

Boyer Lectures

Lecture 2 - From Protectionism to Economic Advancement

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Part of [2012 Boyer Lectures](#)

In her second lecture, Professor Langton examines the confluence of historical, political and social factors which have created entrenched barriers against the economic advancement of Aboriginal people in Australia.

Transcript

Twenty-five years ago, used car dealers, grog runners, hire purchase loan sharks, boosters for mining and exploration and fundamentalist Christians drifted through the towns and discrete Aboriginal communities of the remote areas. The used car dealers sold Aboriginal people decrepit second hand cars for prices ranging from \$2,000 to \$10,000. They made enormous profits and added to the strata of racist mythology and hatred. They were welcomed by Aboriginal people—who remained unaware of their predicament as a targeted, vulnerable market—and into their communities throughout the central desert when royalty cheques were due. Happy owners of these wrecks drove them for a month at best, and a couple of days at worst, before they were parked, permanently, by the side of the road leading to the community. Many of the car bodies remain there, exactly where they stopped all those years ago, although now rusted out, along the roads that cross the desert. When word reached the spivs in the big cities of the thousands of dollars to be made, more came with cargoes of cars loaded up on big trucks, and set up pop-up car yards opposite the Aboriginal organisations that paid out the royalty cheques. They even flew Aboriginal flags. Every other Aboriginal property with an Aboriginal flag in the town was at risk of racially motivated vandalism and arson; but not the used car yards. That was a short, sharp lesson for me in the power of capitalism to cut through deeply embedded, intransigent race hate. Yes, they were exploiting Aboriginal people who lived in a world of poverty, but unlike anybody else in town, they turned up from down south and wanted to sell Aboriginal people something other than alcohol. I bought almost no clothes during the seven years that I lived in Alice Springs. The 'No Aborigines' rule extended to trying on clothes in shops. But an Aboriginal person could buy a second hand car or a vehicle-load of alcohol no questions asked.

In fact, we could buy alcohol just about anywhere in Alice Springs. There were more licensed alcohol takeaway outlets per head of population than anywhere else in the country. We could buy it at supermarkets, at petrol stations, at the Elders rural supplies store, at the sandwich shops, at the pubs over the counter and around the side at the animal bars, the counter at a window of hotels, reserved for 'blacks only'. Whites were served in the driveway section or at the front bar.

In the last lecture, I explained a new economic trend: the coincidence of the transformation of the mining industry from the bare-knuckled approach of the 1960s to the early 1990s, when access to Aboriginal land and reserves for mining projects involved imposition of projects without consultation or negotiation, forced removals and no regard for impacts on Aboriginal communities. With land rights and the recognition of native title, however, which required mining companies to negotiate with affected Aboriginal people, thousands of agreements that acknowledge the impacts and provide benefits, have changed the economic situation of indigenous Australia irrevocably. Thousands of jobs, scores of contracting businesses and income streams from native title payments are the result, and the basis for an economic future if only government policy settings would move from protectionism to economic empowerment.

The conflict between the mining industry and Aboriginal people occurred with the coincidence of an earlier mining boom and the reforms of the 1970s when land rights, civil rights and a rejection of racism brought Aboriginal people in from the cold.

But there was another coincidence of factors at that time that have had an enduring impact on Australian society, and explain much about the Aboriginal poverty: the legalisation of sales of alcohol to Aboriginal people, the emergence of the environmental movement and the romanticisation of Aboriginal people as the new 'noble savages.' All occurred in the same period in Australia, the late 1960s through the 1970s, and formed a toxic social and political brew. These developments became the most difficult of all the obstacles hindering Aboriginal economic development.

In my previous Boyer Lecture, I referred to attitudes among the left, and among those opinion leaders who hang onto the idea of the new 'noble savage'; how for them the Aboriginal poverty is invisible, masked by their 'wilderness' ideology. Whenever an Aboriginal group negotiates with a resource extraction company there is an unspoken expectation that no Aboriginal group should become engaged in any economic development. They tolerate Aboriginal people as caretakers of wilderness only. They only tolerate Aboriginal people living on their land if they live in poverty and remain uneducated and isolated.

The poverty of these communities, deriving as it does from historical dispossession and economic exclusion, and for the last forty years, high welfare dependency, gives a particular form to the kinds of consumption, distribution and marketing that take place in this distorted corner of the Australian economy. What the grog runners, spivs and drifters understand—more so than governments and banks—although, in a cunning way, is the economic worth of these populations. So too do the large market players like the supermarket chains which hold a major position in the Aboriginal economy of the north, selling food at inflated prices and alcohol at low prices to Australia's most poor, ill and vulnerable people.

How did it come about that the economic life of Aboriginal people has come to mean mendicancy on the welfare state? How did it come to be that those of us who argue for jobs for Aboriginal people, for policies that encourage entrepreneurship among Aboriginal people, are despised and loathed by that section of the population that can only tolerate the 'cultural' Aborigine?

Aboriginal cultures are fascinating, and this may explain the heavy reliance of analysts and academics on cultural explanations for the present situation. Too many ignore, and even fail to recognise, the role of economic history in producing the wide range of crippling disadvantages that hold so many Aboriginal people back, deprive them of the capacity to take up opportunities, and close the door on any possibility of a successful, healthy life.

How did the traditional economies collapse? In January 1788, Captain Arthur Phillip, a British navy officer, established a penal settlement in Australia and what followed was Aboriginal subjection, not only to a new polity but to a radically new economic regime. The British settlers altered most Australian landscapes by clearing trees on a massive scale for their herds and crops.

This, and the removal of populations by military and vigilante forces, brought to an end the ancient hunting, gathering and fishing economy of the first Australians across most of the continent.

By the end of the 1940s, only a few indigenous groups retained their pre-contact lifestyles and, although limited, impaired or controlled by various means, their societies continued in Cape York, Central Australia and the Western Desert, and also in some areas of the top end of the Northern Territory and in the Kimberley region of Western Australia. It became almost impossible to provide sufficient food by traditional means. The ration system contributed to this collapse as much as the dispossession, but without rations, and even with them, many starved or suffered severe malnutrition. Soon, surviving indigenous populations became more entangled in the new economy, which had supplanted their own. They were largely treated as controlled or unfree labour, and it is

clear that a form of slavery existed in various places. In Queensland, such wages as were paid were confiscated by the state. The law requiring equal wages be paid to Aboriginal workers came about only in the 1970s in the Territory and 1980s in Queensland. Even so, indigenous people found livelihoods and became essential to the success of several industries, especially cattle production. The gifted stockmen, the hop growers of Corranderk and the pearl shell divers of the Torres Strait; all showed the ingenuity of the first Australians in surviving these dire conditions.

With the assimilation policies of the state and territory governments of the 1940s, the role of Aboriginal labour fitted in with a caste system that operated throughout the British Empire. It had been imposed in India, Africa and elsewhere, and was used as the means of extracting labour cheaply. This system relegated people to categories such as servants, coolies, indentured labourers, controlled populations and others. In Australia, though, there could be no special arrangements with local chiefs or ruling families, as had occurred under the Raj in India or with the ruling aristocracies elsewhere. There were no chiefs or ruling hereditary elites that could press their populations into service for the plantations, slave trade and other economic ventures as the *compradore* classes in British colonies elsewhere had done in order to maintain their power and privilege. These compradores—or native-born agents—served the colonisers and trading empires as collaborators in commercial transactions, a practice that did not take root here because of the violence, and the conditions of slavery and controlled labour.

The social revolutions of the 1960s and 1970s, in which Gough Whitlam, Charles Perkins, HC Coombs, WEH Stanner, Barry Dexter and many others played key roles, could be described as a series of odd, distinctively Australian decolonisation experiments. In retrospect, it has become clearer that the isolation of remnant indigenous populations in an archipelago of Crown reserves posed a series of economic and social policy conundrums. Only a small number of men, we can see now, had turned their minds to the human rights disaster located on the outskirts of many rural towns and in city ghettos.

The Australian frontier was a notably masculine one, and miscegenation with Aboriginal women was common.

The embarrassment of coloured children, whose origins posed a threat to the establishment of the British way of life, with British wives and household domesticity, led to policies aimed at removing Aboriginal children from their families. These were labour policies intended to supplement the servile population with trained children. Those exempted from these policies remained on Crown

reserves, gazetted for the benefit of Aborigines, whose racial identity was, at least formally, that of 'full-bloods'. The reality on the ground was, of course, quite different; reserve populations remained mixed and the goal of racial hygiene and segregation was never achieved in practice, a fact that the idealists who hold to fantastic ideas about authentic traditional Aborigines should consider. The idea that a burgeoning coloured population in northern Australia was a security threat in the first half of the twentieth century exemplified the xenophobia of the Anglo-Saxon majority.

Charles Rowley's trilogy, especially *The Destruction of Aboriginal society*, published in 1970, the most detailed economic history of Australia's racial frontiers ever written, explains the history of Aboriginal life on the margins of the Australian economy. He had declined the invitation to join Stanner, Nugget Coombs and Barry Dexter on the Council of Aboriginal Affairs. This body advised several prime ministers, and its work represented a sharp break with the post-frontier thinking its members encountered in their discussions with politicians, officials, missionaries, reserve superintendents, and Aboriginal and Torres Strait Islander people throughout the continent. Rowley's books explain much about the origins of present-day debates about indigenous policy in Australia. It was clear to the members of the Council of Aboriginal Affairs that, for thousands of Aboriginal communities across the country, and the rapidly growing number of Aboriginal people who were already participating in the workforce, or wanted to, there was a storm of issues brewing.

This crisis of modernisation of what had been missions and post-frontier administered settlements accelerated with the Equal Wages Case in the 1960s and the upheaval that followed when thousands of Aboriginal pastoral workers were abruptly dismissed. It became evident that modern titles were required to enable Commonwealth investment in desperately needed infrastructure, and also to ensure the security of these communities from further incursions by corrupt or malign Aboriginal Affairs officials in the states and territories. The Commonwealth *Social Security Act* had been extended for the first time to Aboriginal Australians. Amendments to the Constitution following the 1967 referendum produced what Rowley described as an Australian version of the USSR's 'gulag archipelago'.

The Council's members were faced with the question of whether to bring Aborigines residing on reserves in from the cold, or to leave them in the economic wilderness that the Aboriginal protectorates had created. Later, in 1972, Rowley did become involved with the establishment of the Aboriginal Land Commission. The Commission purchased pastoral leases for resident or nearby Aboriginal groups that had been marginalised in the late 1960s by angry White pastoralists who

refused to pay equal wages to their Aboriginal workers; many small operators probably could not have afforded to do so.

Later, when their stake in the industry dramatically increased, Aboriginal pastoralists found that, whereas these post-feudal holdings could support an owner-manager family, only agribusiness on a much vaster scale (or involving much more profitable uses of land, and diversification) could economically support communities of several hundred Aboriginal people. Meanwhile, in Australia's 'gulag archipelago', missionaries were asked to leave the reserves, and reserve superintendents were replaced by community councils. Their jobs in managing cattle herds, sawmills, bakeries, butcheries, small cropping projects and cottage industries disappeared, when these activities deteriorated slowly into a state of irreversible failure, or simply closed down overnight.

The order, discipline and management culture of the old imperial hands had been the glue that, however tenuously, held together the imposed regimes of settlement on the scattered Aboriginal groups in the hinterland. Years of apartheid in the education system and the almost total exclusion of Aboriginal people from normal training, apprenticeships and employment resulted in a rapidly growing indigenous underclass in the towns and cities as Aboriginal families fled reserves during to take advantage of the new wave of tolerance and progressive thinking.

Then, two new forces collided with the Aboriginal world. Just as it seemed that the social and economic issues affecting Aboriginal people might be understood by more compassionate voters—96 per cent of them had voted 'yes' for Aboriginal rights in the 1967 national referendum—the mining boom of the 1970s and the worldwide leftist civil rights and indigenous movements precipitated a furious debate. Should Aboriginal reserves, freeholds and leases be readily accessed by mining companies without regard to the consequences for already impoverished and disadvantaged communities, or should there be a special category of rights for indigenous people encapsulated in settler states, where their fate was abuse and marginalisation?

The Aboriginal movement for land rights established the battleground for political rights for the next three decades, and its impact was both beneficial, with the return of large areas of land to the rightful owners, and detrimental, in that the economic potential was locked up. Not until after the passage of the Commonwealth's *Native Title Act* in late 1993, a quarter of a century later, were some of the more incendiary issues in this dispute, which consumed three generations of Aboriginal leaders, partially resolved.

Into the conflict came environmentalists and 'wilderness' campaigners, attaching themselves to dissident Aboriginal groups at Jabiluka in western Arnhem Land, and elsewhere, opposing developments, not because of impacts on Aboriginal people, but to preserve nature and 'wilderness.' Whether Aboriginal groups had projects imposed on them or negotiated successful settlements, these professional protesters supported by sophisticated non government organisations funded by a gullible public, accused Aboriginal leaders of 'selling out'. Not once have they campaigned against Aboriginal poverty. They assume that this is the normal for the natives. They and the Australian Labor Party membership have taken the Aboriginal electorate for granted since the days of Gough Whitlam's reforming government.

Recently, this changed. First, Ken Wyatt ran for the Liberal Party in the seat of Hasluck in Western Australia and became the first Aboriginal person elected to the House of Representatives. Others had been elected to state and territory parliaments, and in the Northern Territory, the ALP took advantage of the large Aboriginal population and governed for eleven years from 2001 to 2012 with several elected Aboriginal serving in the Cabinet. In 2012, fed up with the failure of the Territory Government to serve their interests fairly, Aboriginal voters in the bush threw out the government that had ignored them, delivering victory to the Country Liberal Party. This extraordinary outcome – a first in Australian history – challenged mainstream perceptions of the marginal power of the Aboriginal vote. The voter turnout across the Territory was an unusually high 76.9%; three in ten Territorians are Aboriginal. They were fed up with left-wing causes imposed from down south, be it live cattle–export restrictions, opposition to mining or rolling back the intervention.

Once the party of the frontiersmen and spruikers, and rabidly opposed to Aboriginal rights, the Country Liberal Party has changed its colour – four of its members in the new NT assembly are outback Aboriginal leaders. It seems the Territory's rural conservatives have finally figured out: they have more in common with Aboriginal people than with their kin in the cities. Both groups need land-based industries to support their economies and way of life. Both share a deep disdain for greens, animal liberationists and bureaucrats, whether from Darwin or Canberra.

The Territory's Labor government had disbanded Aboriginal councils to create 'super shires'. This enraged Aboriginal powerbrokers in hundreds of townships and homeland communities, which were now managed from afar by white town clerks. Perhaps the government thought it could get away with the usual game of spending the Commonwealth's Aboriginal dollars centrally, mostly in Darwin, and depriving the bush communities of their entitlements. By disempowering the communities, they betrayed them.

State and territory governments have long used untied Commonwealth grants for 'Indigenous Affairs' as a general-purpose slush fund for everyone *except* the poorest of the poor, the remote Aboriginal populations.

But the most significant factor was the Aboriginal body politic itself. Strong local leaders have worked hard to bring economic development to indigenous communities where welfare has turned residents into perpetual mendicants begging from the state. Time and again, native title groups have spent years getting an agreement with a resource company over the line, negotiating income streams that might shift indigenous people from the margins to the centre of regional economic development in return for land access, only for a ragtag team of 'wilderness' campaigners to turn up with an entourage of disaffected Aboriginal protesters to stop development at the eleventh hour.

The legacy of these developments is a clutch of phenomena that work to alienate Aboriginal people, to impoverish and exclude them. The fight back is another long story, and in the next lecture, I will turn to those ideas that have inspired the economic renewal of Aboriginal Australia.