

Lake Nash, Camooweal
Queensland, Australia
April 23, 1967

Dear Homer:

I shifted, just half awake, and was about to slip back to sleep when the cock crowed again and I realized that he was what had awakened me. It was still absolutely black outside, but I heard our host making himself a spot of tea and knew that it was time to get up. The night air was cool enough for a jacket, the stars were still bright and the moon almost full. In a few minutes the eastern sky lightened and the great red ball of a sun inched over the horizon a bit north of east, for we are just above the Tropic of Capricorn and in mid-fall.

By seven we were dressed and assembled, our hostess, Jil Paine, 24, had made coffee as well as tea, and one of the barefoot aborigines had brought over from the unmarried men's mess the breakfast steaks and bacon which, with toast and marmalade, was our very filling breakfast. By eight we were off in the jeep station wagon to look over something I have long wanted to see, a great Australian cattle ranch.

There are few greater ones than this, to which we flew north and a little west from Sydney for seven hours -- about 1,100 miles. Made up of what were once three properties, this one ranch has over five and a half million acres. If it is hard for you to think of that many acres, imagine

a farm two miles long (north and south) and as wide as from New York to San Francisco -- a total of 7,600 square miles. Actually it is roughly rectangular, about 85 miles north and south and 140 miles wide. One paddock (pasture) is 1,000 square miles -- but no cow has to walk more than five miles to water.

It is not only one of the largest ranches in the world, it is one of the most efficiently operated. Owned in equal halves by the King Ranch (of Texas) and International Packers (of Chicago), it is managed by Charles Paine who has ranched this area all of his sixty-one years. Quick, decisive, knowledgeable, he is a hard driver both of himself and his help -- and he has considerable help.

There are three headquarters or homesteads, of which this is the main center, almost a town in itself. Besides Mr. Paine and his lovely niece, Jil, an excellent horsewoman and experienced rancher, there are three white assistants on the entire property, their wives and children, a combination bookkeeper and storekeeper (the store handles food supplies, canned goods, simple clothing and hardware -- and serves as a telegraph and telephone office as well as keeping ranch records) and 145 aborigines. In addition, because this is the only settlement for many miles, the State of Northern Territory stations a policeman and his family here. There is also a school teacher who celebrated (if visiting with us could be called celebrating) her twenty-first birthday last evening. There is a "nursing

sister" (the wife of the bookkeeper) who holds a clinic for the aborigines every morning and tends minor ailments (a doctor comes every five weeks -- but will fly in if called). Also here, though only temporary, are two linguists sent by the State to study the language of the aborigines. Thus, in the three homesteads (Berkeley Downs, Georgina and here at Lake Nash) there are about 35 whites (including women and children) and about 145 aborigines, or a total of 180 people in 7,600 square miles.

This is a vast empty land. We had realized this when our plane, flying down across the Indian Ocean, approached the lights of Perth, on the west coast of Australia, just a week ago this morning, at about 2:00 a.m. As we waited in the airport for immigration proceedings and the servicing of our Qantas Airways Boeing 707, I recalled Mrs. Freeman's observation when we had left Singapore -- "I expect that the most noticeable change will be the lack of pressing millions which so characterizes the Orient." Now looking down the runways to utter blackness beyond, not just for a mile, but for 1,000 miles, I knew how right she was.

To get a better idea of the size and location of Australia (which extends about 2,300 miles north and south and 2,500 miles east and west)



it may be helpful to reverse its north and south, so we can see how it would be if north of the equator:



which shows us that its shape is not wholly unlike our country.

Indeed, they are very similar as we can see if we superimpose the two maps:



But Australia is closer to the equator:



and consequently much warmer.

you see Australia is not too unlike the United States in size and shape, but is a bit closer to the equator, considerably warmer and much drier (with an annual average of 16.5 inches of rain compared to 26 inches for North America and 53 inches for South America).

Singapore has about two and a half million people in 224 square miles, or something over 10,000 people for each square mile. Australia has 11,500,000 people in almost three million square miles, or less than four people to one square mile. But this doesn't begin to tell the full story, for over half of the population are in the five State capital cities on the coast and in Canberra, the national capital, and very few live inland in the great interior or "outback" as it is called. As on this ranch, there is perhaps less than one-tenth of one person for each square mile.

This is both an advantage and the source of constant concern. Australia's first settlers were prisoners who were shipped here when our Revolution prevented England shipping any more to America, but this was soon supplemented by other immigrants, almost exclusively English, to the point where the population is composed of almost pure Anglo-Saxon stock.* The people are more homogenous than I have ever seen, far more English in appearance than are the people of London (with its admixture of Indians and Caribbeans and, indeed, from all around the world). Their natural good

* At the time of the 1961 census, of the 10,500,000 Australians, 9,985,000 were "British" and, of those, 8,730,000 were born in Australia.

looks (by our standards) have been made better by their love of sport which their California-like climate has encouraged. The people on the principal streets of both Melbourne and Sydney are well dressed; some of the younger men in shorts and many of the girls in mini-skirts so short that I have had problems avoiding the traffic.

But this great emptiness also poses a threat. The great Asian masses, whose lands reach down to within 500 miles of Australia, want to relieve the pressure of their overflowing populations of more than one and a half billion by sending some of their millions to this great "uninhabited" continent. At the moment there is no Asiatic nation which is prepared to accomplish this by armed force, but there is already some diplomatic pressure and one can anticipate efforts within the United Nations to argue Australia into opening its borders. Recognizing this, and the fact that the country does need additional people to develop its great natural resources, the nation has for some time been admitting a substantial number of immigrants, last year 150,000, this year the quota is 165,000 (a total over 2,000,000 since the end of World War II), but they are virtually all white European (perhaps 500 to 1,000 Americans) with preference to the English, Greeks, Germans and Italians.

This is not a tremendous inflow, but even this volume poses problems of assimilation. In Caterpillar Tractor's splendid plant just outside Melbourne, production is handicapped by the fact that there are

thirty-one nationalities among the workers, and it is necessary to conduct daily classes in English in order that the workers can understand directions. From the little that I have seen, I am impressed with the generally friendly attitude which the Australians display for these newcomers whom they call "the new Australians." Whether this country should open its gates wider and in more directions is not a simple question.* The Australians are proud of their homogeneity and the traditions and allegiances which are shared by the whole population. They have no race problem -- or at least they do not recognize any.** Under these circumstances, if they are not anxious to

* When I asked Mr. Shirley, TIME's Bureau Chief in Sydney, to read this over for accuracy, he added: "It is a debatable point whether or not the Asian hordes want to migrate to Australia. There is no land suitable for rice paddies and few agricultural or pastoral Asians would be able to eke out an existence here. The sophisticated Asian knowledgeable in restaurant and small store management does well, but experience has shown that these people are not attuned for assimilation in the industrial complex of this country. Any mass Asian immigration would result in these people for the most part becoming laborers with little future for at least a generation. The present Australian immigration policy towards Asians is that they are welcome if they can contribute in some tangible form to the country's cultural and economic advancement. Australia does not want mere laborers but skilled workers. Once Asians are admitted, there is no racial discrimination whatsoever. For example, the Mayor of Darwin (who is also the President of the Legislative Council) is Chinese. There are Asian professors in the universities and topflight Asian businessmen in the capital cities."

** There are 43,000 full-blood aborigines who are really quite unknown to the white population in the cities, some so untamed, so remote from modern civilization as to not quite count as people. They pose much less of a "race" problem than our much more advanced American Indians.

take on such a problem, we should be slow to criticize unless, having examined ourselves critically, we would conclude that, given a free choice, we would today knowingly create one for ourselves by importing millions of different color and background. Furthermore, before we are too quick to criticize, we should examine those vast reaches of emptiness and ask whether the Asiatic hordes -- or indeed any immigrant hordes -- are going to survive there. Immigrants, wherever they come from, are almost certain to settle in or adjacent to the principal cities.

Life in Australian cities is very pleasant. Except for Canberra (which, as the national capital, was placed more as a compromise than for any geographic or economic reason inland between Melbourne and Sydney), all of the significant cities are on the coast, most with fine beaches, many with excellent harbors, and all (except perhaps those on the north coast) with splendid weather, mild winters (virtually frost free) and reasonable summers. All of the cities describe their weather as "just like California." Sydney's average temperature drops to 53° in July and climbs to 72° in January. This and an average rainfall of ten to fourteen days each month keep everything beautifully green year round.

Food is plentiful and so is drink.* They produce excellent vegetables and very pleasant wines. The slower pace and the active social life cause many Americans here on business to hope their employers will forget them and leave them here forever.

* The per capita consumption of beer is 24 gallons and of spirits .4 gallons.

It is likely that more Americans will be sent here for the great natural resources, which require capital for development plus exceptional political stability (only one change of government since 1945) and the existence of similar institutions and practices has caused more and more United States companies to open offices or plants here. Indeed, since the late nineteen fifties, the United States has become a more important investor than the United Kingdom. As Caterpillar's Mr. Stranger pointed out, in 1965 the capital inflow of \$336 million from the United States exceeded the \$280 million from the United Kingdom. The recent mineral discoveries have been described as "the most exciting industrial story of the sixties." Foreign sales of iron, not exported at all prior to 1963, are expected to amount to more than \$220 million by 1970 and the recently discovered nickel deposits and gas reserves are also exciting. These are needed for the balance of payments is in a deficit and reserves are not increasing.

The Gross National Product has almost doubled in the last decade and is expected to move up considerably this year above the \$23.6 billion of 1966. Prices have risen about 2.5 per cent a year, but you hear little complaint on that score, for the people are looking ahead more than they are backward.

Australia needs foreign capital, but it would like to keep more of the ownership in local hands. To that end the federal government has recently encouraged the larger banks to jointly create a Development Refinance Corporation to marshal domestic (and borrowed foreign) funds to use to finance the

development of natural resources in order that they may not have to be sold to foreign corporations. But much United States capital will continue to flow in, particularly after our own balance of payments restrictions are ended. With the capital will come more Americans.

Melbourne, our first stop, did not seem like a big city at first. The streets are broad and the principal ones are lined with old trees, quite reminiscent of Paris, but the people live in individual homes,* most of them definitely Victorian in style, many with white-painted gingerbread scrollwork of iron which, long ago, was brought from England as ballast in the ships that came here empty to return with wool and meat. But, if one drives from one side of Melbourne to the other, the time is so great -- despite the break-neck speed of the cars -- that one realizes it is a city of two and a quarter million residents. Sydney, with its tremendous harbor that takes up so much of the central area, seems quite a bit bigger (though it is only slightly so -- about two and a half million population) and with its many splendid new office buildings appears much more modern.

Even more than by the architecture, the American is impressed by the English origin which is evident in its business and government leaders. The chairmen of many of the larger Australian companies are titled "Sir Henry this" or "Sir Robert that" who operate with the self-confidence and superiority of the British originals whom they emulate and are characterized

* In 1961, of 10,500,000 Australians, about 9,000,000 lived in private houses.

by the same inability to ask a question lest they disclose a lack of knowledge (and many have very little knowledge of the actual workings of the businesses which they nominally head). In contrast, most general managers have come up through the ranks, usually without much formal education, but with considerable knowledge of their business. Workers are much more loyal than are their British counterparts, but not much more enthusiastic about being pressed. I was told that Americans often fail here because of their inability to accurately gauge the pace at which one can drive an Australian organization. The people don't work as hard here as in the States, and I believe that this goes for most of the managers as well as for the factory hands. It is really a part of the over-all attitude of the people, another facet of which is the amount of reliance on the government, pervasive of all segments of life. Welfare is much more important than in the United States and government controls reach everywhere. (Dictating to a public stenographer in Melbourne, who had brought neither paper nor pencil, I received a call that she could not be worked for over four hours without a break -- "it is the law.")

Organized labor is strong here, even the bank employees up through the managers of smaller branches belong to a union, but wages are not negotiated by the union and management. Whenever a dispute arises the government steps in to arbitrate and ultimately "awards" a wage scale which becomes "the award rate." This, however, merely serves as a base, and most employers pay (in addition to a series of fringe benefits) a base wage above the award rate. There is a good deal of time off for "portal to portal"

and for tea breaks, etc. I visited one large factory in Melbourne and another in Sydney, both operated by United States corporations. Despite excellent management in each, efficiency is definitely lower than it is in the United States plants of those same companies (though it is possible that because of a smaller volume of production, automation may not be quite as complete here as in the States). On the other hand, labor rates are lower, yet the net effect is higher costs.

As I began to wonder when I contrasted Singapore with Malaysia, I have wondered here, does possession of great natural resources cause a people to place less emphasis on efficiency than in a country without such natural assets? I don't know, but a quick appraisal of Australia causes me to fear that it may be so.

Australia does have overwhelming resources. Everyone knows of the great exports of lamb, wool and beef, but in another three to four years iron ore will be the most important export. This afternoon we flew over Mount Isa with its great copper deposits. Next to Russia, Australia is the world's greatest exporter of lead. The pilot told us of "miles and miles" of bright red bauxite deposits visible further north, and the iron ore deposits of almost inexhaustible amounts lie in mountains of very rich content (I was told over 60 per cent), free of overburden and ready to be pushed onto trucks. This is, indeed, an extraordinarily rich country and quite undeveloped.

Is it a place for young Americans to come to make their fortune? It frequently reminds one, especially in the interior, of what our West must have been like about 1900. As such it has great appeal. There are, indeed, opportunities here -- but, as in our old West, they have to be worked for, sometimes under less than ideal circumstances, and not under nearly as free conditions as existed on our frontier. Here there is more government regulation than we ever dreamed of. Unlike the Texas frontiersman who, after driving his cattle to the railhead, would immediately repair to the dance hall saloon for a day's diversion, the Australian cattleman would have to sit down and fill out government forms for the first twenty-four hours.

Australia needs good, ambitious men -- but mostly those with special skills and capital. Not all skills are in short supply. My Caterpillar friends in Melbourne feel that civil engineers and manufacturers might have greater opportunity in the United States. On the other hand, this is a great place for mining engineers. It should also offer advantages for men with new skills, advertising, public relations, management consulting, etc., that have been further developed in the United States than here. Unless he handicapped himself by being too abrasive, the American would find that, if he were willing to continue to work as hard here as he had at home, he would have a distinct advantage over his local competitors.

The greatest opportunity is for the careful man with capital who is willing to work in a modest role for a while in order to learn the local

attitudes and needs before he invests and manages. Too many Americans have been unwilling to wait and have placed their capital with men who, despite apparently impeccable connections, know nothing of the activities in which they invest the American "sucker's" money. The few businesses about which I should know the most -- banking, Caterpillar dealerships, and ranching -- look about as good as anything in sight, but all three require a great deal of capital.

The banking business is modelled on the English, with only a dozen principal banks, each with hundreds of branches.* The rate structure offers a reasonable spread for they pay 3-1/2 per cent on savings, 4-1/2 per cent on six-months' deposits, and charge their best customers 6 per cent with other rates up to 7-1/2 per cent. Still, it is not all "gravy," for they are required (by convention) to maintain a liquidity ratio (largely in cash and government securities) of 18 per cent and, in addition, the eight nationally operated banks must maintain a reserve of 8.9 per cent of deposits on which they receive interest at 3/4 of one per cent). Furthermore, though the gross income is great, the expense of such a widespread branch system (even with modest salaries) is so great that, although net earnings are good, they do not appear to be extraordinary -- or so I believe -- but, here again, the Australians follow the British practice and report earnings

* For instance, the Bank of New South Wales has 1,200 branches and agencies.

only after transfers to and from reserves so that their published reports do not disclose true earnings.

Of course, if a bank could come here with some funds and attract some local corporate deposits without an expensive branch system, it should have excellent earnings, for demand is unlimited and rates are reasonably high. I am sure that this thought has occurred to some of our friends, for the First National City Bank, Bank of America and Chase are here, but the Reserve Bank will not welcome any more United States branches.

The government, though too extensive by our standards, is excellently led by Harold Holt, the head of the Liberal Party which presently operates through a coalition with the Country Party (headed by John McEwen). The opposition Labor Party has been weakened largely by a strong Catholic anti-communist splinter minority which has become the Democratic Labor Party and supports the government on most issues. The Holt government reflects the movement away from England which has taken place since the end of World War II and places great reliance on the American alliance. As you know, Australia sent troops to help us in Vietnam in 1965 and there are now 6,000 Australian troops fighting there. We saw a plane load of them brought home to Melbourne. Mrs. Freeman had asked an older couple why there were so many people waiting to meet the plane and was told by the lady, with characteristic reserve, that they had come to meet their son but that he had not returned.

Although devoted to their American friends, to whom they would have to look for assistance if they were ever attacked,* the Australians, after having observed the recent problems in Korea, Malaysia and now Vietnam, recognize the identity of their interests with those of Asia, and Prime Minister Holt is sometimes referred to as "a man of Asia." He is devoted to forging closer ties, both diplomatic and trade, with the Asian countries which share this great West Pacific.

As a step in this direction, the Australians have just played host to a Pan-Pacific Conference here in Sydney, which an Asiatic friend of mine, who was present, felt was very useful in its discussion groups but quite ineffective in its final conclusion merely to send a small delegation to Indonesia.

These were the random thoughts in my confused mind as I hurried from my last bank appointment to pick up Mrs. Freeman and meet Mr. and Mrs. Arthur Bassingthwaite, the Managing Director of International Packers, Limited, the Australian subsidiary of International Packers, to whom its Chairman, Tom Taylor, had been good enough to introduce us. It was they who brought us in the King Ranch plane to this great outback station where we arrived just at sundown.**

* Next week the country celebrates the fifteenth anniversary of the battle of the Coral Sea, by which the Japanese threat was ended. Darwin had been bombed and Japanese submarines operated in Sydney harbor, but, after the Coral Sea battle, Australia was safe.

** We were lucky not to be an hour later, for all non-commercial planes must fly VFR and must set down at dark.

So back to where we started this letter, at breakfast at the Lake Nash headquarters of this great ranch. After we had eaten, the Basingthwaites, the ranch manager, Charles Paine, and we set out to "see a little of the property" and returned ten hours later -- dusty, tired, and overwhelmed at what we had seen on a 250-mile drive around one section of the ranch. We drove across great downs of open grassy spaces, maybe five or ten miles in diameter, then across a river with perhaps three or four tree-lined channels, but completely dry, across miles of gravel soil and stunted trees to other open areas of Mitchell grass (an excellent form of two-foot tall bunch-grass with a seed head almost like oats) and Flinders grass (short and red) and on to a dam which has backed up the runoff from the summer rains for as much as half a mile. Such sheets of water (we saw at least a dozen) were surrounded by trees under which stood herds of Santa Gertrudis cattle (or Santa Gertrudis crossed on Shorthorns). In the trees were thousands of white corellas, a form of white cockatoo, which would fly up at our approach and complain with crow-like voices until we departed.

As we went through a succession of such varying types of country, we would be constantly interested in the birds. There is very little ground life. We saw no mice nor gophers nor rabbits (though I was told that there are rabbits). We did come across several iguanas, two to four feet long, and some black snakes. There are also tiger snakes and deaf adders, but we were most attracted by the birds. There were many galahs, a heavy pigeon, grey on top and pink underneath. We saw hundreds of budgerigars,

apple green on top and lemon green underneath, which flew in formations in which each bird changed direction simultaneously as though the whole group was controlled by some inaudible radio. In the water holes were cranes and blue herons and ibis (both white and grey) which seem to come in great numbers during the seasons when there are grasshoppers. (Many are found dead from overeating the insects.) We also saw plains turkeys -- quite unlike our Thanksgiving dish. The strangest were the "native companions," which, we were told, are the largest land birds to fly. Perhaps five or six feet tall, on long thin legs, they walk with the help of a wing movement that appears to be a dance. I can well imagine that a rancher or prospector, camped alone on these endless plains, might well find them diverting companions.

Driving through a wooded, grassy area, we came across a kangaroo, a male, at least six feet tall, which was almost as interested in us as we were in him. He would look at us with head tilted, then, quite erect, hop along on his hind legs, each hop perhaps six feet, with his tail moving up and down to help him keep his balance, the tail never quite touching the ground (as does the tail of the wallaby). I believe the kangaroo lives on vegetation and does not attack other animals, but, when he is attacked by a dingo, he tries to escape by running. With ten or twelve-foot hops, he can go thirty miles an hour. If cornered, he fights with his arms and with a short kick with his hind feet. If near water, he goes into it up to his waist and, as the dingo swims close, holds the dingo under water till it drowns. We were told that the wallaby

kills the dingo by grabbing it and squeezing it to death. Of course, the kangaroo's most deadly enemy is man. Over 11,000 were shot on one section of this ranch.

As we drove by one group of cattle resting in the shade by a dammed lake, Mr. Paine noticed one cow run a few steps and concluded a dingo must be nearby. We drove over and there, 100 yards away, was a "wild dog," taller and more erect than our coyote, with large wide-set ears. He retreated when he saw us, watched for a moment, and then slunk away. These are serious predators attacking calves and, instead of killing them first and then eating, they merely charge the calf, take a large bite, then withdraw to eat and return for another mouthful until the calf bleeds to death. We were distressed that Jil had not come with us, for she is an excellent marksman and would have killed the dingo -- not for the bounty which the State pays for its scalp, but to reduce the threat to the calves.

Calves are, of course, the business here, but not quite in the same way they are in the United States, for here ranchers do not sell the calves for roughing out and then corn fattening, but carry the steers (bullocks) to "maturity," which used to be four to five years. The bulls are run with the herd all year, only the bullocks are cut out (as they are building up their herd and retain their heifers) and at two to three years of age, when they weigh 1,000 to 1,100 pounds, the steers are shipped some 700 miles to the abattoir for slaughtering.

Fed only on grass, their beef is no match for United States corn-fattened steers (whose steaks the Australians say are "mushy"), but it is plentiful and cheap, about half the price of ours delivered at the packing plant (and in a downtown Sydney market T-bone steaks sell for 69¢ a pound).^{*} This is why our ranchers resent importation of Australian beef, largely in the form of corned beef and hamburger. The Australians who import so much in the way of manufactured goods from the United States (\$700,000,000 per year) and have had so little to export to our country (about \$265,000,000) are affronted that we have cut down the amount of their beef which can be brought into our country. When I asked whether they would admit United States beef into Australia (they don't), they felt the question quite irrelevant, as perhaps it is, though I believe the better hotels might be able to sell some of our more expensive, but much more tender, steaks. Our ranchers should be grateful that Australia has so little country fit for raising corn. If they fattened their beef (a very little is fattened on barley), their competition would pose an even more serious threat, for the quality of their beef, grass-fed, is excellent.

* The Australian dollar, a new currency, for they used to use pounds, shillings and pence (and still quote many prices in pounds, which equal two of the new dollars), is worth about \$1.12 U.S. Conversely, when we cash a \$100 traveler's check, we get only \$88 Australian.

On this great ranch, the rainfall varies from area to area and year to year but averages about 13 inches per year. That is not very much, less than most of Oklahoma and Texas and no more than vast semi-arid areas in Arizona and New Mexico, but the cattle here are in the best shape that I have ever seen grass-raised beef. I think it may be due in part to the soil but even more to the flatness of the land. Here a modest rain does not run off, but rather soaks in. A hard rain drains for miles (with a slope of only one foot or two to the mile) into rivers which are easily dammed. In most of our steeply mountainous southwest there is a gulley or an arroyo every 100 yards or so and, hence, not nearly enough drainage area to collect a substantial body of water even though the runoff is rapid. There may be other reasons. It is hard for Mr. Paine, who (like me) is a Hereford man at heart, to admit that it could be the Santa Gertrudis stock.* Many of my rancher friends in our southwest consider the Santa Gertrudis unsatisfactory, for, at eight months of age, when weaned and put into a feed lot, they continue to grow bigger instead of just growing fatter. But here, where cattle are kept on grass until they are two to three years of age, that may be an advantage instead of a liability. Mr. Paine will only agree to wait and see.

* As you know, the Santa Gertrudis breed was developed by the King Ranch in Texas (three-eighths Brahma and five-eighths Shorthorn). Two hundred bulls and five hundred cows were brought here in 1951; further importation has been prohibited since 1958.

It is hard to compare land prices for most of Australia's cattle country is owned by the state governments and not sold, but rather leased, on long terms (35 years in some states and 50 in others, and generally renewed). The nearest I could get to a land price is about \$100 per animal unit (the land needed to support one cow and her calf). This would compare to \$300 to \$500 in our northern states (where hay farming is necessary to carry the cattle through the winter) to \$1,000 in Arizona and New Mexico for flat land and \$2,000 or more in the prettier parts of those states. Thus, friends of mine in Arizona and New Mexico hear of this Australian ranch land at a cost of 10 per cent or less of what they have to pay and immediately imagine the unalloyed joy of having ten times as large a ranch here as the spread they can afford in the States.

This is great cattle country. * It is cheap, it is flat, and it is easy to work, but there are drawbacks. Mr. Bassingthwaighte mentioned two, labor and drought.

Labor is scarce. There is virtually no unemployment in Australia (less than 2 per cent), and both industry and mining are looking for men in the cities and the mining towns -- at good wages. Who, then, wants to work on a ranch, perhaps hundreds of miles from town, beyond television coverage, with very few other white men -- or women -- and no place of amusement? There are some who come from the city, either

* There are about twice as many cattle here as people, 19,000,000 (of which about 3,000,000 are dairy cows) to about 11,500,000 people.

attracted by the romance of the "cowboy" life* or because they could not make the grade in the city. Mr. Paine quoted another experienced ranch manager who said that only 3 per cent of these turned out to be satisfactory hands. There are, of course, some young men who were raised in the ranch country,** but there are not many available. Many ranchers here, as in the United States, lost the too-small places or were forced out by drought, and their children do not have sufficiently pleasant memories of ranch life to want to go back.

Then there are the aborigines. These are a black-skinned and only partially civilized people. At each station we visited there were small tin houses provided, but none was occupied, for these essentially nomadic people prefer to live in the open -- on the ground with occasionally a piece of tin to keep off the sun or, more commonly, they sit, eat and sleep just in the leeward side of a bush, against which they may have placed some extra branches to serve as a windbreak. At Lake Nash and Berkely Downs there are 140, including perhaps 100 children and 16 "older ones" on relief (only 25 work for the ranch). These employed hands used to be paid \$10 a week plus rations, but now the government requires that they be paid \$24 per

* There really isn't as much romance to the cattle work here -- all done in land rovers rather than on horseback, or in the riding on the flat land rather than in mountains.

** We met several such couples, handsome, gracious young people, modestly paid in cash but living in a pleasant Wisconsin or Michigan summer-resort-type frame house, with a cook and sitter and all rations provided. They could save much more than if they were paid five times as much in the city.

week without rations -- actually a reduction in their compensation. The school teacher here is terribly serious about her job, as she should be. In her one-room school she has 41 aborigines and four white children (ages 6 to 14) who, upon arrival each morning, must take a shower and put on their uniforms. Classes are conducted until ten, at which time they are inspected by the nursing sister (the bookkeeper-storekeeper's wife) and given milk. Unfortunately, though the State provided a cup for each child, the State locked up the cups and the key is now lost, so all 45 must be fed from three cups. They go back out into the field to their families at noon, then back to their State-built school house (about as tight as a sieve, with no heat for winter and no insulation against the summer heat) for the afternoon. The 21-year-old teacher has taught them to march and to sing. Her predecessor, a man, taught a few of them to swim, but their "three R's" are very rudimentary. Once through school, the great majority revert to their earlier state. Perhaps if they were sent away to boarding school near a city, where they might be motivated to aspire to a city job, they might want to achieve a degree of civilization, but very few seem to here on the station. A few of the men are good horsemen, some of the women are capable of babysitting or washing clothes, but none is used for cooking here at Lake Nash. Each day, year after year, their master or mistress (no matter how kind, sensitive and helpful) must start as on the first day and give instructions on each step of

the job. Nothing is remembered.* So there are some help problems.

The second difficulty is drought. The average annual rainfall may be 13 inches but, until the summer just ended, there had not been a normal year in the last three or four. Many ranchers lost their cattle, some lost their ranches. General retail and automobile sales declined and Australian economy turned down.** But drought is always a possibility in any ranch country (which, by economic definition, is country with too little regular rainfall to raise crops).

There are other conditions which Mr. Bassingthwaighte did not mention, but which might bother some American ranchers. One (already alluded to) is the government. During the two and one-half days here the State airport inspectors came to inspect the landing strip at Georgina, where they had to stay for two days because they had run out of fuel and whiled away the time writing out a two-foot long list of things that had to be changed. Yesterday they were here and made a similar list, although these are both private strips (which are not regulated at all in the United States). The phone rang last night at midnight, again at three in the morning, again at six and,

* According to "Australia and New Zealand" of LIFE's World Library, "Thousands still live in conditions of a Stone Age culture." However, they no longer eat humans which is especially applauded by the Chinese, who, because they lived on rice, were prized as the most tasty humans. See THE REMARKABLE AUSTRALIANS by Frederick C. Folkard.

** Just since this summer's rains, has business turned upward to where the problem is now becoming one of too-rapid expansion.

indeed, every three hours day and night, year in and year out -- the government calling to ask how the weather is here and reporting how it is elsewhere.* The State has a linguist (actually two, for his wife is also a professional) staying here, and yesterday was a gala day for them because they discovered a new sound. Peachy! The policeman is being assigned to a new post in Darwin and a new policeman with his wife and two children will arrive here next month. The bookkeeper-storekeeper also tends the government-controlled telegraph and telephone. The school teacher is leaving for a conference in Darwin, despite the fact that there have been so many changes in this school that classes have been held only five weeks in the last five months (but you could hardly begrudge her the trip as the nearest other school teacher in this State is 300 miles away). If you want to listen to the radio you have to have a Broadcast Listener's License and to watch T.V. you need a Television Viewer's License. There is an excess of government. It is not all bad, of course, but the government plays a much more significant role, even in this remote station, than would be the case at home.

Another consideration is the heat. This twenty-third of April is equivalent to the twenty-third of October in the Northern Hemisphere, yet the weather is like our late September Indian Summer, but much warmer -- over 90 in the shade. Melbourne, on the south coast, was too warm to permit

* It pays (\$900 a year) to the wife of one of the ranch employees to take these calls.

walking fast without perspiring. Sydney was warmer, and this great central area is even hotter. In the summer it is 110° or higher in the shade for weeks on end (and through vast areas of this country there is no shade). Each summer takes its toll of those whose cars break down and who die of thirst before the next traveller comes by.

Lastly, one would have to be willing to put up with more (if smaller) flies than we have ever seen any other place in the world. Unless one is very active (they call swatting the fly the "Australian salute"), he will have not two or three but a dozen on his face at any one time. Mrs. Freeman photographed my back, and there were hundreds. They get in your nose, your mouth, and you soon give up trying to keep them off the food (you just pretend you are eating raisin bread). One could wear a mosquito net over a broad-brimmed hat, but I did not see anyone who did so. More likely you would just have to get used to them. Mrs. Freeman tried to convince herself that everything is so healthy in these vast reaches that the flies could not possibly be carrying many germs (I am not that good a Christian Scientist!). To my surprise, they do not seem to bother the cattle or the horses as much as our flies do. I am not even sure that they bite, but they would be a negative in the over-all equation.

To my American rancher friends who would like to come here, I can only say that to get an economically viable property, to make the necessary improvements, and to have the capital that would last through a


year or two of drought might take upwards of one million dollars. Land is cheaper here than at home, but so are cattle. A three-year-old steer at 1,100 pounds sells in a good year for about \$100 compared to about two and a half to three times that for a fat steer of the same weight in the States. In short, I don't believe that it is the "promised land" for the discouraged American rancher with modest capital.

The King Ranch, with almost unlimited capital and a willingness to wait ten years before taking out any dividends, is doing very well. In this particular ranch they and International Packers have a very satisfactory investment. When they get it up to full production (which means 80,000 to 100,000 head), they will sell each year 20,000 steers averaging 1,100 pounds and net an excellent return on their investment. But they bought the property very well and have put a great deal of thought and planning as well as money into their bores (wells with 30-foot diameter windmills), dozens of expensive dams, earth tanks 25 feet deep and "steel yards" (the most elaborately constructed corrals used for "mustering" [round-up] that I have ever seen). They have undertaken a program of herd improvement, and that involves hundreds of thousands of dollars. They have excellent management, both on the property and in the city, and they are willing to wait for years before taking any money out of the project. Not very many individual ranchers are prepared to do the same.

We leave early this afternoon for a short flight to Mount Isa where we will get a four-hour commercial flight to Brisbane. After a short layover, we will have a two-hour flight to Sydney for a day in the city before moving on to New Zealand -- which is "terra incognita" to the Australians, * who consider that it is "too socialistic, too undeveloped and too remote." I can imagine an American saying the same about Australia, but he would be wrong on at least two counts.

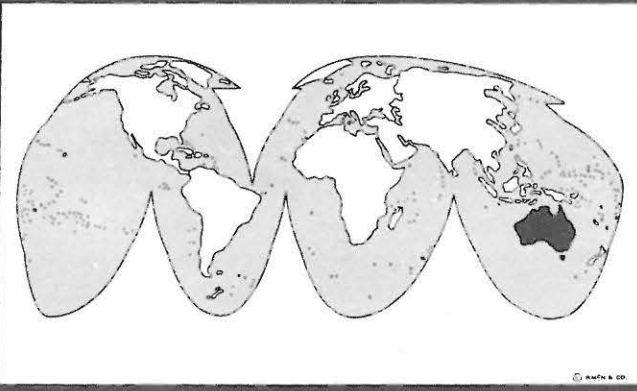
We will leave Australia with some reluctance. Its size, its riches, the climate of its coastal cities, its handsome people and the opportunities in the banking business make us hope that we may someday return.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sule".

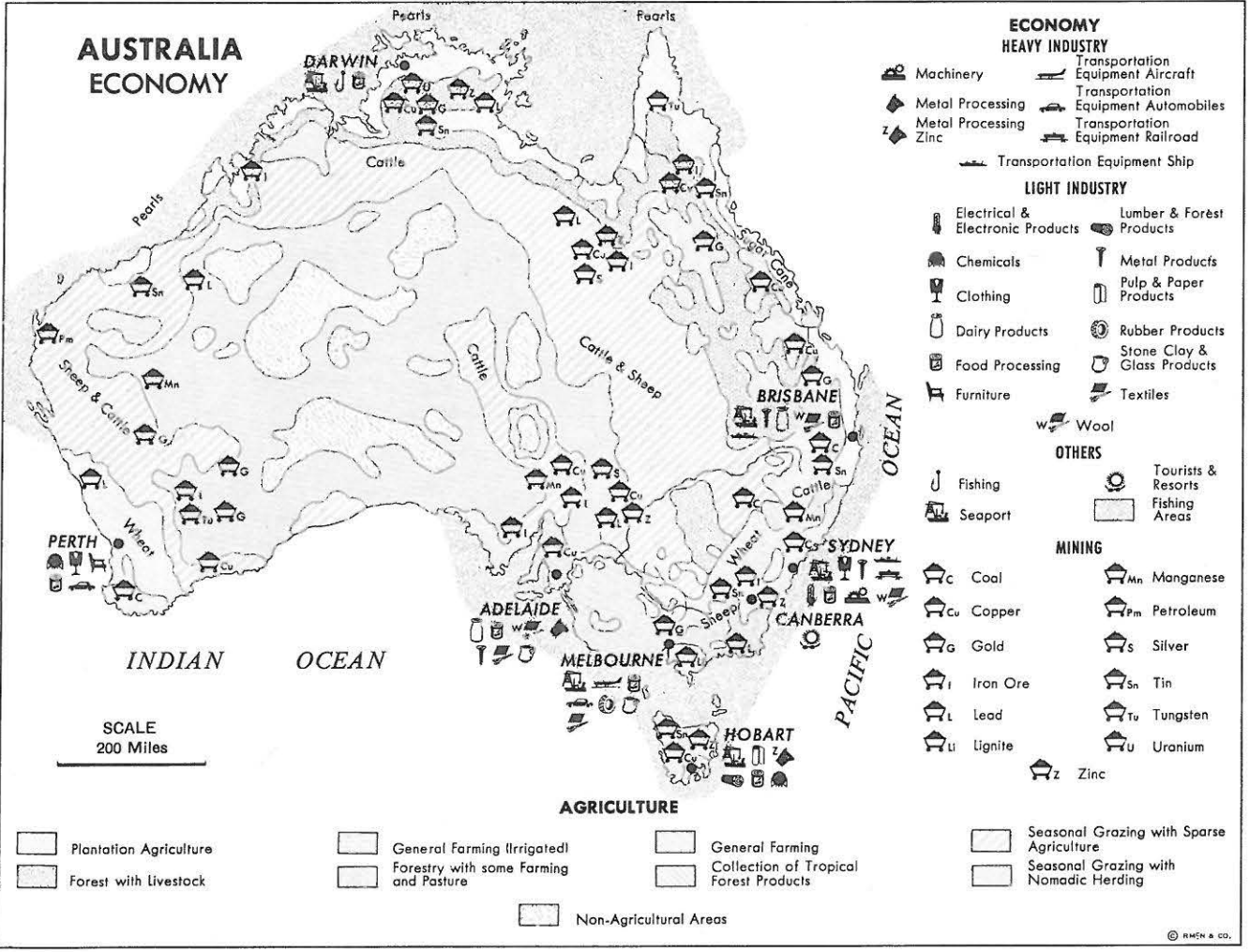
* The pilot says he has been every place in the world except Czechoslovakia, Russia and New Zealand. Even our most travelled acquaintances have never been there.

AUSTRALIA



Capital: Canberra
Area: 2,967,909 square miles
Percent of World Area: 5 percent
Population (1965): 11,359,500
Density: 4 per square mile
Percent of World Population: 0.3 percent
Elevation Highest Point: Mt. Kosciusko (7,316 feet)
Lowest Point: Lake Eyre (39 feet below sea level)
Coast Line: 12,446 statute miles including Tasmania
Northernmost Point: Cape York
Southernmost Point: Southeast Cape
Easternmost Point: Cape Byron
Westernmost Point: Dirk Hartog
Political divisions
 (continental Australia): 6 states, plus 2 territories
National Holiday: January 26, Australia Day
National Anthem: God Save The Queen

AUSTRALIA ECONOMY



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