

A FEW HARES TO CHASE

// THE LIFE &
ECONOMICS OF
BILL PHILLIPS

// ALAN BOLLARD

‘Bill Phillips was an inventor, an adventurer, a hero and a relentlessly original thinker. He was the Indiana Jones of economics and Alan Bollard has written a definitive biography.’

– Tim Harford, author of The Undercover Economist and The Undercover Economist Strikes Back

How did an electrician from New Zealand with a few mediocre grades in sociology write the second most cited economics article in the world, build the MONIAC – a revolutionary computing machine – and quickly rise to become one of the world’s leading economists? From a remote Dannevirke farm to wartime POW camps to London’s intellectual world, the Bill Phillips story is a true New Zealand tale of adventurous spirit and can-do energy.

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Wanderlust

Australian journey

In 1935 Bill Phillips left New Zealand bound for the world. He was to return only briefly during his lifetime. Eventually he would come home to die.

Bill sailed from Wellington to Sydney, a voyage that could take up to a week across the rough Tasman Sea. He was to spend two years travelling around and working in Australia. Sydney in 1935 was a burgeoning city of over a million people, quite the biggest place Bill had seen, and no doubt this impressed the boy from the remote Hawkes Bay. But Australia at the time was not quite the land of wealth and opportunity: by 1935 there had been no New Deal stimulus as in New Zealand and unemployment remained very high.

In Sydney Bill, aged 20, armed with his new electrical qualifications, went in search of a job. He was offered a suitable position, but when he confessed to his employers that he was not yet 21, they immediately reduced their pay offer. That annoyed him: 'To hell with all that', he later recounted. He decided to leave the city and travel the vast countryside. Setting off with a swag (rolled-up canvas bedding), a bluey (a pack), and his trusty fiddle, he would be self-sufficient. This may sound like a romantic trek, but in reality it was a long hot dusty journey.

The Australian roads and railways of those days were full of swagmen, Australian itinerant workers whose numbers had swollen in the Depression. Some of them had lost businesses, jobs, families, and sobriety. Bill would have passed plenty of such sad men jumping the trains, hitching rides, living in cheap dormitories. But Bill had not set out to be a swagman; rather he was more like a young international backpacker years ahead of his time, seeking out life's experiences.¹

This outdoor life was harsh. Bill headed north out of the city, 'swagging on the roads and riding the trains for free' (Blyth 1978, xiii). Some of these trains would have been the long, slow-moving bulk freight transports moving minerals from mines to ports. Bill knew how to hide under the guards vans, something he may have heard about while riding New Zealand guards vans to school for many years.

About 200 miles north of Sydney was the small but growing town of Grafton, and here Bill decided he was near enough to being 21 to declare himself an adult. He went job hunting again and soon found a position in a local cinema, likely impressing his employer with his tales of running cinemas at home. Movies were very popular in Australia at the time: there had been a surge of locally produced silent films, but now there was a move to talkies. The audiences flocked to see and hear the latest Hollywood talkies and Pathé news films.

But Bill Phillips had not come just to live in a small town. After a few weeks he moved on, travelling further north over the Queensland border where he did itinerant work on a tropical banana plantation. For a boy brought up in the cool temperate farming country of New Zealand, this would have been a completely different experience. He continued travelling further north to Brisbane, where he recalls looking for work and, with nowhere to sleep, having to bed down in a pavilion in the local cricket grounds. He finally found a job on a new building site, and spent the rest of the year working there.

Early 1936 saw Bill off again, this time on a long four-day train ride, travelling north to Rockhampton, and then inland over the Great Australian Basin towards the copper mining town of Mount Isa. This was heartland Australian desert, hot and harsh. His experience at the Tuai men's camp might have been a little similar, but the climate must have been a shock for the young Kiwi, with its summers at over 40 degrees Celsius.

Bill put down some roots at Mount Isa. As an electrician, his skills were in demand and he soon rose to the position of maintenance shift engineer on one of the mines. He had been impressed by some of the machinery. He also had time to think about his future. He decided he wanted to learn more and extend his qualifications in electrical engineering. He discovered he could take an international correspondence course, enrolling by mail with the British Institute of Technology in London.

After six months at Mount Isa, Bill felt the call of adventure again. He met up with a Northern Territory outback character, a buffalo and crocodile hunter. Together they headed for Normanton near the Gulf of Carpentaria, a settlement Bill described as ‘one street and five pubs’ (Blyth 1978, xiii). There they bought a boat and proceeded downriver to Karumba, an Imperial Airways flying boat base on the northern coast. Camping along the river, Bill recalls that they ‘shot a few crocs but not enough to make big money’ (Blyth 1978, xiii). Reaching the coast, he joined up with a drifter called Johnny Walker. Perhaps he should have been warned by the name: this man caught kingfish for the Burns Philp Trading Company, taking his payment in whisky.

Maybe he tired of these outback characters. After a few months Bill left the coast and travelled back east inland, headed for the settlement of Georgetown. There he found a job fixing the electric motor in one of the gold mines. Georgetown was very remote, a settlement of a few hundred on the Great Australian Divide. The mail service from London to Georgetown was not swift, but Bill recalls starting his electrical engineering study there: ‘I learnt my first differential equations lying under a transformer out of the sun at the gold mine’ (Blyth 1978, xiv).

It was Christmas 1936 and time to move on again. Now with some cash in his pocket, he was not looking to jump an uncomfortable ride on a slow-moving mining train. Instead he chartered an air taxi the 200 miles to the coastal city of Cairns. For any young man, to fly in the 1930s would have been an exciting experience. But Bill leaves no record of his emotions during the flight, while remembering the technical detail—that it was a two-engined Havilland Dragon model.

From Cairns Bill booked a passage on a coastal steamer travelling 600 miles down the Queensland coast towards Brisbane, a journey of several days. On board ship Bill started talking to a fellow who convinced him to buy what he claimed was a valuable piece of land for most of the money that Bill had earned. When he arrived in Brisbane, Bill caught a bus out of the city to view his new property, and found it was no more than a pile of rocks on the seashore.²

Undaunted, and now with considerable Australian work experience under his belt, Bill soon found another job in Brisbane, this time with the City Council Electricity Department. The city was growing rapidly and needed electrical engineers, and electricity was something that Bill knew about.

He would stay there only briefly. For now he was 22 years old, adult, and in a hurry. He had qualified in New Zealand and worked in Australia. He wanted to see the world. Britain beckoned, but being Bill Phillips, he approached the journey in a different way: he would go to Europe via China and Russia: 'I just wanted to see what those places looked like' (Blyth 1978, xiv).

He found a Japanese ship scheduled to leave for Shanghai on New Year's Day 1937 and booked his passage.

Off to Asia

Most New Zealanders travelling to Britain in the 1930s would take a boat westward through the Suez Canal or eastward through the Panama Canal. Bill Phillips was not like most people. In particular he wanted to experience China and he wanted to see Russia. He would have read about Chinese Confucianism and Russian Communism in his encyclopaedias of world religions and philosophies. These two countries would remain abiding interests for the rest of his life.

Very few adventurous New Zealanders had travelled this region. Most notable amongst them was the famous Rewi Alley, at that time living in China and travelling to promote his China cooperatives movement. Scholar James Bertram had travelled in the opposite direction, from London through Siberia to China, where he met with Mao Tse-tung and other revolutionaries. Their paths would cross in Tokyo in July 1937. Exactly a year after Bill's trip, poet and journalist Robin Hyde sailed to China en route for London. There she ran into Japanese invading forces who took her prisoner for a month before she escaped. She sent back reports to New Zealand newspapers which Bill's parents might conceivably have seen.³

But to know China and Russia, Bill would first have to come to terms with the other resurgent power in the region, Japan.

After years of isolation from the West, Japan had opened its doors at the turn of the century, and had started to re-industrialize and rearm. Over the next few decades its industry grew, its armed forces were rebuilt, and there was a growing sense of national pride. Looking for access to more resources, Japan launched an expansionary programme which would become known as the 'Greater East Asia Co-Prosperity Sphere'. Dominant over Far East Russia and its islands, Japan also

occupied all of Korea by the end of World War I and effectively controlled Formosa (Taiwan).

In 1931 Japanese forces progressively occupied Manchuria in north-east China, and some other enclaves around Fukien and Shanghai. This seriously destabilized both China and the Soviet Union, already convulsed with their own variants of communism and nationalism. It also secured supplies of coal, oil, other minerals, and food products from the fertile Manchurian plateau. By 1933 Japan had proclaimed the Protectorate of Manchukuo, and the province was largely subsumed to Japanese interests. Manchuria was where Bill Phillips was bound.

The nationalist forces of Chiang Kai-shek controlled most of coastal and southern China, harried by the emerging Communist forces of Mao Tse-tung and Chou En-lai. Unstable three-way conflict between the two Chinese forces and the Japanese intruder was the result.

In January 1937, the Japanese escalated the situation. Dissatisfied with their conquests so far, they formally declared war against the Chinese Government. Immediately large forces began to assemble in Japan and then ship out for the Chinese mainland. They attacked on a broad front and overran wide swathes of territory including the old capitals of Peking to the north, then Shanghai and Nanking in the centre. Their force was overwhelming and their treatment of the Chinese population was horrific. Bill Phillips would have read reports in the Australian press, but there was more interest in and sympathy for news from the Spanish Civil War than from this remote foreign continent.⁴

To help exploit their economic interests in East Asia, Japan had built up a large shipping fleet. It was on one of their cargo boats, possibly carrying Australian minerals to Japanese industry in Shanghai, that Bill took passage. Their scheduled route would have been to travel through the Dutch East Indies to Singapore, then north through the South China Sea to Shanghai. But one day out to sea, things changed drastically. The Japanese captain received a radio message informing all shipping of Japan's declaration of war against China. Shortly afterwards the captain received new instructions: to sail directly to Yokohama, the port of Tokyo.

An astute passenger like Bill Phillips would have noticed they had altered course to the north-east. Instead of landfall after a week, the new destination would have taken several weeks. Most of the crew would have spoken only Japanese, but Bill presumably heard about the change in destination to Japan and worried whether he could still see

Shanghai and the Chinese heartland that so interested him, though there was little he could do about it aboard ship.

Arriving unexpectedly in Tokyo would have been a culture shock that Bill had not bargained for. Tokyo was a heaving Asian city of several million inhabitants: a massive port where they docked at Yokohama, a building boom underway still repairing the damage of the devastating Tokyo earthquake a decade earlier, endless crowds of people, no English spoken, and a kanji system of script that he could not read. But Bill coped. In his life he displayed an unusual ability to acquire languages, both written and spoken. This was his first experience.

Bill made his way to the Russian embassy to seek a Russian visa. This proved very difficult because Russia feared the expansionist Japanese in Manchuria, and their relations with Tokyo were very poor. After many frustrating days he eventually obtained the visa allowing him to travel. But now he was told that he would not be able to journey from Japan to Vladivostok, where the trans-Siberian railway started—the only route to Europe. He was very disappointed. However, after studying his maps he speculated that he might still be able to join the trans-Siberian rail by travelling to another spur line through Mongolia.

Japan was now on full war alert, massing troops and equipment to fight in China. The build-up must have been obvious near the harbour of Yokohama. James Bertram, another New Zealander, was also in Tokyo at the same time: there he witnessed cheering, flag-waving crowds watching a huge military procession—the Japanese Emperor's imperial armies in training for the famous incident at Lukouchiao (McNeish 2003, 125).

The preparations for war were all around as Bill Phillips took a train from Tokyo south to Hiroshima. There he made a mistake. He had his camera with him, and unwisely he took a photo of some troop movements. Immediately Bill found himself arrested and accused of being a foreign spy. He was detained by police and interrogated. His confusion with this strange land was no doubt matched by Japanese police suspicion about who this lone Western traveller with a camera could be, a man who had neither the local contacts nor the social graces expected of a spy.

Bill seems to have got off lightly. A friend later wrote: 'They developed his film and just confiscated the forbidden pictures, then they took him on a sightseeing tour of the place. At that stage he liked the Japanese' (the Waimate letter 1978, personal communication,



Plate 2. The Phillips family: left to right, mother Edith, brother Reg, younger sister Carol, grandmother Caroline, Alban (Bill), older sister Olive, father Housego, at Te Rehunga farmhouse about 1920.

(Source: Reserve Bank of New Zealand)



Plate 3. The Phillips children: Reg and Carol on the rocking horse, Olive in the push chair, Alban (Bill) on the tricycle.

(Source: Reserve Bank of New Zealand)



Plate 4. Bill aged 16 with mother at Tuai Camp, Waikaremoana, about 1930.
(Source: Ailsa Allen)

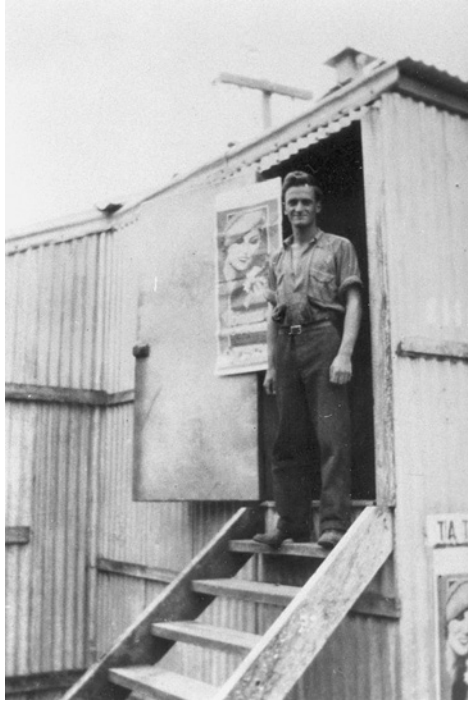


Plate 5. Bill outside the operator box of the Tuai Camp Picture Theatre, about 1932.

(Source: Reserve Bank of New Zealand)



Plate 6. Brewster Buffalo pilots of 488 Squadron scrambling as their planes come under Japanese attack at Kallang Airport, Singapore, late 1941.

(Source: NZ Ministry of Culture and Heritage)

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