr. Antony Fisher, a British businessman who made a fortune in the mass poultry business. Its work has since attracted support from around 200 British companies. The Institute is guided by an Advisory Council, including some of the leading men in British economics: the Professors of Economics at London, Manchester, York and Swansea Universities; George Schwartz, the well-known writer of the "Sunday Times", Colin Clark and Graham Hutton.

The first "Hobart Paper", which investigated re-sale price maintenance, was written by Professor B. S. Yamey of the University of London. Other titles include: "Growthmanship" and "Taxmanship", by Colin Clark, a few years ago the provocative Director of the Bureau of Industry, Queensland, and now Director of the Agricultural Economic Research Institute at Oxford. Another prominent economist, Graham Hutton, contributed "All Capitalists Now". Professor F. W. Paish, regarded by some as the top economist in Britain, wrote "A Policy for Incomes?", and the well-known authority on international economics, Gottfried Haberler, Professor of International Trade at Harvard University, wrote on "Money in the International Economy".

POSTSCRIPT

As a result of approaches by the Institute of Economic Affairs, the I.P.A. has agreed to enter into a close association with this body, and to act as its representative in Australia. We expect that many benefits to both organisations should result from this link with a well-respected body in the United Kingdom.

The I.P.A. will promote the sale and distribution of I.E.A. literature in Australia. We believe that these publications will be of special interest to businessmen, university lecturers and students, libraries, public servants and members of Parliament.

Copies of the book "Freedom or Free-for-All" (319 pages) are obtainable from the I.P.A. Price: $3.50.
Reflections on Life by
Leading Australians

THE Institute invited four prominent Australians to set
down some of the views and attitudes they have formed
toward the adventure of living as a result of their experience
and thought. All four men have achieved distinction and
success in the differing careers they have pursued.

Sir George Coles, Immediate Past President of the I.P.A.,
is the founder of G. J. Coles and Company, an organization
of nearly 600 stores throughout Australia and one of the
three largest retail businesses in Australia. But he has had a
multiplicity of interests and has taken a prominent part in
charitable activities, hospital administration and various
branches of public affairs.

Sir Albert Coates is a leading Melbourne surgeon and a
Past President of the Victorian Branch of the British Medical
Association. Sir Albert was Senior Surgeon to the A.I.F. in
Malaya in World War II and was captured by the Japanese
in 1942. He won national renown for his remarkable and de-
voted work for prisoners of war in Japanese prison camps. Sir
Albert has held many prominent positions, including Lecturer
in Anatomy at the University of Melbourne, Honorary-
Surgeon of the Royal Melbourne Hospital and President of the
Melbourne Rotary Club.

The Very Reverend Alan Watson has been Minister to
the Toorak Presbyterian Church since 1942, and was Moder-
ator-General of the Presbyterian General Assembly of Aus-
tralia from 1959 to 1962. Earlier in life, he was a lecturer in Philosophy at the University at Dunedin, New Zealand. His sermons are renowned for their deep philosophical and intellectual content.

Professor Harry Messel, who was born in Canada, has been Head of the School of Physics at the University of Sydney, since 1952. He is Director of the Nuclear Research Foundation within the University. He is regarded as one of the most brilliant and colourful figures in the Australian scientific world.

The articles which these gentlemen kindly agreed to contribute to “Review” are in the nature of personal philosophies. Among other things, the authors have set down some of the values in life, and qualities in human character, which they esteem highly and which have guided them in their own careers.

We believe their ideas will be of interest to all readers of “Review”, and particularly to younger people. The thoughts of men whose achievements merit the respect of their fellows are always worth listening to, because of the lessons and guidance they afford.
I. Suppose that by the time a man reaches the age of eighty years his experience of life should have taught him a great deal. But I sometimes wonder whether the lessons you have learned from your own experience will also be true for others; however, I will try to tell you the principles and ideas I have found of value to me and from which I have drawn strength during times of personal difficulty.

Perhaps I should make clear first of all that my adult life has been almost entirely spent in the retailing trade. Several directorships, my work on the Board of the Alfred Hospital, and in a number of voluntary associations fill out my business experience. Apart from that, my family has always been very important to me, and unquestionably the lessons my parents taught me have had a lasting impact on my life.

Above all else, I owe most to my parents for the grounding they gave me in Christian principles. They were not rigorous or puritanical in their religion, but they always stressed to their children the importance of Christian morality, saw that we went to church and Sunday School regularly, and kept us to a rigid standard of right living. The present age is more sceptical than the one in which I grew up, and the broadmindedness of my parents towards other religions was an important lesson. I recall that in the small country town where we lived there was only a Presbyterian Church, though the Coles were Church of England, and there were occasionally moves among the members of the Church of England to build their own church. But my parents always believed that the Christian community in the town was strengthened by attending the one church, and by the two groups pooling, on occasions, their energies and resources. They did not believe that the good Christian had to be dogmatic in his observances provided that he attempted to lead a considerate and worthwhile life. What they believed, as I do, was well expressed by a quotation from Aristotle I wrote down many years ago: "The search for truth is in one way hard and in another way easy. For it is evident that no one can master it fully or miss it wholly. But each adds a little to our knowledge of nature and from all the facts assembled there arises a certain grandeur."

I have always believed that Christian principles are as applicable and should be applied, in business as much as in private life. Primarily this means simply
honesty and respect in one's dealings with the public and with business associates. Business ethics have undoubtedly improved over the last sixty or seventy years, and the whole community has benefited thereby. Fair dealing, fair profits, and truthful advertising should be the guiding principles for business in its relations with the public.

When a person speaks of business success he is often thinking of a monetary or financial success — and what businessman does not set out to trade without hoping that his venture will please the public and hence trade profitably? He would probably be a hypocrite, or at least a poor businessman, if he did not admit this. But though success in one's occupation is very important, success in one's life as a whole depends very much on respect for other people. Love of money and love of power to the exclusion of other things are certainly the root of much of the world's troubles. In the particular job he is doing the businessman must be proud of the service he is giving to the community. This means that he will come to have a certain pride in himself — that he is of value to the community, and from this he can draw strength and satisfaction.

Businessmen talk a lot about private enterprise and individual initiative. They tend to resent the State doing things which they claim people can do equally well for themselves. But the other side of this is that the leaders of profitable businesses should take an interest in the social work of the city they live in, or in charity. Education especially offers an appropriate field for businessmen to act for the benefit of all. If they refuse to act in this way they invite ever-increasing government interference in private life. Moreover, I have always believed that industry should, for the sake of the people who run it, as much as others, contribute to making life worthwhile.

An industrial system which is purely materialistic must ultimately degenerate.

I think, looking back, that books have also had an influence on my life. It may possibly surprise some of my close business contemporaries that in my youth I read a good deal. At the age of twenty-three I had consumed almost all of Walter Scott’s novels, and the works of Dickens and Thackeray. Books on ancient history have always interested me, and in particular Gibbon’s “Decline and Fall of the Roman Empire”. There was also a book of English Essayists which one of my schoolmasters gave me which had essays by most of the great English writers—Addison, Locke, Bacon and Ruskin among them. When I was reading this book, it was a time of decision in my life, as I was just about to take over the small family store. Until then I had always worked with my father, but now I was on my own and anxious to try. One of the essays in the book caught my attention, a piece called “On Decision of Character” (“The Decisive Character”) by John Foster (1770-1843). Though I suppose few people have heard of him today, what he wrote had a big impact on me.

One of the things which Foster stressed was that it was most important to be true to, and believe in, yourself, if you were ever to succeed in life—“A man’s own conscientious approbation of his conduct must be of vast importance to his decision at the outset, and to his persevering constancy”. Integrity of purpose is to me an essential element of a successful life.

The other thing that Foster stressed was the approach through reason to the solution of the problems which confront a person. I remember he was supported by John Locke (died 1704) who wrote that “The faculty of reasoning seldom or never deceives those who trust to it”.
Once a problem was encountered it had to be followed through to a solution. Without such perseverance a person might become lost in indecisiveness and his capacity for achievement reduced. In business life a great many decisions have to be made, some of which seem very difficult when confronted for the first time. Indeed, the more one considers them, the more difficult they sometimes appear to be. But in general a solution may be found by hard thought, and once found, the problem should be disposed of. I think that this quality of decision is worth pursuing, and is one of the most important requirements of business success.

In the long run, however, there is no substitute for love of your work. Whatever role you may choose for yourself in life, if you are not happy in it, it is satisfying neither to you nor to those who work with you. Retailing has always been satisfying to me. I have always looked on myself as a shopkeeper, and to me it has been a most fascinating business. Over the years I have enjoyed watching new trends, getting the new goods, being able to compete. I think that a purchaser in the retail business should get as much fascination out of finding new lines as, say, a collector of antiques does. And with it goes the satisfaction of feeling that one is performing a public service.

Lastly, I should say how important to me have been my activities in organizations outside the strictly business field, and in my family life. To watch my own family growing up and becoming established has given me a great deal of pleasure and satisfaction, while to mix with people on a broader level outside business life has been a constant source of interest. The businessman who restricts himself to his work is likely to become narrow. Someone once said that the greatest study of man is man, and that is a lesson that I hope I have taken to heart.
To write an article for a journal such as this, is not easy for a medical man. Private affairs are more the concern of a doctor. Only those involved in Public Health could be considered capable of contributing to a paper on Public Affairs. Yet all of us are involved in community affairs, whether in our role as individual members of our trade or profession, or as administrators of the nation’s government. We live in a democracy — we have a vote — we are personally responsible. We cannot pass the buck. Who am I to dictate to or direct the lives of others? A word of introduction.

My grandparents were free settlers in this country. By the time I was born in 1895, the two widowed grandmothers had a task before them that faced many of our pioneers. A strong body inherited and developed by mother’s excellent preparation of natural foods (no processing in those days) enabled our family of seven to reach adult life and fulfill their functions as Australians. Home life and Christian teaching influenced us in the same way as other families of the period.

Possibly, a sense of mission combined with personal ambition were the main-springs at the start of my professional career. Some adversity and the need to struggle only added spice to the sense of adventure. The latter, together with an element of patriotism (an almost forgotten word) probably were the motives for joining the A.I.F. in 1914. Nor was the interruption of professional study regretted. What wonderful men I met! I saw humble men rise to heights of nobility in personal valour, indomitable courage, unselfish devotion. The memory of those youthful comrades — many of whom died in battle — has been a precious possession. To have counted them as my friends has sustained me in many a time of tribulation. The associations in 1914-1918 enhanced my pride of my British stock. The Queen, the Flag and the Church had a valid significance in the first years of the Twentieth Century. They still do. I’m old fashioned I suppose.

My medical studies, which began in 1919 (and which I hope will continue for another decade) have taught me that pride of racial origin needed to be modified. Many different peoples settled in England — some from the North, East and even the Mediterranean littoral. Black hair, swarthy skin is to be found among our kinsmen today, and in one
family, the contrast with the fair hair and blue eyes is noted. The millions of ancestors who have endowed by inheritance each of us with our physical and mental characteristics, are often forgotten. A sobering thought is to work out the number of our grandparents—great great etc., back to William the Conqueror. Is it any wonder that a “Sport” occurs now and then. A great artist, a musical genius, a profound thinker, a gifted scientist appears in the most unexpected stratum of society. Mother Nature mixes the genes. Thank God man is not yet able to penetrate this Holy territory. The human biological factory is sacrosanct up to date. Recent discoveries and their applications as destructive agents by men may alter the situation soon. Sober thoughts—sombre speculations—worthy of reflection by the thinkers of the rising generation.

The talent for quiet meditation, the formulation of thoughts and the ability to express them in the only way that our fellows understand, i.e. language, is as necessary as ever today. The courage to state our conclusions — no matter how unpopular—is of supreme importance if our democratic way of life is to persist. Our English language is spoken by our American cousins and by millions who are not English. Indeed it is the lingua franca of a multitude of peoples. The British legacy in language and forms of government in civilized institutions—roads, hospitals, education facilities—should not be forgotten by us nor by the emerging nations who have been the beneficiaries. Other great peoples have their language, literature and customs. The more one travels and meets other nationals, the more respect one has for the human family in general. There is no “master” race. Personal contact with other peoples breaks down insular hostility. Hence the value of travelling fellowships, established by Rotary International and the Churchill Foundation, Overseas Service Bureau and suchlike worthy bodies.

The ability to see things through and to persist to the end, is probably one of the most important attributes of great people I have met. Many who have been endowed with fewer talents, yet having that dogged persistence, have attained success—whereas the gifted but irresolute have been disappointing. Australians in the past were men who could adventure. Their forefathers of 150 years ago certainly took a chance. It is to be hoped that no softening process will set in. There is ample scope for adventure in all fields in this country. The smug assertion that the rolling stone gathers no moss should not be taken too literally. Sedate suburbia with its arm-chair comments has its rights, deserves respect, but that is all.

To wonder at the marvels of nature seems to me to be akin to worship. The contemplation of the constellations in the heavens, did much to comfort and console many of us in the Japanese prison camps. The study of living creatures (e.g. my dog) the birth of a human baby, the healing of a wound are a perpetual source of amazement. Those who retain this child-like attribute remain young in spirit.

A basic element in civilized society is loyalty—first to one’s family, friends, community and nation. Difficulties arise when there is a clash at international level on ideological, trade, territorial, religious or other grounds. The man who is loyal to his country is more likely to be a safe advocate in the international sphere. The history of the nations is not synonymous with the fusing or intermingling of the races. This may be biologically desirable or not—but we face realities when we recognize that, while all men are physically the same
inside, their traditions, religions, cultures and ways of thinking are widely different. We have a common humanity — but fortunately an infinite variety. Perhaps the Australian continent—geographically a southern appendage of Asia but with a European (mainly British) culture up to now—may become an experimental area for the integration of different races. My generation was brought up with the idea that neighbours could be friendly though they lived in separate houses. Maybe the day of privacy, whether of the individual, the family, the nations and the races, is passing. However that may be, there is no cause for pessimism. Homo Sapiens has struggled upward for a long time. There never was an era such as the present, when there appears to be as much goodwill among men. This tender plant needs cultivating at every level. If one were to live another seventy years, one would continue to have Faith in the ultimate triumph of a lofty human race. Hope for steady improvement in the relations of the peoples, and trust that there will be a wider diffusion of Charity among the men and women of this planet.

However, sudden changes are not the rule in Nature. We, who lived through the era of disarmament, conferences and peace treaties—between the great wars—have no illusions about man’s corporate conscience. It is very elastic. We have witnessed Hitler and Stalin rise and reward our trust with perfidy. We have seen the horrors of the wars and numbered our friends among the victims. It is unwise to constantly meditate on these matters. History is not bunk, but the record of man’s upward struggle punctuated by acts of barbarism—recently on a mass scale.

We Australians would be wise in the coming days, to cling to our traditional brothers in arms, and clasp firmly the hands of great allies who helped us in the past.
LIKE everyone else I was born into a home where parents based their lives on certain assumptions. In my case it was a Christian home, and the assumptions grew out of the practice of my parents' faith. It was for this reason that I grew up in a happy and relaxed family, and took it for granted that life is good, that work is important and should be done with all my might, and that there is a purpose in life beyond anything I could ever hope to understand.

In a sense the rest of my life has been a testing of these and related assumptions. They are no longer received assumptions, but personal convictions. The testing has taken place within the conditions and limitations of my work and manner of life, first as a university student, then as a teacher of philosophy, and finally as a minister in three different parishes, in the country, in a city, and now in a suburb. This has been combined with other duties required of me as a Church's representative on many civic and church councils. All of which has been interesting and stimulating and sometimes exciting.

I could write of five or six of my assumption-convictions, but since this is a single article I will concentrate on one of them only, the one which has grown in importance for me as life has gone on; the assumption, now become an act of faith, that there is no lost good. When I was a student at the end of the first World war I spent many hours in eager and vigorous debate with other students about this fundamental matter. Nowadays it is still discussed, and as vigorously, by students and writers; it is now called the search for meaning.

There is obviously so much that is lost. Nature's evolutionary process is traced and described in part by the combined studies of the natural scientists. They make it clear that Nature is wasteful and prodigal; she tries one path, then abandons it; throws up one species and allows it to disappear. And then there are her convulsions, like earthquakes, which so impressed my youthful mind in my New Zealand youth. Yet this is Nature's way, and we have to put up with it.

It is when we examine human nature that we are really puzzled. Man is the lord of creation, the thinking animal. Yet his progress is so uneven. He has the power of reason, he comes of age intellectually, but remains emotionally immature. He is still subject to the brutal and final stupidity of war. It requires a special kind of optimism to affirm that good things and good people are not destroyed forever.
But none of us can ever “see” the whole of reality; all we can ever hope to do is to see one part of it. Our interpretation of what we see is largely determined by our own personal experience. In my thinking I suppose I am still a pessimist, but I have come more and more to believe that no good thing is ever lost, and particularly that no honest work well done is lost. I do the work of a pastor, now often described as counselling. It requires both study and experience. The two are inter-dependent. Many times, for instance, I have spent long hours in reading which has no special point or significance, and then almost at once I meet a man who seems to illustrate what I have been reading about. The study illuminates the experience, although it is not directly related to it. So time and again I have found that because of study, the problem which last year would have been insoluble is today capable of solution. For this reason I have come to believe in the value of indirect preparation.

What I have so learned I have also observed in the lives of my friends. Some of the most successful of them are doing jobs for which they were not directly trained. One of them, a graduate in medicine, is a vice-chancellor of a great university; another a student of the humanities, is now a political leader; another, an engineer, is an administrator in a vast international enterprise.

When Sir Winston Churchill became Prime Minister in 1940 he faced the most testing moment of his life—and he was not a young man. Afterwards he said of this time: “I felt as if I was walking with destiny and that all my past life had been a preparation for this hour and for this trial.” That exactly expresses the meaning of my phrase—the value of indirect preparation.

It is important to glimpse the truth of this when we are young. Young people often talk over their future with me. Strangely, it is the young men, not the young women, who are often undecided and apprehensive. When one of them says, “I don’t know what I want to be”, one can only talk out of one’s own experience. Commonly my advice runs like this—get on with your work of preparation, stretch your mind, exercise your abilities to their limit. If you do that, the moment of illumination will come; the door will open; the way forward will be clear.

Of course we must be prepared to suffer setbacks. We set our hearts on achieving a goal, of holding an office, of winning a place; but we don’t succeed. What then? This, at least, can be said with confidence—many of the most satisfying successes are those which come not after our striving to achieve them, but when we are trying to achieve something else. It has taken me a long time to believe that. But this I can say, when we do believe it, the tension goes, and we know something of the joy of living.

And now that I am growing old, I am coming to understand that what I have been writing about is as important for age as for youth. The sensible thing to do is to accept the limitations of age, and above all not to become sorry for ourselves. It is possible to make some of our best contributions to the life and happiness of other people in this period of our life. But it takes courage—or to use another name for the same thing, faith.

There are two kinds of courage—the courage of youth and the courage of age. In youth we should launch into the unknown without too many questions and too much fuss. In age we should accept the things that cannot be changed. When we are young we should not accept things as they are; we should work for new and better things. But when we are old we should have the humility and courage to accept things as they are. There is something wrong with a young fellow who is not a rebel, and there is something wrong with an older man who is.
MY principal thoughts on my philosophy of life are deceptively simple. This does not mean that there is a definite number of them, nor that I am able to "give all the answers". I don't even know all the questions!

I shall therefore set down here but one or two of the principal thoughts I have about human behaviour and conduct. I shall not—because I cannot at this stage in a short article—deal at length with the most basic of all questions: Why are we here? What is the purpose of life — human life in particular?

Let me just say that I believe that there is or should be a purpose. I believe there is—or should be—a reason for "going". I believe each human being should have his "sailing orders". Man should have and must have a mission.

I, myself, have always felt a drive to go on; a drive to make a contribution, as significant as I can. I have always thought that it is my mission in life to do as much as I can to make this world a better place to live in than what it was when I entered it.

And on this road I think that intellectual honesty is one of the principal items in one's marching equipment. Thus, let me talk about honesty and its most vital companion—courage.

I think a man should be honest—not only honest in the conventional sense of the word, but honest with himself. I believe that if we try hard enough we can succeed to a great measure in seeing ourselves as we really are. This, of course, requires an almost brutal frankness with oneself. Only if one admits to oneself one's innermost thoughts, desires and ambitions and urges, can one make progress on the road to recognising oneself.

I, myself, have tried to practice this bold self-recognition and self-appraisal all my thinking life. Frank, basic thinking and the resultant self-recognition have, I hope, helped me in my attempts to be fair both to myself and to others. Equally well, I have always also tried to muster the courage to express my convictions in words and action.

I have for long found it strange that in our modern times—contrary to the ever more realistic expression in our art and culture—most people tend to fool themselves into a make-believe world and try to deceive themselves and others.

I cannot understand how this wide trend to see and interpret things differ-
ently from what they really are, has made such inroads.

It is amazing to observe how many people try to escape honest self-appraisal of their thoughts and actions by either pretending that certain thoughts are not in their minds, or by conjuring up artificial justifications for certain actions.

We all know of the many individuals who are given to talk much about happiness in the home, for instance, and then take advantage of every opportunity to absent themselves from their own homes and families.

Similarly, we know of the millions of whom their daily work is merely a necessary evil, an unwelcome means of obtaining a weekly pay envelope—people who honestly could not care less about the quality of their effort, the purpose of their labours, or the consequent well-being and prosperity or otherwise of their fellow-men, including their employers.

Twentieth-century man seems to go about with a perpetual chip on his shoulder — a chip of deep resentment against the fact that he has to do something about his own survival, and that of his family and that of his nation.

As a consequence of this we have come to recognise as a fact that few people like to have any real interest in their employers.

We have come to accept that almost no-one today “applies” for or “requests” an increase in salary or better working conditions. All we know of today are wage “claims”, and the outcome of such claims is often judged not on the performance and merit of the claimant, but on the ability of his employer to pay.

One can carry such false values ad absurdum and come to a situation where a wealthy individual or firm is ordered by a tribunal to pay more for work than a not so wealthy individual or firm.

Personally, I cannot see how a dishonest mental approach by our society to many realities can continue without eventually bringing harm to society. In the same manner I believe that no individual member of the community can continue to fool himself and his surroundings without coming to harm.

In some societies already there are manifestations of such harm actually taking effect. The increasing number of people in need of mental treatment today, and the increasing number of psychiatrists’ couches, are to me a sorry proof of my contention.

I think if more people would honestly and realistically look at and into themselves, and frankly take stock of their own thoughts, abilities and ambitions, there would be less falseness, pretence and deceit. The word “pseudo” could be more and more eliminated, and together with it the need for ever more psychiatric treatment.

To be “well-adjusted” is not a term that has sprung from the imagination of modern psychiatrists. It is a term coined by a new science which has far greater meaning, I feel, than that accorded to it by most people today. It is in fact the psychiatrist’s term for the desirable, normal mental state of a human being. And it is in my opinion quite impossible for anyone to be well adjusted without having practised some frank self-assessment and being able to face the facts at least within one’s self.

It is clear to honest thinkers that the more honest they are with themselves, the more humble—and, at the same time, courageous—will they be; and it is interesting to note that some of the greatest men of our century have also been some of the bravest and humblest. I think here not only of great scientists
such as Einstein, or great medical men such as Florey, Salk and Schweitzer, but of great men in all spheres of life like, Gandhi, Pope John, Trygve Lie, Folke Bernadotte and numerous others.

As a scientist, of course, my mind is trained to weigh up things and values scientifically, but I think I have succeeded in applying a similarly realistic yard-stick to human considerations of life.

This has given me an opportunity of assessing as best I can my upper limitations beyond which I know I could never rise, but also the lower limits below which I know I could never consciously fall.

It is only natural that I should therefore esteem people who practice honest self-appraisal and consequent courageous sincerity of effort on their part. To the initiated such characteristics in others are quite obvious and, as far as I am concerned, they command my respect beyond all other considerations.

I admire a man who has honestly assessed himself and his ability, his ambitions and his yearnings, and has honestly worked hard and courageously to achieve top-grade within his own limitations. I have great respect for the end-product, be he a scientist, a butcher, a clerk or a train driver. I have equal regard for him as I have for the industrial tycoon, the musician (irrespective of the length of hair) and the artisan, the writer . . . in short, for people in all walks of life.

I think that all individuals within their limits—a matter of genes, of brain-power, a matter of body and mind—can be valuable human beings and valuable to society.

If they are the people they can be, they all will have one thing in common, they will be humble, happy and in possession of a large measure of peace of mind. They will never be complacent, and will always strive to better themselves, their surroundings and the world around them.

All they will be and do will be in the realisation of their own greatness and smallness all at once, and in the realisation that they cannot do better than give their best.

No man can ever be blamed for anything by society, or for that matter by his God, if he acts in what to him appears an honest and courageous manner, and what to him is the best of his ability.

No one acting thus can ever be truly said to have failed.