

THE

# Sydney Institute

QUARTERLY



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Labor's pain  
continues – with  
**STEPHEN MATCHETT**

**ADAM CREIGHTON**  
explains why most  
Australians pay no  
net tax

**MARGARET THATCHER**  
– as seen by  
**CHARLES MOORE** and  
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reviews Colebatch,  
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Latham

Vale Ken Minogue,  
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Gerry Levy

**MEDIA WATCH** gets  
into sandals – looking at  
Jonathan Green and  
Craig McGregor

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## *MEDIA WATCH*

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## THE ABC & THE CONVERSATION : USING TAXPAYER FUNDING TO DUMP NEWS AND OPINION ON-LINE

Let's hope that Treasurer Joe Hockey's warning that "the age of entitlement is over" applies to those who regard it as their right to be entitled to receive free news and opinion in print.

Until recently, the Australian Broadcasting Corporation was properly regarded as the public broadcaster. Not anymore. Sure, ABC television and ABC radio broadcast news and opinion – in addition to other products. However, in recent years, ABC News and Current Affairs have moved into publishing. ABC online now runs a news service in print – some of its material is drawn from Fairfax Media and News Corp publications. Also, the ABC runs opinion on *The Drum*. In short, the ABC is not only competing with commercial newspapers. It is also dumping its own material for free, financed per courtesy of taxpayers' funds.

ABC managing director Mark Scott is on record as reflecting on the broken business model of traditional media companies. That's all very well – provided it is understood that Mr Scott's business model involves heading off to Canberra to seek yet more taxpayers' funds. It's not that difficult to run a public entity based on the receipt of largesse – provided governments remain willing to fork out taxpayers' funds on a continuing basis.

Paul Barry, presenter of the ABC 1 *Media Watch* program, frequently complains about criticism of the ABC in News Corp publications – he alleges that News Corp regards the ABC as a rival. Yet, the ABC's move into online news and opinion is essentially a threat to Fairfax Media – since the ABC and Fairfax Media appeal to a similar market. News Corp has opposed the forward march of the ABC. Not so Fairfax Media – even though it has genuine cause for complaints. The decision of the ABC to enter the area of online print means that it has given priority to such ventures rather than spend taxpayers' funds on films, documentaries, the arts or sport. Dumping news and opinion is a lazy way of spending scare public funds.

The ABC is not the only institution dumping news and opinion. So is *The Guardian Australia* website. This is part of *The Guardian* in London – which is currently running losses of around \$50 million a year. It is unlikely that *The Guardian* can sustain such continuing losses for long – but it can survive long enough to do significant damage to its newspaper rivals which do not have a trust from which to draw capital (until the money runs out).

In Australia, the *Global Mail* website is also dumping news and opinion online. However, its leftist proprietor Graeme Wood has recently announced that he will not fund the entity beyond 20 February 2014 – despite his commitment to five year's funding. This leaves Andrew Jaspan's *The Conversation* – which is funded by a number of taxpayer subsidised universities and also received an annual handout from the Commonwealth Government of around \$1.5 million per year. It is unlikely that *The Conversation* would survive without taxpayer subsidies.

If *The Guardian* wants to dump news, that is its business – since it is funded from a private trust. However, dumping by the ABC and *The Conversation* is supported by taxpayers' funds. Newspapers have survived for decades as commercial entities. They are now being challenged by non-commercial entities which in the long-term, are funded by individuals who have no say over how their money is spent.

# LESSONS FROM CHARLES MOORE'S ALLURING MARGARET THATCHER

Anne Henderson

She wasn't for turning but she did turn quite a bit with colleagues, when under pressure; she was marked out early as Britain's Iron Lady but she cried many times in private as PM; she was tetchy and impatient so that even President Ronald Regan could find it hard to get a word in when their opinions differed, but she was also sexy and alluring and for many men quite a turn on.

Margaret Thatcher will forever exemplify the conundrum of leadership. Iconic, against the odds and successful, but never quite the character a whole nation could accept as a unifying force for good. As Charles Moore, a Thatcher supporter and her authorised biographer, has put it, the Iron Lady of British politics is "someone about whom it is impossible to be neutral". David Owen of the Social Democratic Party told TV interviewer Brian Walden – off the record – "The whiff of that perfume, the sweet smell of whisky. By God, Brian, she's appealing beyond belief."

But she was also assiduous, pedantic and cantankerous, leaving colleagues sour – with her Cabinet colleague Jim Prior telling then London *Times* journalist Hugo Young in 1981, "She hasn't got a friend in the whole Cabinet ... she subjects everyone to the most emotionally exhausting arguments ... she still interrupts everyone all the time. It makes us all absolutely furious."

It is this contradictory mix that brightens Charles Moore's recently released first volume of his Thatcher biography – *Margaret Thatcher – The Authorised Biography Volume One - Not For Turning*. Britain's first female PM, in office from May 1979 until November 1990, was Britain's longest serving PM in the twentieth century. Her steely image and no nonsense work ethic, not to mention her political enemies, have left varying stereotypes that dominate any attempt to put flesh on the bones of her life story.

Charles Moore, having waited until after Baroness Thatcher's death before publishing, has now

produced a major work that delves into Thatcher's personal life more than any other – helped by a cache of letters she wrote to her sister Muriel over her years at university, while starting out as a young Conservative and settling into married life with husband Denis. As authorised biographer, Moore also gently departs from the tactic of paying homage to his subject and manages to tease out many banal flaws and infuriating frailties in the woman who could also triumph over national calamity in Bodicea-like moments, on occasion even being compared with Queen Elizabeth I.

## A SHAKY START

A vast subject, Moore's first volume ends with the Thatcher triumph in the British campaign to take back the Falkland islands from the Argentinians. As such, it might be imagined that this is a work that sees the Thatcher Government riding high – a time before the darker days of the closure of the coal mines and the dreaded Poll tax. Surprisingly, it is not.

The stress of Thatcher's first years as PM made governing anything but easy – the polls for her party were soon dire with the Liberal Democrats snatching the middle ground and Labour divided. Thatcher inherited finances in Britain that were out of control with stagflation making policy settings a stab in the dark. There were also Provisional Irish Republican Party prisoner hunger strikes in Ireland leading to ten deaths. And the lady PM, known as the "milk snatcher" when Education Secretary a few years before, seemed to have no real idea how to translate the theories of Hayek and other free market economists, which she by then accepted, into policy remotely palatable to a country dominated by the demands of militant trades unions.

But the Conservative Party, and to some extent Britain itself, was caught in a bind. Over two decades, the cost of government spending and the nationalisation of much of its industry had brought about a situation where how to pay for the lifestyle invented by post-war socialisation was now the real problem. Britain was being written off as a basket case and neither side of politics had come up with a solution. Conservative PM Edward Heath had given in eventually to the status quo of government spend and regular wage increases demanded by industrial action, and the Labour Party was very much under union influence.

As Moore writes, the world beyond Downing Street expected that Thatcher would in time "turn" like Heath had done. But she knew she had no option but to stay on track – however long it took. Her colleagues feared that she would soon be overtaken by her unpopularity and be brought down by a party coup. Her dilemma

was to hang on until the economy itself began to turn. Until the Falklands, there was no guarantee she would. Public spending would not decrease in any year under Margaret Thatcher although she would manage to reduce it as a proportion of GDP.

The sense of crisis, for her policies to succeed as much as for her own survival, produced in Margaret Thatcher an impatience and bossiness with colleagues that came to a climax in August 1981 when her head of the Policy Unit, John Hoskyns, added to her bag of holiday reading a paper titled "Your Political Survival". As Moore points out, "Mrs Thatcher always disliked holidays." And the private advice in the paper from John Hoskyns did not add to what little holiday pleasure she was to enjoy. He advised her bluntly to put her management style into order – to give up bullying, to stop correcting colleagues in front of their peers, to lead by encouragement not criticism, and to watch that she didn't become a "best loser" with her colleagues ready to dump her.

Thatcher returned to Downing Street from her holiday and soon after "hissed" at Hoskyns that no one had ever written in such a manner to a prime minister before – forgetting the pointed but more tactful letter in similar vein that Clementine Churchill had written to her husband in June 1940. There was no discussion with Hoskyns thereafter, however, and the PM's management seemed to go on as before. Hoskyns recalls that "1981 was the time when Mrs Thatcher first began to suffer the isolation of high office". Moore, however, believes that Hoskyns overplayed his hand on this occasion, using too blunt an instrument and making it impossible for the PM to find a way to talk the matters over with one who had so sharply meted out the criticisms.

She wasn't entirely isolated. Her Chancellor, Geoffrey Howe, had a lot riding on their policies. He remained solidly with the PM throughout this period. And, as part of her Policy Unit, even Hoskyns was to admit that the team around Thatcher and Howe enjoyed their work which was challenging and intellectually inspiring, however much experimental. Andrew Duguid spoke of how, "Force of personality was the most striking thing about her [Thatcher] – almost too powerful for easy rational discussion to take place."

Being female also helped. Thatcher's swings between "excessive caution and dangerous boldness" often brought a camaraderie among those who worked closely with her on policy and who had no serious doubts about its direction. Moore writes: "Some of her womanly qualities inspired a loyal affection. When times were particularly rough and people felt at the end of their tether, Ian Gow would say, 'Our girl's tired this evening' and the inner circle would feel the urge to protect her and help even more."

## BEING FEMALE

For women, Margaret Thatcher presents all sorts of complications. At Oxford University's Somerville College, her Principal of College was Janet Vaughan whom Moore describes as "one of those progressives who regard being a Conservative as a sort of mental defect". Vaughan gave little to biographers by way of praise for her old pupil Margaret Roberts offering a small observation that "Somerville has always been a radical establishment and there weren't many Conservatives about then ... she [Margaret] was so set as steel as a Conservative ... We used to entertain a good deal at weekends, but she didn't get invited." In 1993, at a dinner held at Somerville for the fiftieth anniversary of Margaret's matriculation year, one of those present threw a windcheater over a bust of Thatcher causing much amusement about the room. As Moore notes, in the Somerville recollections of its old girl who became the first female British PM, there is a resentment that "of all the girls who went to Somerville, it had to be she who became world famous".

Tony Bray, one of her first boyfriends, described Margaret to Moore as "a bit bluestocking" but it was not in Mrs Thatcher's train of thought to push feminist ideas. Her catch-cry was achievement on merit – always. As such, she angered the feminist sisterhood for being what they would call a queen bee who sits on top of the hive leaving all other bees to work under her. Certainly, Mrs Thatcher loved her moments when she would be the single female in a meeting room of men. This was especially so at the end of a huge celebratory lunch for participants in the Falklands War – all male. When it was time to meet with partners after it, she was able to say, "Gentlemen, shall we join the ladies."

Margaret Thatcher owed nothing to the feminist movement for her success. She took on Conservative Party prejudice against women MPs with her own style and, mostly, male supporters. At her pre-selection meeting for the winnable seat of Finchley, she strategised with the help of supporter Donald Kaberry – who advised her on how to dress. Among the selectors, there was a solid amount of prejudice against her for being a woman. In fact two votes she won came from a selector who thought she would lose and gave her a sympathy vote. Thatcher won 46 votes to 43 and without her husband present. Denis was away, as he so often was, on business in Africa. Ironically, this also allowed her to look a stronger, more independent and modern figure.

As PM, Thatcher avoided media moments where she had to comment on women and their place in politics as such, deflecting questions on her thoughts on women's issues with more general responses. In the

House of Commons, she encountered an amount of sexist joking of which she took the banter full on turning it back on her opponents and making jokes herself. In public comments on women, she focused more often on the burdens for women in the home having to manage budgets in the face of inflation, freely using her own experience as a homemaker to illustrate her arguments. Australia's Enid Lyons had often done likewise.

But, appearing on BBC Radio's *Any Questions* ten times between 1966 and 1970, Thatcher did often speak up for her gender. And used quick-witted rejoinders to disparage men. Asked on one occasion if judging a woman's intelligence by her legs could be applied to a man, she replied, "I really only ever look at a man's head to see whether he's intelligent, and so often the answer is that he's not that one doesn't have to look any farther".

Thatcher, as Moore writes, "was not part of any gang, or club, and never had any taste for trying to form a rival one with members of her own sex". She would not be drawn on policy concerning equality for women and once opined that it was equity rather than equality that was important. In this way, Thatcher rode out her moments of despair and worry about government and its crises without resorting to cries of misogyny or with attacks on male opponents for their lack of courtesy or manners towards her. She gave as she got and by this was able to keep her gender for others to ponder.

When the IRA leadership gave instructions to the Maze prisoners not to give up on their hunger strike, they imagined that Margaret Thatcher, as a woman, would not be strong enough to withstand the thought she would send men to their deaths. They miscalculated and the British PM eventually prevailed. In the Falklands campaign, Thatcher often felt a complete outsider with the military – she was no Winston Churchill giving orders over the next military move. But this ensured that she took the best advice on offer, and allowed her military leaders to engage without interference. Her inexperience was in fact her best asset when it came to military engagement – and it allowed her to lean on her officers in ways that drew them to her with great respect. As she rose to speak in the Guildhall at a lunch for 1250 of the Task Force, on 12 October 1982, before she could utter one word the ranks at the tables below her stood as one and gave her a standing ovation. She was the boys' hero.

## THE ENIGMA OF SUCCESS

To read the varying theories on why Margaret Thatcher succeeded as she did is to leave as many questions as answers. For a number who inhabit that

intellectual space which in another place might be called "inside the beltway", that Thatcher was to become the icon she did is a mystery.

Professor David Runciman, heir to the current Viscount Runciman, is an example of this lack of appreciation for what Thatcher achieved. Reviewing Moore's biography for the *London Review of Books*, he finds it was all just a matter of outstaying her political rivals. Thatcher, he notes, was a workaholic. She was not more intelligent than her rivals and was as inconsistent, but she was more relentless in keeping on going: "Fortune favours the people who keep going the longest ... She keeps chopping and changing after they have long gone home." For Runcimann, this is why Thatcher succeeded and it is a depressing thought.

If longevity is all it takes, an Australia reader might wonder why Australia's Gough Whitlam has managed to become iconic – his government lasted just three years and ended in chaos. There must be something more.

As Moore rightly suggests, it was Margaret Thatcher's sense of mission, and her fundamental belief that collectivism did not work that drove her on. Her gut instinct from her earliest political involvement was that a move to the left over post war decades, among authorities, had contributed to Britain's global decline both financially and as an influence on societal values. The greatness of Britain had been eroded by theories of class war and a sense that the individual had no place in politics. A woolly wet weakness for compromise had let Britain down – the sort of mentality she observed in the Foreign Office whose building hung over Downing Street and of which she once complained, staring up at it, as "the place that keeps the light out of Downing Street".

She did not come to this belief with any great reading of political science, but as an observer and citizen, and as a child of the middle class masses. Her upbringing had included a strong dose of both church and private enterprise, of hard work and aspiration. She was the scholarship girl who struck out to take her place in what had been for so long the stomping ground of class and privilege. That she did this as a woman, is all the more incredible. Especially in a society where sponsorship into the ranks of MPs depended heavily either on the patronage of class or membership of a labour collective.

Writer and journalist Paul Johnson once opined that Margaret Thatcher was "the most ignorant politician of her level that I'd come across until I met Tony Blair", tagging her the "eternal scholarship girl". Paul Johnson's judgement reflects an intellectual snobbery that fails to appreciate the deftly pragmatic figures both Thatcher and Blair were as politicians.

Both Thatcher and Blair were nimble footed at climbing the rungs they needed to scale to get to the positions they eventually occupied. Both reflected the modern political skill of judgement or calculated risk taking rather than intellectual grounding. Both were competent at communication and the intricacies of government in a media age. Both borrowed ideas that suited their thinking. Neither came from the sort of comfortable, liberal arts gentleman's club world of inner London. Both were self made products of middle Britain, the class so long expected to operate in the professional or entrepreneurial classes while the men of the gentry or the unions dealt with politics.

With Thatcher, however, a steely belief lay at the base of all her political movements – she might equivocate in private decision making at times when the political climate or opportunities for policy change were unfavourable. And, during the IRA hunger strike, while insisting in public she would not deal with terrorists (which she believed the IRA was), in secret her contacts were actually trying to obtain a deal with the IRA leaders. But at the forefront of crises, Thatcher did not bend. Dealing with militant unions, she spoke of their attack on the wellbeing of the British people. With the IRA, it was about standing firm and not giving in to terrorists. In the Falklands campaign, in the face of pressure from colleagues and even the USA, Thatcher pressed on with her belief that she could not let Britain down, she could not be a leader who sold out her British subjects.

The Falklands crisis illustrates the Thatcher character and style more than any other. It was a campaign played with high risks and moments of calculated brinkmanship. The fact that the crisis was over the sovereignty of a small outpost of islands 8000 miles from Britain and home to just 1800 British subjects was inconsequential to Margaret Thatcher. At the start she had no idea where exactly the islands were. As plans to send a Task Force began, Thatcher asked how long it would take to reach the Falklands – “Three weeks,” replied First Sea Lord Henry Leach. “Three weeks,” she exclaimed. “Surely you mean three days.”

Thatcher had rejected Foreign Secretary Lord Carrington's advice that a form of leaseback of the islands be offered to Argentina with British sovereignty remaining. Carrington would fall on his sword as the crisis unfolded. For Thatcher, the invasion of the Falklands by Argentina on 2 April 1982 was an attack on British sovereignty. To allow anything less than a return of the islands to Britain would be to sell out 1800 Britons and proclaim to the world that Britain was incapable of protecting its citizens - especially in the face of assault by a nation led by a military junta under its leader Galtieri who took phone calls from the United States president

while drunk. Accepting such humiliation for Britain was not on Mrs Thatcher's to-do list.

PM Thatcher faced huge hurdles, including enlisting open support from the US, which feared retaliation from vital Latin American countries. The tussles between Thatcher and Regan's Secretary of State Alexander Haig and US Ambassador to the UN Jean Kirkpatrick were long, involving high stakes – at one point Moore writes of how “poor Haig was feeling rather battered”. Behind her in Cabinet, Thatcher had few if any close colleagues, with her new Foreign Secretary Francis Pym not at all her type, a man whom Moore describes as “one of those men, quite common in his generation, who hated arguing with a woman”. Behind him, the Foreign Office seemed defeatist and its advice enraged the PM. On two occasions, as the weeks wore on, Britain offered generous deals to Argentina albeit hoping they would be refused. They were. As the Task Force approached the Falklands ready to retake the small protectorate, diplomatic jockeying threatened to disrupt military operational plans.

After the Task Force had assembled in San Carlos Bay, 50 miles west of the capital Port Stanley, the tactical decisions that forced a walk across the island in order to shelter navy and men in such an unlikely landing location eventually paid off. Thatcher had trusted her military leaders, albeit encountering days where lives were lost as the Argentine air fighters proved effective.

Unlike Churchill in his bunker commanding by dogmatic instruction, Thatcher found herself 8000 miles away from her forces with little to do but worry and wait for delayed communications. Her greatest worry was for the safety of men on the *Canberra*. Hastily requisitioned by the British Government to transport the Parachute Regiment and Royal Marines to the Falklands, the great white cruising liner was a huge target. As Moore relates, “the Prime Minister could hardly bear it”. Desperate, she asked Robert Wade-Gery, deputy secretary of Cabinet, “You couldn't find me some decisions to take, could you? I find this waiting around very difficult.”

As the Task Force got under operation, on 26 May Foreign Secretary Pym informed Alexander Haig that both British parliamentary and public opinion had shifted to come strongly behind the campaign to retake the Falklands. With Ronald Regan due to visit to the UK in the first week of June and the US Ambassador Jean Kirkpatrick still pushing at the UN for a British back down, Regan rang Margaret Thatcher on 31 May. Thatcher rode quickly over the President's opening flattery, firmly refusing to be persuaded. Having risked her nation, men and country's good name, she was not handing over the islands to a “contact [group]”.

From comments Thatcher made on the situation in interviews later, the whole mission was about Britain,

its people wherever they lived, and its system of values. In a *Washington Post* interview a few days after the British took back the Falklands, Thatcher explained how she saw it all, "If you ask a person here what he would associate with Britain, it's not this talk about the welfare state or any sort of benefits or jargon ... he would say 'We are a free country'."

As with all successful leaders, Thatcher's success was to encapsulate, in her principles and motivation, the desires of a majority of her followers. Britons wanted to be a leading force again – and to celebrate their strengths as a nation. At her high points, Thatcher helped them do that. And she had quite a few high points.

### A LITTLE ENVY

Success in leadership is not the same thing as solving a nation's problems. There will always be problems. But a successful leader convinces his or her followers that they can trust that person to take them forward. As David Runciman has mused:

**Still, all our current leaders want to be her. Ed Miliband is hoping it's 1977 all over again and he can be the one who surfs to power on a sea-change he has initiated in the battle of ideas. He is also presumably drawing comfort from the fact that before 1979 no one saw her as prime ministerial material. Cameron and Osborne are hoping it's 1981 and they can be the ones to hold their nerve.**

As the Falklands campaign got underway, even French socialist President Francois Mitterrand said, "Do I admire her or envy her?"

Margaret Thatcher was the unexpected leader from the outset of her political climb. During her first election campaign, standing as a Conservative candidate in the Labour stronghold of Dartford, her Labour opponent Norman Dodds underestimated the young Margaret Roberts - she would take 6000 votes off his majority.

As the two candidates came together for their first campaign meeting, they were "dragged" onto a dance floor for an exchange of views. Taking advantage of the moment, Dodds publicly asked her to dance with him. It could have been a humiliating experience for a young female candidate, but Miss Roberts was a jump ahead. Offered the choice of dance, she chose a Tango. Then, asked what music, she chose "Jealousy" and the two candidates danced alone on the floor for the whole number. In her black velvet frock, long white gloves, pearls and long drop pearly ear-rings, the rooky Conservative candidate for Dartford had stolen the show.

*Anne Henderson is the Deputy Director of The Sydney Institute*

# TAXATION IN AUSTRALIA - DEBUNKING THE MYTHS OF LEFT AND RIGHT

Adam Creighton

Something that directly affects almost everyone and for which public data abounds, the level of confusion and ignorance about the distribution of tax is remarkable. For politicians it might be wilful ignorance, for the facts suit neither side of politics.

The Left typically argues more of the burden should fall on the "rich" who aren't paying their 'fair share', evidenced recently by the Rudd-Gillard Labor government's and in particular Treasurer Wayne Swan's attacks on "mining billionaires" provide notable recent examples.

Meanwhile the Right appeals to the ordinary taxpayer or "battler" who, they argue, is being unfairly deprived of his hard won earnings to pay for inefficient or ineffective government spending.

## MOST AUSTRALIANS PAY NO NET INCOME TAX

The truth is that the overwhelming bulk of people in Australia pay no net tax at all. In fact, only the top fifth of households ranked by their income – in 2011 those with incomes above \$200,000 a year – pay anything into the system. For everyone else, the value of social security in cash and kind exceed taxes paid.

The confusion, political mischief aside, results mainly from the immense complexity of the existing system: over 100 different taxes across three tiers of government interacting with a multitude of social security services in cash and kind.

Moreover, governments are adept at hiding taxes as they trumpet their spending. For instance, it is illegal for businesses to quote prices exclusive of GST, so shoppers are rarely conscious they are paying it.

Income tax is withheld from workers before they even have a chance to think about how they might

spend it. And company tax conveniently fosters the impression that inanimate legal creations are shouldering the burden rather than workers, customers and shareholders through higher prices and lower wages and dividends.

## **PERSONAL INCOME TAX - MORE PROGRESSIVE THAN IT SEEMS**

Personal income tax, the federal government's biggest source of revenue raising \$165 billion this year, or 45 per cent, gives strong clues about the distribution of tax. Including the 1.5 per cent Medicare Levy, Australia's income tax rates range from 19 per cent for every dollar of income above \$18,200 to 46.5 per cent for every dollar above \$180,000.

But the Australian Bureau of Statistics' most recent household income survey suggests the system is far more progressive than the headline rates suggest.

In the financial year ending June 2012, average income tax rates on households' privately generated income (typically wages and salaries, but for some households dividends or rental income too) ranged from 1.5 per cent for the bottom fifth of households to 22 per cent for the top fifth.

The 1.73 million households in the middle quintile paid an average tax rate of 12.3 per cent and had average incomes of \$88,900. But the ABS finds these households also received \$31 a week in Age Pension payments, \$13 in disability payments, \$48 in child-related payments and \$12 in unemployment benefits along with a host of others that whittled their net average tax payments down to \$82 a week from \$196.

But the analysis shouldn't stop there. Government benefits extend beyond cash to social security in kind – “free” schools, hospitals, public transport, etc – which the ABS valued at \$413 a week on average for these middle ranked households. Netting everything off reveals the stark conclusion that even “average”, let alone lower income, households get back \$2.70 for every \$1 paid in tax.

Meanwhile, households in the bottom quintile enjoy social security benefits worth more than 320 times what they pay in tax paid compared to around 10 times for those in the second lowest quintile.

Notwithstanding the enormous variation in the circumstances of individuals and households within each of these five brackets – for instance childless, healthy workers will pay more a lot more

tax than unemployed families with sick children – the disparities are remarkable and rarely discussed.

Factoring in indirect taxes doesn't change the overall picture. Every six or so years the ABS painstakingly distributes the burden of what it terms “taxes on production” – GST and excise duties on fuel, cigarettes and alcohol for example – across households based on estimated consumption patterns.

In the financial year ending June 2010, what one might call “holistic average tax rates” (including indirect and direct taxes and net of social security in cash and kin) ranged from minus 64 per cent for the bottom quintile, to minus 22 per cent for median households to 13 per cent for the top fifth of households.

## **ONLY TOP 20 PER CENT PAY ANY TAX**

Put simply, based on the best survey and statistical evidence, only the top fifth of households paid any tax. The bottom 6.9 million, while often incurring income tax liabilities and certainly regularly paying GST, received more in cash welfare and services than they paid in.

The concentration of the tax burden on higher income earners would be starker still if the many tens of thousands of senior local, state and federal public servants – whose salaries often exceed \$200,000 a year – were considered a cost.

One could argue the taxes paid by workers whose jobs depend on taxing other workers are akin to a part cash refund to everyone else paying in, rather than an organic contribution to the funding of government.

## **“THE RICH” PAY THEIR FAIR SHARE**

It is absurd, then, to claim the “rich” – if we assume that incomes rather than wealth are the defining criterion – aren't paying their “fair share” when they in fact pay all of it. Equally, to argue the “average” worker is burdened with paying for public services, inefficient or otherwise, is difficult given his aggregate benefits exceed the tax he pays.

Whatever the fairness or otherwise of the status quo, the burden appears to be shifting further toward higher income earners.

Between the 2003-04 financial year and 2009-10, the holistic average tax rates fell on average 8.2 percentage points for the bottom three income quintiles but only 4.6 per cent for the top two quintiles.

What economists call “fiscal drag” ensures the income tax system becomes more progressive every year. Because the income tax thresholds are fixed at nominal levels and prices tend to rise, more taxpayers are pushed into ever higher tax brackets and larger portions of their real incomes are taxed at higher rates.

But it is still difficult to explain why these rates fell, because changes in any aspect of the social security or the income tax system are relevant.

Of course, lower tax rates do not imply less tax is collected: the level and growth rates of income across the various income quintiles will vary: a one percentage point drop in average tax rates for higher income earners has far greater consequences for overall revenue than much larger changes for others.

## THE TOP 10 PER CENT PAY MORE

Separate data from the Australian Taxation Office would appear to confirm the shifting distribution. Based on income tax returns from the 2010-11 financial year, the top 1 per cent of individual income earners – who in 2010-11 tax year were those with taxable incomes above \$281,800 a year – paid \$23.55 billion or 17.7 per cent of the total tax haul, up from 17.0 per cent in 2009-10.

The top 10 per cent of taxpayers – with taxable incomes above \$105,500 – paid 46 per cent, up from 45.3 per cent a year earlier. The bottom third paid less than 5 per cent in both periods.

The highly, and increasingly progressive, nature of Australia’s tax burden appears clear, but why is this? For a start, most people earn relatively little.

While the ABS reports that average annual earnings for individual were \$74,000 a year in May 2013, this figure doesn’t reflect a typical worker’s circumstances because very high incomes undermine the relevance of “average earnings” as a socio-economic metric. According to the 2011 Census, the median household – as opposed to individual – income, which is unaffected by outliers, was only \$64,100.

Moreover, within advanced countries, the distribution of incomes has become more and more skewed since the 1980s, albeit less rapidly so in Australia than in the United States and Europe.

Economists debate vigorously whether this is because globalisation has boosted the financial returns to innovation, talent and skilled work, or whether the corporate (and especially the finance) sector has become more skilled at extracting income at the expense of everyone else.

Regardless, burgeoning incomes at the top have given governments a lucrative and politically attractive source of revenue. Without actively raising income tax rates, the political parties have been able to promise additional, vote-winning government spending that has swamped the taxes paid by the rest of the population.

## HIGH INCOME EARNERS AS A GIANT PINATA

High income earners have become a giant piñata that the majority can hit for extra money to pay for whatever new social spending programs the political class proposes.

Stripped down to its economic essentials, constitutional democracy, rather than protecting a set of certain and consistent tax rules, has become an elaborate mechanism for extracting benefits from a small minority to give to a much larger majority.

The Labor government’s decision to lift the Medicare Levy, which isn’t payable on the first \$25,000 of earnings, to 2 per cent from this July (to partly pay for the forthcoming disability insurance scheme) is a good recent example.

For its part, the Coalition intends to impose a temporary “levy” on big companies’ profits (which will reduce dividend income flowing to upper income earners) to pay for a paid parental leave scheme.

Economists routinely debate the impact of taxation on the location and value of economic activity, but even their agreement wouldn’t determine what is fair.

Opponents of ever greater progressivity in the tax system should resort to philosophical arguments beyond economics to have any hope of winning democratic support for their positions. That is, they should make the case that arbitrary changes and levying taxes to pay for services the market can provide are inherently wrong, rather than simply “bad for the economy”.

No number of econometric studies showing tax undermines growth, however statistically persuasive, will be any match for the glib, emotional refrain: the “rich” can afford to pay so make them.

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# STEPHEN MATCHETT REFLECTS

## RUNNING ON EMPTY: THE ABSENCE OF IDEAS AND THE STALLING LABOR MACHINE.

Another year, another bundle of books about the Australian Labor Party and why it is in strife.<sup>i</sup> There were Chris Bowen's *Hearts and Minds: a blueprint for modern Labor* and Kim Carr's *A Letter to Generation Next: Why Labor*, from recent players, and Aaron Patrick's *Downfall: how the Labor Party ripped itself apart* and Mark Latham's *Not dead yet: what future for Labor*, from the onlookers.

This year's collection is more optimistic than the last lot considered in this magazine, and the lot before that.<sup>ii</sup> Perhaps this is because 2013 was such a catastrophe for Labor that things can only get better. Or perhaps it is because nobody expects the party machine to change so that generalities about social justice and floating the sorts of schemes that look best in opposition are more comforting than working on ways to change the party to make it not just more electable but fit to govern.

### LABOR'S PROBLEM NOT UNIQUE

Not that there is anything unique about the mess Labor is in. What happens when the purpose of politics is controlling the spoils rather than ensuring all citizens enjoy a growing share of an expanding economy is a problem as old as representative government and afflicts all sorts of parties.

George Washington would recognise the source of Labor's present strife. The first president had to spell out why he rejected patronage appointment:

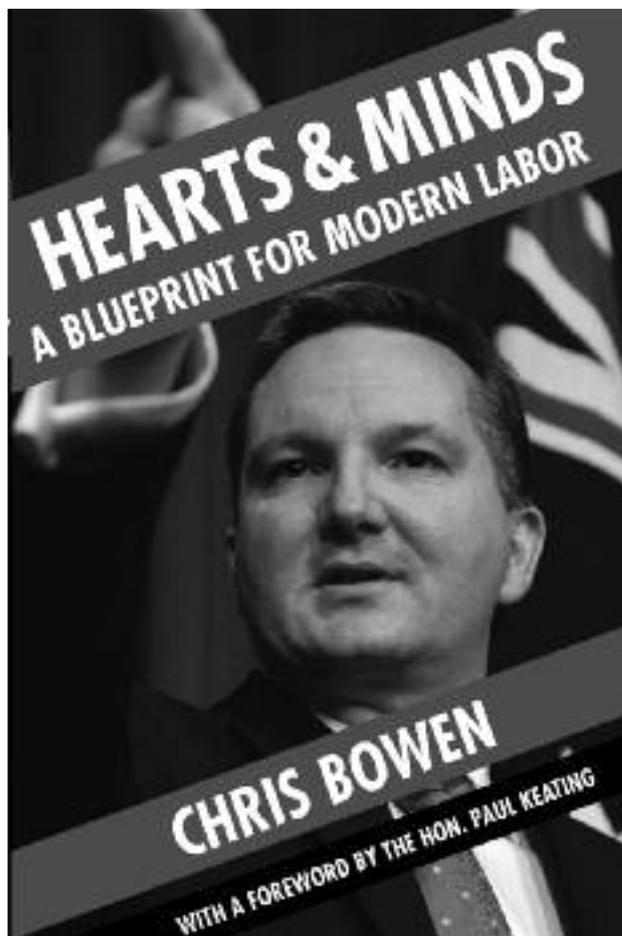
**I have to inform you in consequence of your Memorial that I cannot undertake to make nominations for appointments or give indications of patronage in any instance, before offices are created. Nor will it be of any use for any candidate to remain in this place for the sake of making personal applications to me. Facts and testimonials will alone be of avail – and I shall endeavour upon a general view of circumstances to act upon them accordingly.**<sup>iii</sup>

Likewise would Abraham Lincoln reject patronage - although he lacked the Olympian authority of the first president and had to distribute jobs for the boys in a

way we would consider corrupt. Thus he suggested that Secretary of State Seward appoint a new ambassador to Constantinople on the recommendation of machine boss Simon Cameron: "Pennsylvania is well entitled to the place and General C thinks there is political reason for the appointment being made at once."<sup>iv</sup>

Both men lived in worlds where the distinctions between public service, personal interest and political power were blurred, when they existed at all. One way or another the taxpayer paid for politics. 'Twas ever thus and political power based on the distribution of patronage was the norm from the foundations of what became representative democracy.

Robert Walpole, the first English prime minister, in a recognisable sense, ruled through a machine that gave government jobs and made no distinction between personal and public service.<sup>v</sup> One great popular issue of Anglo-American eighteenth century politics was the machine and how to replace the creatures of government in parliament with independent gentlemen who served the people not their purses. The other was how to stop politics being a contest for the spoils of office between factions divided by avarice not ideas. As Alexander Hamilton put it in the 76th Federalist:



There is nothing so apt to agitate the passions of mankind as personal considerations whether they relate to ourselves or to others, who are to be the objects of our choice or preference. Hence, in every exercise of the power of appointing to offices, by an assembly of men, we must expect to see a full display of all the private and party likings and dislikes, partialities and antipathies, attachments and animosities, which are felt by those who compose the assembly.

The choice, which may at any time happen to be made under such circumstances, will of course be the result either of a victory gained by one party over the other, or of a compromise between the parties. In either case, the intrinsic merit of the candidate will be too often out of sight. In the first, the qualifications best adapted to uniting the suffrages of the party, will be more considered than those which fit the person for the station. In the last, the coalition will commonly turn upon some interested equivalent: "Give us the man we wish for this office, and you shall have the one you

wish for that." This will be the usual condition of the bargain. And it will rarely happen that the advancement of the public service will be the primary object either of party victories or of party negotiations.<sup>vi</sup>

It took a while to work out how to end that – until 1883. Chester Arthur, a machine politician who used the New York customs office to serve his Republican faction, became president and set about establishing a bipartisan civil service.<sup>vii</sup> (That his predecessor, James Garfield, was assassinated by a disappointed Republican office seeker might have had something to do with Arthur's reform measure.)

But this did not prevent the great age of city machines, which ruled by distributing public money and jobs, street by street. Think *Boardwalk Empire* is fiction? Before, and after Prohibition, bosses much like Nucky Thompson ran big cities (perhaps with fewer murders). Richard M Daley in Chicago ran the last classic city machine into the 1960s. Even now, a culture that sees public office as a source of private profit is still assumed possible – think Kelsey Grammer in *Boss*. Former Illinois governor Rod Blagojevich went to prison in 2011 for soliciting bribes for Barack Obama's seat in the US Senate. His notoriety grew the following year when the release of a gubernatorial colleague meant he was the only former governor of Illinois in prison.<sup>viii</sup>

## CITY MACHINES DOWN UNDER

Australia has had its share of city machines, notably Richmond in inner city Melbourne.<sup>ix</sup> Perhaps the corruption that flourished under premiers Bob Askin and Jo Bjelke-Petersen lacked the fundamental quality of a machine - being more about making money than creating enduring power down generations via patronage - but Walpole would have recognised both.

Times have changed. Not many Australian politicians see public office as a source of private profit – and the gap between working for a machine and public service is a chasm compared to what it was in Washington and Lincoln's centuries. But political machines of all persuasions still exist to serve the ambitions of those that lead them, or aspire to.

This is no problem when they have clear purposes in the national interest, as Lincoln's Republicans did. But when patronage and power appear a party's primary purpose it looks intellectually and morally bankrupt. This is the danger for Labor – that it looks like it exists less to govern in the interest of all Australians than protect those who work in the party and profit from its patronage.

The authors of the latest collection of writing on Labor's future acknowledge it, albeit (with the exception of Mark Latham) with no great enthusiasm. It seems that the worse things get the more inclined to ignore the cause of the crisis people are.



## ROD CAVALIER V KIM CARR

In 2010, Rod Cavalier attributed the disastrous dissension that destroyed the Iemma Government to the way the NSW machine worked:

**What really separates the factions is competition for jobs. The immediacy of a job is the principal means of recruiting operatives, as a practical step backed up by tantalising portrayal of a future with glitter and power ... The party has become professional as the factions have hardened into employment mechanisms.<sup>x</sup>**

The contrast with Kim Carr's defence of the party's "structures, rules, organisational principles" in the lead-up to the 2013 election loss is stark. As Carr put it, "What matters is these are instruments for achieving a higher end. That is nurturing a culture where people can realise their potential. Those formal structures are simply an arena where ideas can be contested. They should protect the diversity that challenges assumptions and encourages debate."<sup>xi</sup>

Granted, Senator Carr adds, that the factions fail when they become "nothing more than a vehicle for the distribution of patronage". But, while he acknowledges this is what public opinion thinks occurs, he cannot bring himself to write that it does. As for the party structures being an arena for ideas – this has not occurred since the left was discredited in the Cold War.

The problem for Labor is that it 'twas ever thus; in all times and on all sides of political systems where votes, not guns, decide who has the numbers when it comes to parcelling up the patronage. Parties need to be in office, or hold realistic hopes of winning it, for manifestos to matter. Otherwise, it is patronage not policies that the professionals pursue.

## AARON PATRICK'S TALE OF FACTIONALISM

Aaron Patrick demonstrates this in *Downfall*, a collection of case studies of how factional players' greed for power and pelf has disgraced Labor. Perhaps the best example is also the most innocuous, at least compared to the corruption among ministers and MPs, union officers and party officials that he outlines. Patrick describes how, in 1990, Bill Shorten tried to extend his power base beyond Labor youth groups by ambushing incumbents in a small union's election. Shorten lost, although power later changed hands due to factional manoeuvring.<sup>xii</sup> There was nothing unusual, illegal or especially amoral about what Shorten did, but it illustrates the way politics works in parties, which are about careers not causes.

There is much more like it in Patrick's book, which details the endless faction fights, power plays and deal doing that passes for politics in the Labor Party and affiliated unions. While close readers of the papers will know just about all the incidents he relates, in combination they make for an unremitting tale of arrogance, opportunism and misplaced pretensions to privilege that make the union movement and its political extension look like an endless brawl in an everlasting assembly of pork sellers and barrel makers. The winners are the MPs and officials and their appointees on the public payroll. The losers are the union members whose dues support the show, the few thousand Labor Party members motivated by ideals rather than self-interest and ultimately voters.

The solution Patrick sees is for the party to weed out the spivs and outright crooks, notably in NSW, to demonstrate that Labor has changed:

**Voters hate corruption and they don't like the other behaviour that has become common in politics too: special treatment for political allies and family members, lying, misrepresentation of opponents and the removal of democratically elected leaders because they have upset factional chiefs.<sup>xiii</sup>**

But Patrick confuses the cure with the cause of the complaint. Parties degenerate into engines of reward and punishment when they only exist to employ and empower. Labor, as we know it, is doomed if it exists only to pump out patronage. This has nothing to do with polls and immediate policies, or how the conservatives are travelling in or out of office. Nor is it a problem unique to the ALP. Without ideas about how to expand the economy and distribute the results so that the nation is united behind the necessity of growth every party in secular democracies free of ethnic strife will fail.

## MARK LATHAM'S EXPLANATION

It nearly happened to Labor in the 1960s, out of office everywhere, until Gough Whitlam energised it with a comprehensive platform. His ideas were economically illiterate but they were better than the nothing which existed under Arthur Calwell. Without a program the machine slows, stalls, stops. The problem for Labor now is that the self-appointed kick-starters of its intellectual engine have nothing much to offer.

The best of the recent crop of "whither Labor" texts is by Mark Latham.<sup>xiv</sup> Latham is better at explaining what other Labor politicians should do than he was at implementing his own ideas as leader – but this does not deny the enduring relevance of his thinking over the last 15 years. Latham always understood that

Labor is bereft of ideas without the Keating agenda – that it must always propose ways to expand the economy, as much to encourage aspirational voters as to fund the welfare system.

As the *Sydney Institute Quarterly* commented of his first book nearly 15 years ago: “While Labor’s hard men have distanced themselves from Latham’s pronouncements there is much in the book to comfort the party, desperately seeking ways to win back the blue and fraying white collar families in the suburbs who deserted in 1996.”<sup>xv</sup>

Latham still believes in what he calls the Keating Settlement, expanding the economy through education and training and by constant reform to reduce rent seeking. Given most Australians are now capable of looking after themselves, they do not need the state to play as large a role in their lives, he argues. It is a compelling, encouraging argument for everybody who believes that a bipartisan commitment to endless economic deregulation is essential to convince the electorate that, without continuing reform, Australia’s standard of living will fall as other nations become ever more competitive.

For Labor loyalists, the Keating Settlement is even more important – it supplies the intellectual energy to keep the party competitive. As Latham puts it:

**When Labor walked away from the Keating Settlement, it lost more than economic credibility. It also lost a key part of the Keating schema: the capacity to educate the public about the transformative impact of open-market economics on other aspects of national life. In elected office where there is no belief, there can be no persuasion. This was a striking feature of Labor’s six years in government – the reluctance of senior ministers to talk about the economy beyond the daily release of financial data. They failed to make the case for ongoing structural change and for a new way of thinking about the relationship between politics and economics.**<sup>xvi</sup>

The absence of a reform agenda also encourages atrophy within the party, as those who benefit from the status quo oppose anything that will upset the existing power structure. Thus he criticises union leaders and factional warlords for the machine culture that protects the corrupt, empowers the inept and rewards the time-servers.

It is all solid, sensible stuff – but the flaw in Latham’s argument is he assumes that the people whose power depends on a stable political machine will willingly accept change that is in the national, not their, political interest.

An obvious indication that they will not is the destruction of the Iemma Government by union officials and their parliamentary pals who blocked the sale of NSW state government owned power stations to protect the jobs of a few thousand public sector power workers. At a federal level, the clients of the machine also include the welfare class and the vast industry that supports it. Thus the Gillard Government’s cuts to supporting parent payments once children turned eight upset Labor MPs in seats where the single mother vote is significant.<sup>xvii</sup> And union officials now present the public sector, a key component of the Labor machine, as the protectors of the working poor and welfare recipients.

Thus Louise Tarrant from United Voice argues, “Governments have steadily sold off the family silver, privatising public utilities and services, pushing private health insurance and other ‘user-pays’ models that constantly load more costs into the family budget.”<sup>xviii</sup> Like the costs of private schools that middle income earners use because they have lost confidence in the public system, and the costs of power caused by gold-plating, featherbedding in public utilities? And like the taxes low-income childless people pay to fund the welfare system they are excluded from?

One major problem for Labor reformers is that the patronage the machine dispenses extends far beyond union jobs, party positions, seats in parliament, and public appointments. It includes the public sector unions, which, whether or not affiliated with the party, assume Labor is a more reliable source of more jobs and better pay than the conservatives.

But an even bigger one is the failure to rebuild the machine to run on ideas for the twenty-first century global economy - just as Gough Whitlam adapted the party to the last hurrah of welfarist social democracy and Keating (and it must be said John Howard) dismantled protection all round and the Industrial Relations Club.

## JIM CHALMERS ON THE REALITIES

Jim Chalmers, successor to a great Labor reformer - Craig Emerson - in the seat of Rankin, demonstrates the gap between the acknowledged reality of the market economy and a social-justice ideal, where the market is a synonym for magic pudding:

**Genuine economic and social mobility requires a compact between government and citizen – and between generations – that government will maintain a decent social safety net and provide the requisite opportunities for more people and provide for their loved ones. If we can unite the**

country behind an idea as simple as this, we can convince Australians that we are neither exclusively new or old Labor, not just the party of the poor or the successful of inner or outer suburbs, but a broad party for those who want to get ahead, writing for middle Australia a new chapter in our national story. A destiny written by people themselves, freed from the shackles of birthplace or ethnicity. A dynamic, wealth-creating market economy powered by that merit-based more inclusive society.<sup>xix</sup>

Of course, Chalmers has proposals on how to do this – which generally depend on state spending – notably by investing in education. But among his third-way-esque ideas there is less about deregulating economy, and party. And doing the former depends on the latter.

### WHAT DOLE FOR THE UNIONS?

Certainly, just about all contributors to the latest round of reform writing recognise the case for cutting union and officers' power in the party. "It's better to have an effective organisation than a compliant one," Senator Carr argues. "Those who worry that organisational change will affect their power should bear in mind the consequences of doing nothing."<sup>xx</sup>

Troy Bramston agrees that the party machine should not be subservient to affiliated unions which send numbers of delegates to Labor conferences well out of proportion to the percentage of the workforce they represent. "Labor does not need to sever its links with the unions but it does need to reinvent them."<sup>xxi</sup> This is a less convincing extension of his earlier argument that deepening links with the unions will strengthen Labor. To suggest that the bigger the rank and file union membership of the party will make it harder for officials to control is less a matter of optimism than idealism.<sup>xxii</sup>

### BRAD ORGILL'S PROPOSAL

There are also fewer ideas than ideals about extending party affiliation to other groups, based on sexual preference and ethnicity for example, surely excellent ways to further fracture party unity. Most notably, Brad Orgill proposes Labor establish what he describes as a coalition with the Greens but one which is more a Bolshevik style takeover of the ALP with the party adopting, if not the Greens platform as a whole, then at least its magic pudding policy approach to what the state should do and how it should be paid for.<sup>xxiii</sup>

Orgill is right that such an alliance would transform Australian politics; but not as he expects. It would divide Labor in ways not seen since the Split. A Green-left alliance would take the community-based branch.

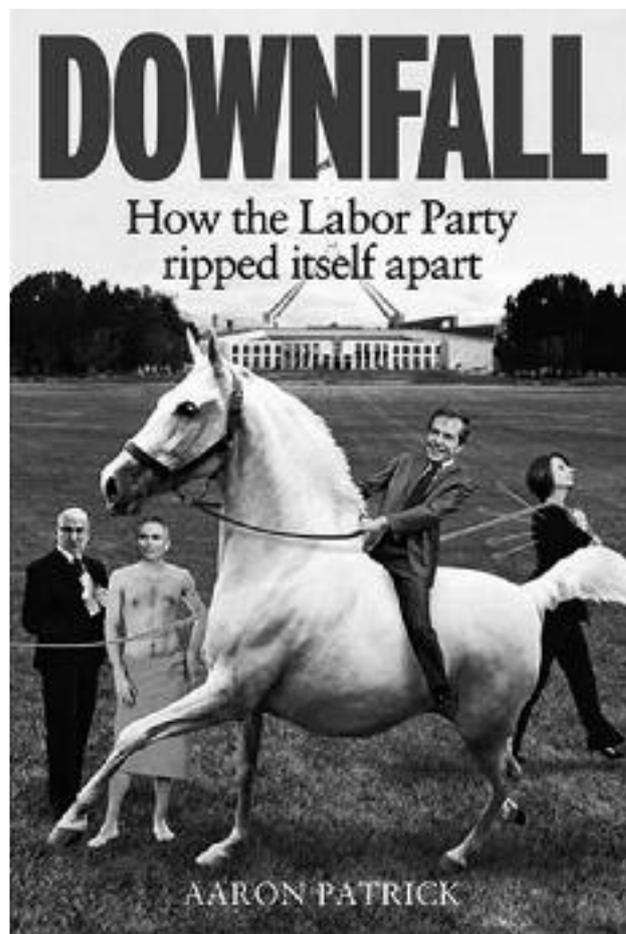
And a right wing union-controlled successor to the ALP would slug it out with the Nationals for the Hansonite agenda of populist economic solutions. As I have written elsewhere, "This would leave the Coalition laughing all the way to the polls at election after election and destroy the essential balance of Australian politics as a struggle of ideas in the vital centre."<sup>xxiv</sup>

### CHRIS BOWEN ADVOCATES BASE BROADENING

Chris Bowen also suggests the party should broaden its base but not quite as dramatically. He proposes engaging rank and file union members independent of officials as well as empowering ordinary Labor branch activists outside the factions:

**Factions are at their best when they are for a people of like mind to come together to debate possible reforms and compare notes on a way forward," he writes. And when they are not, well they are what Labor is today. Thus Mr Bowen warns: "unless we move to a model of mass participation we will be doing a huge disservice to those Australians who rely on Labor as the best hope for a brighter future."<sup>xxv</sup>**

But what ideas will the factions inscribe on their



colours; what will the mass of members debate? The problem is that, having abandoned the Keating Settlement, the party has nothing to replace it with beyond spending public money to achieve equality – ideas which coincidentally create more patronage for the machine to distribute. Other than Latham's suggestion that most Australians do not need government assistance in the way they used to, what these authors offer is public spending and lots of it. As Senator Carr suggests:

**Citizens rightly expect their governments, and particularly their Labor governments, to help them achieve their aspirations. This idea is often ridiculed as being too bleeding-heart for the present age of austerity. Yet the pursuit of happiness has been central to our lives for as long as people have felt they were in control of their own destiny. The Americans felt it was important enough to include it in their Declaration of Independence.<sup>xxvi</sup>**

That government encourages, rather than impedes, individuals to be happy is an idea that would have struck the signers as unlikely. And it dates from an age where the left saw the market as a means of stealing from the poor rather than the most efficient

way of allocating resources to meet society's needs – an age which is with us still.

## PUTTING THE PUBLIC SECTOR AT THE HEAD OF THE ECONOMY

The core of these arguments is that the state should spend up. Thus Bowen says the party should endorse a market-based economy, but he also urges “establishment and development of public enterprises, based upon federal, state and other forms of social ownership, in appropriate sectors of the economy.”<sup>xxvii</sup>

Senator Carr wants the state to invest in broadband, the auto industry and above all research and education. “We need to use markets to stimulate scientific discovery but we need to use government to achieve universal progress.”<sup>xxviii</sup> But how we will pay for it without increasing taxes and accepting deficits is less clear.

And there is no mention of the way the Labor machine, especially its allies in the public sector unions who administer state-driven services, will benefit from an expansion of government. While Bowen proposes charter schools, anathema to the public education lobbies, there is little in any of this writing that unions representing government workers will oppose.

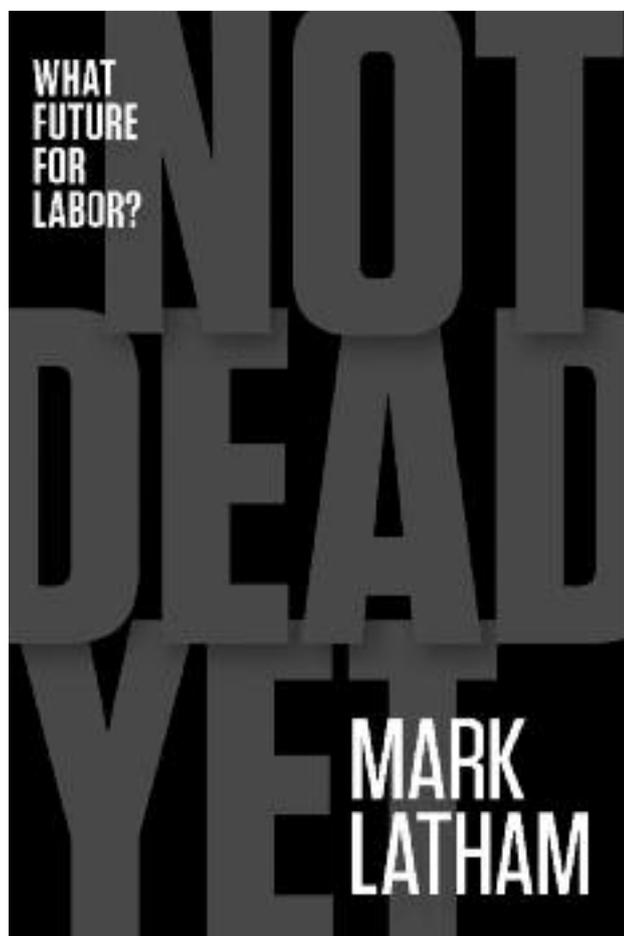
And there you have it – an agenda that puts the public sector and its employees at the heart of the economy. As a source of patronage and the machine politics that comes with it, this is hard to beat. On the basis of the ideas in these essays, it seems Labor has two possible futures. The party can update the Keating Settlement or it can get used to Brad Orgill's agenda – and turn green.

## WHAT THE REVIEWERS SAID

These essays probably would have received wider coverage if it were not for the election. As it was, they were briefly, if favourably received by the reviewers, especially Bowen's book in *The Australian*. Notably by Troy Bramston, who suggested Bowen provides the ideas Labor needs to be reborn writing, “In a party that lacks thinkers with the courage and imagination to tackle the party's structural problems, the flaws in its policies and to present an alternative philosophy, Bowen's book is breath of fresh air.”<sup>xxix</sup>

Paul Kelly endorsed Bowen's “muscular ideas” as a way for Labor to return to the political centre.<sup>xxx</sup> Kim Williams also praised the way Bowen eschewed “cookie cutter ideology ... (he) is a politician willing to contemplate things others may not. He treats the past as a guide, not comprising a sacred set of tablets. He advocates new ways of looking at the world not only acknowledging that it has changed but recognising the imperative to embrace the primary forces that have driven change.”<sup>xxxi</sup>

In contrast, Fairfax briefed it!<sup>xxxii</sup>



It was left to critics on the left and right to find fault. In a review for *The Conversation*, and *The Courier*, Deakin University academic Geoffrey Robinson suggested Chris Bowen's was a NSW right view of the world, and criticised his book for underestimating the role of unions, the importance of tax for income distribution: "His optimism faces stern tests in the current economic and political environment," Robinson wrote.<sup>xxxiii</sup>

Tom Switzer argued it is a bad book by a good bloke:

**He boasts that the Labor Party represents true liberalism, yet in the workplace he discriminates against individuals in favour of unions, which account for only 15 per cent of the private labour force. He has the gall to call the carbon tax a "reform", despite the fact it has all the hallmarks of a giant revenue grab and creeping socialism. And he proudly embraces the social progressive agenda, never mind this self-confessed atheist's opposition to same-sex marriage.**<sup>xxxiv</sup>

Kim Carr did not get as good a run – perhaps understandable given he is less to *The Australian's* taste and the Fairfax papers seem to have lost interest in political debate. Once again, *The Age* briefed the book, albeit glowingly, calling Carr "one of the most respected figures in contemporary politics" and the book, "timely and concise".<sup>xxxv</sup> As for Brad Orgill, he was all but ignored altogether, which seems strange given the pro-Green sympathy of much of the media.

Nobody much paid attention to Latham's essay, perhaps because it was an update of a piece which appeared in March 2013 or perhaps because at the start of a new conservative government nobody much cares what happens to Labor, particularly when we have all heard the case for reform so many times before. As Gay Alcorn out put it: "At times, Latham's prescriptions can seem a bit neat (but) they are practical, provocative and worth debating."<sup>xxxvi</sup>

For Labor loyalists, they indeed are. Just months after the election Labor is competitive in the polls – demonstrating mass support for the party if it tried to earn it.<sup>xxxvii</sup> And that means policy work and lots of it. As for the problems of a machine that runs on patronage – as Whitlam and Keating found, the best way to overcome the party and union chieftains is to out think them.

## ENDNOTES

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# BOOK REVIEWS

Ross Fitzgerald

**NORMAN HAIRE AND THE STUDY OF SEX**  
**BY DIANA WYNDHAM**  
**UNIVERSITY OF SYDNEY PRESS**  
**P/B, 2012, RRP \$35**  
**ISBN: 9781743320068**

This fine biography of prominent Australian-born sexologist and ardent campaigner for birth control, Dr Norman Haire, contains a wealth of information.

Born Norman Zions in Sydney in 1892 as the eleventh, and last, child of modestly prosperous Jewish parents, he attended Fort Street Model School where he was a star debater who aspired to being an actor.

Forced by his father to study medicine, Haire who remained a closet homosexual until his premature death in 1952, then followed his other great passion – saving the world from sexual misery and from unwanted and unnecessary pregnancies. In this he was influenced by Henry Havelock Ellis, the “Darwin of Sex” who was to become Haire's most important medical and intellectual mentor.

After arriving in London in 1919, the relatively unknown Australian Jewish outsider adopted his new name Norman Haire. He did this because, during the war, many people in Britain, in which there was both strong anti-Jewish and anti-German feelings, thought that Zions was a German name.

Haire soon established himself both as a Harley Street doctor and as a leading light in the World League for Sexual Reform (WLSR). With the aid of the socialist feminist Dora Russell, the feisty second wife of eminent philosopher Bertrand Russell, Haire organised the highly successful Third International WLSR Congress held in London in 1929 and which was attended by leading intellectuals from around the world.

During this time, Haire was a strong supporter of the Eugenics Society and the Malthusian League, both of which influenced his ardent commitment to birth control.

Six foot three (190.5 centimeters) tall and rather stocky, by 1930 Haire – a well known gourmand – had a flourishing gynecological practice, a chauffeur-driven Rolls Royce and a palatial country mansion whose house parties were attended by the cultural, intellectual and medical elite from England and overseas.

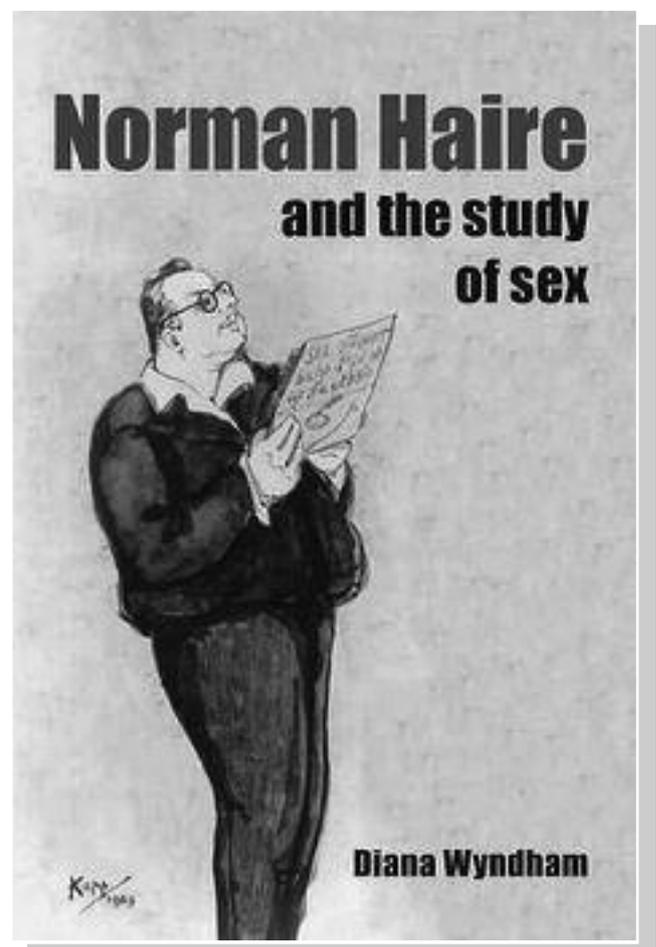
After renting several premises in Harley Street in London's fashionable West End, Haire bought a 999-year lease on a six-story home-office at 127 Harley Street. His

bedroom in this palatial property boasted a huge Chinese bed. When Haire sent photographs of it as a greeting or invitation to his friends, he reminded them that the ornate bed was “big enough for three!” As well as Haire's chauffeur, 127 Harley Street boasted a butler, several maids and a Viennese cook, plus secretaries and a nursing sister to look after his many patients.

Diana Wyndham reminds us that it was by “satisfying people – mainly men - who yearned for longevity” that made Haire rich. Although the procedure was little more than a vasectomy (women had their ovaries irradiated), hopeful patients paid high fees to revitalize their sex lives or to defer senility – at least until the medical claims of “rejuvenation” were refuted.

Along with English Field-Marshal Sir Herbert Plumer, in 1934 William Butler Yeats, the Nobel prize-winning Irish poet, became Haire's highest profile rejuvenation patient. Indeed in his book *Sex Talks*, published in 1946, Haire alluded to a “famous poet” having written “his best poetry” after the operation, “though he had for many years before that, written nothing at all”. Haire claimed had also seen a world famous statesman who was 'one of the leading figures in the war' (ie Baron Plumer) restored from senescence to renewed sexual and intellectual activity.

In 1940 for a few years Haire returned to Australia – where he was hounded by wowers, religious zealots



and Australia's security services. The ABC Board was censured in federal parliament for choosing him as a guest speaker in a population debate, and his long-running, no-nonsense, weekly advice column in the popular magazine *Woman* was especially opposed by the Catholic Church.

Wyndham points out that, as well as being one of our leading rationalists, free thinkers, and sex reformers, in the 1940s Haire was a prominent member of a gastronomic club which dined at high-class Sydney restaurants.

Amusingly, she recounts that when he was served an Irish stew, Haire pointed out that it wasn't "a real Irish stew" – because it contained carrots! Intriguingly, throughout his life, Haire somewhat oddly combined ardent teetotalism with gastronomic excess.

As ship's surgeon on the *SS Port Macquarie*, Haire left Sydney on 24 August 1946 to live again in London. He never returned to Australia. Although his final years were plagued by illness, especially from the unfortunate effects of diabetes, he bravely persevered in his life's work of helping promote sexual health in its widest sense.

This fine biography of one of the western world's most tenacious reformers in the field of birth control and sexual reform is replete with arcane, yet useful, information. For example, Wyndham reminds us that George Bernard Shaw had the unique distinction of

winning both a Nobel Prize and an Oscar. In 1925 the English polymath won the Nobel Prize for his contribution to literature and an Oscar in 1938 for his work on the film *Pygmalion*.

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**AUSTRALIA'S SECRET WAR: HOW UNIONS  
SABOTAGED OUR TROOPS IN WORLD WAR II  
BY HAL COLEBATCH  
QUADRANT BOOKS  
H/B, 2013, RRP \$44.95  
ISBN 9780980677874**

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It is useful to be reminded that, as a result of the Nazi-Soviet Non-Aggression Pact, signed on 21 August 1939, Hitler and Stalin were allies. This meant that, at that time, Australian Communists loyal to Moscow were obliged to support the German war machine.

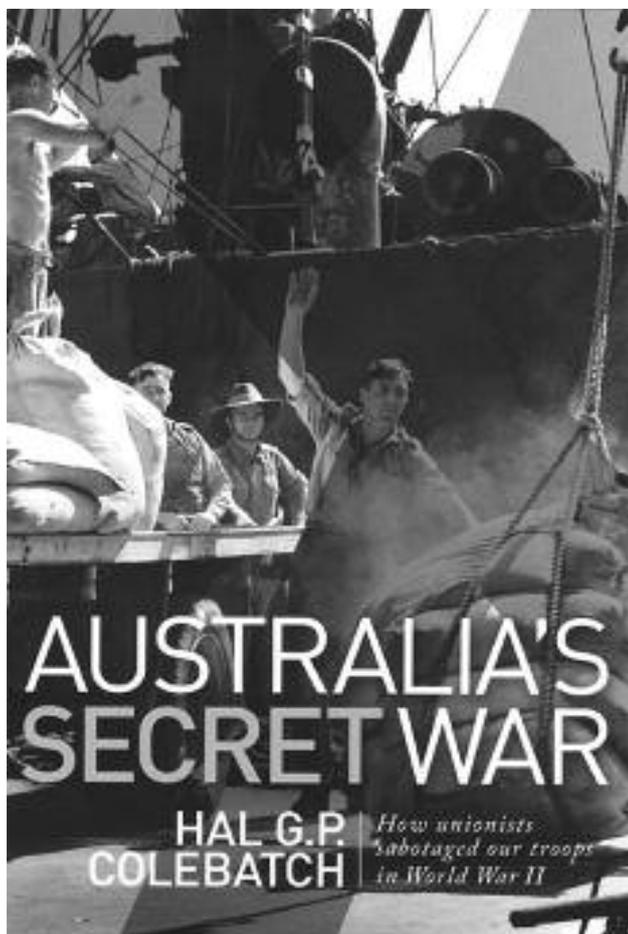
As Hal G P Colebatch points out, in his provocative new book *Australia's Secret War*, this arrangement lasted until Hitler invaded Russia on 22 June 1941. From then on, all members of the Communist Party of Australia and all militant communists in the trade union movement were supposed to actively support the Allied cause. But this, he argued, did not apply to all communist trade unionists, especially members of the Seamen's Union and the Waterside Workers' Union.

Colebatch has long had a bee in his bonnet about the unions, partly because, at the end of the First World War, the Fremantle waterside workers had given his journalist father, Sir Hal Colebatch, a very hard time, including pelting him with rocks. This was during Sir Hal's brief stint as premier of Western Australia from 17 April 1919 to 17 May 1919.

In this well-produced and copiously referenced book, Colebatch is at least half right. Until the Soviet Union entered the war in June 1941 communists were totally opposed to the war, and the waterside workers in particular were resentful about the tough way they had been treated by their bosses during the 1930s Depression.

After June 1941, some leading Western Australian communist union leaders like Paddy Troy in Fremantle, were heart and soul behind the Allied war effort, and did what they could to stop loafing and sabotage at the docks. But other communist unionists, in Townsville for example, remained utterly bloody-minded and seem to have been as bad as they are portrayed in *Australia's Secret War*.

However, to me it is doubtful that these militant workers were obeying orders from Moscow. Essentially, it was the sheer inability of wharf labourers and other communist unionists to rise above their own grievances and their ingrained sense that the capitalist world was against them. Hence, many communist controlled unions often did not co-operate with the war effort. As Colebatch explains, this ranged from employing deliberate go-slow tactics (what communists



and anarcho-syndicalists called “letting the old man in”) to constant refusals to work at all until their demands for substantial “danger money”, itself several times more than the soldiers' five shillings a day, were met.

All in all, it was not a pretty story.

As Colebatch documents in detail, even after June 1941 it was not always the case that Australian communists wholeheartedly supported the Allied war effort. To put it mildly, throughout the whole of World War II, there was little love lost between wharfies and Australian and American soldiers, sailors, and aircraftmen. At a number of ports around Australia, waterside workers in particular went on strike and/or sabotaged military operations - even during the most desperate periods of the war.

Colebatch also makes it clear that John Curtin's militant Minister for Labour and National Service, the East Sydney-based firebrand Eddie Ward, did virtually nothing to curb the excesses of communists in industries on which our war effort relied. This especially applied to strikes on the waterfront as well as in our coalmines.

Subtitled “How unionists sabotaged our troops in World War II”, *Australia's Secret War* draws on a broad range of sources. These include official and unofficial documents about the war from archival materials, to scores of letters and first-person interviews between the author and Australian and American ex-servicemen.

Colebatch's fundamental thesis is that what he calls “the secret war” was a conflict that may have cost the lives of many Australian and allied servicemen and women. Indeed, in a key chapter, entitled “Killing John Curtin”, he argues that striking trade unionists and militants in the NSW branch of the Labor Party, such as Ward and future federal leader Dr H. Evatt, may have eventually cost the life of the 60 year old John Curtin - our teetotal, wartime Labor prime minister who died, ill and exhausted, on 5 July 1945.

However, what certainly seems indisputable is that, as an alcoholic who had stopped drinking entirely, Prime Minister Curtin was prone to attacks of nervous anxiety - which may have exacerbated his stress.

For the record, the Hal G P Colebatch who wrote this often disturbing book is not the same person as the distinguished West Australian political scientist Dr Hal Kempley Colebatch.

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**THE EICHMANN TRIAL (JEWISH ENCOUNTERS)**

**BY DEBORAH E LIPSTADT**

**NEXTBOOK/SCHOCKEN**

**H/B 2011 RRP \$35**

**ISBN 13: 9780805242607**

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As award-winning Jewish historian Deborah E. Lipstadt reminds us, the kidnapping of Nazi SS Lieutenant-

Colonel Adolf Eichmann by Israeli agents in Argentina in May 1960 and his subsequent trial in Jerusalem in April 1961 attracted world-wide media attention.

Indeed, Lipstadt claims that there were more reporters in Jerusalem covering *The State of Israel v. Adolf Eichmann* than had attended all the trials carried out by the allied military tribunals at Nuremberg which, as we know, occurred in the immediate aftermath of World War II.

Lipstadt is Professor of Modern Jewish History and Holocaust Studies at Emory University in Atlanta, Georgia. Much of the work on this harrowing book was completed while she was a scholar in residence at the United States Holocaust Memorial Museum in Washington DC.

As Lipstadt makes clear, from the outset most people, including those present in the courtroom and those far beyond, expected Eichmann to be found guilty. What was unknown, she explains, “was what would happen when history, memory and the law met in Jerusalem.” In particular, would the Israeli court system prove adequate to fairly and transparently adjudicate such an unprecedented legal and media event?

Given that many commentators thought that Eichmann's was a show trial, orchestrated by the Israeli prime minister at the time, and the main founder of the state of Israel, David Ben-Gurion, these are critical questions.

In *The Eichmann Trial*, Lipstadt leaves the reader in little doubt that Adolf Eichmann was intimately involved in aspects of the so-called Final Solution of European Jewry. In particular, it is clear that Eichmann devised and sometimes supervised the systematic deportation of hundreds and thousands of Jews to the gas chambers of Auschwitz-Birkenau and other Nazi concentration camps.

Yet what is fascinating to me about the Eichmann revealed in Lipstadt's book is what often seems to be his sheer ordinariness.

Thus, when he was hiding in Buenos Aires under the name of Ricardo Klement, Eichmann was a poorly-paid factory worker who lived with his wife in a ramshackled cottage and who, each work day, took an over-crowded bus home from his job at a Mercedes-Benz assembly plant. A few days after the Israeli secret service, Mossad, captured him in Argentina, Eichmann asked to go to the toilet. After a few minutes inside he asked, “May I start now?” It was only when he was told that he could, that he started to evacuate his bowels!

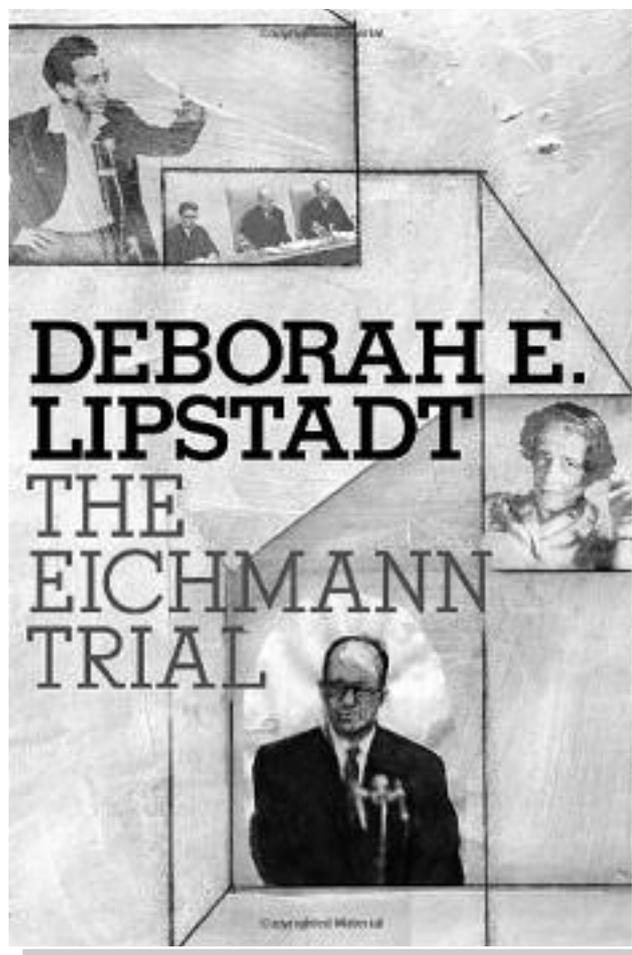
To me, Eichmann's 1961 court case in Jerusalem often exemplified his utter ordinariness. For example, at his trial Eichmann, who rarely demonstrated either anger or shame, constantly claimed that he was just “a little cog” - merely following the precise orders of his

superiors. Hence, throughout his trial he refused to acknowledge personal responsibility for all his terrible deeds. Indeed, from his tailor-made glass dock, he declared himself to be the victim - "a tool in the hands of stronger powers and stronger forces, and of an inexorable fate."

Instead of being a stereotypical Nazi - arrogant, proud and domineering - during his trial some court-watchers observed "a thin, balding man who looked utterly ordinary" and who during interrogation had "trembled incessantly." Even though he was occasionally clever and wily, in many ways Eichmann exemplified what controversial Jewish author Hannah Arendt - who reported on the Eichmann trial for *The New Yorker* - so tellingly called "the banality of evil".

Intriguingly, a key section of Lipstadt's important book is devoted to trying to carefully understand, and analyse, a number of Arendt's claims in the latter's highly controversial 1963 book *Eichmann in Jerusalem*.

Yet, when dealing with Eichmann's trial, these two leading Jewish scholars seem to exemplify more similarities in their analyses than differences. Hence, in witnessing the behavior of Eichmann towards his three judges in Jerusalem, Arendt "saw an automaton who was just passing on information and who failed to understand that what he had done was wrong".



Although Lipstadt's emphasis is somewhat different - including stressing what she regards as Eichmann's unambiguous culpability for his terrible deeds - both these fine scholars reinforce the opinion of those of us who see, embodied in Eichmann, the banality of evil. As Lipstadt explains, Arendt used the term "banal" to bolster her contention that Eichmann "did not act out of a deep ideological commitment or because he was inherently evil". Essentially, Arendt wanted to understand how many seemingly ordinary Germans and others could perform such extraordinarily evil acts.

It is difficult to disagree with Lipstadt that although much of what Arendt wrote about the Holocaust is disturbing, her contention that hundreds of thousands, if not millions, of perpetrators were not diabolical monsters, but "ordinary people who did monstrous things" is accurate. Moreover, in the main, Lipstadt agrees with Arendt's essential point: "It is precisely their ordinariness - their banality - that makes their horrific actions so troubling." At the same time, it is hard to disagree with the contention that, in relation to Eichmann himself, Arendt did not fully grasp the dimensions of his awful deeds.

As was expected at the outset, Eichmann was found guilty and sentenced to death. Despite some pleas to commute his sentence to life imprisonment, on 31 May 1962 - exactly two years after his capture in Argentina - Adolf Eichmann was hanged. His body was then cremated. Eventually, his ashes were scattered in the sea. As Lipstadt explains, this was "to prevent his burial site from becoming a place of pilgrimage for neo-Nazis and anti-Semites."

All in all, *The Eichmann Trial* is an excellent and thought-provoking book. Yet, despite the high quality of this major work, Deborah E. Lipstadt still remains best known for an unsuccessful 1996 English libel case brought against Lipstadt and her publisher Penguin Books by Holocaust denier David Irving. The latter claimed that Lipstadt had libeled him in her 1993 book *Denying the Holocaust: The Growing Assault on Truth and Memory*.

Despite the acrimonious nature of her libel trial, which Lipstadt often refers to in this fine book published in 2011, she remained and still remains a strong supporter of free speech. Indeed, she was publicly opposed to Irving's three-year prison sentence in Austria in 1989. This was for minimising the atrocities of the Third Reich, including Irving's claim that there had been no gas chambers at Auschwitz.

Writing of Irving, Lipstadt puts it thus: "I am uncomfortable with imprisoning people for speech. Let him go and let him fade from everyone's radar screens. ... Generally, I don't think that Holocaust denial should be a crime. I am a free speech person. I am against censorship."

Amen to that!

*Ross Fitzgerald is Emeritus Professor of History and Politics at Griffith University, Ross Fitzgerald is the author of 36 books.*

# OBITUARIES – GERRY LEVY, JOHN McCONNELL & KEN MINOGUE

In recent times, three long-standing supporters of The Sydney Institute died. Namely Gerry Levy AM (who was one of the Institute's inaugural members), John McConnell (who was the Institute's book reviewer for two decades) and Professor Ken Minogue

## GERRY LEVY AM

(1924-2012)

Gerry Levy became a member of The Sydney Institute when it was formally launched in 1989 and remained on the Institute's books until shortly before his death in November 2012. He and Erna Levy (nee Mendels) often attended Institute functions at 41 Phillip Street Sydney and elsewhere.

Gerry declined an invitation to address the Institute about his life story, due to his age. But he did introduce the Institute to Dr Michael Abrahams-Sprod who spoke on 10 November 2008 on the topic "Broken Glass, Shattered Lives: The Relevance of Reichkristallnacht Today". Dr Abrahams-Sprod's doctorate thesis focused on the Jews of the German town of Magdeburg under Nazi Germany rule and his research was assisted by Gerry Levy. Gerry attended this talk at 41 Phillip Street.

Gerry Levy was born on 23 May 1924 in Magdeburg. He was 14 years old on Kristallnacht (9-10 November 1938) when Adolf Hitler's regime launched a pogrom against German citizens who were Jews – attacking and burning homes, stores and synagogues. The aim was to repel Jews from Germany and Austria. Gerry Levy used to tell the story how, as a teenager, he rode his bicycle around Magdeburg to alert his father as to what was going on. An adult would not have been able to do this.

Gerry was an only child. His father (who had served in the German Army during the First World War) and his mother – along with their son – were allowed to depart Germany. As Robyn Bloom – Gerry and Erna's daughter – wrote in an obituary in the *Australian Jewish News* (4 January 2013), the Levy family was farewelled by an extended family of 21. Only one the 21 survived the Second World War.

Due to a relation on his mother's side, Gerry and his parents made it to Australia. When he became old enough, Gerry joined the Australian Defence Force until the end of hostilities.

Gerry Levy started his career as a cutter in a women's clothing factory and ended running his own hardware business. He made an important contribution to the Jewish community in Australia. However, Gerry spread his talents and time around – and is fondly remembered as a supporter and friend of The Sydney Institute.

## JOHN McCONNELL

(1939-2013)

*This is a tribute written by Gerard Henderson on the occasion of the Thanksgiving Service held for John McConnell on Friday 8 November 2013. Tributes were also forwarded by Garry Bell, Brendan Ellis, John Roskam and Bill Shorten.*

I met John McConnell in Melbourne just over four decades ago. It was after he had left his career in advertising and a couple of years before he entered the profession of teaching. Some 40 years later, I proudly state that John was one of the finest people I have ever known.

In the early 1970s, people like John, who were both socially conservative and anti-totalitarian, were not fashionable. In advertising and on university campuses, the dedicated followers of intellectual fashion fawned before the mass murderer Mao Zedong in China, eagerly hoped for the day when the Vatican would formally embrace the heirs of Lenin and Stalin in the Kremlin, ridiculed traditional family life and called for greater government involvement over virtually all areas of society.

Not John McConnell. Not at all. John was not the proselytising kind. He respected the opinions and positions of others. Yet John knew where he stood. And, in time, the fashions caught up with him. Social conservatives and those who opposed communism at home and abroad are no longer thought of as on the margin.

John McConnell had the gift of considered self-belief concerning such matters as politics, economics, the need for high educational standards and the importance of family life. He always knew where he stood and was not bothered if others stood elsewhere.

Like all of us, John was afflicted by The Fall. Growing up a Catholic in the 1940s, he learnt about Original Sin – along with not-so-original sin, forgiveness and redemption – from an early age. Yet, from my perspective, he was a great husband to Carole and a wonderful father to Beth, Simon, my god-daughter Megan and Gregg. And also a reliable friend and good company to Anne, myself and many others.

John wrote book reviews for *The Sydney Institute Quarterly* over many years. His copy always arrived on time and to the correct word length. The reviews also contained valuable insights. Unlike some reviewers I have known, John always read books before opining on their author's work.

I happened to be in Melbourne on the last Saturday of August and dropped into John and Carole's place in Kew for a most enjoyable lunch – carefully and thoughtfully prepared by Carole who, as usual, played a part in the conversation. This was to be last time I met John.

On reflection, not much had changed since we first met – just a suburb away, just over four decades ago. Except that, now, John's stoicism was manifest in his acceptance of his terminal illness. John remained as he always was. A man of principle, strong and considered in private conviction but accepting of others. No one could ask more of a husband or father or a grandfather. Or a friend.

John McConnell: Rest in Peace.

## KEN MINOGUE

(1930-2013)

Ken Minogue was one of The Sydney Institute's first speakers. Born in New Zealand and educated in Australia (at Sydney Boys High and Sydney University), he left Australia in the early 1950s.

Professor Minogue was remarkable for his consistency of thought and his ability as a political philosopher to punch through with a clear and unequivocal message. The position which Ken Minogue stated in his first book *The Liberal Mind* in 1962 was much the same as he expressed in *The*

*Servile Mind: How Democracy Erodes the Moral Life* almost half a century later. Ken Minogue was a real liberal in the genuine sense of the term – he stood for the rights of the individual against the intrusion of the state.

Ken Minogue was not a religious believer. But his understanding that governments can never create total equality or full happiness is not that distant from the teachings about The Fall.

He lived most of his life in London but retained a keen interest in – and attachment for – Australia. Particularly Coogee where he had spent much time as a young man. Ken was never alienated from Australia or New Zealand and visited both regularly.

Unlike many of the Western intelligentsia at the time, Ken Minogue was never seduced by power – of the kind wielded by Stalin's heirs in Moscow or Mao Zedong in China or Ho Chi Minh in Vietnam or Fidel Castro in Cuba. In short, he was never a follower of intellectual fashion with respect to dictatorships or democracies. Ken Minogue came to regret what he regarded as declining standards in the social science faculties of many Western universities.

Writing in the *Wall Street Journal* on 2 July 2013, the Heritage Foundation founder Edwin J. Feulner looked back in admiration at Ken Minogue's courses at the London School of Economics which commenced in the late 1950s. Feulner was tutored by Minogue in 1965. In 1984 Ken Minogue succeeded Michael Oakeshott as Professor of Politics at the LSE – a position he held until 1995.

Ken Minogue despaired of the long march of the left through the institutions of the West – including the universities and the churches. Yet he always looked on the brighter side of life and retained his keen sense of humour and irreverence until the end. Gerard and Anne Henderson last caught up with Ken Minogue in London in late 2011 – he had not changed much from when they first met him in Melbourne around three decades earlier.

Ken Minogue lives on in his works – including his addresses published in *The Sydney Papers* on journalism and the public mind and national self-hatred – and in the lives of those whom he influenced either directly or indirectly.



# GERARD HENDERSON'S **MEDIA WATCH** - INCORPORATING **SANDALISTA WATCH**

The inaugural issue of “Gerard Henderson’s Media Watch” was published in April 1988 – over a year before the first edition of the ABC TV Media Watch program went to air. Since November 1997 “Gerard Henderson’s Media Watch” has been published as part of The Sydney Institute Quarterly. In 2009 Gerard Henderson’s Media Watch Dog blog commenced publication – it appears on The Sydney Institute’s website each Friday. Currently Gerard Henderson’s Media Watch takes the form of his new series titled “Sandalista Watch” which is influenced by George Orwell.

## **THE LEFTIST ALIENATION OF JONATHAN GREEN (BABY BOOMER) & CRAIG MCGREGOR (PRE-BABY BOOMER)**

In his 1937 book *The Road to Wigan Pier*, George Orwell defended “the ordinary decent person” against “the intellectual, book-trained socialist”. He wrote that the latter:

“... type is drawn, to begin with, entirely from the middle class, and from a rootless town-bred section of that middle class at that. ...It includes...the foaming denouncers of the bourgeoisie, and the more-water-in-your-beer reformers of whom [George Bernard] Shaw is the prototype, and the astute young social-literary climbers...and all that dreary tribe of high-minded women and sandal-wearers and bearded fruit-juice drinkers who come flocking towards the smell of ‘progress’ like bluebottles to a dead cat.”

2013 saw the publication of yet more testaments from the left. Namely baby-boomer Jonathan Green’s *The Year My Politics Broke* (Melbourne University Press) and pre-baby boomer Craig McGregor’s *Left Hand Drive: A Social and Political Memoir* (Affirm Press). Both tomes query the maxim that you-can’t-judge-a-book-by-its-cover. In these cases, the publisher tries to discredit the maxim.

*The Year My Politics Broke* contains an endorsement by Julian Morrow – one of “The Chaser” boys (average age 381/2) and commentator Jane Caro – both leftist members of the Sandalista Set.

According to Mr Morrow: “After the political car crash of the last twelve months, Jonathan Green is first on the scene to assess the carnage”. In fact, there were numerous assessments of the lead-up to, and aftermath of, the September 2013 election in newspapers and on social media before *The Year My Politics Broke* was published last November.

According to Ms Caro: “I nodded with agreement all the way through, then went away somewhere to have a good cry”. Good one. This implies that the book was read in one sitting after which Jane Caro could not control her emotions. Clearly, leftists love *The Year My Politics Broke*.

Craig McGregor’s *Left Hand Drive* also contains endorsements from fashionable leftists. According to former ABC journalist and one-time Gough Whitlam staffer Kerry O’Brien: “This is a memoir to treasure, from a wise and talented observer of the past half century”. According to singer/songwriter Bob Dylan: “Craig is hip to the hip but not really hip”. Well, yes. Or, perhaps, no. But the message is – leftists love McGregor.

The cover of McGregor’s tome features images of Bob Dylan, Gough Whitlam and Julia Gillard. The first two appear in *Left Hand Drive*. Ms Gillard does not. But you have to read the entire manuscript to work this out since *Left Hand Drive* does not contain an index. Nor does *The Year My Politics Broke*.

*The Year My Politics Broke* and *Left Hand Drive* are critiques of Australian society from a left-wing perspective. Both are surprisingly revealing about the Sandalista Set and its evident contempt for everyday Australians whom George Orwell called “the ordinary decent person”.

## **A \$1.5 MILLION PROPERTY - BUT STILL ALIENATED**

In middle class Melbourne of half a century ago, there was a word which expressed contempt at the lack of self-awareness in others. Namely, “common”. It was “common” to exhibit displays of wealth and possessions. And it was “common” to pose as intellectually superior to others. Nowadays, in the world of *Facebook* and *Twitter* and the like, the term self-indulgence works best.

Jonathan Green trod a not untypical path to media stardom. From the left-wing *Age* to the left-wing *Sunday Age* to the left-wing *Crikey* newsletter then on to the ABC – which does not employ one conservative as a presenter or producer or editor for any of its prominent television or radio or on-line outlets. Not one.

Green first became editor of the ABC on-line opinion production *The Drum*. He then moved to the position of presenter of ABC Radio National Sunday Extra and has filled in as presenter on such programs as *RN Breakfast* and *RN Drive*. These days Green is one of the most visible ABC staffers. In addition to his own programs, Green appears regularly on ABC1’s *News Breakfast*, ABC News 24’s *The Drum* and ABC Radio 702 in Sydney. Clearly Jonathan Green has admirers in high places at the taxpayer funded public broadcaster who think highly of his work – and, no doubt, his green/left politics.

In old fashioned parlance, your man Green has more front than Myers (Melbourne version) or Mark Foy (Sydney version). Until recently, he lived in the Melbourne suburb of Hawthorn. Historically, Hawthorn and Kew were the fashionable suburbs in Melbourne’s east – just over the Yarra River from the working class likes of Richmond, Collingwood, Fitzroy and Carlton. That was before the gentrification of the inner-city suburbs which occurred over the past half-century.

In late 2013 Green decided to move from Hawthorn to Fitzroy. Fair enough. However, in an act of staggering self-indulgence, he told his personal story to *The Age* and proudly announced that he had purchased a terrace in Fitzroy (aka Sandalista Central) for a \$1.5 million. Just 1.5 million.

Again, fair enough – without the self-indulgence of telling your Melbourne contacts about your wealth.

Green was even photographed outside his new abode for *The Age*. It was a case of self-indulgence meets vulgarity from one of Australia’s most prominent taxpayer funded members of the Sandalista Set – who, by the way, has even worn shorts and sandals when appearing in the Newspapers segment on *News Breakfast*. Enough said.

You would only advise *The Age* that you had bought a \$1.5 million terrace in Fitzroy – and had your photograph taken in front of the new premises – if you were unaware of, or indifferent to, the fact that the overwhelming majority of Australians do not, and never will, live in so valuable a property.

Jonathan Green’s *The Year My Politics Broke* is one of the most revealing books published in Australia in recent times. Green rails against Australian politics and the Australian media, apparently without realising that he is one of Australia’s leading journalistic commentators on politics. Professor Dennis Altman drew attention to this lack of self-awareness when reviewing *The Year My Politics Broke* for Fairfax Media :

**Green is deeply disenchanted with the state of our politics, and with some chutzpah - he is host of a Radio National program - very critical of media and the constant commentary of insiders. (Sydney Morning Herald, 23 November 2013).**

Green’s disillusionment with politics reflects his disillusionment with his fellow Australians. He is, in Orwell’s terminology, the book-trained intellectual who detests the values of the ordinary decent person. In short, an alienated type who considers himself to be “progressive”, unlike the clear majority of his fellow citizens.

## **TURNING THE PAGE WITH JONATHAN GREEN**

Jonathan Green’s Sandalista status is evident throughout *The Year My Politics Broke* – which is replete with self-indulgence. Almost on every page – commencing with his Author’s Note at the start of the book.

*Authors Note.* JG declares that Australia’s political system “is singularly ill-equipped to make the necessary hard choices in an increasingly complex world”.

**Page 1.** JG commences his manuscript as follows:

**At some point they refined the art of politics, whittling it down to a nub of cynical ambition couched in something that from the middle distance might pass**

**for belief. Show business for ugly people, that's the joke – which is always funny as you watch our politicians perform. Funny, but also terribly true: the same obsessive drive for attention, the same deluded sense of influence and importance, except that for a politician, unlike your run-of-the-mill *Home and Away* starlet, the potential to do actual social good – and of course harm – does exist. It's a confounding and confusing business.**

Interesting theory to be sure. But who precisely is the THEY who Green asserts refined the art of politics. What are their names? When did they do this? How did they do this? Was anyone consulted? And so on.

Usually it is conspiracy theorists – of either the Lunar Right or the Lunar Left – who allege that THEY did this or THEY did that. But here is an accusation against THEY by one of Australia's high profile media commentators. Let's return to the end of *The Year My Politics Broke* and see if the THEY have been named.

**Page 3.** JG starts his basic thesis about Australia. Alas, it is the old cliché about the danger of Australia becoming a quarry surrounded by water – which has been around for at least half a century :

**...it does seem that we are in flux, with an economy hesitating on the brink of a changing and uncertain future in which it needs to do more than ship and quarry, an ecology transforming as it charges toward the brutal inevitability of global warming, and our slender hold on the arable fringes of the Australian continent already challenged by a growing population and by the demands of others from around the world who see the place's new-world possibilities and would like to share them.**

In short, JG is an eco-catastrophist. In subsequent pages he comes forward and makes a commitment to a carbon tax.

**Page 9-10.** JG identifies an “increasing division between an informed public” [that's Green and his Sandalista mates] and “a great mass of people, one that is less engaged – people who, thanks to the machinations of the political class, are more often than not wilfully misinformed” [that's everyone whom JG disagrees with].

What's more, JG and the “informed minority” are dismissed by “both the defensive media and crusading conservative commentariat as a self-interested progressive elite”. How shocking is that?

Flick through the rest of the book and the conservative commentators are named as Andrew Bolt, Janet Albrechtsen, Piers Akerman, Tim Blair and Terry McCrann.

**Page 11.** JG includes himself among the “gatekeepers of the knowledge and influence that might shape informed decision-making”. Well done, don't you think?

**Page 12.** JG bags *The Australian* as an exercise in “bigoted, distorting journalism”. No evidence is provided to support this assertion.

**Page 14.** JG introduces the Big C word and asks the Really Big Question:

**What is Australian politics doing, for example, to meet the urgent need for a changed economy that does not drive us to ecological instability and catastrophe?**

**Page 28.** According to JG, there is “an all but irrefutable case for some sort of widely imposed constraints” on what he calls “Big Media”. You see, JG is upset that the media reported that Kevin Rudd was planning to unseat Julia Gillard as prime minister. But Rudd was. And Rudd did. Yet Green, who works for the taxpayer funded broadcaster, wants to censor the commercial media while leaving the ABC to manage itself.

**Page 31.** JG equates Simon Crean's confused intervention in the Labor leadership crisis in 2013 to strapping “on a suicide vest”.

**Page 41.** JG opens up on the asylum seeker debate – flashing his superior morality:

**Look at our endless to and fro over asylum seekers – a debate in which the national government happily engages in a blind brinksmanship with its obligations under international law and convention, without accommodating any reasonable notion of what is moral, in order to placate a vocal core of constituents whose shallow xenophobia and nebulous economic anxieties are amplified by talkback radio and the tabloids of TV and print.**

**Same for climate change. Five years ago we had something near to a national consensus based on unambiguous science, a consensus cynically talked down, often through shorthand distortions and misrepresentations pitched at the uninformed. Today few politicians dare confront these tides or take a stand against them. The tail has wagged the dog.**

How convenient. JG and the Sandalista Set are “moral”. And those who disagree with the Sandalista Set exhibit “shallow xenophobia”, suffer from “nebulous economic anxieties” and are “uninformed”. Fancy that. In short, Australia has “lost political leadership” and become “the meek captive of belligerent populist ignorance”. Sometimes you wonder why your man Green continues to grace us with his presence rather than emigrate and head for, say, Sweden.

**Page 42.** According to JG, the Australian media is “profoundly sexist” and “overwhelmingly male”. Alas, Green does not offer to hand over his *Sunday Extra* slot to a woman.

**Page 45.** JG brands the Canberra Press Gallery as “hacks”. All of them, apparently. No names are named.

**Page 51.** JG identifies with the Anne Summers school of thought that Julia Gillard was a victim of both sexism and misogyny:

**Sad to say, but so much of the heat and fury of the Gillard years grew from prejudice, tainting our politics with bitter spite coloured by chauvinism and something that oscillated between casual sexism and ingrained misogyny. The fact that our elected leader was a woman gave Gillard’s detractors the added, and for many instinctive, purchase of gender-based loathing – a deep sense that the simple fact of Gillard’s sex disqualified her from high office. In a contest that dwelt increasingly on notions of legitimacy, the PM’s gender became a key issue for that body of voters who felt uneasy not just with Labor in charge, not just with the marginal authority of a minority government, but also with the thought of a woman in power. Forget the difficult, imperfect reality she confronted.**

JG does not discuss the issue that, if Australia is so sexist and misogynist a place, how is it that Ms Gillard did relatively well in the August 2010 election. In June 2010, the Labor Caucus replaced Kevin Rudd with Julia Gillard primarily because Labor MPs believed that Rudd would lose to the election to Tony Abbott.

Immediately after becoming prime minister, Gillard had a very high approval rating but this declined due to Abbott’s skill as an Opposition leader and very damaging leaks from Gillard’s political enemies inside the Labor Party. If Australia is as sexist and

misogynist as Green claims, then Labor would have been wiped out in August 2010. It wasn’t.

**Page 57.** According to JG:

**It’s an unshakeable political reality that a core of the Australian voting public saw Gillard’s sex as a major flaw.**

No evidence is offered for this assertion which does not explain Julia Gillard’s relative success at the 2010 election.

**Page 59.** JG refers to the “global Zeitgeist” – indicating that his book is aimed at Australians who understand such a reference.

**Page 67.** JG reflects:

**After Rudd’s return, no one called our prime minister a bitch or a witch, criticised the prime ministerial dress sense.**

This from Jonathan Green who, writing in *The Drum* on 23 January 2014 criticised the Prime Minister’s choice of ties – declaring that he would never regard Tony Abbott as “a prime minister of intelligence, independent thought and creative intellectual flexibility” while “he keeps wearing those blue ties”. Green overlooks the fact that, during the 2013 election, Julia Gillard devoted almost an entire speech to criticising the tie colour choice of many of the Coalition’s leadership.

**Page 70.** JG restates his view that Labor ran a highly economically competent government.

**The great irony for both the Gillard and Rudd governments was that they proved themselves to be either sound economic managers or at the very least governments blessed to inhabit a moment in time through which the Australian economy continued to grow at a rate unparalleled in the developed planet, a time in which it also enjoyed modest levels of unemployment and low inflation. While this confluence of good numbers may have simply been a happy coincidence, it was also a combination that traditionally might exempt any given government from criticism over its conduct of the economy. But not these governments; not at this moment in politics.**

In other words, everything was okay in the economic garden in Australia between November 2007 and September 2013. According to Jonathan Green, that is. He simply cannot understand why many Australian voters were concerned by the blow-out in deficit and debt during the Rudd/Gillard/Rudd government.

**Page 82.** JG refers to “the incredible shrinking Joe Hockey”. Presumably a personal reference to Mr Hockey’s size.

**Page 95.** JG decries “old, broken, corrupted politicking”.

**Page 96.** JG maintains that the National Income Disability Scheme is “funded”. It isn’t – not in years 5 and 6 of the six year funding program where most of the expenditure falls due.

**Page 105.** JG opines that in Australia there is “no sense of high politics as a mysterious ‘deus ex machina’”. Really. Apparently in Sandalista Central people speak of little else than the “deus ex machina” phenomenon.

**Page 107.** JG runs the conspiracy line that *The Australian* was critical of Labor’s huge spending on the National Broadband Network to stop competition to Foxtel from the NBN. No evidence is provided. Ditto Page 113.

**Page 108.** JG opines that the “biggest problem with the Home Insulation Program” was its popularity. Really. In which case, you wonder why Labor abandoned it.

**Page 121.** JG maintains that Tony Abbott owes his leadership of the Liberal Party “to the support and scheming of climate change hardliners within the Liberal Party room”. In fact, in late 2009 the Liberal Party was in total disarray and the coalition between the Liberal Party and the Nationals was at risk. After December 2009, Abbott united the Liberals. Malcolm Turnbull lost the leadership of the Liberal Party because he lost the support of a majority of his colleagues.

**Page 128.** Now it’s time again for JG to display his moral superiority – this time with respect to asylum seekers:

**On the issue of asylum seekers, it seems inescapable that the solution involves managing a flow of people with good grounds to seek a new life in Australia. In a world of logic and fellow feeling, the premise would be that claims for refugee status are entirely legitimate (regardless of the means by which the refugees are delivered) and further that a country like Australia has a particular responsibility to find a home for as many people as might reasonably fit in. Which would be a lot. Perhaps even an uncomfortable quantity.**

This is close to the Greens position enunciated by Senator Sarah Hanson Young. Namely, that Australia

should open its borders to unlawful boat arrivals and give preference to asylum seekers who engage people smugglers rather than those assessed in refugee camps by the United Nations Humanitarian Commission for Refugees (UNHCR).

**Page 141.** JG suggests that, in the lead up to the 2010 election, Julia Gillard qualified her “there will be no carbon tax under a government I lead” promise:

**We shouldn’t forget that Gillard only signed up to a carbon price and an eventual trading scheme because she was forced to by the numerical realities of a hung parliament and her wattle-strewn marriage of convenience to Bob Brown and the Australian Greens. The consequences? Well, they are familiar enough. “There will be no carbon tax under the government I lead ...” is probably one of the most infamous pieces of political quotation in Australian history.**

**The other quotable snippet from those last days of the 2010 campaign — “but I am determined to put a price on carbon” – trips less readily off the tongue, largely due to its quite conspicuous lack of endless repetition. That one phrase would become the unwelcome motif of the Gillard government while the other, explicatory portion went largely unheard and unremarked says a lot about the balance of authority in political messaging since 2010.**

In fact, the Greens had only one member of the House of Representatives after the 2010 election and Adam Bandt indicated before the election that he would support Julia Gillard and Labor over Tony Abbott and the Coalition. In other words, Gillard Labor did not need to do a deal with the Greens to form a government after the 2013 election.

JG’s assertion that Ms Gillard qualified her “there will be no carbon tax under a government I lead” with the rider “but I am determined to put a price on carbon” is unsupported by evidence and Green cannot produce any. The reason why Gillard’s (alleged) phrase of qualification “went largely unheard of and unremarked” is explicable by the fact that it was never made. Green just invented it.

**Page 153.** According to JG, our political leaders are completely hopeless:

**Nothing close to a Big Idea has made its presence felt in the contest we’ve endured these past three years, that pitched battle between the incompetent and the**

**unelectable, and between two sides whose nuts-and-bolts policy work is all but entirely interchangeable, left to right, right to left, depending on your particular preference.**

**Page 160.** JG assesses Australia's political leaders:

**But the mutual loathing for Abbott and Gillard that has been the defining characteristic of politics between 2010 and 2013 is based not so much in the players themselves but in what they represent.**

There is no evidence that either Tony Abbott or Julia Gillard experienced "mutual loathing" from the electorate. In any event, Abbott led the Coalition to one of the biggest victories in modern political history – bigger than that achieved by Gough Whitlam in 1972 or Bob Hawke in 1983 and almost as large as John Howard's vote in 1996. As Dennis Altman has acknowledged, Green has "underestimated Tony Abbott's political skills".

**Page 161.** JG believes that there is a "public distaste" for Julia Gillard and Tony Abbott but writes of Kevin Rudd's appeal:

**Rudd had something of a messianic quality, but that is because in part he has something of a messianic quality.**

This is all very well. But Rudd lost the Labor leadership to Julia Gillard in June 2010 because his colleagues believed that he could not lead Labor to victory. And Rudd comprehensively lost the 2013 election to Abbott. Moreover, Rudd's own vote in his electorate of Griffith dropped significantly in both the 2010 and 2013 elections.

**Pages 161-162.** JG reflects on Australian politics:

**Have our major parties dumped a portfolio of values, an obvious sense of broad belief, as a response to disdain among voters more focused on their mortgages and earning potential than on sweeping challenges to the social order? Or is it simply that the two major parties, once proudly of left and right, now see the greater potential, perhaps the only chance of electability, in an appeal squarely to the centre, the broad mass of non-belief?**

The taxpayer funded Green, he of the \$1.5 million inner-city terrace, looks down on voters who are focused on paying their mortgages and earning money to support their families. According to JG, these people should be fixated "on sweeping challenges to the social order". Go on – that's just the Sandalista Set talking.

**Page 162.** JG reflects on contemporary politics:

**These are ideas that have consequences: the innate appeal of consensus, of bipartisan support, is one, and there is a partnered tendency towards the anodyne, towards positions that make no enemies, policy propositions that chase a universal and readily achievable good without creating disadvantage or loss. That can be stultifying, a reduction of ideas to their blandest and most inoffensive forms. It can also create havens for rent-seekers – a timid approach that invests great power in any coherent campaign of self-interested opposition.**

So, at Page 162, JG criticises politicians for embracing positions that make "no enemies". Yet, at Page 160, JG identifies a "mutual loathing" for both Gillard and Abbott and the parties they represent.

**Page 164-165.** JG's moral superiority as a member of the Sandalista Set is never more evident than when he considers the views of the electorate of Greenway, based in Western Sydney.

**The Morgan polling company compiled two years of extensive attitude research in the western Sydney seat of Greenway to coincide with Prime Minister Gillard's one-week Rooty Hill residency in early March 2013. It found an electorate at odds with the bulk of the country: Out of the 150 electorates, Greenway ranks 148 on the proportion of its residents who rate the improvement of health services and hospitals as a Top 3 issue. It ranks 115 on concern for improving education and 133 on global warming and climate change.**

**But on open and honest government, Greenway ranks dead last: only 8 per cent of local voters rate it as important compared to 17 per cent nationally. Its electors also give below-average weight to managing the economy, the needs of families and keeping living costs down. Instead, Greenway is in the upper fifth of electorates rating tax reduction (21 per cent of electors) and illegal immigration (15 per cent) as most personally important, and in the upper third for concern for reducing crime (16 per cent).**

That's the view from Western Sydney. And what's the view from Fitzroy? Put simply, JG, is replete with condescension:

**Less tax, no boats and safer streets. The concerns of electorates like Greenway could be seen as isolated examples if not for the way in which the policy balance of the major parties is skewed towards appeasing those voters in critical seats that might tip the balance in a poll. This gives the attitudes of people like the residents of Greenway a national importance beyond what might be warranted by both their number and the intrinsic merit of their concerns. Why does Australia have such a punitive approach to asylum seekers? To please the people of Greenway. Why is the election of 2013 the first in living memory not to feature some sort of auction over competing tax rates? Because of the electors of Greenway.**

JG looks down on people of Western Sydney (i) because they want to pay less tax (the tax that funds JG's salary), (ii) because they are opposed to unlawful boat arrivals (many are migrants who are trying to get their own relatives – some of whom are asylum seekers in UNHCR camps – into Australia) and (iii) because they want less crime (some live in areas where gun-fire at evening is not uncommon).

JB has moved from Hawthorn to Fitzroy. He seems blissfully unaware of the extent of violent crime in parts of Western Sydney and in the suburbs and regional centres of Australia.

**Page 166.** JG regrets the fact that Australian politics “puts individual economic security first in the pantheon of political concerns by a dramatic margin”. To JG:

**The Australian electorate of 2013 is a generation of self-absorbed and complacent suburbanites well served by a professionalised political class happy to coast along with it. It's a cycle that needs a circuit breaker before the entire apparatus consumes itself tail first.**

To JG, “suburbanite” is a term of derision and contempt.

**Page 168.** JG does not much like what he sees as the commonality between Labor and the Coalition:

**The result is unquestioned commonality between Liberal and Labor, a free and increasingly deregulated market, diminishing government, in a low-tax, growth-focused economy.**

If JG seriously believes that Australia's labour market, under Rudd and Gillard, became increasingly

deregulated – then he is blissfully unaware of Australia's industrial relations system. Beyond that, Green favours big taxing, big spending governments which do not bother about surpluses and just love a dose of debt and deficit.

**Page 173.** JG declares the Australian political system “broken”.

**Page 175.** According to JG, an “awkward hollow” lies at the heart of Australian politics – since it is “choked by the necessity of appealing to a handful of ambivalent voters around the marginals”. JG gives the impression that politics in Australia would be better if politicians did not have to worry about the electorate and he and his Sandalista mates could run the nation from a coffee-shop in Fitzroy.

**Page 178:** JG's contempt for Tony Abbott and the Coalition is evident:

**Tony Abbott may be prime minister, but he has been elected to enact a program that with precious few points of difference is fundamentally indistinguishable from that of his predecessor, Kevin Rudd. The biggest point of differentiation: that he is not Kevin Rudd. The government was defeated; the election of the opposition was almost a collateral victory.**

It's not that Tony Abbott “may be prime minister”. He is prime minister. Moreover, it is simply not accurate for Green to maintain that the policy agenda which Abbott took to the 2013 election was “fundamentally undistinguishable” from that of Labor. There were significant differences – most notably on the carbon tax and the mining tax.

Green seems quite confused. He maintains that Rudd was popular and Abbott was not. If there were no policy differences between the two parties – then Rudd should have prevailed over Abbott in September 2013. He didn't.

**Page 182:** The final page – and JG restates his alienation :

**That was our election, most of us voting as an empty gesture, with campaign politics pitched to a self-interested middle ground momentarily distracted by the spectacle of a precisely tailored presidential tussle between two men whose most notable public qualities were an easy mendacity and the power to convince us that their fabrications were testable facts. They promised us no substantial change other than the one thing that was undeniably within their gift: that neither was the other.**

**A system of politics in perfect working order might have managed something just a little better than that.**

As *The Year My Politics Broke* makes clear, JG's wish was for Julia Gillard to lead Labor to victory. When this did not happen, he projected his disappointment on to the Australian electorate as a whole.

To JG, most Australians voted as an "empty gesture". This was not so. There were literally millions of Australians who wanted the Coalition to prevail over Labor. And there were literally millions of Australians who wanted Labor to hold on to government.

**The End.** Alas, at the end of 182 pages Jonathan Green has still not told us who the "they" are who refined the art of politics. But it seems that it is voters in marginal seats, like Greenway, who are more interested in lower taxation, unlawful boat arrivals and crime than they should be – according to Green's opinion, that is.

Jonathan Green writes well. Which makes *The Year My Politics Broke* an important book – since its message is clear and unequivocal. Green, one of the ABC's leading presenters and communicators, cannot hide his contempt for people who live in the suburbs and are concerned about tax, asylum seekers and crime. From his height of moral superiority, Green cannot understand their position – which is vastly at odds with the Sandalista Set he mixes with in Fitzroy or at the ABC's Southbank studios.

To Green, "suburbanite" is a term of abuse. Since most Australians live in the suburbs or regional centres, Green does not like his fellow citizens – whom, he maintains, have broken Australian politics. *The Year My Politics Broke* is the most elitist – and revealing – book published in Australia for many years.

## **TURNING THE PAGE WITH CRAIG MCGREGOR**

Craig McGregor will never possess a \$1.5 million dollar inner-city terrace. He has been a freelance journalist for much of his career, supplemented by academic positions at taxpayer subsidised universities. McGregor is not as alienated as Jonathan Green with respect to his fellow Australians. However, McGregor holds a similar view to Green on Australia's leaders. And, like Green, McGregor regards himself as morally superior.

*Left Hand Drive: A Social and Political Memoir* restates Craig McGregor's view of Australia as expressed over the years in his books, essays and journalism. Here's a glimpse of how he sees the world – from his very own Sandalista perspective.

**Page 19.** CM believes that democracy is under challenge:

**Behind...the contemporary political process there is something much deeper going on: the corruption of democracy by corporations and private interests.**

**Page 28.** CM refers to "the desperate asylum seekers detained for years by governments too shit-scared to confront the xenophobia of a self-satisfied electorate".

So, like Green, McGregor sees Australians as "xenophobic" and "self-satisfied".

**Page 76.** According to CM, in the 1940s Catholics dominated Australia :

**This was Australia in the forties, when the Catholic Church dominated our morals, and abortion was illegal, illegitimate children were bastards, Aboriginal people were boongs, the pubs closed at six o'clock and judges condemned those who wanted a divorce as having "barnyard morals". The entire population of the nation was four million, less than Sydney today. It was not place to transgress anything.**

In fact, Australia in the 1940s was not much different from similar societies in Western Europe and North America. Moreover, Catholics were about 20 per cent of Australia's population in the 1940s and did not control the nation.

**Page 153.** According to CM:

**It seemed to me, and still does, that we live in a brutally unjust and unfair society, and I have spent much of my life trying to change it through my writing. My opposition to the unfairness of the system wasn't ideological but moral. I didn't come from a socialist or Labor Party or trade union background; I was sceptical of the ideological structure of Marxism.**

**Page 165.** CM maintains that, in 1967, Aborigines "gained the vote for the first time" Not so. In 1967 Aborigines, for the first time, were counted in the Census.

**Page 167.** According to CM, the Whitlam Government "withdrew from the Vietnam War". Not so. All Australian fighting forces were withdrawn from Vietnam in 1971 by the Coalition government led by William McMahon.

**Page 308.** CM does not like John Howard much:

**Howard turned out to be the most reactionary prime minister in half a**

century, who blatantly played the racist card whenever it suited him and provoked deep divisions in a society that thought it had gradually left behind its racist, sectarian, illiberal past and had learnt to accept its multicultural present and its neo-Asian future. As an expatriate Englishwoman said to me, Howard brought out the worst in Australians: their xenophobia, their racism, their jingoism, their fears and insularity.

Page 329. In fact, CM does not like Australia or Australians very much. Here is how he concluded *Left Hand Drive*:

The obverse? The obverse is a deep-seated and violent anger at the way the world – our desperately idealistic yet utterly flawed human society – is organised. We were going to change all this, we, the children of fifties and sixties, the children of the children of the revolution, we were going to “change the scene some time”, and it wasn’t the lack of idealism but the sheer immovability of the resistance which stopped us. In a bizarre way, this anger reinforces the elation I feel at having been given the gift of life at all, so that in times of intense emotion I feel within me this core of f\_cking rage and ecstasy in one – It has to change.

So CM loves the fact that he possesses the “gift of life”. But he feels “rage” about the society in which he lives.

## THE ALIENATION OF THE SANDALISTA SET

Jonathan Green (born 1959) and Craig McGregor (born 1933) have had brilliant careers as journalists and writers. They have travelled widely and met interesting people while doing a job they enjoyed – for some years at least, paid for by taxpayers.

Even so, Green and McGregor are disappointed in the very societies which made their comfortable lives possible. Consequently, from their high morality, they look down on their fellow citizens who do not share their disappointment, even rage. It was ever so with the Sandalista Set.



# PHIL LOWE

## DEPUTY GOVERNOR, THE RESERVE BANK OF AUSTRALIA

DATE: Wednesday  
12 March 2014

TIME: 5.30 for 6 pm

VENUE: King & Wood Mallesons  
Level 61 Governor Phillip Tower  
1 Farrer Place Sydney

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