When Australia federated, there were two Australias: North and South. One of the questions for federal public policy since 1901 has been how to bring them together within a single governmental paradigm.

The South had evolved a successful social model: racially homogeneous, exported-oriented agriculture, protected manufacturing, with a developmental state managing public investment that drew heavily on overseas savings. In the first decade of federation, this ‘Southern Australia’ forged a durable class compromise around the protection of relatively high wages from the competition of cheaper labour and from the import of goods produced from cheaper labour. Stuart Macintyre, Frank Castles and Paul Kelly have described this social model (Kelly calls it the Australian Settlement). All that I wish to add to their account is to underline its geographical limitations: This Australian social model was south of the Tropic of Capricorn and confined pretty much to the coast and to zones where agriculture was possible.

The North (in which I include the arid Centre, as it became available to British-Australian occupation) was different: in its more demanding geographies, in its more limited opportunities for private and public investment, in its sparser population and in the ethnic composition of that population. As Alfred Deakin wrote in the Morning Post in 1905, eventually it would be both necessary and possible to extend the rule of colonial law over Northern Australia, and he saluted the beginnings of that project in Queensland. However, it would be a more difficult task to extend the Australian Settlement across the continent, for that would require incorporating non-white peoples – Asians, Pacific Islanders, Aborigines and Torres Strait Islanders – into the political culture and political economy of the Australian Settlement.

One way we could write the history of Australia since Federation would be to ask: to what extent was it possible for the South to colonise the North – that is, to generalise to Northern Australia the model of economic development and social integration that had evolved as the basis of an imagined British-Australian community in the southern agricultural zones and colonial capitals? It is a far-reaching question and I suggest that to pose it gives us an historical perspective on such contemporary public policy phenomena as the Northern Territory intervention.

It is necessary first to put racism in its place. My generation of historians has been obsessed with the racism and the sexism of the Australian Settlement. We have examined the social policies, the industrial relations policies, the immigration policies and the Aboriginal protection policies of the first four decades of the twentieth century and we have highlighted the offence that these enactments the Australian Settlement give to
our contemporary multicultural, anti-discrimination liberal sensibilities and principles. While I do not resile from that critique I want to point to something that we critics often do not remember to concede: that the southern social model was a set of political devices – state-managed markets for goods, labour and finance - that socially integrated an immigrant population through high levels of employment. Australians who lived through the Depressions of the 1890s and 1930s felt the attrition of that model, when the demand for labour weakened.

The four Northern populations that were problematic – from the ‘Southern’ point of view – were Asians, Pacific Islanders, Aborigines and Torres Strait Islanders. The Asians and the Pacific Islanders were dealt with either through expulsion or through assimilation. The Torres Strait Islanders, proliferating well beyond the carrying capacity of the Straits colonial economy, either found a place within the northern mainland as a waged labour force or stayed in the Straits as the more or less contented clients of the Queensland government. The Aborigines of remote Australia have proved to be the most difficult to recruit into the Australian settlement. Before the second world war, they developed relationships of ‘intelligent symbiosis’ with governmental and mission authorities and with an undercapitalised and marginal beef industry. A number of factors combined to keep them socially and spatially distant from the institutions of the Australian Settlement: the imperatives of their own social order, the policy of declaring their homelands to be reserves, and the indifference, contempt or hostility of Euro-Australians, and the lack of transformative public and private investment.

The second world war forced a policy experiment to occur. The strategic threat necessitated unprecedented public investment in the North: the resulting acute labour shortage brought curious and venturesome Aborigines into contact – of unprecedented scale and quality – with an open-minded and pragmatic military. Native labour camps were a short-lived experiment in the formation of Aborigines into wage-labouring subjects, lending support to the hypothesis that remote Aborigines could be assimilated. For the thirty years following the war, governments in northern Australia sought ways to convert Aboriginal hunter gatherer labour power into the kind of human material that is suited to twentieth century capitalist labour processes. However, there was never enough private and public investment to absorb the quantity of Aboriginal labour that was available in Northern and Central Australia. The pastoral industry obscured this problem until the 1960s insofar as the labour processes of that industry allowed a symbiosis of pastoralists who were defective capitalists with Aborigines who still had one foot in the hunter-gatherer economy. With the modernisation of the remote marginal pastoral industry by the late 1960s, the extent of the excess of Aboriginal labour power in remote and very remote regions became apparent.

Assimilation was an attempt to absorb Aboriginal society into a standard Australian pattern of wage labouring and family formation. By the early 1970s, assimilation, in one sense, had failed in the remote regions because of the weakness of the required transformative force: public and private investment that would change the use of land and labour. However, assimilation was not only a political economy of wage-labouring and family formation, it was also a political economy of formal citizenship entitlements. That formal dimension of ‘assimilation’ was consummated in the early 1970s, admitting all Aborigines – even the most nomadic – to
entitlement to unemployment benefits. As Noel Pearson has argued, the late 1960s and early 1970s was a bizarre historical conjuncture - and here I am using my own terms, not Pearson’s – in which a legal-formal mode of social integration substituted for an economic mode of integration that had failed to materialise. The extension of the Australian Settlement to remote Aboriginal Australia was an unintended parody of the Australian settlement: remote and very remote Aboriginal people secured entitlements designed for an economy and society that did not exist where they lived.

At this point in my narrative (I’m still in the early 1970s) I need to highlight one other incongruity between Southern models of social integration and Northern social conditions. In the Southern model, Aboriginal people had been comprehensively detached from their land base. No longer land-based in their economy, ‘southern’ Aboriginals faced three options: institutionalisation (under church or state supervision), urbanisation, or impoverished autonomy in rural backwaters. In the North, it had been possible and perhaps necessary to evolve a quite different way to manage the relationship between Aboriginal people and land. From the point of view of settlers and colonial investors, much of northern and central Australia was unattractive, and it was easy enough to declare huge tracts of northern and central Australia as reserves. Defined by their very lack of transformative investment, reserves were very weak instruments of social transformation. However, for reserves to function as zones of deferred social engineering, they had to remain worthless. That worthlessness was challenged, in the 1950s and 1960s, by the Commonwealth’s extensive program of mineral mapping. Some reserves were found to be minerally prospective, precipitating a political contest between, on one side, government agencies allied with mining corporations and, on the other side, Aborigines, churches and others espousing to a new human right called ‘land rights’.

Now Aboriginal peoples can negotiate with mining companies, and Aboriginal people have land title (of various strengths) over all the lands that the Crown had not alienated private or public investors by the 1970s: about 23 per cent of the continent.

I want to make three points about that Indigenous land base.

First, the arguments in favour of land rights were politically successful because they brought together a number of different projects of colonial self-redemption. The supporters of land rights amount to a coalition voicing an ensemble of themes: that land was essential to the well-being of people spiritually connected to it; that land is the basis of a culture whose difference must be honoured and preserved; that land was an Indigenous property right that liberal governance was obliged to honour; that, as property, land was the basis of its owners’ recovery from dispossession and poverty; that Aboriginal people understand better than the colonists what humans owe to Nature. Within these themes there are tensions between projections of future land use.
My second observation is that the Indigenous Estate is almost entirely situated in those parts of Australia where what I am calling the Southern social model or the Australian Settlement has had least effect. That is, investment has not yet changed the Aboriginal population of these regions into a people that lives largely by employment; the practices and beliefs of the ‘Aboriginal domain’, in these regions, remain strongly rooted in pre-colonial traditions. CDEP has been such a contested policy because its aims were ambiguous. CDEP was a public investment program designed to allow Aboriginal people to develop their own hybrid economies and modes of individual and collective consumption; the competing view was that CDEP was a short term, transitional program for people whose destiny was to move into what some like to call ‘real jobs’.

How to intervene in the Indigenous Estate and into the lives of its small but morally significant Indigenous population is the big unanswered question of Australia’s formation as a continental nation: how could we possibly generalise, across all the regions and peoples of this continent, the institutions that we have evolved in the southern urban and agricultural regions?

My third observation about the Indigenous Estate is that it is currently undergoing revaluation. As Jon Altman has pointed out, there is very extensive overlap between the Indigenous Estate and the regions whose biological diversity Australia is pledged to protect. Just as mineral mapping triggered a revaluation of Australia’s remote lands in the sixties and necessitated the political compromise we call ‘land rights’, so the ecological review of Australia’s land management policies has the potential to force a new framework for governing the Indigenous Estate. The same Howard government that gave us the notorious Northern Territory Intervention created the ‘Indigenous Protected Areas’ and ‘Working on Country’ programs. In conclusion, from the point of view of the inheritors of Federation in the South, the North continues to be a geo-political and socio-economic anomaly and a tease to its moral and public policy imaginations.