How did Professor L. F. Giblin view Australian trade policy and what can this tell us about changing relations with the British Empire in the interwar period?

Appointed the Ritchie Chair for economics at the University of Melbourne in 1929 and presiding over the Commonwealth Financial and Economic Committee at the outbreak of the Second World War, Professor L. F. Giblin was at the centre of Australian economic discussions in the interwar years.1 The Giblin collection reveals his practical view of the Australian economy, challenging set approaches to empire. Recognising Australia’s interests and unique economic circumstances, Professor Giblin argued for greater responsibility in dealing with unemployment and falling trade during the Great Depression. He also called for greater self-sufficiency to develop a war-ready economy, broadening trade relations within and beyond the Commonwealth. Giblin’s view of the Australian economy did not overturn relations with the British Empire, but questioned how set approaches could be changed to meet distinctly Australian interests.

This essay will focus on the interwar years as most material from the Giblin archive is from this period. The archive is significant in exploring the effect of events like the Great Depression and war on Australia’s relationship with the Empire. This was a period of economic crisis and reinvention in Australia. Giblin’s lecture on Australia in 1930 sets his work in the context of 14% unemployment and focuses on the effect of international trade on the domestic situation.2 The nation’s small population could not provide a large enough market for Australian goods, relying on export throughout the Empire.3 The Ottawa Agreement of 1932 reinforced these ties by establishing a preferential trade system between Britain’s colonies.4 Yet, greater autonomy was also negotiated. The Statute of Westminster of 1931, although not adopted in Australia until 1942, proposed a commonwealth of separate nations.5 Australia’s Prime Minister Scullin attended the 1930 Imperial Conference which developed this idea.6 The Commonwealth was debated in Australian newspapers, particularly at points of international emergency in the interwar years.7 The archive needs to be approached considering this context and with awareness of the limits of today’s perspective, removed from a time when the Empire held greater

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influence. This essay uses Professor Giblin’s view to explore Australia’s relationship with the British Empire during a period of international crisis and change.

Giblin’s own background and character are important in understanding the perspective presented in his papers. His approach to crisis in this period was, according to student R. Downing, one of “simplicity” and “mathematical precision.” The archive reflects this, littered with notes and calculations. It is striking how quickly his argumentative pieces turn to balancing numbers, for example, using trade in butter to demonstrate that “the total value of production might actually be lessened” by large exports. This gives a sense of Giblin as a person and his enduring practicality. For Giblin, the Empire was important only as far as it was practical, weighing the costs of British trade and loans. Educated at Cambridge and maintaining connections with his college fellows, he was not an activist for Australian independence. Yet as the son of a Tasmanian Premier, Giblin understood Australian politics and national interests. He was also open to global opportunity, travelling to Alaska in pursuit of gold and to rubber plantations in the Solomon Islands. On the other hand, Giblin recognised risk in international affairs. Wounded in the First World War, he understood the personal and economic costs of modern warfare. Giblin’s personal background shows his practicality and willingness to challenge set economic principles to find the best approach.

Professor Giblin questioned Australian reliance on the Empire for trade and investment. Australia’s economy was closely intertwined with the British Empire. The years between the First and Second World Wars highlighted the need to distinguish Australian interests through policy which offered the greatest economic benefit. Looking at the conditions of British loans, Giblin argued that relations with the Empire were “directed to the building up of funds in London” rather than in Australia. His view suggested that Australian interests were not always the same as those of the Empire or considered by policy makers in London. The archive reveals his central role in questioning the existing economic order. Yet, Giblin also moderated his stance, stating these criticisms were “not of the most serious kind.” Despite being tied to its rises and falls, he recognised that the Empire economy provided the largest market for Australian goods. Giblin did not suggest cutting these ties, but argued for greater control over Australian trade. For example, contributing to the Brigden Report on trade, Giblin supported tariff rises to protect local industries and manage overproduction. This influenced Australian economic policy with Senator Colebatch referring to the report in

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8 Downing, “Giblin as Ritchie Professor,” 47.
10 Giblin, Australia, 1930, 14.
11 L. F. Giblin, “Supplementary Exhibition Fund” (December 1929), file: King’s, Unit 1, GIBLIN, Lyndhurst Falkiner Papers (1992.0141), University of Melbourne Archives, 3.
13 Ibid.
14 Ibid.
15 Giblin, Australia, 1930, 14.
16 Ibid.
17 Grimshaw, “Australian Nationalism and the Imperial Connection,” 169.
 Debate over what form distinctly Australian economic policy should take is reflected in a newspaper clipping, kept by Giblin, relaying one of his lectures on the benefits of “Practical Communism”. The article demonstrates the adaption of internaional theory to the Australian context. In particular, the article explains Giblin’s argument that through an agricultural life those without work can “be safe-guarded with respect to future employment”. It shows public consideration of new ways to resolve unemployment using Australian resources rather than relying on trade with the Empire to generate work. Here the term “Practical Communism” refers to providing employment and assisting workers, rather than supporting an international communist movement. It demonstrates the recognition of a unique Australian economic context outside of the Empire and adaption of theory accordingly. One line in the clipping has been underlined, emphasising that “civilisation and capitalism had been found to some extent [original emphasis] to be a failure”. It cannot be known if the marking is from Giblin’s own reading of the piece. However, the phrase moderates the argument that capitalism failed. The article is not in complete support of Communism, but puts forward Giblin’s view of an economy using the nation’s own resources to generate work. It is important to recognise that the article, not written by Giblin himself, is an interpretation of this view. However, it reflects debate surrounding ideas he put forward on new approaches to a distinct Australian economy.

A response to this article is attached in the archive. The author questions Professor Giblin’s contention that Australia’s unemployed could find stability by working the land. He argues that “human beings in their present state” are unlikely to take up this work putting aside competition and greed. Written in 1930, in the aftermath of the Wall Street Crash, the clipping shows scepticism against human nature in the interwar years. However, it demonstrates a willingness to debate what was in the country’s best financial interests. Falling trade with Britain raised questions over how Australia could rebuild its own economy. “Practical Communism” was put forward as one way to resolve unemployment and instability. The debate shows consideration of Australian rather than imperial interests. It cannot be determined what Professor Giblin’s view of this response to the original article was. However, that it was also preserved with the initial article suggests that

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20 Ibid.
22 Ibid.
23 Ibid.
24 “Professor Giblin’s Advice”.
28 “Professor Giblin’s Advice”.

he took note of the challenge. Particularly seeing as the first article is simply an interpretation of Giblin’s views, both documents preserve an important debate among Australians over the arguments he put forward. The archive reveals discussion over the best economic practice in Australia, dealing with trade and unemployment, in response to world crises.

The Great Depression altered Australian relations with the Empire and demonstrated the effect of having an economy so closely connected to international markets. It prompted Giblin to question how Australian economic interests could be best protected. For example, Australia relied on wheat and wool exports to Britain, suffering when the Depression caused demand to fall.29 The consequent rise in unemployment highlighted the domestic effect of international trade and Australia’s close ties to the Empire. However, reflecting on his own lecture ‘Australia, 1930’, Giblin acknowledged that the complexity of the situation was “oversimplified”.30 He drew attention to Australia’s unique economic circumstances with much of the archive taken up by documents aimed at resolving the crisis and related issues in the Australian context. In particular, Giblin called for greater control of the national economy. He promoted greater investment in manufacturing industries alongside primary industries to create work for the growing population.31 This was supported by the findings of the Brigden Report which suggested that by carefully managing trade relations and manufacturing, demand for labour could increase by 6.2%.32 Giblin’s self-reflection on his assessment of the economy in 1930 shows his commitment to improving the Australian economic situation. The Depression revealed the disadvantages of being so closely tied to the Empire.

Giblin’s reflections on the Great Depression demonstrate the careful deliberation that occurred among Australian decision makers and greater responsibility taken for the national economy. For example, Prime Minister Scullin was persuaded against printing money to improve the economy, taking the advice of the Commonwealth Bank Board which included Giblin.33 The effects of the Great Depression required solutions to fit Australian circumstances. This event transformed the way governing was viewed with parliamentary debate concluding that “control must be exercised by the government which is on the spot”.34 The Australian Government saw itself as more capable of making quick decisions according to the situation. The Empire was changed by a new determination to protect the economy from future catastrophe. For example, the imperial preference system was adopted in 1932 only on the condition that it would be administered by sovereign dominions of the Empire rather than enforced by the Colonial Office in London.35 Professor Giblin’s papers do not clearly show whether Australians identified as part of the Empire. What they can reveal is the greater responsibility taken for the national economy. In personal notes on the Great Depression, Giblin argues that “insufficient attention was given to statistics” in

29 Siriwardana, “The Economic Impact of Tariffs in the 1930s in Australia,” 375.
31 Ibid.
32 Siriwardana, “The Economic Impact of Tariffs in the 1930s in Australia,” 378.
33 Murray, The Making of Australia, 208.
deals with London investors. While trade with the Empire continued, his analytical tone shows recognition that these arrangements needed to be more carefully considered. Giblin’s pragmatic view illustrates that greater control was taken in monitoring Australia’s economy.

Writing on the threat of war, Professor Giblin also recognised the need for a war-ready economy. He noted that trades in wool, butter, wheat and gold “would be wiped out” by war. These were Australia’s largest exports and relied heavily both on British consumption and distribution throughout the rest of the Empire. However, Giblin acknowledged that the British Navy was “no longer able to guarantee defence”, particularly against Japan. Trade routes to the rest of the Empire were vulnerable. Furthermore, the First World War had demonstrated the magnitude of modern warfare. Australia’s losses in war as a part of the Empire motivated Prime Minister Billy Hughes to demand a greater role for the country in international decision making. Australia placed itself on the world stage as its own actor, rather than an extension of Britain. This had an effect on the nation’s ability to put forward Australian economic interests in the interwar years. For example, Hughes demanded harsh reparations from Germany and control of nearby Pacific Islands in order to access large phosphate reserves. Giblin pushed for planning and building of Australian resources in the lead up to the Second World War. The wartime economy followed his view with the Argus reflecting on “an enormous increase in Government control over the economic and financial life of Australia”. The nation took initiative in preparing for the financial hardship of war that came with being closely connected to the Empire.

Giblin’s solution to the economic threat of future war was greater self-sufficiency. Although not showing a desire to separate from the Empire, his view reflects renewed Australian confidence. Inefficient industries collapsed in the aftermath of the First World War, but also allowed for change. For example, small Australian mining businesses merged in the 1930s to become the larger Broken Hill Proprietary Ltd (BHP) with international ambitions. In contrast, the Empire economy was stretched. Authority was decentralised from Britain and handed to local governments, encouraging Giblin to question the best way to secure Australia’s economy against the costs of future war. His answer was self-sufficiency and trade closer to Australian shores by establishing bases nearby to protect new trade routes. The archive also reveals the sense of necessity behind the promotion of greater economic independence in the interwar years. Fears of Japanese invasion or attack cutting trade were
reinforced by accounts of their ruthlessness. The limitations of trade with the Empire if faced with this threat were recognised by Giblin in his push for self-sufficiency. He questions how long fuel, wool and wheat trades with the Empire would last in war and how cuts to these would affect the economy. It was recognised that the Empire could not be relied upon for economic protection in the case of war with the need for greater self-sufficiency.

Giblin’s papers show efforts to broaden Australia’s trade relations. The Empire became a tool to expand trade beyond Britain. Initially, a preferential trade system in the Empire involved the export of raw materials, “Empire Fruit”, from the colonies to Britain. It later enabled relations to develop between the Commonwealth nations independently of Britain. “New countries” like Canada and New Zealand were connected to Australia by their common experiences of empire. They had also established some independence as ‘dominions’ rather than colonial outposts. Giblin emphasised the need to build Australia’s manufacturing capabilities in order to trade with these nations. He sought to reduce dependence on British industry, generate work and increase direct trade with countries across the Commonwealth. Giblin constantly looked for new trade opportunities. In correspondence with a professor from Vancouver, he discussed the effects of the Depression and unemployment in Canada and America. These letters reflect a common struggle but also hope for an upturn in future trade relations. There was some uncertainty as to whether any nation could compete with British trade, but Giblin contended that this was no reason to ignore new opportunities. In particular, Australian manufacturing expanded trade to the US. The car industry boomed in 1931 with agreements between General Motors and Holden Motor Body Builders of Adelaide, exporting worldwide. Giblin’s promotion of the manufacturing industry and trade beyond Britain correspond with a change in attitudes towards the Empire and Australia’s place in world trade.

Professor Giblin’s practical view of trade policy, reflected in the archive, reveals an increased willingness to challenge existing relations with the British Empire to meet Australian interests and economic circumstances. Focusing on the interwar years, the Great Depression and threat of war created a setting in which existing policies were questioned. Professor Giblin was at the centre of discussions on Australia’s trade with the Empire in this context. He was not constrained by duty to the Empire or Australian independence, but motivated by a search for the most pragmatic policy. His practical view is important in understanding how

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49 Giblin, “A Note on Defence,” 2.
51 Robertson and Singleton, “The Commonwealth as an Economic Network,” 244.
52 Giblin, Australia, 1930, 8.
53 Ibid, 63.
55 M. A. Grainger, “Correspondence” (29 January 1931), file: Grainger, unit 2, GIBLIN, Lyndhurst Falkiner Papers (1992.0141), University of Melbourne Archives, 1.
56 Ibid.
Australia positioned itself within the Empire and the world more broadly, seeking better trade relations that would meet distinct Australian interests.

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