3. A Vision of Empire

Summary

In London McDougall pursued his vision of imperial cooperation through the second half of the 1920s. His book, *Sheltered Markets*, published in 1925, argued the case for imperial tariff preference, based on an analysis of patterns of trade. Imperial preference would not be introduced until 1932; the returning Conservative Government in 1925 acknowledged that public opinion was opposed to the idea. An Imperial Economic Committee was established instead, to advise on improvements to production and marketing of empire goods, and an Empire Marketing Board was to encourage ‘voluntary preference’ by means of marketing and scientific research into problems. McDougall was an active member of both. He also acted as London liaison for Australia’s Council for Industrial and Scientific Research (CSIR) and the Development and Migration Commission (DMC). Representation on all these bodies brought him into contact with leading scientists, notably nutritionist John Boyd Orr, and A. C. D. (David) Rivett, Chief Executive of CSIR.

The new influences led McDougall to devise forms of imperial cooperation in science, agriculture and industry. Seeking efficiency, he suggested pastoral improvement in Australia should be directed by Orr and based on British research; Rivett argued that Australia must develop its own research capabilities. Similarly McDougall was influenced by British criticism of rising Australian tariff protection to argue for an imperially rationalised approach to industrial development: Australia and other dominions concentrating on simpler manufactures. Bruce was anxious to moderate Australian tariffs, but his efforts to bring about economic reform faced increasing hostility; he lost government at the end of 1929.

‘Sheltered Markets’

The idea of writing a book about empire trade occurred to McDougall soon after Bruce left London early in 1924. Amery was enthusiastic. The enforced idleness of some of McDougall’s time in Melbourne and the return voyage to London provided the opportunity. *Sheltered Markets: A Study of Empire Trade* was published on 30 June 1925, a volume of some 150 pages selling for 5 shillings a copy. McDougall was promised a foreword by Lord Milner, but the mentor of imperial visionaries died in May and Sir Robert Horne,
businessman, philosopher and former Conservative minister, took his place. Horne recommended the work as providing ‘the most likely means—if not the only means—of redressing the precarious problem in which we stand today’, meaning unemployment. McDougall had ‘gone at once to the root of the problem in discussing the markets in which British manufactures are most likely to find their market’.

*Sheltered Markets* argues the case for imperial preference. It is more varied and broader in vision than the simple message of the preference campaign waged from Renmark three years earlier. McDougall writes as before of the benefits of closer settlement, in the Murray Valley in particular. He argues, as always, the value of Australia’s tariff preference to the United Kingdom; he preaches the importance of organised marketing of empire commodities for both producers and purchasers. Preference is needed to compensate for disadvantages that empire produce suffers on the British market: the costs of transport over long distances and of decent living wages.

These familiar points are argued in the context of a sophisticated analysis of patterns of trade and their relative value to the economy. They are argued from the perspective of Britain and its empire, not from the perspective of Australia alone, still less of one Australian product. McDougall’s thesis is that British trade with dominions and colonies is more robust, and of more value to the British economy, than trade with foreigners. To support it he explains the importance of what have come to be called ‘value adding’ and ‘sustainability’: exports of finished manufactures are more profitable than raw materials. Coal, a major British export, is a non-renewable resource. Although its export to Europe keeps miners in work, it is of limited value when compared with the manufactured goods that make up almost the entire export to the empire. Tables demonstrate Britain’s balances of trade: unfavourable with the United States and Europe; better but declining with Canada; and favourable with other dominions. He considers factors thought to influence the buying patterns of Britain’s trading partners: prosperity and wealth distribution, British loans, British buying patterns and the availability of shipping. Two factors predominate: there is ‘no doubt as to the very great advantages that national sentiment and tariff preference give to British trade.’ He devotes several pages to the advantages of the Australian tariff to that trade.

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1. NLA, MS6890/1/9, letter to Norman, 24 January 1924; *LFSSA*, 2, 15 and 23, 20 February, 2 April and 11 June 1924, pp. 4, 41, 63.
3. Ibid., pp. 68-74, 89.
Figure 9 Declining Percentages of British Exports of Manufactures to Europe and the Americas.

For the first time McDougall tackles free trade head on. It had not been an unmitigated benefit even in the nineteenth century. It effectively encouraged sweated labour in other countries by disregarding the growth of foreign protective tariffs and ignoring improved wages brought about in Britain, Australia and New Zealand by trade unionism. It destroyed the colonial sugar industry and developed a dangerous reliance upon foreign foodstuffs and raw materials. Lancashire had been brought to near starvation by blockades preventing cotton leaving the United States during the Civil War—a lesson forgotten until 1914–18. In 1925, McDougall writes, consumers face formidable competition on all sides: combines and cartels, US farm politics, the Soviet Government combine, agricultural cooperatives in Denmark and organised marketing in the dominions. The day of laissez faire and cheap food has passed; ‘unrestricted competition no longer exists’.  

McDougall does not advocate immediate abandonment of free trade, nor does he push one simple solution. He examines the difficulties of all major food imports and concludes that the solutions are as varied as the Empire itself. Empire buying power must be enhanced by soundly based migration, particularly to closer settlements; empire industries must become viable with organisation, technical aid, London advisory bodies to cooperate in price stabilisation and publicity to create a demand for empire goods. Part of the solution might well be some tariff preference.

Sheltered Markets deals with difficult and complex material. The fact that it reads easily and persuasively is tribute to McDougall’s maturing skills as a writer, still more as an educator. As the book moves to a new phase of argument, he summarises the previous one, reinforcing his points. He provides tables and graphs that are easy to understand. He uses simple metaphor with effect: a preferential tariff system is like a weir. Foreign trade must flow over the top ‘while British goods flow through the preferential sluice gates’ lower down.

The book was well received. An editorial in The Times Trade and Engineering Supplement urged ‘every thoughtful citizen of the empire’ to read it for it deals in a broad, comprehensive and lucid fashion with the essential economic problem that confronts the whole British race…facts are marshalled so admirably that even the reader who may open this book with strong preconceived opinions of an opposite character will find it difficult to dissent from the argument.

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4 Ibid., p. 133.
5 Ibid., pp. 66–7.
6 Times Imperial and Foreign Trade and Engineering Supplement [hereinafter TTES], 4 July 1925.
Bruce wrote that it was ‘timely and useful and will accomplish a considerable amount of good’. It ‘continues to get a most remarkable press and equally remarkably small sales considering the press’, complained its author.7

Conservative Party headquarters took 1000 paperback copies at 2 shillings each, and McDougall’s friend Brooks Crompton Wood, MP, sent a copy to each member of the House of Commons. By August, 750 copies had been sold to the general public. McDougall stood to receive only 7d per copy of the regular edition. It would not end his financial worries but it did give him something he needed. He had written before publication that ‘if the book causes real discussion, I shall feel that it has served its purpose’. It had achieved that, but it also ‘let people know that F. L. McD is a person who exists’.8 No longer was he an anonymous ‘secret service agent’ of the Australian Prime Minister; he was the author of Sheltered Markets.

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7 NAA, M111, 1925, Bruce to McDougall, 31 August 1925; NLA, MS6890/1/9, letter to Norman, 18 August 1925, and copy of Bruce’s letter; MS6890/5/1, copies of many reviews.

8 NLA, MS6890/1/9, letter to Norman, 25 June 1925; LFSSA, 24, 2 July 1925, p. 67.
The Imperial Vision by Other Means

Substantial imperial preference was ruled out after Stanley Baldwin’s election loss on the issue late in 1923. The case for change then had been poorly prepared and opposed by a formidable combination of forces: Liberal and Labour politicians, some Conservatives, financial and commercial interests, much of industry, the union movement, some agricultural interests and the popular press. Baldwin commented ruefully: ‘the people of this country cannot be shaken out of their fear of high prices.’

The Conservative Party returned to government under Baldwin’s leadership included former Liberal and free-trader Winston Churchill, who was appointed Chancellor of the Exchequer. Joseph Chamberlain’s son, Neville, the new Minister of Health, was principal author of a restatement of the party’s principles and aims, produced during its opposition in 1924, and the basis of its manifesto for re-election. It included a statement of the imperial vision, recognising the importance of strengthening and developing the empire, fiscal autonomy of the dominions and the assistance tariff preference could give them: ‘In this way we can provide through our markets the opportunity which they need in order to develop their plans of land settlement, and they, in their turn, will absorb our surplus population and provide new outlets for our manufactures.’

But while the party undertook to defend British trade against unfair foreign competition, ‘proposals for a general tariff will not again be submitted except upon clear evidence that on this matter public opinion is disposed to reconsider its judgement’. Thus, although the small preferences announced in 1923 were finally confirmed in Churchill’s first budget in 1925, an effective imperial preference was shelved for the remainder of the decade.

Joseph Chamberlain had recognised the link between imperial tariff reform and Social Darwinism. He had been Deputy President of the Science Guild; its purpose was described as ‘making the Empire strong and secure through science and the application of scientific method’. World War I demonstrated the need for British Government support for science. The Committee of the Privy Council for Scientific and Industrial Research, created in 1915, was enlarged in 1916 as the Department of Scientific and Industrial Research. It was to be a ‘scientific bureaucracy for the administration of research grants, scholarships for research training, and the provision of scientific advice to the government’.

In 1923 the Imperial Economic Conference recognised the significance of science.

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10 Ibid., p. 381. The statement was published as a pamphlet, entitled ‘Looking Ahead’, and was also printed in The Times, 20 June 1924.
to economic progress, approving establishment of an advisory body on imperial cooperation and a resolution commending cooperation in science: ‘All possible steps should be taken to encourage the exchange of scientific and technical information between the various parts of the Empire and the co-operation of the official and other organisations engaged in research for the solution of problems of common interest.’

In 1925, the Baldwin Government turned to these as safer alternatives to an imperial tariff, creating an Imperial Economic Committee, and granting £1 million to be spent by an Empire Marketing Board. As part of the ‘visionary’ scheme to strengthen imperial trade and cooperation, the board was to spend much of its £1 million annual grant on research stations throughout the Empire, studying problems of science as applied to production and transport of foodstuffs and other exports. In Australia the Commonwealth Council of Scientific and Industrial Research and the Development and Migration Commission were seen as complementary bodies. McDougall made important contributions to all of them.

The Imperial Economic Committee

The new Conservative Government undertook immediate establishment of the Imperial Economic Committee (IEC). Its terms of reference were

   to consider the possibility of improving the method of preparing for market and of marketing within the United Kingdom the food products of the oversea parts of the Empire with a view to increasing the consumption of such products in the United Kingdom in preference to imports from foreign countries, and to promote the interests both of producers and consumers.

In deference to Canadian opposition to creating anything resembling an empire secretariat, it was to be an ad-hoc body and these terms of reference were to be reviewed at the next Imperial Conference.

The IEC was an advisory body responsible to the several governments of the Empire, though it reported to the Board of Trade—giving, in McDougall’s view, a misleading impression that it was subsidiary to the board. Four

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15 LFSSA, 38, 5 November 1925, pp. 111–12.
members, including the Chairman, represented the United Kingdom; there were two each for the six dominions (at this time including the Irish Free State and Newfoundland) and India. Leo Amery, then Colonial Secretary, chose as Chairman Sir Halford Mackinder, the geographer who had inspired Amery’s own view of the imperial vision. Representatives nominated early in 1925, with the exception of those from Canada, were senior and notable: chairmen of associated chambers of commerce and of the Co-operative Wholesale Society, high commissioners, trade commissioners and the London Manager of the New Zealand Producers’ Board. Canadian representatives were ‘humble technicians with specialist expertise only in the areas of immediate inquiry’: a livestock expert from the Department of Agriculture and a fruit expert on the staff of the Canadian High Commission in London. They were instructed not to act on matters of high principle without consulting the High Commission, whence reference would be made to Ottawa.16 The ‘senior’ Australian representative was Sydney businessman Sir Mark Sheldon, a former chairman of the Associated Chambers of Commerce and holder of several government appointments. According to a newspaper report, F. L. McDougall, ‘well-known orchardist on the Murray River’, who had ‘rendered splendid service in conducting a campaign in Great Britain on behalf of the Australian fruit industry’ and at the 1923 Imperial Conference, was to be the ‘other representative during initial portion work of [the] committee’.17

McDougall had hoped for such an appointment. Immediately after the 1923 Imperial Conference, he had written: ‘if the Imperial Economic Committee comes to a head and if Bruce offered me a salaried post as Australia’s official representative thereon I think it would be well worth doing.’18 But he was disturbed by the apparent short-term nature of his appointment and by the distinction in seniority. He suggested to Bruce that Australia would be served best by one permanent member stationed in London and a second representative chosen for expertise relevant to a particular inquiry who could maintain close, ‘educational’ contact with Australia.19 This pattern did occur, for a time. Sheldon was succeeded after a year by W. H. Clifford, General Manager of the North Coast Co-operative Company Limited, New South Wales, and a member of the Dairy Produce Control Board. Sir James Cooper attended during 1928. Thereafter, McDougall often served as sole Australian representative. He was to chair the committee during the 1930s.

The IEC first met on 17 March 1925. Its method of supplying advice was to publish voluminous reports on commodities approved by empire governments.

17 Sydney Morning Herald, 25 February 1925; cable quoted in LFSSA, 11, 26 February 1925, p. 28.
18 NLA, MS6890/1/9, letter to Norman, 20 December 1923.
19 LFSSA, 42, 19 November 1925, 107, 109 and 113, 11 and 25 May and 16 June 1927, 143, 11 January 1928, pp. 120, 358, 68, 78–9, 495.
At first limited to foodstuffs, its terms of reference were amended by the 1926 Imperial Conference to include raw materials, and its membership augmented by representatives of British agriculture and the colonial empire.

The first commodities to be examined were meat and fruit. McDougall was appointed to the fruit subcommittee and to its three-man drafting committee. He quickly demonstrated determination to see the IEC functioning effectively and producing reports reflecting his views: ‘I think that it is essential to cultivate the personal acquaintance of the members of the Committee so that we may be able to get them privately to see the full importance of this committee and thus…obtain general support for comprehensive proposals for assisting Empire Trade.’ He began the process by lunching with the Chairman on the first day. Mackinder also chaired the Imperial Shipping Committee and was a member of the Royal Commission on Food Prices. McDougall and Sheldon worried that his commitment to the IEC would be limited.20

No member worked harder than McDougall to ensure the IEC lived up to the hopes of empire visionaries. When the 250-page fruit report21 was published, in June 1926, he organised wide publicity for its appearance, contacting ‘all the Editors that I know personally’, arranging special treatment in The Times and Daily Telegraph, and interviews for four Conservative MPs with correspondents of provincial newspapers.22 He spent long hours in the tedious tasks of drafting and revising this and most subsequent reports. The committee worked by hearing witnesses and inviting submissions. This itself was a burden: 63 memoranda were submitted for an inquiry on tobacco, each averaging about four typed foolscap pages, so that ‘one’s weekends are fairly well employed in reading them’.23 He viewed the job as an imperial, rather than simply an Australian, responsibility, and he served at times on drafting committees for commodities of little interest to Australia.

McDougall spent much time compensating for what he considered Mackinder’s shortcomings as Chairman, correcting his thinking, smoothing difficult situations and undertaking extra work. He told Bruce that ‘in private negotiations I rather get forced into the position of representing the oversea representatives to (a) the Chairman (b) the Members of the Government’.24

After the appointment of Sir David Chadwick as Secretary in 1927, the problem of Mackinder diminished. Chadwick included McDougall in consultations on new procedures, which limited the full committee to hearing a few important

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20 Ibid., J4, 19 March 1925, pp. 34–5.
21 Reports of the Imperial Economic Committee on Marketing and Preparing for Market of Foodstuffs Produced in the Overseas Parts of the Empire: Third Report—Fruit, Cmd. 2658.
22 LFSSA, 77, 10 June 1926, p. 248.
23 Ibid., J50, 23 February 1928, p. 520.
24 Ibid., J37, 29 October 1925, p. 107.
witnesses on each new inquiry, discussing its scope and then handing over to a subcommittee. Definition of the scope of an inquiry proved difficult, so McDougall joined a three-man committee to review that problem.\textsuperscript{25} Chadwick and Mackinder later asked McDougall to join them on a standing committee ‘to get the proper Imperial aspect suitably expressed in each report’:

I was reluctantly forced to agree that, for this particular type of work, there was no other overseas representative who could usefully function. It is a rather sad comment on the type of man whom the other Dominions have appointed...that experience has shown that, when the general Dominion point of view needs to be taken into careful consideration, they have to turn to me.\textsuperscript{26}

The Empire Marketing Board

The first task of the IEC was to advise on a general matter. Having renounced tariffs, Baldwin’s government promised an annual grant of £1 million, calculated as the value of preferences that might have been given to empire goods in 1924, to encourage empire trade by other means.\textsuperscript{27} The first report of the IEC recommended the money be administered by an ‘executive body’ subject to the IEC and used to encourage ‘voluntary preference’: persuading the British public to purchase empire goods by means including advertising and research into problems of production and distribution.\textsuperscript{28} While British agreement to the recommendations was delayed for some months—one major reason being the constitutional problem of a body including representatives of other empire governments spending British taxpayers’ money—McDougall, virtually alone amongst IEC members, lobbied ministers, the Cabinet Secretariat and Members of Parliament on its behalf. Bruce cabled London twice at his suggestion. After lengthy exchanges of suggestions and reference to a cabinet committee, the Empire Marketing Board (EMB) was constituted as an advisory committee to the Dominions Secretary, Leo Amery’s title after the creation that year of the Dominions Office. The board met for the first time on 20 May 1926.

Before the board’s composition was finally decided, McDougall, already one of the busiest members of the IEC, was eager to be a dominion representative of the IEC on the board: ‘No one here has a wider knowledge of the point of view of the various sections of producers’ opinion in all the Dominions for I have

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\item Ibid., 107, 11 May 1927, pp. 357–8; 150, 23 February 1928, pp. 520–1.
\item Ibid., 156, 29 March 1928, pp. 544–5.
\item NAA/CSIR, A9778, M14/27/9, undated memorandum by McDougall, ‘The Empire Marketing Board and Empire Economic Affairs’, received 5 December 1927, p. 2.
\item Reports of the Imperial Economic Committee on Marketing and Preparing for Market of Foodstuffs Produced in the Overseas Parts of the Empire: First Report—General, Cmd. 2493.
\end{enumerate}
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made that question a special study for the last three years.’29 In the event he was one of five IEC representatives who joined four British ministers—Leo Amery as Chairman; Colonial Secretary William Ormsby-Gore as his deputy; Minister of Agriculture Lord Bledisloe; Under-Secretary of State for Scotland Walter Elliot—and representatives of the Board of Trade.

The EMB formed two temporary subcommittees to recommend methods of tackling research and publicity.

It was very far from being my wish that I should have to have a say on both these subjects but in the discussions it had become rather obvious that I had perhaps done rather more constructive thinking about how the Economic Committee’s recommendations were to be put into operation than anybody else present at the meeting and the Board felt that in devising methods I could give useful assistance both on publicity and research. Personally I should have preferred to be mainly connected with the research side but I am rather afraid that the Secretary of State and other ministers will particularly want me to serve on the Publicity Sub-Committee as they seem to regard me as being particularly expert on educational publicity.30

Ormsby-Gore had agreed to chair the Publicity Committee on condition that McDougall was a member.31 Both committees became permanent—‘Research’ later being renamed ‘Research Grants’ to reflect more accurately its function as a dispenser of funds to approved research projects and institutions. The EMB report for 1931–32 lists six main committees; McDougall sat on four or them, including Agricultural Economics, which he chaired, and the Film Committee.

The EMB developed into a substantial institution. It was a ‘constitutional oddity’: technically an advisory committee, but effectively possessing executive authority, with a civil service staff of some 120 at its height.32 Amery prevailed over Treasury to ensure that the £1 million annual grant was non-returnable and free from close Treasury control, although the battle to preserve it continued throughout EMB’s seven-year existence. The board was also unusual in its non-partisan membership: J. H. Thomas represented Labour from a very early stage, and Archibald Sinclair the Liberals. In 1929 the Labour Government continued its work with enthusiasm.

McDougall’s closest ally on the board was Walter Elliot, a doctor who had also gained a DSc for a study on pig nutrition, undertaken at the Rowett Research

29 LFSSA, 55, 17 February 1926, p. 162.
30 Ibid., 76, 3 June 1926, p. 246.
31 Ibid., 70, 11 May 1926, p. 225.
Institute, Aberdeen, headed by his friend John Boyd Orr. In 1935 Elliot would be elected a fellow of the Royal Society. He held somewhat independent, ‘centrist’ views, and McDougall was impressed by his book *Toryism and the Twentieth Century* (1927), arguing, in the tradition of Progressivism, for ‘a conservatism that would make use of applied and social sciences and of government intervention’. Another ally was Ormsby-Gore, a former Parliamentary Private Secretary to Lord Milner at the Colonial Office, with unusually wide knowledge and experience of the colonial empire. Elliot and Ormsby-Gore were both ‘visionary’ advocates of ‘science for development’, believing that research, particularly in agricultural sciences, and an organised colonial agricultural service held the key to developing the resources and potential markets of the colonial empire. McDougall wrote that he, Elliot and Ormsby-Gore ‘envisage the problems of Research and Publicity from the same angles and together I feel sure that we shall be able to shape a policy for the Board which will be effective’.

EMB staff were of high calibre. McDougall was impressed by the Secretary Amery had chosen. Stephen Tallents had wide experience as a civil servant, in wartime food rationing and postwar relief, as Imperial Secretary in Northern Ireland and as Secretary of the cabinet committee dealing with the 1926 General Strike. It has been suggested that, as a result, Tallents was, for his time, ‘unusually sensitive to the need to assess and massage public opinion’, aware that as government functions broadened it would be necessary to use publicity as ‘a managerial tool’ and ‘to obtain public consent by persuasion’. McDougall claimed to have arranged the appointment, as Assistant Secretary, of E. M. H. Lloyd, ‘the stabilization expert’, who had worked in the wartime Ministry of Food, in the Economic and Financial Section of the League of Nations from 1919 to 1921, and in the Ministry of Agriculture.

The EMB was ‘a multi-media event’. It provided public lectures, materials for use in schools, books and pamphlets—some serious studies written or inspired by McDougall, others more light-hearted such as ‘A Book of Empire Dinners’. It spent £364,280 on press advertisements over its seven-year life and indulged in occasional publicity stunts, such as hiring aircraft bearing the slogan ‘Buy

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37 Constantine, *Buy & Build*, p. 4.
British’ and the baking of a seven-foot-high ‘King’s Empire Christmas Pudding’. It arranged Empire Shopping Weeks, exhibitions and broadcast talks, and had a film library and a small film unit.39

McDougall had not been keen to use the £1 million grant for publicity. He did not believe that voluntary preference could achieve the results possible from tariff preference.40 But if money had to be spent on publicity, he knew what that publicity should be. He constantly used the word ‘educational’ because ‘what we had to do was to develop…an Empire consciousness in the people of Great Britain and that appeal must be directed to the reason and not to the emotions’. He had to begin by educating the Publicity Committee itself, as it became clear ‘that what was urgently needed as a preliminary to more effective advertising was a clear realisation, on the part of members of the Board and of the Publicity Committee, of the essential facts about the importance of Empire Trade to Great Britain’. He therefore prepared a statement of those facts for them.41

McDougall was an active member of the EMB poster subcommittee. Its most distinctive posters were series, mounted on large, multi-section frames, a format suiting McDougall’s ‘educational’ principles. The panels could position lists of export and import figures between striking illustrations commissioned from notable artists.42 McDougall devised a special ‘educational’ series for use in British factories. ‘The idea is to demonstrate chiefly to persons engaged in some of the most important industries of the United Kingdom the great advantage that will accrue to those industries if Empire development is supported by Empire purchasing.’ The posters specified how much that firm or factory had sold to a particular part of the empire, or that a contract was now in hand, and asked: ‘How can you help to secure further contracts from the Empire? Answer: By buying, and by getting your wife to buy, the produce that the Empire sends to us.’43

Research Grants

EMB publicity activities drew some criticism as an inappropriate function for government, but the research side of its work was widely accepted. The

40 LFSSA, 9 and 27, 22 January and 6 August 1925, pp. 23, 75–7.
42 Copyright restrictions prevented their use in this publication, but illustrations of many posters are included in Constantine, Buy & Build. They may also be viewed online at: <http://www.manchestergalleries.org/the-collections> Works by Charles Pears, including Gibraltar, Aden and Bombay, provide a good example of a multi-frame series.
EMB Research Grants Committee (RGC), chaired by Walter Elliot, made recommendations to the full board for the funding of scientific investigations. It can be argued that this was the most important of all McDougall’s activities in this period: it was central to his work in many ways both then and in the future. As with publicity, McDougall was appointed to a subcommittee to consider ‘machinery and methods’ of putting IEC recommendations into effect and, as in the IEC, he undertook the task of ensuring the RGC fulfilled its proper purpose.44 He aimed to ensure RGC grants were used effectively in research work of value to the Empire and worked hard to keep the EMB and its committees true to his vision of their role.

EMB scientific staff investigated applications for grants, but RGC members were often actively involved. The committee agreed at its first meeting that advice on the existing state of knowledge should be sought before consideration of any application, and that all bodies likely to be interested should be notified of any inquiry. At that meeting proposals for tropical research centres were referred to the Colonial Office and the Development Commission; investigation of transport and refrigeration of fruit to the Department of Scientific and Industrial Research; and packing of fruit and arsenic sprays to the Ministry of Agriculture and the Imperial Bureau of Entomology. A proposed study of vitamins in dried fruits was referred to the Medical Research Council; one on tainting of dairy produce during transport to the National Institute for Research into Dairying; and another on sugaring of raisins to the Royal Society. A year later, a similar meeting considered a broader range of proposals including the timber industry in Guiana, egg marketing in Scotland, the teaching of economic geography at Cambridge, calf-rearing in Palestine and transport of chilled beef.45 All of these topics, with the bodies proposing research and those to whom proposals were referred, came within McDougall’s ambit. A conscientious member of the RGC needed to understand, at least in basic terms, something of the fundamentals of many branches of the biological and physical sciences, economics, transport and storage, not to mention the geography of the empire itself. It was a mind-stretching undertaking, but it called for general rather than specialist skills. It is difficult to think of any sort of training better than McDougall’s: a combination of some basic science, practical experience of production, marketing and organisation, travel in two dominions and a tiny colony, an intensive study of the trade and produce of the empire, and dedication to cooperative development of the empire’s resources.

44 LFSSA, 76, 3 June 1926, pp. 245–6.
45 National Archives of the United Kingdom [hereinafter UKNA], CO760/21, Minutes of EMB RGC, First Meeting, 1 July 1926; Twelfth Meeting, 25 May 1927.
The EMB published more than 50 papers—mostly the work of experts. Many publications arose from research grants. The long evening meetings McDougall spent drafting and redrafting IEC reports were unnecessary for the EMB, although he was the author of one of its publications, *The Growing Dependence of British Industry upon Empire Markets* (1929). McDougall’s role on the EMB was an executive and creative one, of policy and liaison between and on behalf of dominions and the British Government, and with research establishments.

**Scientific Liaison**

In Australia, the founding of a ‘national research laboratory’ had been announced amid the imperial enthusiasms of wartime. The Institute of Science and Industry was not actually established until 1921, and then limited by its budget to small-scale research. Substantial Federal Government support awaited ‘identification of the major economic role’ of science. Bruce identified that role as imperial scientific cooperation. In creating the Council for Scientific and Industrial Research (CSIR) in 1926, he made clear its responsibility to concentrate on ‘a limited number of major investigations of national importance’. In view of balance-of-payments uncertainties and Bruce’s commitment to promoting trade within the empire, this meant the problems of the major export industries. It was, writes C. B. Schedvin, ‘a by-product of the Indian summer of neo-mercantilism and the idea that the British nations should combine economically to yield a high level of self-sufficiency’. Its goals included cooperation with imperial arrangements for government-sponsored scientific research.

During his visit to London for the 1926 Imperial Conference, Bruce asked McDougall to act as London representative for both CSIR and its twin organisation, the Development and Migration Commission (DMC). Established primarily to examine settlement schemes proposed by State Governments, DMC was also to conduct economic surveys and facilitate establishment of new industries. Introducing the Bill for DMC’s establishment, Bruce ‘declared his purpose to lift Australia’s population to a level that world opinion would either respect or fear, while integrating that process with planned economic expansion and thus maintaining living standards’.

McDougall’s appointment could have seemed an odd one. Whatever reputation he had in 1926 rested upon his mastery of empire trade statistics. But Bruce

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47 EMB 23, HMSO, December 1929.
understood the place of science in the scheme of imperial development. He knew that substantial funds were to be had from the EMB. With the RGC’s sanction, McDougall had written offering EMB assistance in the form of 50/50 grants for CSIR and coordination to prevent overlapping within the empire.50 Privately he had written to Bruce at length about the application of scientific research to Australia’s rural problems. Bruce must have understood that McDougall—already close to many key political figures and civil servants—was well placed to extend his contacts in science. The appointment probably had its actual genesis in informal discussion during Bruce’s visit. It accorded well with McDougall’s new interests and his membership of the RGC.

Liaison with DMC

H. W. Gepp, metallurgical engineer, founding manager of the Electrolytic Zinc Company of Australasia, industrial relations pioneer, believer in welfare capitalism and propagandist for scientific agriculture, was appointed to head DMC and, given the imperial dimension envisaged for his work, accompanied Bruce to London for the 1926 Imperial Conference.51 Gepp’s brief was impossibly broad, and Gepp himself unrealistically ambitious for the commission. He proposed to begin with an economic survey of ‘the whole of the present resources of Australia’ to establish, inter alia: the effects of the seasonal nature of work in Australia, and of migration, upon unemployment; the commercial relationships between industries to be encouraged; and the causes of cyclic economic depressions. He aimed to cooperate with every agency upon which this work impinged and proposed early investigation into development of Tasmanian resources, the goldmining and tobacco industries, rural housing, development of fisheries, and production and marketing problems of the dried-fruits industries. DMC would be ‘the national clearing house for all ideas and schemes bearing upon economic development’.52

McDougall took the intense, almost hyperactive Gepp under his wing, arranged introductions and inspections with the many institutions in which Gepp expressed interest, and generally displayed his enthusiasm and his range of contacts. Gepp’s schedule in Britain was as punishing as his vision was ambitious. He presided over a committee of the Colonial Office to investigate mechanical transport for undeveloped terrain (a type of road train); he visited research stations seeking information on shale-oil production, low-temperature

50 LFSSA, 82, 22 July 1926, pp. 268–9.
51 Roe, Australia, Britain and Migration, p. 69.
carbonisation of brown coal, producer gas, a physical and chemical survey of Australian coal resources, liquid and pulverised fuels, geophysical prospecting, transport of foodstuffs, dehydration of vegetables, canned foodstuffs, fisheries, goldmining, grass improvement, forestry and the placing of research students. All these lines of inquiry had to be followed up by McDougall. The new appointment gave him more formal links with the Australian bureaucracy and a regular, albeit officially temporary, position in Australia House. He gained, at Bruce’s instruction, a clerical assistant, A. W. Stuart Smith, and a technical assistant, Dr A. S. Fitzpatrick, the latter because McDougall doubted his own ability to cope with the technical demands of work relating to the physical sciences. In the first of regular monthly reports, McDougall emphasised the care he was taking to ensure that other officers in Australia House were consulted and informed. He had begun immediately to establish formal liaison with every relevant research board and institute in the United Kingdom, including some 30 bodies under the control of agricultural authorities, and with government departments. McDougall planned to visit the head of each organisation personally.

**Liaison with CSIR**

McDougall did not meet the chief figures in CSIR for some time and was uncertain about what was expected of him. He wrote to George Julius, Chairman of the Council and of its Executive Committee: ‘As I see this job…it is to keep your Council in touch with the work done in this country in the application of science to primary and secondary industries, in so far as these applications may seem to be of interest to Australia.’ He went on to explain the interest of the RGC in coordinated research throughout the Empire.

Julius, gifted engineer, inventor and businessman, and CSIR’s Chief Executive, David Rivett, both replied courteously, but warily. Rivett had been persuaded to leave the Chair of Chemistry at the University of Melbourne to fill this new position. He was an able administrator and distinguished physical chemist who believed that empirical work must be supplemented and guided by thorough theoretical analysis. Like McDougall, he came from nonconformist stock with a strong sense of social responsibility. Rivett was personally gracious, approachable and patient, but he faced a daunting task. Every area of primary

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54 Ibid., McDougall to Julius, 26 January 1927.
55 Ibid., Report, 10 February 1927.
56 Ibid., McDougall to Julius, 26 January 1927.
industry had pressing problems in urgent need of solution. CSIR was also required to assist secondary industry. Unlike Gepp, Rivett and his fellow councillors saw a clear need to establish priorities, to avoid spreading resources too thinly. In establishing those priorities, handling political pressures, relations with other institutions and practical problems of staffing and accommodation, Rivett had his hands full. He was reluctant to accept advice or assistance from London. Apart from his view that Australia should pay its own way, there was concern that such assistance might come with conditions.

For some months McDougall felt that he and his staff were ‘simply improvising, without any clear idea as regards your wishes’. Rivett was reluctant to accept EMB funds—the chief service that McDougall could give. But when Julius visited London in mid 1927, he and McDougall established an immediate rapport. Julius reported favourably to Rivett and explained Rivett’s funding scruples to McDougall. McDougall wrote to reassure Rivett, reminding him of Bruce’s pivotal role in establishing the EMB, adding what was effectively a short memorandum explaining that any action taken by Britain to aid empire development repaid Britain at least as much as the empire gained. Rivett replied that while this was ‘very logical’,

I cannot refrain from suggesting that the case for acceptance of British money for Australian work would be much clearer if Australia were putting into general scientific research an amount of money commensurate not only on a population basis with what Britain is finding but also commensurate with the magnitude of our local problems. We are hardly doing the former and most emphatically not the latter. [Nevertheless] the policy of co-operative work with the EMB is settled and I only hope we shall not appear at any time to be leaning too heavily upon its funds.

Thus began an important correspondence and friendship, and McDougall’s role, not just as a liaison officer, but as an adviser, was established. Rivett wrote that ‘you have been the guide, philosopher and friend [to Julius, who] knows quite well how impossible his task would have been without you and your staff. I wish we were as happy about everything as we are about our liaison work in London.’ He continued to write frankly, sometimes using the correspondence as a means of thinking through problems, and as though McDougall were on a par with the three-man Executive Council. In a sense he was: in these first years of CSIR’s existence, his liaison work became an important lifeline in funds, recruitment and contacts, in links to the network of empire. McDougall also used Rivett as a sounding-board and a point of distribution in Australia for his own

58 NAA/CSIR, A9778, M14/27/9, McDougall to Rivett, 4 August 1927.
59 Ibid., McDougall to Rivett, 30 June and 7 July; Rivett to McDougall, 15 August 1927.
60 NAA/CSIR, A10666, [1], Rivett to McDougall, 20 February 1928.
ideas and memoranda. The wide-ranging nature of the correspondence is shown by the fact that after ‘some difficulty’ in sorting the personal from the official material in CSIR, McDougall divided his letters into three categories: those for Rivett’s private information, often sent to his home address; confidential letters which Rivett might share with others if he wished, sometimes including memoranda; and official letters to be filed. Rivett seems to have adopted a similar practice.\(^6^1\) Rivett’s son believed that their ‘close friendship [was] based on mutual admiration’ and a meeting of minds beyond their working concerns, particularly as McDougall’s insights into British politics were sharp and spiced with humour. This delighted David who had always corresponded on these lines with his own family but seldom received much on the lighter side from his scientists. He and McDougall could see an amusing side in even the grimmest cuts and setbacks and helped each other to keep frustration and genuine grievance in proportion.\(^6^2\)

CSIR’s Executive believed that effective working relationships should be established with research and other establishments, both in Australia and overseas.\(^6^3\) Even before the understanding about his role had been reached, McDougall was becoming the eyes and ears of the organisation in London: ‘I am writing today to McDougall to ask him if he can start any enquiries going amongst the British biologists as to the way in which the [“dingo pest”] question can be attacked.’\(^6^4\) He was able to inquire informally from Sir Henry Tizard, head of the Department of Scientific and Industrial Research, about British views on the payment of academic scientists seconded to government projects and on the tricky problem, involving copyright of results, of CSIR membership of British research organisations.\(^6^5\) McDougall’s office took care of the finances and progress of young scientists sent to Britain under the studentship scheme. He took this fatherly role seriously, giving practical assistance, arranging placements and doling out advice. He arranged wider experiences for very promising students.\(^6^6\) On occasion students failed to measure up to the demands imposed upon them. McDougall would counsel, arrange conclusion of the placement and then placate the institution, protecting CSIR’s reputation for future students.

McDougall helped recruit scientists. Rivett wanted his research divisions headed by world-class figures to enhance the standing and attraction of the

\(^{61}\) Ibid., McDougall to Rivett, 8 December 1927.
\(^{64}\) NAA/CSIR, A9778, M14/27/7, Rivett to Julius, 7 July 1927.
\(^{65}\) NAA/CSIR, A9778, M14/27/9, McDougall to Rivett, 25 August 1927; Rivett to McDougall, 27 September 1927; McDougall to Rivett, 5 October 1927.
\(^{66}\) *LFSSA*, 171, 28 June 1928, p. 598; NAA/CSIR, A9778, M14/28/7, McDougall to Rivett, 3 May 1928; A10666, [1], McDougall to Rivett, 18 September 1928.
organisation. With few experienced research scientists in Australia in some disciplines important to the work of CSIR, there was a view that the advice of leading overseas scientists should be sought. South African veterinarian Sir Arnold Theiler visited for six months in 1928 and recommended an ambitious program, including a large central laboratory. McDougall helped arrange the visit and was subsequently much involved, at Bruce’s personal instruction, in unsuccessful efforts to persuade Theiler to head the Division of Animal Health—a field considered crucial to CSIR’s success. He assisted in recruitment of other senior men and a young Francis Ratcliffe, then a junior EMB employee, to work on flying foxes.

The work did not always accord with McDougall’s views on imperial cooperation. A request that the EMB contribute half the cost of an ambitious plan for research into biological control of various plant and insect pests—devised by the brilliant but difficult head of CSIR’s Division of Economic Entomology, Robin J. Tillyard—was supported by Federal Cabinet and by a personal cable from Bruce to Baldwin. In McDougall’s view, the proposal threatened imperial cooperation and coordination by demanding too heavy an expenditure on entomology, for which a considerable sum had been committed elsewhere, and it involved a disproportionate allocation to Australia. He persuaded Elliot, nevertheless, and the grant of £36,000 was one of the largest ever made.

Both as EMB member and in liaising for CSIR and the DMC, McDougall visited research stations throughout Britain and came to know some leading scientists well. Chief among them was Elliot’s friend John Boyd Orr, ‘a very remarkable man of about 45 years of age’, wrote McDougall after their first meeting, impressed both by Orr’s scientific achievements and his war record: serving as a medical officer, Orr had been awarded both a Distinguished Service Order and a Military Cross. After graduating in medicine, Orr had received a Carnegie Fellowship to study physiological chemistry, and in 1913 had been appointed Director of a new institute of nutrition at Aberdeen. After the war he expanded what became the Rowett Institute, studying nutrition of farm animals and of human populations.

McDougall reported constantly to Bruce on his regular visits to the Rowett Institute; to the Fruit Research Station at East Malling near Maidstone in Kent,

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68 NAA/CSI, A9778, M14/27/9, McDougall to Rivett, 7 September 1927.
where the Director, R. G. Hatton, headed pioneering work on rootstocks; to the Rothamstead Experimental Station on Soil Science at Harpenden in Hertfordshire, directed by Sir John Russell, a pioneer in organising modern agricultural research;72 and to the Welsh Plant Breeding Station at Aberystwyth, led by Professor R. G. Stapledon, who believed that ‘productive grasslands lay at the heart of productive agriculture’. Stapledon’s ‘ecological’ approach influenced farmers, scientists and politicians throughout the British Commonwealth.73 McDougall was much impressed.74 He was also impressed by Stapledon’s young assistant, Elspeth Grant, who had grown up in Kenya, studied agriculture at Reading and Cornell universities, and was planning to return to the United States after some work experience. McDougall persuaded her to apply for a position as junior press officer with the EMB, popularising its scientific work.75 She undertook this task with great success, later married Gervas Huxley, Secretary of the EMB Publicity Committee, and, as Elspeth Huxley, achieved fame as a novelist. McDougall became a member of her circle of friends, which included his relative agricultural scientist A. N. (Jim) Duckham. There was frequent correspondence between McDougall and Elspeth for some years after she left the EMB and travelled extensively. She, like Rivett, was one of those to whom he sent ideas and memoranda for comment throughout the 1930s.

Spurred by the views of both Walter Elliot and McDougall, the RGC adopted a role beyond mere dispensation of funds, assuming responsibility for coordinating research throughout the empire in the fields related to its role, avoiding duplication and publishing results. To harness science effectively to the cause of empire development, it was not sufficient simply to supply funds. The Imperial Agricultural Bureaux (IAB) were attached to leading institutions to disseminate results of research through abstracting services. McDougall played a significant role in ensuring the IAB were not tied to any British ministry. He represented Australia and was Vice-Chairman on the IAB Executive Council.76

**Efficiency in Primary Industries**

McDougall had argued since 1919 that rural efficiency would rest on producer organisation, fewer middlemen, improved transport and provision of economic and market information. Now he sought to achieve that efficiency through

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imperial cooperation. In 1927 he established, single-handedly it seems, the EMB Committee on Agricultural Economics. He brought together leading academics C. S. Orwin and J. A. Venn in what was then a very new field, with representatives of the EMB, the Ministry of Agriculture and Fisheries and the National Farmers’ Union.\textsuperscript{77} McDougall had the group list all subjects ‘that might usefully be regarded as falling within the scope of agricultural economics’ and then select those that could be ‘dealt with on an Imperial basis’.\textsuperscript{78} The findings included ‘economic geography, marketing, co-operation, transport, fiscal and even sociological factors as they touch the agricultural sphere’. He hoped work in some of these fields would be undertaken by the EMB in cooperation with the universities.\textsuperscript{79}

He also urged revision of a view that an Australian development rate of 2 per cent per annum was sufficient. ‘You have in Australia 6 million really virile people who, in the year of grace 1928, are armed, or ought to be armed, with all the inventions of science to assist them in the more rapid development of their country.’ He questioned a suggestion by a committee inquiring into the Australian tariff that, unlike manufacturing, agriculture was subject to the law of diminishing returns. ‘It seems to me that for many years to come the application of brains, capital and energy to Australian agricultural and pastoral pursuits will give increasing returns, i.e. returns larger than expenditure, and I personally doubt whether under undiscriminating protection the same will hold good for secondary industries.’\textsuperscript{80}

The task of pasture improvement provided, in McDougall’s view, the ideal opportunity for scientific coordination on an imperial scale. He had learned of the potential of grassland improvement using superphosphate and subterranean clover from SA grazier W. S. Kelly, whom he had first met as a fellow AIF Education Officer in 1919, and Victorian Agent-General in London, George Fairbairn, who had run successful small-scale experiments on Victoria’s Mornington Peninsula. McDougall believed the method offered a means of converting pastoral lands to closer settlement, increasing carrying capacity up to tenfold, and replacing wool with stock fattening and dairying in suitable parts of southern Australia.\textsuperscript{81} Orr visited Australia in 1928 and was convinced that ‘given a great organized drive, it would be possible’ to correct mineral deficiencies and thus, ‘within five years, to add at least £10 million to the value of Australia’s exports of pastoral products without increasing by one acre the areas at present devoted to

\textsuperscript{77} H. A. F. Lindsay, R. R. Enfield and J. B. Guild.
\textsuperscript{78} LFSSA, I, 20, 4 August 1927, p. 407.
\textsuperscript{79} NAA/CSIR, A9778, M14/27/9, McDougall, undated memorandum, ‘The Empire Marketing Board and Empire Economic Affairs’, received 5 December 1927.
\textsuperscript{80} LFSSA, I, 273, 5 July 1928, p. 604; I, 168, 19 June 1928, pp. 587–8. McDougall seems to have been placing his own interpretation on a subject of debate between academic economists at the time. See William Coleman, Selwyn Cornish and Alf Hagger, Giblin’s Platoon, ANU E Press, Canberra, 2006, pp. 63–5.
\textsuperscript{81} LFSSA, I, 65, 16 April 1926, pp. 208–11.
pastoral production’. Orr thought that ‘firstclass teams’ of veterinary scientists could be formed in Australia to work on the ‘practical aspects’ of the problem since ‘already ascertained scientific knowledge—ascertained in many parts of the world including Australia—only requires to be collated...for an immense advance in pastoral conditions to occur’.

McDougall suggested a joint arrangement between CSIR and the EMB under which Orr might be seconded for a period to get such a program under way: ‘the matter should be considered to be a great national enterprise...in order to bring the whole Empire conception into the picture and indeed in order to get the necessary intellectual assistance from men such as Orr.’ If CSIR and the EMB assisted State agricultural departments, progress that could normally take 20 years might be made in five. Orr gave authoritative confirmation of McDougall’s own view that ‘armed with weapons forged for us by modern science, we ought to be able to make much more rapid progress and that, in the first instance, progress should be on our already settled areas’.82

Views on Research

The difference in viewpoints of centre and periphery posed problems for cooperation in science. Orr’s idea of a great campaign for pasture improvement, enthusiastically supported by McDougall, contradicted the approach of T. Brailsford Robertson, CSIR’s Chief of Animal Nutrition. Robertson planned fundamental research to determine the exact nature of amino-acid deficiencies in leaf proteins of fodder plants upon which Australian sheep depended in times of drought, followed by field trials of stock licks and mineral supplements added to water. British scientists were critical: it had not yet proved possible to extract all protein from fibrous plant material; empirical field trials would yield quicker results. Orr even questioned ‘the value of any basic nutrition research in Australia. His views were those of the economic agriculturalist...he thought that an adequate increase in production could be achieved by the application of existing knowledge.’ The differences raised ‘fundamental issues about the choice of research projects, about the balance between basic and applied work, and about the relationship between the ideals of natural science and often conflicting socio-economic reasons’.83

CSIR’s historian, C. B. Schedvin, suggests that neither Robertson nor Orr had a satisfactory answer. Robertson’s investigation of a ‘challenging biological problem’ was hard to justify on economic grounds. But Orr’s ‘sweeping dismissal of the need for fundamental research in agrostology bore the imprint

82 Ibid., 176, 18 July 1928, pp. 613–16.
83 Schedvin, Shaping Science and Industry, p. 80.
of scientific imperialism”; it assumed that the Rowett Institute could provide all the necessary theoretical knowledge. It was ‘a sharp rebuff’ to Rivett’s views. It was a sharp rebuff to Rivett’s views. As Rivett put it to McDougall, economies in the conduct of research might result, but at the risk of neglecting the potential of Australian researchers: ‘if we make it a practice to send our severer problems elsewhere…we shall run the risk of definitely lowering the standard of ability in our own workers.’ He drew a parallel with the idea called industrial rationalisation—that dominions should not aim to develop higher levels of technology:

...however economically unsound Australia’s present tariff policy may be, the main idea underlying it is not lightly to be set aside. We must have in our midst industries demanding high skill and a good intellectual standard…we will be well advised to let our own people face our own problems, however difficult they may be. Otherwise we shall tend to lose the strength that comes only from exercise.

In this case, neither solution prevailed. Despite McDougall’s strenuous efforts, Orr was unable to spend extended periods in Australia, and Theiler, the preferred alternative, declined. Brailsford Robertson, whose work had continued with Rivett’s strong support, died suddenly in January 1930. Subsequent recruitment policies were ‘more modest and pragmatic’ and attention was paid to ‘local knowledge and experience’.

Thus ended one grand scheme of imperial science. The entomological scheme, for which McDougall had subordinated his own view of imperial priorities to Australian demands, also met an inglorious end. It was overly ambitious, poorly thought out and spread limited resources over a range of complex problems. Despite some useful pioneering research, expectations of more spectacular successes, like the eradication of prickly pear by caterpillars of *Cactoblastus cactorum* following its introduction in 1926, were not fulfilled.

### Defending the Tariff

One of McDougall’s greatest assets was, as he told Bruce, that ‘I am, like Elijah, “very zealous”’. His account of a typical day bears this out: writing until lunchtime, lunch ‘almost invariably of a propaganda nature’, more office work and then seeing people in the House of Commons until 7 pm. He worked at weekends, and would remain in London for much of the holiday month of

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84 Ibid., pp. 79–81.
85 NAA/CSIR, A10666, [1], Rivett to McDougall, 12 April 1929.
86 Schedvin, *Shaping Science and Industry*, p. 84.
87 Ibid., pp. 100–1.
88 *LFSSA*, 37, 29 October 1925, p. 107.
August. Vacations were rare and short.\footnote{89 NLA, MS6890/1/8, letters to Norman, 2 April 1924, 29 August 1923.} The letters to Bruce in the 1920s list extraordinary numbers of meetings and other activities. Clearly he possessed considerable stamina, as well as determination and the dedicated discipline of his heritage. But his zeal may well have been a factor in the disintegration of his marriage in the late 1920s. His daughter remembered often seeing her father only as a hand reaching from behind the newspaper for his cup at the breakfast table.

Although he made considerable use of the press, memoranda remained the chief vehicle for McDougall’s ideas. Both Elspeth Huxley and her husband Gervas joked about his ‘rather touching belief that every problem could be solved by a memorandum’.\footnote{90 Elspeth Huxley to W. Way, 15 April 1986; Gervas Huxley, \textit{Both Hands}, p. 127.} His memoranda could be short briefing notes limited to a page or two on a very specific topic: many of these were produced, for example, before an Imperial Conference. Others could state a case, be intended as discussion papers or even a means of crystallising a new idea, running through several drafts to reflect the contributions of those asked to read and comment. This process might result in a major memorandum of 20 pages or more, covering a new idea from every possible angle, and designed to be circulated to a carefully chosen list of recipients by both Bruce and McDougall as a catalyst for further discussion and action. McDougall had also amassed an encyclopedic knowledge of trading patterns—literally, in fact, as he contributed an entry on empire trade to the \textit{Encyclopedia Britannica}. Most of his knowledge was based on intensive and self-directed study of statistics, for which, he told his brother, he had developed ‘a mania’.\footnote{91 NLA, MS6890/1/9, letters to Norman, 10 September 1925 and 3 January 1926; \textit{LFSSA}, 138, 14 December 1927, p. 483.} In December 1925, he was elected a Fellow of the Royal Statistical Society, proposed by Sir Sydney Chapman and Henry Macrosty, both of the Board of Trade, but he does not appear to have taken any active part in the society.\footnote{92 Information from RSS Archivist, Janet Foster, 14 and 20 August, and 10 September 2007.}

McDougall was busier than ever in the late 1920s, serving imperial interests on the IEC and the EMB, but also working directly for Australia, and that work included promoting Australian policy. He could not admit to any difficulty in reconciling the two sets of interests, but there were some ominous signs. In the years following publication of \textit{Sheltered Markets}, he was increasingly obliged to defend the Australian tariff in the light of his own published arguments, and to answer the protests of aggrieved British manufacturers. The \textit{Manchester Guardian Commercial} pointed out that McDougall’s case in \textit{Sheltered Markets} rested on a complementary trade: Britain supplying goods manufactured from raw materials supplied by Australia. The reviewer pointed to ‘the inconsistency between the propaganda in favour of Imperial Preference and the actual
tendencies in Imperial trade as revealed by the recent actions of Australia’. Imperial trade was ‘every day threatened by the avowed and adopted policy of complete Protection pursued since 1920 by Australia’.93

McDougall’s response to such criticism was to demonstrate with figures the benefits of Australia’s preferential tariff to British industry, overall. He provided for Sir William Larke, Director of the National Federation of Iron and Steel Manufacturers, a memorandum showing increasing British iron and steel exports to Australia, compared with exports to the rest of the world: ‘I may say that he was frankly surprised at the results.’94 In the hostile territory of Manchester, a manufacturing city harbouring vigorous opponents of Australia’s protection policy, McDougall upbraided ‘the most influential Chamber of Commerce’ in Britain for ‘such loose thinking and such loose writing as to make the sort of statements, of which they had been guilty’, giving examples and correcting errors.95 He defended Australian policy by differentiating between established industrial powers and young developing nations. In advance of the 1927 International Economic Conference, certain to be dominated by free-trade views, McDougall provided for The Times Trade and Engineering Supplement, anonymously, dominion views on this ‘somewhat dangerous conference’. He claimed the ‘rights of nations to safeguard their own living standards’: ‘young and virile nations on the brink of great economic developments’ relied on protective tariffs and orderly marketing of agricultural produce.96

The 1927 International Economic Conference, called by the Economic Organization of the League of Nations, carried resolutions for reducing tariffs. An Economic Consultative Committee (ECC) was appointed to supervise execution of those resolutions. McDougall was one of 60 ECC members, representing League member states, but chosen for individual expertise. The ECC met for about a fortnight in 1928 and again in 1929. Aware of his government’s anxiety about the possibility of League interference in its tariff policy, McDougall expected ‘it may become necessary at some stage…to warn the Committee of the dangers to the League of Nations of its interference in the economic affairs of…the younger nations of the world, who are developing their industrial status and may resent dictation from the older industrialised countries’.97

Thus, he began a self-appointed role as spokesman for developing economies outside Europe. Impressed by the value and range of economic statistics collected by the League, McDougall wanted to divert League activity from efforts to impose commercial policy to ‘provision of full, clear comparable information

93 NLA, MS6890/5/1, review of Sheltered Markets in Manchester Guardian Commercial.
94 LFSSA, 137, 8 December 1927, p. 477.
95 Ibid., 152, 6 March 1928, pp. 528–9.
96 Ibid., 90, 26 January 1927, p. 296. The article was published in TTES, 29 January 1927.
97 LFSSA, 163, 9 May 1928, p. 569.
and statistics’, thereby assisting planning for empire cooperation.\textsuperscript{98} He attended the League Assembly as a substitute delegate for Australia in 1929 and, just as he had on the ECC, he lobbied the British delegation to oppose the ‘extreme anti-tariff attitude’ of the League.\textsuperscript{99}

### Rationalising Imperial Industry

McDougall’s advocacy on behalf of Australian policies would always be tempered, nevertheless, by the wider imperial interest. He believed that full imperial economic development could be realised only through cooperation and coordination. He therefore supported the idea, current in some sections of British industry, of complementary trade based on imperially rationalised industries. In a memorandum on empire secondary industries, written at the request of Sir Horace Hamilton, permanent head of the British Board of Trade, and circulated within the board, he wrote that dominions lacked the economies of scale to attempt complex industrial development. They should selectively develop, and encourage with protection, simpler forms. They might assemble and manufacture vehicle parts such as chassis and wheels, while British industry supplied engines and gears. A dominion electrical industry might produce its own domestic appliances, small motors and lamps.\textsuperscript{100} McDougall favoured industry-specific talks to work out rational arrangements; there were moves in the late 1920s to hold such discussions between the British iron and steel industry and Australia’s Broken Hill Proprietary Limited (BHP). A re-examination of inter-imperial tariffs should determine ‘reasonable limits’ of dominion industrial development for a five or ten-year period, after which ‘tariff mongering’ should be left alone.\textsuperscript{101}

As the need to accommodate and respond to British opinion on tariffs formed an important part of his work on behalf of Australia, that opinion influenced McDougall’s own thinking. His understanding of Australian views, based as it was on comparatively brief and narrow experience, never renewed after 1924, faded. Although he worked loyally for what he believed to be Australia’s interests, he was blunt in private criticisms expressed to Bruce. He argued that Australia’s tariff policy threatened the imperial vision: tariffs should be used for preference, not as protection for inefficient industries. There would be little to criticise in a tariff of 35 per cent, but when it exceeded 50 per cent, ‘a howl of indignation’ arose in areas producing woollen textiles. Amery agreed:

\textsuperscript{98} Ibid., J55 and J69, 15 March and 21 June 1928, pp. 542–3, 595.
\textsuperscript{99} Ibid., 255 and 256, 4 and 11 September 1929, pp. 885–8.
\textsuperscript{100} NLA, MS6890/4/2, undated memorandum, ‘The Distribution of Secondary Industries within the Empire’; LFSSA, 145 and J55, 25 January and 15 March 1928, pp. 502, 540.
\textsuperscript{101} LFSSA, 106, 4 May 1927, p. 354.
in 1927 hosiery manufacturers had protested against Australian tariff increases by boycotting an Empire Shopping Week in Nottingham, and McDougall reported Amery’s hope that Australia would consider the effect of its tariff on the voluntary preference campaign. He had also urged special consideration for British industries suffering severe hardship, as were cotton tweed manufacturers whose output was geared to specific needs of Australian rural workers.102 McDougall criticised Tariff Board policy ‘encouraging every possible secondary industry to start for itself in Australia’. Tariff rates had doubled from an average of some 10 per cent in 1918 to 20 per cent by 1927.103 As the increases continued, he grew more insistent on efficiency as a precondition for protection, in both secondary and primary industries. No industry should be supported if it required more than a 25 per cent tariff to be competitive, unless it was essential for defence. Australia should concentrate on large-scale production in enterprises for which it had a natural advantage, lowering overheads and assisting export prospects. Full protection, to the point of import embargo, could be given to selected industries, and even to items within industries. Duties upon other products should be lowered, with a declaration that tariff changes would be kept to a minimum, and the previous ‘empirical, experimental, inclusive policy be abandoned for a scientific selective policy based upon the interest of Australia as a whole and without consideration to the special interests of groups of employers or of trade unions’.104

McDougall warned Bruce ‘how widespread and, therefore, serious, is the distrust of Australian economic policy in very large sections of influential opinion in this country. It is by no means confined to financial circles but affects the attitude of many men who are essentially friendly to us.’ A company chairman had told him his board was urging realisation of substantial Australian securities because of such doubts. McDougall could demonstrate the benefit of the tariff to Great Britain and ‘the immense possibilities of Australian primary production, yet it is impossible to inspire very much confidence in the immediate future among those who have made any considerable study of recent happenings’.105

The Australian Tariff

McDougall urged Bruce to initiate a study of a possible ‘vicious circle in Australia...forcing up both wages and the cost of production’.106 Bruce did

102 Ibid., 157, 4 April 1928, pp. 550–1; 98, 16 March 1927, pp. 324–5; 30 and 31, 10 and 17 September 1925, pp. 89–91.
103 Coleman, Cornish and Hagger, Giblin’s Platoon, p. 66.
105 Ibid., 149, 16 February 1928, pp. 517–18.
106 Ibid., 129, 12 October 1927, pp. 440–1.
establish a tariff inquiry, initially by economists L. F. Giblin, E. C. Dyason and Commonwealth Statistician, C. H. Wickens. J. B. Brigden and D. B. Copland were coopted soon afterwards and the first draft presented to Bruce early in 1928. Bruce asked Brigden to rework it; the final version, known as the ‘Brigden Report’, was published in mid 1929. Bruce admitted ‘the question bristles with difficulty owing to the present policy having been pursued to such a point as to render the calling of any halt difficult’.\textsuperscript{107} McDougall was disappointed that the inquiry’s first draft report failed to consider the effect of ‘indiscriminate’ high protection in limiting the effectiveness of more promising industries, but was pleased to find an argument for more discriminating protection.\textsuperscript{108} The final report has been described as ‘a compromise document’, a ‘comprehensive manifesto for moderate protectionism’ and, although it did include a ‘trouncing of Imperial Preference’, as ‘an attempt to be all things to all men’. It was welcomed by both the protectionist Melbourne \textit{Age} and its rival, the free-trade \textit{Argus}.

The views of Bruce and McDougall were similar in many respects; McDougall often conveys a certainty in his letters that Bruce agrees with his view. While both men wanted Australia’s high living standards to be maintained, with emphasis on development, especially in primary industry and on a more rational tariff, McDougall saw things from the centre in London, where he encountered hostility towards Australia’s economic policy, British Treasury scepticism about the ‘imperial vision’, and factions in Whitehall. He understood the threat to Australian borrowing that those negative British assessments posed and he was acutely conscious of the fragility of empire cooperation. Bruce understood those worries, too, but his immediate concern as Prime Minister was to hold together a coalition government subjected to lobbying from rural, manufacturing and importing interests.\textsuperscript{110} An example of their similar thinking from different standpoints is found in a pair of letters, crossing in the mail in 1927. McDougall expresses frustration with the increasing Australian tariff, which ‘must retard Anglo-Australian cooperation in Australian development [and] \textit{gravely hinders the campaign of Imperial Economic education on which so much time, energy and money is being spent}’. Bruce wrote at the same time: ‘the whole question of the Tariff, and its \textit{effect upon Australia’s progress} is now very much occupying my mind, and I shall be interested to have any thoughts of yours which you choose to send me.’\textsuperscript{111}

\textsuperscript{108} LFSSA, 168, 19 June 1928, pp. 585–9.
\textsuperscript{111} My emphases. LFSSA, 108, 23 May 1927, pp. 361–5; NAA, M111, Bruce to McDougall, 21 April 1927.
The Brigden Report did not ‘produce a simple formula’ for what Bruce had hoped would be ‘the clean up on the Tariff question’. It gave Bruce no more satisfaction than the hope that it would lead to ‘a really heavy controversy on the subject’.112 He worried, like McDougall, that the tariff sheltered inefficiencies, and feared it could harm the competitiveness of rural industries. Yet Bruce was unable to resolve the inherent difficulties of identifying industries deserving protection and of fixing appropriate levels for that protection.

Bruce also agreed with McDougall on the need for efficiencies in rural industry. At McDougall’s urging, he had implemented organisation schemes. Although bounties were granted, Bruce ‘regarded them merely as necessary palliatives to relieve the distress experienced by growers’. He would tell industry deputations seeking such assistance: ‘The government will help you if you help yourselves…there is so much that can be done to improve returns and cut costs but it needs you to take action…go away and come up with a scheme.’ It was this view that had led Bruce to establish CSIR and DMC: ‘We must…recognize that if we want to maintain that [very high] standard of living and those social conditions we can do it only by adopting the most modern and efficient methods in the conduct of the whole of the industries of our country.’113

### The 1929 General Election

Bruce, like McDougall, was a ‘rural optimist’. It has been argued that his economic policies must be understood in the context of his ‘unyielding belief in rural development as the basis of economic progress’.114 He had identified two factors undermining that progress: the tariff and the complex system of industrial arbitration, divided between State and Commonwealth jurisdictions. Having reached an impasse on the tariff, he determined to use other measures to reduce costs of production and the cost of living, in order to shore up the economy for a depression he believed to be likely. Thus, costs of shipping and industrial disputes had to be curtailed.115 He had alienated the labour movement and its supporters in shipping disputes in 1925; he saw union militancy as a threat to Australian interests, to the British Empire and to the ‘peaceful, prosperous, scientific and rational domestic and international order he wanted’. Thereafter he had become ‘a polarising and deeply unpopular figure’, ‘the best-hated man of his day’. He nevertheless won an ‘emphatic’ electoral victory later in that year, as the economy recovered from recession; he had succeeded then in ‘positioning his government as the genuine representative of the national

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113 Ibid., pp. 245–6.
114 Ibid., p. 239.
115 Lee, Stanley Melbourne Bruce, pp. 81–8.
interest’. But in 1928, still dogged by industrial unrest, Bruce’s government barely scraped back, with a majority insufficient to give it a free hand. Bruce himself feared it might be defeated on a censure motion.

In the early months of 1929, timber workers contested an award reducing wages and increasing hours, and Bruce’s government prosecuted the Secretary of the Melbourne Trades Hall Council, E. J. Holloway, for inciting workers. Coalminers in New South Wales objected to an agreement by Bruce and NSW Premier, Thomas Bavin, to reduce the price of exported coal, in an attempt to prop up the industry, with owners to receive reduced profits and workers less pay. Owners closed some mines, but Bruce refused moves to prosecute a coal owner, John Brown, for locking out workers. The decision, though based on sound reasoning, demonstrated the flaws in Bruce’s political skills. A ‘personification of the capitalist bosses’, he had shown, according to a growing number of opponents, ‘that he had one law for the rich and another for the poor’. He seemed to have compromised his government’s ‘moral legitimacy’.

The Government narrowly survived a censure motion in the Parliament. Bruce thereupon determined to reduce costs by reforming the arbitration system, either by taking it over completely as a federal activity or by abandoning it to the States. In September he introduced a Maritime Industries Bill, establishing a new type of tribunal to deal with workers in the sea transport industry, but also devolving industrial relations largely to the States. Hughes moved an amendment that the Bill not be passed without approval by a general election or referendum; the amendment was carried by one vote. Bruce had suffered this defeat because of his ‘increasing propensity to antagonize those whose support he needed’, writes David Lee, who also suggests that at this period he may have been suffering from depression. He need not have resigned, but chose to call an election, hoping to bring coalition dissidents into line. The election on 12 October 1929 resulted in a landslide to the Labor opposition. Bruce lost his own seat to E. J. Holloway, the unionist who had been controversially prosecuted by his government.

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116 Ibid., pp. 50–1, 57.
117 Ibid., pp. 80–1.
118 Ibid., pp. 82–5.
119 Ibid., pp. 89–92; see also p.14.