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LEARNING TO FLY:

A POLITICAL EDUCATION IN THE SIXTIES & SEVENTIES

- Cassandra Pybus

I have been asked to talk about my new book *Till Apples Grow on an Orange Tree* (UQP), which is a series of reflective essays on place, on politics and on the past. It is linked thematically by a love story – unusual perhaps in a book which is underpinned by politics – and its shape is determined by the idea of a return, both to the glorious landscape of my childhood in southern Tasmania and to my first very first love, after a somewhat tumultuous life as radical student during the Vietnam years, here and in California, a hippy dropout and then as one of the first wave of feminist bureaucrats in the 1970s and 1980s. In the light of previous presentations by women writers at the Sydney Institute, I thought I might explore my disenchantment with the feminism of my youth.

It was Helen Garner, a writer I much admire for her own unflinching candour, who put me to wrestling with how the promise of my youthful feminist ambition had turned so sour. She and I met in a Melbourne cafe a couple of years ago to discuss her current project which became the book, *The First Stone*. Over coffee we talked for a long time, with surprising ease, about how at the meridian of our lives, we were confident, for the first time, in our sense of ourselves and in the unfashionable choices we recently had made. Feminism, we agreed, did not lead us down the path we expected to follow. The conversation turned on this issue: our disappointment that the rhetoric of feminism had yielded us such a thin soup. Would we still call ourselves feminists? I thought not. Helen did not say.

Later we each remembered our talk differently and each has put it to a different use. On that day we achieved a genuine intimacy and engagement which was still resonating in my mind when I received a letter from Helen hoping to persuade me to write an essay which might capture the essence of our wonderful conversation in the cafe. That essay, called "Learning to Fly", is part of my new book, *Till Apples Grow on an Orange Tree*. I grew up feminist, encouraged by a feminist mother. Even before we had a word to attach to her out-of-step-

opinions, I was imbued with a mission to show the men I was as good as they were. It was an article of faith for my mother that women were not to be defined in terms of their biology. She never failed to let me know about the constrictions of marriage and motherhood. I knew that she loved my brother Stephen and myself fiercely, but I also knew that if she could start her life over again there'd be no children to tug at her heart and cramp her style.

When I reached Berkeley, California, in 1969 I felt right at home in the Women's Liberation group among convictions that only the social conditioning and discriminatory barriers of the patriarchy limited our options. My mother had been right: men and women all had the same potential, it was just distorted and perverted by social conditioning. Once we transcended this social conditioning, men and women might stand toe to toe and not notice the difference. And there would be no more Vietnamese. There was my mission - a social revolution.

After my return to Sydney I became part of a group calling ourselves Bread and Roses which became a core group of the Sydney Women's Liberation movement. At the time my current lover shared a house with two others in the group who once took me to task at breakfast for having apparently faked the cries and moans in the night. I fixed my eyes on the encrusted honey drops on the table while they lectured me on the myth of the vaginal orgasm. I never for one moment believed them, but I knew better than to argue back. Severe Maoist principles of communal critique and self-criticism were essential to our desire to overcome a bourgeois and phallogocentric world view. When Women's Liberation House opened in Glebe Point Road, we engaged in communal open heart surgery - no men allowed. We had plenty of steam, but in truth we had no intellectual purchase on humanity and its arrangements. Our ideas came off the peg, mostly American imports, but they seemed to fit, and drew the kind of attention needed to distinguish a girl from the rest of the crowd. It was our energy and effrontery, rather than our ideas, which were impressive. As my friend Kate Jennings has observed, we were high on ourselves: naive, curiously trusting, seemingly unaware of our limitations, like children who launch themselves from the garage roof to see if they can fly.

Don't misunderstand me. I am not repudiating the basic tenet of feminism, nor my own engagement with it. I did believe, and still do, that men have no special claim on talent or ambition, that a woman could do what ever job a man could do, and should be given every encouragement to fulfil her ambition, as my own mother had never been permitted. The problem that I now identify is that, as a result of some unexamined process in my own life and in the wider feminist circles, I came to understand this to mean that it was better to be a panel beater than a shop assistant, more important to be an engineer than a

nurse, more relevant to be politician than a teacher, more effective to be treasurer than minister for housing.

On my progress up the greasy pole towards being more important, more relevant, more effective, I had jettisoned the soft world of academe in favour of social engineering and established a promising career in Affirmative Action. Early in the 1980s I was living in Melbourne with an important title, a senior management position and a sizable staff. I published papers on gender in the labour force and wrote policy on affirmative action and equal opportunity. In my large, stylish office an oversized photo of Simone de Beauvoir dominated the wall behind my desk, to give weight to my air of aggressive self-confidence. **GIRLS CAN DO ANYTHING** the poster on my door shouted at me, yet not this daily exhortation, nor even stern Ms de Beauvoir, could quell the insistent, shrill voice in my head repeating: you bad girl, you silly bitch. My staff hated me, I knew, and they stonily refused to bend to my will, bitterly resenting the intrusion of combative ideology into their comfortable routines. Among the senior male administrators whose ranks I was the first to desegregate, I was regarded with poorly disguised disdain.

If this were not trauma enough, compounding my frustration at intransigence and obstructions, my terror of inadequacy and my anger at the endless administrivia I could not grasp, there was the hideous realisation that in exhorting girls to be plumbers rather than librarians, paying employers to apprentice these girls, running special courses to teach them how to cope with the bullying and harassment in the workplace, setting up agencies to monitor the unequal distribution of women in the labour force, giving papers at conferences on women and work, I was barking up the wrong tree.

The rhetoric I had pat, but my gut feelings told me I was trying to climb up the down escalator. Research revealed that over the previous decade women had made no appreciable impact on the structures of power created and perpetuated by men. Young women continued to drop out of the male-dominated areas of work. In my public presentations and papers I would say that this represented a failure of nerve, or shortcoming in policy implementation. I would call for more assertiveness training to overcome the Cinderella complex that held women back, more pilot programs, more workplace interventions. I knew that most girls did not want to be plumbers or engineers, just as I knew I did not want to be what I had become.

Stern Simone loomed large in my office but at home I indulged an affinity for the chaotic and self-destructive – Jean Rhys, Elizabeth Smart and Judy Garland. Always Judy Garland, my midnight companion:

The night is bitter,
 the stars have lost their glitter.
 The wind blows colder,
 suddenly you're older . . .

The dreams I dreamed had all gone astray. The Garland records were the only possessions I had retained from the six-year relationship I had fled in 1979. I had made a virtue of leaving every man I loved. My life was spent in a state of preparatory flight, poised to leave at the first sign of discontent. This particular man I had loved most; had desired more than anyone. Our relationship had always been combative and it had started to turn cruel. I had no skills to draw on to explore our mutual anxieties so that we might seek reassurance and comfort in each other. I saw no need.

It never crossed my mind that a terminated pregnancy might have been a matter of grief and anger for him. My body. My business. I insisted that everything had a clear demarcation: this is my bed linen; those are your towels. I will buy the dinner set; you buy the table. Competition I excelled at. Sharing was not my practice. The fragility of love, become manifest in such arrangements. His fault as much as mine. His professional jealousy, his clever, knife-edged banter and his sexual infidelity were a powerful barrier to any real trust. For a long time I blamed him entirely for pushing me away, explaining his behaviour as the typical response of a male ego unable to cope with a woman more clever than himself. Now it seems that we simply did not know how to love; that we were each equally scared of admitting to the vulnerability of our need for the other.

One day I had enough. No discussion. I simply climbed into my car and drove away. Across state borders. Across half a continent. At last, I congratulated myself as I sped along empty highways, I was the independent, actualised, uncompromised self. Passion, I had decided, required a loss of the self, created unhealthy dependency and stifled ambition. I left him the accumulation of our life together – what was mine as well as what was his – and an essay I had written on “Orgasm as a Form of Social Control”.

The Judy Garland double album had been his. One day I let myself into his house with the key I had retained and stole it. In Melbourne years later I would while away the wee small hours with Judy and the cabernet shiraz, a sagging, maudlin heap of loneliness and disillusion. I was almost at the half way point in my life and I had found that the broad highway I had struck out upon with such panache led into a narrow cul de sac. I didn't know how to retrace my journey. It seemed no longer possible to turn back.

The road gets tougher
 It's lonelier and rougher.

Sing it, Judy. Belt it right over the bleachers while I uncork another bottle.

Stress, alcohol and Melbourne winters are a sure combination for illness. In 1984, despite my sturdy constitution, I came down with one virus after another. At the health clinic I found myself the subject of a postgraduate medical project. For the first time a doctor talked to me at length about my lifestyle, my job, my hopes and fears. I enjoyed telling her all about it. Have you ever considered a psychiatrist? she said when I had finished. Hell no. Psychiatrists represented the ultimate in self-indulgence, an admission of weakness. Undeniably I was miserable. I let myself be persuaded. I owe my psychiatrist a great deal. She never bothered to ask me the questions I expected about my father, or my childhood, or even failed love affairs. What interested her was the here and now. My profound unhappiness had its roots in my immediate situation she seemed to imply. If it were not the life of a femocrat I wanted, what was it?

Eventually, after many false starts, I confided that I longed to live in rural Tasmania and to be a writer. This admission came hard as I had been well schooled in sneering at "rural idiocy". I explained how such self-indulgence was ideologically unsound, and really quite out of the question. For the first time she looked at me as if there might be something seriously askew in my mental balance.

In her unreconstructed view of the world, liberation was a process of individual self-actualisation, not making yourself over in the image of an abstract idea or social model. Well, yes. Hadn't I always said so. **GIRLS CAN DO ANYTHING** proclaimed the poster on my office wall, I was prosaic and cowed in assuming that slogan meant becoming prime minister, or the head of Treasury. She also wanted to know about about the life of the imagination.

When I confessed about the unfinished book I had written on the joys of spinsterhood, she suggested that I throw it away and write about my heartfelt desires, not my worst fears. Invaluable advice. I put that book away. I stopped drinking. I took long walks in Yarra Bend park. I devoured novels. Then one day, when I was moping about feeling indecisive, I opened the door to my very first boyfriend. My last communication with him had been exactly twenty years before, when I had told him his ideas on life were petit bourgeois. He had my gate in his hands. My gate was a lumpish thing made of heavy ships timbers from a hundred and fifty years ago and it hung awkwardly on a broken hinge. To open it one had to pull rather than push. Michael Lynch had pushed the dammed thing right off its hinge. Hello, he said. I have spent a long time looking for you. Your father tells me you have never got married.

Michael Lynch was always a determined man. Stubborn I'd say. Pigheaded. He persisted in coming to see me in the face of my initial rudeness. Eventually I ceased being closed and wary. He was so easy to be with, as if I had known him always. I confessed to Michael that all my life I had dreamed of the distinctly Tasmanian landscape of my

childhood and how I longed to inhabit it once again. Just do it, he said. I'll come with you.

So it is that I now live a bucolic life with my husband in the landscape of my ancestors in rural Tasmania. In the mid 1980s, when no TV channel would have considered a program like *Sea Change*, it was a very unfashionable life-choice to have made. Mind you, I suspect that dropping out to live in rural Tasmania will always be an unfashionable choice to make.

In Lower Snug, I have a large vegetable garden and a small orchard which keeps me occupied, as well as being a writer and an Internet publisher. Together with my husband Michael, I also run an environmental consulting company which employs four people who work co-operatively on critical resource management programs, sharing income, so that four people can be employed on less income than I received as a senior bureaucrat.

I am a forthright woman who speaks her mind and I live exactly as I choose. This does not make me a feminist. My mother, who is heavily engaged with a lobby group called the Older Women's Network, is a feminist. Eva Cox is a feminist. I am not. Nor, might I say, are most of the women in Australia who apply the term to themselves in a automatic and self-congratulatory way, especially those young women of the Do It Yourself variety. (What is it they do, exactly?). We don't all go around calling ourselves socialists because we enjoy a humane welfare system and universal health care, so I fail to see why women of a certain education and status who enjoy something approaching equity in the labour market, get to be called feminist. The term is so loose now that it makes you wonder if there is a woman in Australia who could possibly not be a feminist.

It needs to be said that feminism is more than a fashion statement or a life style choice. It is a political movement concerned with social change and focussed on issues gender equity. In the first world, as Professor Marilyn Lake observed last week at a conference on history and political culture, feminism is all but extinct. Lazy journalists wishing to whip up stories about fights between so-called "feminists" are simply manufacturing hot air. And that is certainly the case with the media frenzy over the response to Helen Garner's book, *The First Stone*.

I am not denying that I have been highly critical of that book, but my criticism has everything to do with my interest in the politics of power in academic institutions and next to nothing to do with feminism. I insist that the Ormond College case, just like the Orr case - a sexual harassment case from 40 years ago, when feminism was unheard of - is not about gender and its inequalities; it is about power and its abuse. For this reason I believe that the Ormond College case is of the same order as a contemporaneous case in another state, where a female professor was accused of sexual exploitation by several of her female

students, whose complaints were dealt with, totally inadequately in my view, by the female Vice-Chancellor of the university. In the latter case, interestingly, it was the students who left the university while the professor retained her position and status. On the other hand, the Master of Ormond College has had his career totally destroyed and his humiliation played out in the full glare of a media spotlight. A key difference between those two situations can be found in the fact that one was played out in the media for the benefit of public titillation. I might point out that the case against the Master of Ormond was heard in a suburban magistrates court, along with traffic offences. If it had not been picked up by Helen Garner and made a *cause celebre*, I believe this case would not have wrought the devastation in people's lives that it has.

I do not want to dwell on *The First Stone* controversy, of which I feel we have all had more than enough, but I do find it necessary to say that I have been dismayed at the way I have been positioned in the media as some fierce ideological enemy of Helen Garner, despite my efforts to dispel that idea. It seems that there is only one narrative the media will tolerate in this matter: that of feminist harpies at each other throat, reducing philosophical and ethical disagreements to something akin to a cat fight behind the shelter sheds. I have given up on trying to correct that viewpoint since every one of my interventions has either been pulled by the newspaper editor or so badly cut that all the modifying intellectual argument has been stripped from my reported comment.

It seems also that in certain circles I might be considered to have let the side down by drawing attention to the ambivalence that I feel about the feminist project. I detected a whiff of this in the review of my book in *The Sydney Morning Herald* where Anne Coombs specifically referred to that meeting with Helen Garner – noting in parenthesis that it was a meeting set to become part of literary folklore. She refers to our shared sense that the rhetoric of feminism had yielded us thin soup and goes on to say, “A bizarre manifestation of this turnabout in Pybus’ life is her incessant references to ‘my husband Michael’ which made me twitch with irritation.” I have to ask, by what reading of the world does someone find repeated references to one’s husband in an autobiographical work bizarre?

If I were to review a book about someone finding their true self in a lesbian or gay relationship – the subject of a burgeoning publishing industry – and say that repeated references to the partner of that central relationship was a “bizarre manifestation” of the turnabout in their life, I would be accused of homophobia and more. Yet for some women who define themselves as feminist, it would seem that men are not to be central to the story. They function as the creators, supporters and beneficiaries of the patriarchal system. In my book I try to suggest that

the world has never looked that way to me. I especially wanted to make this point in relation to the Vietnam Movement, out of which the Women's Movement grew, in part in reaction to the inherent sexism in the anti-war movement. This was made very clear in an astounding speech by the poet Kate Jennings, at a Vietnam Moratorium Rally in 1970, which had even the most shrill feminist open mouthed in shocked astonishment:

And I say to every woman that every time you've been put down or fucked over, every time they kick you cunningly in the teeth, go stand on a street corner and tell every man that walks by, every one of them a male chauvinist by virtue of HIS birthright, tell them to all go suck their own cocks. And when they laugh, tell them they're getting bloody defensive and that you know what size weapon to buy to kill the bodies you've unfortunately laid under often enough. All Power to women.

Having only grudgingly been given the right to put a women's perspective, her full-throttle performance had upstaged all the male speakers and succeeded in scaring the pants off the earnest young men in the antiwar movement. That was no bad thing. It was time they understood that we were not put on this earth just to lick envelopes, operate the roneo machine and spread our legs. Both Kate and I remember that moment with great affection. It was a defining moment: a great piece of theatre, a marvellous exercise in political rhetoric. But it wasn't a coherent social critique. Through those years of the war I could not avoid the paradoxical awareness that it was my gentle and generous male friends who spent time in prison as non-registers, their personal lives and their careers shattered, while we railed against the patriarchy in Consciousness Raising groups. In 1969 and 1970, when I lived in San Francisco and attended electrifying anti-war rallies on the UC campus at Berkeley, I had shared the crowd's sense of unique destiny; the breathtaking arrogance that this long-haired and raggle-taggle mass believed they were going to remake the world. Getting the boys out of Vietnam was only the first step in an ongoing social and political revolution.

However intoxicating the rallies and the heady rhetoric of the counterculture, it was the direct television coverage of the war, day and night – hideous images of desperate bloody chaos – which really politicised me. America losing the war and losing its young men nightly; the faces of some of the dead and wounded clearly identifiable to hapless viewers who had not yet been notified by the authorities. I can still see one scene in my head as if it were a video to rewind and play at will: jumpy, grey footage of a group of scared young black men gesturing toward the jungle into which they are refusing to go. Nothing will make them budge. They speak directly to camera, their words tumbling over one another, about their fear and disgruntlement. The jist of what they say, deleting the many "f" words, is that they are afraid of being ambushed by the Vietcong hiding in the jungle.

Also compelling were the astonishing pieces in *Rolling Stone* by war correspondent Michael Herr, which allowed me to translate my political impulses into gut reaction. No one should ever have to do what that hideous war demanded. He exposed the vileness of its sanctioned savagery and its awful hypocrisy, but his real genius was to take readers into the pity and terror of boys whose lives had been fractured irrevocably by the decision to send them into horrors of Vietnam. Boys full of bravado and bullshit, brutalised and brutalising, facing unpredictable death and scared out of their wits.

When the war was over in 1975 I went back to America to complete my Ph D in American history. For the second time, the horror Vietnam reared up to confront me everywhere I went in America. On the various campuses, as well as in the streets of the cities, I saw maimed and ruined men of my own age, some a little older, some younger. Many of them. Maimed or whole, most had a dark bitterness no amount of GI Bills could erase. The price my cohort of young men had paid was a painful daily lesson. I couldn't bear it, sometimes, when I was living in New York City, walking past legless men with begging bowls. It was something of a relief to come back to an Australian campus and not be always conscious of the male students in their late twenties in wheelchairs. In Australia I could put Vietnam behind me, or so I thought.

I had largely forgotten about Vietnam in 1985 when I began over again my love affair with Michael Lynch. But over dinner one night, just before we were married, I was recalling the time North Vietnamese officials came to Australia at the invitation of Jim Cairns and stayed at the home of a friend. I had been astonished at how decadent they were; how they chained smoked and loved Western indulgences like champagne and ice cream. Michael did not respond. His silence had an alarming intensity. That was when I found out. While I had been marching in rallies and hurling slogans he had been part of the Australian military commitment to Vietnam. I was flabbergasted. It never crossed my mind that he had been in the terrible war.

That past is over and done with, Michael believes, and he refuses ever to speak of it. Gone. Like the dreams he never remembers. I believe the past is never finished; that it is out of our past we construct our future, as our remade life together is a testimony. It does me no good. My husband will not be cajoled into opening this compartment of his soul to me.

So inconsequential does this story seem to the *SMH* reviewer that she felt my essay about Vietnam read as if I felt it was incumbent on me to delineate where I been during Vietnam. For the record then, I would like to say something about my engagement with Vietnam, which was also my political incubation, and which I write about in a piece called

called 'If Someone's Gotto Go Over There'. The title is drawn from a line in an anti-war song I used to sing.

Now I hate Chou en lai
And hope he dies
But I think you've gotta see
That if someone's gotto go over there
That someone isn't me

This piece was very hard to write. In it I am not displaying my 1970s radical credentials, as Anne Coombs suggests. I was trying to deal with the disturbing irony in which my life was remade – a life which has circled around on itself to bring me back to the landscape of my childhood and my first boyfriend – an irony which finds me married to a Vietnam Veteran for whom the experience of Vietnam has been so traumatic that it is the one thing he does not, will not, share with me.

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Photo - David Karonidis

Anne Whitehead

Anne Whitehead was the 1998 winner of the NSW Premier's Australian History Prize which she won for her book *Paradise Misland: In Search of the Australian Tribe of Paraguay* (UQP). Anne Whitehead is a travel writer, and historian and she shared some of her stories of the 500 Australians who left to found a utopia in Paraguay in the 1890s, at The Sydney Institute on Tuesday, 21 July 1998.

PARADISE

MISLAID: IN SEARCH OF THE AUSTRALIAN TRIBE OF PARAGUAY

– Anne Whitehead

Paradise Mislaid is the story of the approximately 500 Australians who went to South America in the 1890s with an English journalist William Lane, to try to live out his vision of Utopia in the Paraguayan rainforest. The book traces how the experiment eventually failed (for although many people assume almost instant disaster, it actually survived in some form for 16 years), and my account follows the lives of some of the descendants in Paraguay up to the present day.

The New Australia expedition was mounted after the failure of the Queensland Shearers' Strike of 1891. My own interest began when I was a very green film director in the late 1960s and was commissioned by the BBC to make a television program about life on a sheep station at Moree at shearing time. The men had to vote on allowing a woman into the shed and I talked with the shearers during smoko and as we ate mutton chops served by Bluey the Cook. There was an old shearer long past his prime and he spoke as if it were yesterday about the great strike of 1891, because his father had been involved. He said the men, though, they'd win, but it didn't work out that way, "because of the bloody troopers and the scabs, so a lot of them buggered off to Paraguay instead".

At the time the writer Henry Lawson flirted with the idea of "buggering off" with them and in 1893 wrote a poem with the refrain:

'Tis the hope of something better than the present or the past –
'Tis the wish for something better strong within us to the last –
Stronger still in dissipation – 'tis the longing to ascend –
'Tis the hope of something better that will save us in the end.

The little barque-rigged sailing ship *Royal Tar* sailed out from Sydney Harbour on 16 July 1893 with its leader, William Lane, and the first batch of 220 emigrants on board, hundreds of people lining the foreshores to see them off, other well-wishers bobbing on the waves in launches and dinghies. According to one story there was even a group of people in straitjackets in a little boat with a banner: "Lunatics farewell their brothers and sisters".

The Sydney *Bulletin* pronounced:

On the assumption that life among wild oranges and *yerba mate* scrub has capabilities which it does not offer in Australia, one of the most feather-headed expeditions ever conceived since Ponce de LeÛn started out to find the Fountain of Eternal Youth, or Sir Galahad pursued the Holy Grail, is about to set forth.

The whole story has compelled me for many years, the question of why over 500 people should leave Australia in the 1890s, a time when the country's enormous agricultural potential was being recognised, when the first Labor members were elected to colonial parliaments, and political theorists from Europe were coming here to study a system where ordinary labouring people had the chance to reach the top politically and economically, a system that was coming to be regarded as a "social laboratory" for the world.

So why did they go? Principally because of the vision of one man, William Lane, and his ability to enthuse people to join his cause. The immediate impetus was the failure of the 1891 Shearers' Strike, which meant people were ready to listen, but the records show that Lane had entertained a dream of establishing a commune in South America for at least two years before that.

An Englishman from Bristol, Lane had worked as a journalist in Canada and the United States, where he witnessed the decisive crushing of a strike in 1877. Lane ceased to believe he was in the land of the brave and the free and left for another which he thought still could be. He arrived in Brisbane in 1885 and was soon famous for his fiery, eloquent journalism. In 1890 he became editor of Queensland's first labour newspaper, the *Worker*, and offered his readership of shearers, shedhands, drovers and tank-sinkers, his ideas on socialism, ideas that were influenced much more by an English radical tradition than by Karl Marx.

Lane came greatly to admire, indeed to idealise, the independence and toughness of the Australian bushmen, but he deplored the harsh conditions in which they lived and laboured. When the shearers went on strike in 1891, Lane passionately supported their cause and he in turn became known as the "Bushman's hero". In Central Queensland ten thousand men held out in makeshift strike camps for almost five months and the situation was explosive. Newspapers in other states sent "war correspondents" and indeed Australia came as close as it has ever been to civil war.

One of the reasons I decided to write a book was because I met a 100-year-old woman, Margaret Riley, who was no doubt one of the last eyewitnesses of that strike. She was nine when it was on and lived in the town that was its headquarters, Barcaldine, in central Queensland. Her father, Denis Hoare, a carrier who went out in solidarity with the shearers, believed that girls should understand about politics and he often took her to meetings and out to the strike camp.

I kept in touch with Margaret Riley, recording her memories of the strike and her six years in Paraguay. She gave me some of her clearest memories at the age of 104, providing details that I was able to verify in contemporary newspaper accounts. She recalled a famous incident at Barcaldine when the strike leader George Taylor was arrested and taken to the lock-up with his legs and arms in chains, surrounded by a crush of 1000 angry supporters, held back by 300 red-coated troopers. Amazingly Denis Hoare took his nine-year-old daughter into the crush. In the recent waterfront dispute, public opinion turned against the wharfies when children appeared on the picket line. Whatever one thinks of the wisdom of taking children into such volatile situations – and I don't think it particularly wise – I must note that at the age of 105 Margaret Riley looked back on Taylor's arrest as one of the most vivid and important moments in her life.

In May 1891, the striking shearers finally capitulated because of the overwhelming firepower of the Queensland government although serious loss of life was avoided. Despite Henry Lawson's bombast, little blood ever stained the wattle. But after the strike, hundreds of men, like Denis Hoare, found they were on employers' blacklists and couldn't get any work.

It was then that they listened to William Lane, who had rekindled his dream of founding a Workingman's Paradise in South America. "Come out from this hateful life," he called to them, promising a life of mateship, sharing and equality instead. Hundreds responded, putting up their life savings. Lane's ambition was enormous. His plan was not to create just a little village in the Paraguayan backwoods, but a functioning model of socialism which would be a vanguard for working-class people in all lands. "We will write the history of humanity," he was quoted as saying, "on the rocks of the Andes."

All intending colonists were required to sign pledges to observe Teetotalism and the Colour Line. They promised that: "We refuse to mix with coloured races; we want our children to be as white as we are, capable of upholding our principles and understanding our ideals". Lane's concept of social justice was exclusively for Europeans.

I would argue that racist tendencies have long been a part of the Australian character, emerging at times of social stress and dislocation. The early 1890s was a period of severe drought in Queensland and economic depression. Pastoral workers, newly organised into trade unions, participated in an unreasonable mass neurosis that hordes of Asians and Pacific Islanders were coming to take their jobs. These lurid visions were encouraged in two papers edited by William Lane, the *Boomerang* and the *Worker*. He rejected the idea of a "piebald people here in Australia", predicted a coming race war and said he "would like to sweep every Mongol, Malay, kanaka or coolie out of the country at once and for ever".

On television this month, John Pasquarelli, Pauline Hanson's former advisor, said: "Pauline never created this response to her – it's been there all the time, bubbling and festering away. She just let the genie out."¹

The genie was certainly let out on an earlier sortie in 1890s Queensland. William Lane's racism was a virulent, physical hatred, a loathing of the Other, that remained with him all his life. He would rather see his daughter dead in her coffin, he declared, than kissing a coloured man or nursing a "coffee-coloured brat". William Lane's populist New Australia Cooperative Settlement movement was joined by over two thousand people, some five hundred of whom were sufficiently committed to invest their life savings and embark with him for a little-known continent. But I don't believe that most of the people who joined the movement did so because they shared Lane's extreme racism, or certainly not with his ideological conviction. They were economically stressed, after the strike many of them couldn't get jobs, and in an insecure world they responded to someone with a forceful, simple recipe for putting things right. Again I think there are comparisons we can draw today. But the Lane followers were also propelled by something positive, a vision of creating a completely new life in a new land. (Although it was mainly the men – already united by unionism – who endorsed this vision. Many of the women were extremely reluctant to go, but like Mary Hoare had no option because, in her daughter's words, "The man's word was law".)

Despite press derision and bureaucratic obstruction, the first shipload set sail on the *Royal Tar* in July 1893, the next batch in December, including Denis and Mary Hoare, their seven children and young Margaret. They were joined by others who made their way independently, including the schoolteacher Mary Cameron, who later became famous as Dame Mary Gilmore. They all made the perilous sea journey around Cape Horn, (passing whales spouting, icebergs in the distance), they sailed up the South American east coast and at Montevideo transhipped to a river boat. Another journey 1,600 kilometres upriver brought them to Paraguay's capital Asuncion, then a stream train ride into the heartland of the country, and finally a trek in covered wagons into the dense rainforest to reach the site of New Australia. One of Lane's first actions was to evict about 1000 Indians living on the site, their traditional land. The Indians were described as "squatters" and told to move. Reluctantly they submitted.

Paraguay had welcomed the colonists, offering them a generous land grant, because it was still recovering from the devastation of its population just 20 years before. During the War of the Triple Alliance, the bloodiest in South America's history, the ferociously patriotic Paraguayans, driven by the Napoleonic fantasies of the military dictator of the time, battled the combined armies of Brazil, Argentina and

Uruguay. At the end of the five-year war the country's destruction was almost total. Paraguay had lost a staggering 90 per cent of its male population and desperately needed new immigrants and fresh bloodstock. (Incidentally, I was strangely moved to discover during my research that William Whitehead, one of my own ancestors, was a British mercenary for Paraguay, Director of Munitions, in that terrible war. I fantasise that some tribal memory might explain my sense of connection with the country.)

But the Paraguay government was unaware that all the Australian colonists had signed the Colour Line pledge and there was to be no racial mixing. The country was predominantly women, famous for their beauty, and the Australian colony was predominantly single men, young and virile. It was all testing the faith rather too sternly. But William Lane had high hopes of a recruiting drive for women in Australia and Great Britain. The women stayed away in droves. Yet at the New Australia colony the bachelors couldn't even drown their frustrations in grog, having all signed the second pledge to teetotalism.

Robin Wood, a colony descendant, was wryly amused by his forebears:

. . . a world of solid women, resilient and practical, and crazy men. The men were dreamers. That's why they landed there. They had visions, they were always in the place where they didn't want to be. Like José, the patriarch in Marquez, they wanted to create a different, special place, and ended up with a mirage. My great-grandfathers were dreamers . . . those fellows pined after things they couldn't get and never grasped reality. Firstly going along with that big dreamer Billy Lane. The idea of no booze? Madness! A bunch of Irish, Scots and Australians all together and Billy Lane said "No booze"? Forget it! They were into making moonshine before they even took off their shoes. And Lane also said, "No hanky panky with the local girls." And such beautiful women in Paraguay? Forget that too! What were the men supposed to do? Hanky panky with the cows?"

It was all a recipe for disaster. The factional intrigues at New Australia escalated into ructions, fistfights, expulsions and desertions. In April 1894, just seven months after the arrival in Paraguay, there was a split at the colony. William Lane and 63 faithful followers walked out and formed a second commune, Colonia Cosme, 75 kilometres to the south. This settlement, the "true believers", continued to operate on socialist principles until 1909, when the land was carved up into private title.

The Sydney *Bulletin* had predicted, "There will be a few hundred people digging and fencing in a dreary hopeless fashion out in the great loneliness, and living on woe and unsaleable vegetables and dreams of home." By the end this was perilously close to the truth, but what has always struck me was the basic decency of the experiment. It didn't end in some terrible immolation. It simply dwindled away. For years the

Cosme colonists had tried to hold together, they worked hard, they didn't drink, they rarely philandered. They were fanatics for education, with a library of 600 volumes and readings from Shakespeare, Tennyson and Robbie Burns, dramatic productions and minstrel shows. And though William Lane has been condemned, and rightly, I believe, for his racism, austere fanaticism and inflexibility, he was still in many ways an honourable man, incapable of corruption for personal gain, and he spent much of his life attempting to repay debts to followers in Australia who had put up their life savings in support of his dream.

When the First World War broke out in 1914, Paraguay was not involved, but 16 young men from Cosme and New Australia enlisted in the British Army, defending the Empire they'd learned about at school. Some of them fought at Gallipoli, and met Australians in great numbers for the first time. But although at the end of the war they were offered repatriation to Australia or Britain, they all chose to return to Paraguay.

In 1932 the country became engaged in its own terrible conflict using modern weaponry, the Chaco War against Bolivia. Many of the Australian descendants volunteered to defend the country they loved. They had made the final commitment to Paraguay. By then most of them had jettisoned William Lane's separatist notions and had Paraguayan partners and children who would grow up with no confusion about their national identity.

My own fascination with the country began when I made my first journey there in 1982, curious to discover what had become of the children of Utopia. In a radio interview the late Andrew Olle asked me if I searched for Australian descendants by standing in the main street of the capital, Asuncion, shouting "Bruce!" But there was no need for that; I had a generous letter of introduction from the author Gavin Souter, who went to Paraguay in 1965 and had kept in touch with the people he'd met.

It is reasonable to ask why I proposed to write a book at all, considering that there was already Souter's superb history of the whole enterprise – *A Peculiar People: The Australians in Paraguay* – and an intriguing documentary novel – *The Paraguayan Experiment* by Michael Wilding, although its narrative concludes with the split at New Australia, just a few months after landfall.

The fact is I didn't plan a book in the beginning, and certainly not a history. My day job was as a screenwriter and my 1982 trip was to research a feature script on the young Mary Gilmore and her six years in South America. But it seemed sensible to take a tape recorder. I was in time to record the memories of 10 men and women in their eighties and nineties, who grew up at New Australia and Cosme when they were socialist colonies. Though a few of them had married other

Anglo-Australian colony descendants, most had taken Paraguayan partners. All of them were used to communicating in Spanish and the Indian language, Guaraní, spoken by almost everyone in the country, but some still confessing to preferring a chat in English. Considering that these old people had lived in Paraguay all their lives, I was astounded that they used expressions such as "tucker" and "smoko", recited the poetry of Henry Lawson, sang "Waltzing Matilda" and enjoyed damper with their afternoon tea. And I detected an Australian accent – not the fast and rather slurred one we hear around us today, but a slow, broad and stately accent, the way I remember Dr Evatt speaking when I was a child.

None of these old people had any memory of Australia. Bill Wood, the eldest, generally known as Don Guillermo, was six months old when his family left, the others were all born in Paraguay. But what especially interested me was that they were, in a sense, in a time capsule of the 1890s as far as their speech patterns, attitudes and values concerning Australia. While their real lives were lived out in Paraguay with their children and grandchildren, when they spoke of Australia they stepped into a mythical realm, undiluted by subsequent events, that we might now call the Legend of the Nineties.

It seemed to me that these old people provided a picture for us of what we were once like – or at least the bushman part of us we're so fond of embracing. At the age of 87, Bill Wood lived a sober, ordered life in the Queensland-style house he'd built in Asunción, cooked on an imported Australian fuel stove kept chooks and bees in the backyard and a treasured volume of Henry Lawson in the parlour. (His father appeared as a character in a couple of Lawson's stories.) Bill had tea and damper every day at "smoko" time and a "tot" of whisky in the evenings.

But these people were living under the longest surviving right-wing dictatorship in the Western Hemisphere, the brutal and corrupt regime of General Alfredo Stroessner, who'd come to power in 1954. I visited the sites of the two former socialist colonies and discovered the grim irony that New Australia had been renamed Distrito Hugo Stroessner, in honour of the dictator's Bavarian father, with a Mussolini-style monument to him in the village square. I met two schoolchildren with clear blue eyes, one of them with freckles and flaming red hair. They were descendants of the colony but didn't speak a word of English. They directed me to the homes of their grandfathers – Ricardo Smith, aged 93, a retired rancher who said that "Billy Lane must have been mad", and Nigel Kennedy, another cattleman with a knife and revolver in a holster on his belt, who lived on the site of the original New Australia village. We walked through the old cemetery, where the headstones of the pioneers had been smashed, almost all the inscriptions obliterated.

I went on to Cosme colony, remote, without electricity, accessible only by four wheel drive. Don Norman Wood and two other octogenarian colony descendants walked with me around the poor and infinitely beautiful village, where many of the houses were still mud and thatch, towered over by blue gums and white cedars planted by the colonists. They stopped at the site of the old social hall and recalled the dance evenings to fiddle and accordion, with oil lamps in brackets along the walls, the women dancing with fireflies in their hair, a Paraguayan habit they'd adopted.

After I returned to Australia I kept in touch, but one by one, the old people, original Australian colonists, died.

In 1989 I went back because Norman Wood, one of the last, wrote that he was having a ninetieth birthday fiesta and "it will be no trouble to give you a room and some tucker". In February of that year the dictator, Stroessner, had been overthrown and fled to Brazil. It ushered in an exciting new democratic era for the country, and the stories of corruption during the Stroessner years were coming out with a vengeance. Norman Wood began telling me about the scams of a local government official and then stopped. He said he was embarrassed to tell me such things "Why?" I asked. He answered that Australians weren't like that. His father had always told him about how Australians were so straight and honourable. He'd always admired them for that. I began to tell him about the then recent Fitzgerald enquiry in Queensland, how a number of government officials had been found grossly corrupt and how the police chief was sent to gaol. Don Norman was deeply shocked. "I didn't think Australians would do such things!" I omitted some of the more sordid details, for now I too felt embarrassed. I didn't want to destroy the illusions of 90 years.

I think in a way I fell in love with old Norman Wood, his dry sense of humour and his natural dignity. On the last night I ever saw him we sat by the fuel stove in an unseasonably cold winter in his river town of Concepcion, up near the Brazil and Bolivian borders. "I've always wanted to go to Australia," he said, "but now it's too late. I am content to have lived out my life in Paraguay. I have a large family, and somehow or other they all seem to like and respect me."

On this 1989 visit I also came to know the next generation of Australian-Paraguayans. There are a remarkable number of them. Although it's impossible to gain an accurate figure, today there are possibly some 2,000 people with Australian blood in their veins in the country, although only about a tenth of these would acknowledge any connection with the land of their forebears, and of these only about 30 speak English.

I recorded the wildly various stories of some of these people. As I tried to place their lives in context, I found it necessary to know more of the dramatic and turbulent history of their country – the arrival of

the conquistadors, the great Jesuit missions which lasted almost 200 years, other communal experiments such as those of Elisabeth Nietzsche to breed up a German master race, the arrival of Menninites who settled in the wasteland of the Chaco and of Nazi war criminals after World War II, the long Stroessner dictatorship and the arrest of some Australian descendants by its secret police. To understand these Australian-Paraguayans, I realised I had to absorb all this as their history and their heritage, far more relevant to them than that other inheritance of tucker bags, smokoes, bush yarns and life on the track.

By 1993 when I was about to return to Paraguay a third time, for the centenary celebration of the arrival of the Australians, the whole country had come to obsess me. By then I *had* so much material I had to write a book, but it was to be based on this new material I had to offer, the stories of the descendants in the context of their country's history. But I realised that such a work would need at least an introductory chapter tracing the bare outlines of Lane's vision, how so many Australians came to go with him to implement it, and what happened to it and to them.

I decided to structure the book on my 1993 journey, juxtaposing my own travels with those of the pioneers one hundred years earlier. I was particularly interested in following in the wake of the teacher Mary Cameron. In 1895 she had farewelled Henry Lawson who loved her, in order to make her own way to Paraguay – an extraordinary journey for a lone woman at that time – out of a commitment to the colony ideals, but also in the hope of marrying a shearer, David Russell Stevenson, cousin of the writer Robert Louis Stevenson. As it turned out, at Cosme he jilted her, and she ended up marrying another shearer, William Gilmore.

My research into Mary's time in South America had been disappointing because she seemed to have left so few accounts for someone who wrote prolifically about almost every aspect of her later life. However, before departing on my third trip I went to the Mitchell Library once again, hoping to glean whatever details I could of Mary's travels, so that hopefully I could parallel them, even stay in the same hotels if they still existed. That day I was lucky to find a young Ph D student whose project was to complete the cataloguing of all the vast Mary Gilmore papers, many still in unlabelled boxes in the bowels of the building. I grumbled to him about the paucity of her South American writing. "There are two boxes over there of South American stuff," he said. "They're not catalogued yet but you can take a look."

And there they were, the vivid accounts – full of curiosity and wonder, that I was always sure she would have written – of Montevideo, Buenos Aires, of travelling by riverboat, in a crowded steam-train with gamecocks and pigs at her feet, and finally riding to the colony, "hearing the oranges go squish, squash under our horses'

feet". I felt like clicking castanets and doing a rhumba on the library tables. A few days later I felt like doing it all over again when I came across a collection of some 400 letters written by Arthur Tozer, a young English adventurer who joined William Lane's pioneers in Buenos Aires and, in Paraguay was soon the second most powerful man on the colony, a Smith and Wesson revolver always stuck in his belt. These letters had been donated to the library by a Tozer descendant in Barcelona, after the publication of Gavin Souter's book. They provided a startlingly fresh perspective from a man whose moral character seemed to decline in tandem with the fortunes of the Australian Utopian enterprise.

So my introductory chapter grew – and ended up becoming Part One of the book, tracing the history of the experiment through the eyewitness accounts of a few individuals, particularly Mary Gilmore and Tozer. Part two tells what happened after socialism was abandoned in 1909 and follows the stories of some of the descendants to the present day. Woven through it all are my own encounters and adventures – journeying by boat up the great rivers that snake into the heart of the continent, to the site of the two former Australian colonies and to villages where Nazis, including Josef Mengele, found harbour. I made my way home as the Gilmores did, by way of Patagonia, and stayed on the two vast sheep ranches where they had found employment.

The heart of the book is the story of the descendants of Lane's dream. The old people who spent a wild colonial childhood hunting in the rainforests, whose education had been scrappy and neglected, some of whom had fought at Gallipoli and in Palestine, others in the Chaco War against Bolivia, and most of whom had taken Paraguayan partners.

But I also recorded the memories of the next generation of Australian-Paraguayans and quite a few became my friends. They range in age from the thirties to the sixties. They encompass the political spectrum and every contradiction. Some are redheaded and freckled, in appearance classic Irish Australian, but speak no English whatsoever. Others, like Rodrigo Wood, are swarthy and Hispanic looking – but he's been president of the English cricket club in Asuncion, watches Australian films on video, and plays Slim Dusty on the tape deck while he roars around the streets in his Landcruiser. They range from people still eking out a near subsistence living at Cosme, to one of the wealthiest businessmen in Paraguay; from cattlemen on estancias out in the Chaco to a real estate agent in Australia and a writer of comic books with an audience of millions in Spain and Latin America. And there is Roger Cadogan, who continues the work of his father Leon Cadogan, an internationally respected anthropologist, who placed himself at great personal risk by speaking out against the genocide of the forest Indians.

When people ask me if anything positive came out of the New Australia experiment, I tell them about Leon Cadogan. Born in a

colony that had espoused the Colour Line, he went on to fight the Colour Line which existed in the wider society. When he took up a crusade for the Indians, at the very bottom of the social and race hierarchy in Paraguay, he risked his livelihood, his health and at last – his persecution by the dictatorship resulting in a heart attack – his life.

The Australian descendants in Paraguay are now taking part in their country's first experiment in democracy – ever. There are other descendants who have made new and successful lives in Australia, completing the circle begun by their forebears over 100 years ago. One who came only briefly and spent a year in Sydney was Robin Wood, born at Cosme colony, whose mother never told him the identity of his Paraguayan father. (One candidate was the head of the secret police.) After an adventurous life, recounted in the book, Robin is now a millionaire writer of comics who last year won the "Golden Kid", the major international prize or "Oscar" for comics, awarded in Rome.

Robin made his nostalgic attempt to live in Australia in 1992. "I felt I had to do it," he said. "Those old boys in Paraguay had talked to me about the country so often I felt I must be Australian."

He invited me to an *asado* – a South American barbecue – at his house in a leafy northern suburb of Sydney. He was entertaining some visiting Paraguayan relatives, and they had toured Sydney and admired the harbour. His cousin had leaned back in his chair by the pool, raising his glass of chardonnay. "Our grandparents left Australia looking for paradise on earth," he said. "I've always wondered what they hoped to find. And now I know. They were looking for this. Salud!" But what Robin said about his forebears was this:

I have all the stories from my uncles and great-uncles and grandfather. When people talk about the labour struggle in Australia, we were there. When they talk about Gallipoli, we were there. When they talk about the Somme, we were in that too, and in the Chaco War. They ended up in Paraguay because they were a romantic bunch of lunatics. Their downfall was a lack of reality . . . but from the failure and the waste they survived. . . If those old boys were here in Australia today, they'd be asking for a republic. The Wood family were part of this country's history, they had the rebellious spirit that's such an important part of the Australian character. I know they marched off and left the country, but their fight wasn't with Australia – it was with the regime of the time. And I think what they wanted is still a dream today – a free Australia.³

It reminds me of Oscar Wilde's famous maxim – "Utopia is the one country at which Humanity is always landing". I think the Australian experiment in Paraguay was about dreaming, about having a go, pushing the boundaries of the possible, and however misguided the pioneers might be judged by history to have been, they did dare to act out on their dreams.

But the impetus for their departure was a major industrial dispute. Records now show that in the 1890s the employers and the gov-

ernment were undeniably acting in concert, attempting to crush the new trade unionism. In our time we might be able to think of some near parallels, but we're unlikely to have a re-run of another mass emigration. These days there's just nowhere else to go. We have to sort out our conflicts here at home. Sir Thomas More coined the term Utopia as a pun on "no place" and "good place". It's our ideal, a good, just and equitable society, a place that can never be reached – but perhaps aiming for it brings it closer and brings out the best in us. As Henry Lawson said: "Tis the hope of something better that will save us in the end."

Endnotes

1 John Pasquarelli speaking on Channel 9 *Sunday* program about Pauline and the Media, Sunday 13 July 1998

2 *Paradise Mislaid*, p530.

3 *Paradise Mislaid*, p549.

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Richard Pratt



Margaret Miller



Eric d'Indy

Photo - David Karonidis

In the United States there is a rich culture of philanthropic giving underpinning many foundations involved in cultural, social and political activities. Australians are not so familiar with the culture of philanthropy. On Tuesday 28 July 1998, Richard Pratt AC (Chairman, Visy Industries & Chairman, Australia Foundation), Margaret Miller (Manager, Community Liaison, NRMA) and Eric d'Indy (General Manager, Marketing, Mission Australia) addressed The Sydney Institute to throw some light on why and how Australians should be more philanthropic.

PHILANTHROPY

— Richard Pratt

Tonight I want to make the case for Australian business caring about and giving much greater support to the Arts. Not because I believe that Arts are more deserving or more worthy than the other causes in our society. I don't. Indeed, I sometimes say that there's no such thing as an unworthy cause. And accordingly, the Pratt Foundation supports a wide variety of charities from the relief of poverty to medical research.

The reason I want to make a case for support of the Arts tonight is that I believe it's in the enlightened self-interest of business. Enlightened and self-interest. I don't shy away from either word. Enlightened self interest is why we in the Pratt family and at Visy Industries give to the Arts. It's why I and members of my family have become involved in Arts bodies and foundations. I hasten to add that enlightened-self interest is not the only motivation.

We actually enjoy the Arts we support.

But there's far more to it than just having good seats on opening nights or somewhere to entertain customers. We believe we have an obligation to do it. Our obligation is to our business, to the business culture in which we operate, to the communities within which we operate our factories, and to the wider society of all Australians. But with some notable exceptions, this sense of obligation is not shared by the majority of Australian companies.

And yet Australian companies are very generous supporters of other community activities, especially when it comes to sport. But the irony is that even if the only criteria were direct economic benefits, I believe that the Arts can give business at least equal, if not better, value for money than sport. And when we come to the less immediate, more long-term benefits to business and the nation as a whole, there's simply no comparison. The Arts have it.

If you're sceptical about this, consider the United States figures. While only 11 per cent of Australian business gives to the Arts, 47 per cent of American businesses do, up from 37 per cent in 1991. Where Australian corporates give just five percent of our public outlay budgets

to the Arts, the Americans give 19 per cent. Four times as much. The most important point to make here is that it wasn't always so.

Just 30 years ago the total outlays by American businesses on the Arts was only about \$30 million. Today it's around \$1.3 billion. Even allowing for inflation, it's been a quantum leap.

Now I've been doing business in the United States for a decade. So no one knows better than me how strongly the Americans believe in the free market. Yet clearly the Americans have learned that involvement in the Arts makes good bottom line business sense. Why is that so? There are a few ways to answer that question.

The first way is descriptive. I can tell you what the research shows about the reasons why Australian companies in fact support the Arts. The main reasons, in order, are:

1. As a community service,
2. To improve the company's image in the public's eyes,
3. To provide the opportunity to entertain clients and staff, and
4. To participate in regional or local Arts activities as part of specific marketing or public relations activities.

These are understandable reasons. And they are beneficial to companies. There's another reason why I believe Arts sponsorship can deliver value for money. It has to do with demographics.

Few people would argue that a key difference between a sports audience and an Arts audience is that the sports audience will be 60 per cent male and 40 per cent female. However, an Arts audience will be 60 per cent female and 40 per cent male. Yet when it comes to purchasing decisions, up to 80 per cent are probably made by women. In other words, exposure to Arts audiences is exposure to a higher percentage of actual purchasing decision makers.

But all these reasons for investing in the Arts undersell the actual and potential value of Arts sponsorship and philanthropy. So instead of sticking to the descriptive answers of why companies say they give to the Arts, let me offer you a prescriptive answer. Let me tell you why those companies already investing in the Arts should be investing more and why those companies not currently investing should begin to do so.

The Arts are a positive force for business because if the investing is planned, targeted, monitored and reviewed, it can yield three broad dividends of value to business. First, the Arts can directly stimulate economic growth. Second, the Arts increasingly are vital to the development of an appealing community that will attract business leaders to live, work, and visit. Thirdly, a positive approach by business to the Arts helps to encourage new ways of thinking across the whole society.

It helps us to reflect on our deepest concerns and aspirations and hold them up for examination. Let's begin with economic development and that, of course, means jobs.

Business is not yet sufficiently aware in Australia that the Arts spark economic growth, revitalise cities and improve the business climate. But the evidence is there, locally and internationally. For every dollar spent on the Arts, an additional three or more dollars is generated in hotels, restaurants, retail transportation and parking revenues within most local economies.

Perhaps I should emphasise something at this point. By "the Arts" I'm using the term in its widest sense. I'm not just talking about the opera, ballet, symphony orchestras, the museums, theatre, and the visual arts. I'm also talking about entertainment, by which I mean everything from musical comedy, rock concerts, street theatre, pipe bands, the film industry, and line dancing. Now when any of the Arts are done well they generate growth: they increase employment tax revenues, encourage commercial and residential real estate projects, foster tourism and attract new industry and business.

The last point leads on to the second main reason for investment in the Arts. Each year Fortune magazine takes a poll of 500 CEO's of transnational companies in America, Asia and Europe. The magazine asks them to list the top 10, and then the top 59 cities around the world in which they would prefer to do business. A striking feature of nine of the top 10 cities is the very high rating given to the accessibility of varied Arts and cultural activities. This is a key factor in attracting executives and their families in a mobile global economy.

But supporting the Arts as a way of making communities more attractive to outside investment is only a secondary reason. The primary reason is that it's good for internal investment, for those of us already here. A community which is Arts rich has a multiplier effect not only on revenues and jobs; but on the quality of living standards and the social fabric.

This is because, both for practitioners and for audiences, the Arts contribution to the fund of "social capital" has increasingly figured in the work of social scientists and economists trying to understand a paradox. That paradox is how some countries which seem to have much the same economic features and policies are nevertheless so dramatically different when it comes to growth and development.

I believe the answer, can be found in the social and cultural networks which bind people together in their non-working lives. This matters just as much, if not more, than what they do – or even how they do it – on the factory floor or in the office. In those "social capital" networks, the Arts, especially when extended to involve people at the grass roots, play a significant role. Which brings me to the third reason for investment in the Arts.

Long before we heard the terms globalisation and world best practice, the late John F Kennedy had something insightful to say about the Arts and civilisation. JFK said: "The life of the Arts, far from

being an interruption, a distraction in the life of the nation, is very close to the centre of the nation's purpose and is a test of a nation's civilisation."

Our nation's civilisation is being tested. In an era of rapid global change, educated, analytical and creative thinkers are at a premium. They are the human resources who will make the difference to businesses and to the growth of this country. We all know that a comprehensive and continuing education for aspiring leaders in business, must include management and technical training in many specific fields. But unless it also includes an awareness of, and sensitivity to, the creative process, it will produce leaders who will not reach their true potential. Why do I believe this? Because if you're merely aware of the Arts and creativity, you are aware of the past and who came before you. You are aware of the great masters who have set the standards of excellence, and the importance of attention to detail.

But if you're sensitive to the Arts, you're also alive to the promise of the future. To the excitement of innovation, risk-taking and experimentation, and to the need to look for unfamiliar solutions to familiar problems. Balance, harmony, timing, inspiration, method, improvisation, boldness, infinite care, chancing your arm, a sense of possibility, patience, daring, empathy, dissent, illumination, communication, transformation. Each of these, and all of these, are qualities we would like to associate with our best decision-makers in business. Yet they're all definitive qualities we also associate with the creative Arts.

Indeed, we derive our sense and understanding of those qualities from the Arts. How often have we heard the expression: we have a fine general manager or marketing director or financial controller. But if only he or she could think outside the square. Thinking outside the square. That is precisely what creative thinking involves. And it's what a community where the Arts are nurtured, fostered and supported, will encourage. Not just in business, of course, but in every area where problem-solving and imagining the future hold the key. That's so whether it be at the level of national or local government or in the classrooms and playgrounds of our schools.

This is a time when we in Australia are grappling with what we mean when we talk of the impact of globalisation. We read daily of the importance of finding ways to compete in the global marketplace. We debate incessantly on who we are and how to define our national identity. Surely one inescapable fact in all this clamour must be clear by now. No company or government can consider doing business in the global market without factoring in language, culture and the Arts – ours and theirs – as essential elements. But an awareness of culture and the Arts, our own and those of others, has not been seen as all that relevant to profits, dividends, takeovers and balance sheets.

Let's acknowledge it. Most of us have not recognised a relationship between involving ourselves in the Arts and the bottom line. At best we've viewed contributing to the Arts as helping our image as socially responsible corporate citizens. Indeed our public company chiefs are on the whole, reluctant to give major support to the Arts or to other charities. They argue that they're protecting shareholders funds.

But I believe that if public companies held a special general meeting to ask shareholders for the okay to donate a small percentage of profits to charities and the Arts, they'd be amazed at the positive response. Mind you, ladies and gentlemen, the Arts do not always make it easy for companies to give them support. There is a certain element within the Arts community which regards any assistance except government assistance as somehow tainted. These people see the Arts as a closed shop – a club for the privileged few. And they think that what they have to say about the Arts is all there is to say.

But if we are to progress for all society's benefit, the Arts must learn to respect the culture of business and vice versa. Once that happens, all sorts of possibilities and partnerships can open up. It's a myth that Australians are not generous people. When presented with a cause – like the current disaster in PNG – Australians are the most generous people in the world. What is true is that Australians don't generally like to ask each other for help. But in this globalising world of political uncertainty and community division, we need to help each other now more than ever.

I believe it's up to corporate Australia to take the lead and step up its support for all community activities from the Arts to welfare. Only then can we hope to generate the sort of society which we'll be happy to pass on to our future generations.

PHILANTHROPY

– Margaret Miller

There is so much more written in Australia now about corporate community relations, or corporate social responsibility or philanthropy, than at the time of my appointment to the position as Community Liaison Manager at NRMA, six years ago. At that time I was given the job of developing a consultation process with groups representing the special interests of different groups within our membership and also developing a policy which would make clear that some sponsorships build the business by giving marketing benefits while others can help a company build relationships with community groups. I turned to material from the UK and the US which was extolling the merits of businesses responding to the social problems of the day and also suggested models for corporate involvement in the community.

Corporations had been coming to terms with the changing context in which they conducted business. These developments included

- the changing economic and social roles of women and men,
- the influence of an organised consumer movement and environmental movement,
- the increased interdependencies of national economies through globalisation and the success of multi-national companies,
- the increased likelihood that local community members or residents would mobilise in opposition to centrally planned developments if they did not take account of their interests.

One tradition of corporate philanthropy with which we are all familiar is the philanthropy of the Rockefellers, or the Carnegies or the Gettys but these practices arose in the US context, which have traditionally had less provision by government for social infrastructure resulting in a growing gap between those who have and those who have not. The trouble with too great a degree of disparity is that it can become so acute that it threatens social integration. In a number of instances, it is an awareness of this threat which has prompted business to become more responsive to the needs of disadvantaged communities.

In Britain, the Business in the Community organisation has encouraged many businesses to respond to the growing social problems in particular areas and amongst particular groups, in the wake of the radical economic re-structuring which impacted differently in different places. Established by the Chairman of Marks and Spencers, the BIC includes a group known as the One Per Cent Club, over 400 top British companies which pledge up to one per cent of their pre-tax profits to charity and community investment.

In the Philippines, influential business people acknowledge that it was their fear of growing political unrest among the poor and the possibility of social revolution that led them to set up the Philippines Business for Social Progress group. Their pooled funding has helped provide for basic social welfare service and public health initiatives. A recent study tour was organised by the Myer Foundation in order to help seed ideas amongst the Australian business community about collaboration between business in addressing social problems. Although, obviously, Australia does not face problems on the same scale as these, there is a growing interest in the issue of the role corporates should take in responding to the social problems that different communities face, how they should do that, and why they should do that.

In a recent *Financial Review* there was an article about Shell's new corporate report entitled "Profits and Principles: Does there have to be a choice?". This report demonstrates that the company has reflected seriously on expectations consumers have of multinationals particularly as Shell has faced considerable criticism and consumer backlash over the issue of the company doing business with the military dictatorship in Nigeria and their plans to sink the Brent Spar oil rig. Rather than simply defy public perceptions and attempt to win a PR war, Shell has undertaken to conduct a successful business but not at the expense of conforming with community expectations that they operate with a sense of ethical responsibility. In light of this I would make the following distinction between:

1. Corporate philanthropy or social responsibility – which is taking responsibility for a social problem regardless of whether it has an impact on the actual business of a company, and
2. Enlightened self interest – working to address a problem that may impact on a particular business stream.

The NRMA's CrimeSafe program focuses on funding projects or activities which can help address the social factors which may give rise to juvenile crime. So while this clearly relates to the service the business interest of reducing insurance claim rates so that premium costs don't spiral, it is also in the community interest to give special support to those who are especially disadvantaged.

Sponsored programs range from improving educational outcomes for kids with low levels of literacy and numeracy, to supporting adult

mentoring training for selected volunteers, to helping Police Community Liaison initiatives, to helping fund a basketball court in an area with a large population of young people but few leisure opportunities. Studies suggest that consumers, both here and overseas, prefer to do business with those who demonstrate a willingness to tackle problems which concern them. So doing good, is good for business.

Staff prefer to work for companies which address issues of concern to them – they feel more pride and gain a sense of making a positive contribution if the company supports community endeavours. Many fund raising programs are work-based and help build the teamwork skills that business today values and relies upon. At the same time as this discussion about how companies can contribute to social well being, is the debate about building social capital. Drawing on an economic model this notion suggests that it is important to build up a bank of social connection and interconnectedness between all sectors, as much as between all those in the community.

The corporate sector can contribute to building social connectedness by recognising that their staff, their customers and their shareholders have a number of social identities. From the NRMA's point of view, customers are long time or recent members, they are motorists with an interest in safe driving behaviour and good roads as well as clean air and a safe environment with alternative transports. NRMA customers may be older people or parents of teenage drivers, they may be women who have recently got their licence at aged 50 or over, or recent immigrants with a second hand car. Because of this sheer diversity, expectations of the company will vary depending on their needs.

Every company has the choice to enhance or diminish society by the way it conducts business. It is important to get your house in order, not just because it's good for business, but after all, you are sharing the house.

PHILANTHROPY

- Eric D'Indy

Firstly, thank you for inviting me to speak with you. Tonight I would like to talk to you about philanthropy from a different perspective. That is from a charity's point of view, and what it holds for us in the future. It is an area experiencing great change, and all charities must adapt to these changes or face the real possibility of not being around for the long term.

According to the Oxford English dictionary, "philanthropy" is described as a practical benevolence, especially charity on a large scale and that is certainly the case in Australia. And everyday, more and more schools, universities and hospitals are becoming fundraisers as well, to compete against these 100,000 organisations for donations. And from a dollar point of view, charities are also big business. To put this into perspective, it means charities have to raise (through charging fees, fundraising, or business activities) an amount only slightly less than what the federal government has forecast as the budget surplus for 1998/99. A lot of these funds are raised by donations. You can plainly see that charities place a heavy reliance on philanthropy, which means any disruption to this income can mean the closing of important services and programs.

A significant effect on philanthropy are a number of initiatives of the federal government. For example, the government has reduced public funding across most areas of human services, which will put even greater pressure on charities to raise the money themselves. If we are unable to do this, many programs will need to be closed down and this will unfortunately affect services to the people who need it most. To address this scenario, the Howard Government has established a Round Table of business and community leaders to encourage links between Australian businesses and the community sector. Over the next four years, \$15 million has been committed to this Round Table to find ways to promote philanthropy throughout the community and especially among business.

Effectively, the government is asking business to shoulder more responsibility. These parties include representatives from companies such as Westfields Holdings, BT Australia, Westpac, and the National Australia Bank, as well as representatives from Philanthropy Australia, the Salvation Army and of course Sydney City Mission/Mission Australia. Already these parties have organised working committees to focus on areas such as educating the community on philanthropy and finding ways to reduce the complexities of the tax system for trusts and foundations.

A sceptical person might view this Round Table as a scheme to take advantage of philanthropy to help make up Budget shortfalls. A more trusting person might see it as a great way to get everyone to take more responsibility for the communities they live in. The truth, as always, probably lies somewhere in the middle. Regardless of its motives, all charities hope it will be a successful initiative.

However, it must be said that in the US during the Reagan years, social services funding was also cut for efficient small government and community self-reliance. Although philanthropic donations did increase, they only went up by about 20 per cent of the total funding which was actually cut. If this were to happen in Australia, enormous discomfort will arise for the most vulnerable. Hence it is our belief that government must always assume an important role in the affairs of community and social welfare.

In Australia, the culture of philanthropy is quite unique and is also undergoing a change. In many aspects, we have had what many call a "welfare state" mentality, where people believe these issues are problems of the government because "I already pay my taxes". However, this welfare state attitude is changing as we speak. A large reason for this is due to the generational transition being exerted by the baby boomers. Traditionally, the profile of most charity donors are retired senior citizens. However, in the next two decades, this will change dramatically. Baby boomers, many of whom are already in good financial shape, will begin to inherit wealth from their parents. This is estimated at \$75 trillion world-wide¹. Australia has four million baby boomers aged between 32 and 50 and their impact on philanthropy will be very important.

For charities, appealing to baby boomers will be vastly different from their parents. While their parents were brought up in a climate of altruism after the depression years, the baby boomers are a product of a more economically competitive time. Whereas their parents were able to own their own homes on the luxury of only one income, most baby boomers have had to battle mortgages with two incomes, later marriages and later childbearing. With the transfer of the intergenerational wealth, baby boomers will start to look at the possibilities available to them. And this will include wanting to make a contribution to society.

In a study which tracked the values of baby boomers, the research predicted baby boomers would "realign their values priorities to reflect non-material, non-financial measures of achievement and sources of satisfaction and happiness."²

For example, Sydney City Mission last year was approached by two women in their thirties who wanted to do something about disadvantaged women in the inner city area. Such was their desire to make a difference that they raised \$800,000 over four years to set up a day care centre for women in just six months. For them, sending off a donation to a charity just wasn't enough. They saw a need in the community and wanted to become more involved, to make a difference.

To appeal to baby boomers, charities will have to become more cost efficient than before and be able to communicate this in a meaningful way. Research has shown one of the most important considerations for donors is they want to be sure it is going exactly where they have intended it to. The old ways of fundraising, such as direct mail appeals and bucket collections, will not work as well with baby boomers. New, more innovative methods need to be developed. The challenge of all charities will be to recruit professionals who can deliver on these expectations but who will also be prepared to accept a salary not in line with their market worth. A tough assignment indeed.

The final significant influence on philanthropy in Australia, is the role of corporations. As the controllers of most of our economic resources, there is an expectation of our business leaders to also be community leaders. Indeed, that is what Prime Minister Howard's Round Table is depending on. Some organisations such as the NRMA, as you have already heard, have embraced this responsibility by supporting and implementing numerous community based programs. And this is because they have heard this message from Australians that companies must contribute to the communities they exist in. A number of findings has confirmed this, including research by a company called Worthington Di Marzio.

In fact, visionary companies, such as The Body Shop and Esprit have incorporated these ethics into their corporate identities and this is one of the main reasons why they are so successful. Because values are endearing and relatively permanent traits, people are more likely to empathise with these messages rather than simple ones about their products. The late John Bell of Esprit expressed this best.

We at Sydney City Mission have worked at many levels with companies to develop philanthropic relationships. One of our most successful is with the bankers, Deutsch Morgan Grenfell, which supports a youth art program called ARTWORKS! Their support has made it possible for young lives to be improved through the medium of art. And by helping to stage an art exhibition, auction for the students, they were able to entertain important clients as well as communicate to their

clients, the values which are important to them. This is a good example of how a company has helped the community and no doubt an outcome which the Round Table will hope to make more common.

In conclusion, I would like to say my hopes for philanthropy in Australia are very positive and indeed if it weren't for the commitment of Australians already, we wouldn't be where we are today. With even more support in the future, I am excited we can achieve even more. As a charity, philanthropy is very important as it is about everyone doing their little bit to help. And on that note, I would like to leave you with a thought from Margaret Mead (1901-1978) a US anthropologist and author who was noted for her studies of primitive cultures, "Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it's the only thing that ever has."

Endnotes

1 *Creatively Sharing the Wealth*, Hooks, B *The QANTAS Club*, March 1998, pp13-14

2 "Tracking the Values of Ageing Baby Boomers: Will Middle Age be Making a Difference". Muller.T.E Woodcock, N. *Australasian Journal of Market Research*, January 1997, pp33-48.

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Meg Lees

Meg Lees is the leader of the Australian Democrats, the party which will hold the balance of power in the Australian Senate from July 1999. With the resignation of Cheryl Kernot in October 1998, and the rise of the One Nation Party, many felt the future for the Australian Democrats looked bleak. In election 1998, Meg Lees' Democrats proved these assessments wrong by achieving a strong election result. On Tuesday 4 August 1998 Meg Lees addressed The Sydney Institute and gave some insight into why this happened.

THE FUTURE OF

THE AUSTRALIAN DEMOCRATS

– Meg Lees

My topic tonight is the future of the Australian Democrats and in order to address it comprehensively I shall have to start with a look at Australia's current political, social and cultural landscape – and how it came to be. We must understand where we've come from because, as a nation, if we don't know where we've come from (what has shaped us), we can't possibly know where we're going. And today, perhaps more than ever, we really need to know where we want to go. This is because, very recently, a new political force has emerged and these people claim to have the only map and compass.

Now I do want to establish some parameters for my remarks.

I want to avoid making a party political speech, at least as far as I am able, given the topic. I shall not use this opportunity to attack my political opponents. I want to talk about issues tonight, not get into the sort of political slanging matches which have given rise to widespread dissatisfaction with politicians and the political process. I shall, however, remark on some of the policies and the practices of the two older parties as I believe they have contributed significantly to the problems that are currently dividing us as a nation.

The future for the Australian Democrats is a healthy one! And I am delighted to be able to tell you why. In particular, why, when many of our political opponents and some political pundits are gleefully predicting our demise? In particular, why, when a new party on the political landscape is capturing the media attention and rapidly increasing in support. It's fairly simple.

Because the pundits have predicted our demise before every election we have contested. And, secondly, because we're looking at a new party that has risen on the far right – it's not our vote. And the fact that it is not our vote is a fact that is slowly being recognised beyond the more perceptive media commentators. But the rise of One Nation has drawn renewed focus on the Democrats, even if certain sections of the media are at pains to continue to ignore us. Before we start to

examine the social and cultural landscape, which has given rise to David Oldfield's party, let's look at the polls and the research.

As you might expect from an experienced and professional political party, we analysed the Queensland election result and all the subsequent polls very carefully. I stand here tonight and tell you what the conservative parties know very well, regardless of what their army of spin doctors say.

One Nation is an ultra-right grouping on the conservative side of Australian politics and about three-quarters of its support is coming straight from the Nationals and the Liberals. Most of the rest is being drawn from that section of the ALP vote perhaps best described as the "working poor".

For our part, the Democrats have never tried to pretend that One Nation will not hive off some of our vote that is pure protest. But our research is showing that, on the other side of the equation, we are winning the support of small "I" Liberals who are utterly disenchanted with the Liberal Party for a range of social reasons – particularly its behaviour on Wik, Telstra and the preference dance it did with One Nation in Queensland. The fact is that Democrat support is holding up well. In fact, our membership is growing – with a boost in recent months – and many of our members who were inactive, are now becoming active.

It is also clear from the recent Bulletin Morgan Senate poll, the first such poll for 18 months taken a week or two after the Queensland election, that the Democrats' Senate vote is holding up well. It shows that we are on track to have 10 Senate seats after a half Senate election. We have seven Senators currently and if we were to win an extra three Senate seats, this would represent our best result yet. This is hardly a poll result for a party in decline. There is a real chance that the Democrats will win back the balance of power in our own right.

There is also a real chance that One Nation could win the balance of power in its own right.

We are well aware of this possibility. More of that later.

What the rise of One Nation and the renewed focus on the Democrats demonstrates clearly is that the dominance of Australian politics by the two older parties is in rapid decline. The two party system is collapsing in this country largely because they have focused on economic outcomes first and foremost – telling us that social and environmental "progress" would follow. And it hasn't

The Australia of the 1990s is not a relaxed and friendly place for many of us. In a sea of uncertainty and insecurity, where the only constant is change, the Australian people have lost faith in the two older political parties. To them there seems to be no adequate reason for the rate of change and no vision as to where we are heading.

Our parents, those Australians who either picked up their adult lives again or emerged into adulthood as Australia shook itself free from the ravages of the Second World War, have seen the most change – and, perhaps, have had the best of it. Hugh Mackay, in his Occasional Lecture in Parliament House in August 1997, and his most recent book, *Generations*, points out that this generation, in a sense, celebrated the Great Depression and the Second World War, as formative experiences, that shaped and moulded their values and their thinking. They learned caution, prudence, thrift, loyalty and the importance of adherence to social values. They lived that part of their lives which was given over to working and raising a family in an era when jobs were plentiful and when Australia's economic prosperity stretched out ahead of them forever. Their political allegiances were lifetime allegiances. The wife often adopted the voting habits of the husband who most often inherited his from his father.

Their children – us – the baby boomers – were born into an Australia of affluence, of progress and of political conservatism. We had no Depression or war to disturb our complacency, at least until Vietnam. Mass production, full employment, and television contributed to a rising materialism and a level of consumption hitherto unseen in Australia.

In this context comfort, education, Vietnam and the media all conspired to convince us that we had a duty to create a new social order. And we did. Impatiently shrugging off the values, beliefs and aspirations of our parents, we pursued what we believed to be important, and in the process we redefined family life and changed Australia's political landscape to suit. We draped the fabrics of environmentalism, multiculturalism, feminism and latterly republicanism over Australian society and we went about changing the body politic to fit the new clothes.

As we move into middle and late middle age, often we are divorced, often stressed out, we have kids struggling to find work and we are nostalgic for our past. We reflect on what we expected life was going to be like and how it has actually turned out. It didn't turn out the way many of us expected it to.

Many baby-boomer Australians are unhappy, uncertain about the future, insecure and, in between working desperately hard to maintain middle class lifestyles, are looking around for someone to blame for their discontent. We do not, generally, view the future with much excitement. Our children – those born in the seventies and the eighties – have been brought up in an era of unbelievably rapid change. They don't question change. Change is a necessary and sufficient condition of their existence. They were born into a different political landscape, one carved out for them by their parents. As Hugh Mackay put it, "for them, multiculturalism is a reality, the republic is an inevitability and

the environment is a precious resource which earlier generations abused." They accept that today's technology will be superseded before today's new fax, computer or phone has reached its use-by date.

Mackay argues that this generation is prone to keep its options open. They postpone marriage and they know they face a very tough job market. They put off buying a home, they postpone making commitments to a political party, to a philosophy, even to a partner, preferring to wait and see what happens. They see themselves as independent but, in reality, they stay home and remain dependent on their parents longer than we did. This puts pressure back on their already over-worked, pressured baby-boomer parents.

They present to the world a cool, confident, capable exterior but the evidence of their alienation and lack of direction is there in the suicide rate and the level and nature of drug abuse. Uncertainty, insecurity.

I accept that I have generalised in my description of the three broad strands of Australian society. However, I agree with Mackay when he says that what all three groups have in common is insecurity and uncertainty. People are more and more uncertain and less and less certain that their political leaders have all the answers – or indeed any answer at all. And the two old parties haven't heard the message yet.

This uncertainty is leading to an uncharacteristic selfishness on the part of the Australian people and the emergence of a strong desire to "protect the patch". For those people who exist in some sort of "comfort zone" – and by that I mean those who are employed, housed and healthy – there is a sense that "I'm okay for now, but for how long?" There is a rising sense of powerlessness. In the face of seemingly overwhelming economic, social and environmental crises, people are disheartened and believe that:

- they can't change anything,
- that no one has control,
- it is all too hard, and
- there are no solutions.

There is, of course, the traditional apportioning of blame to the politicians, characterised by Martin Pusey when he says that middle Australia is saying: . . . very strongly that the government has done enough steering and ought to row a bit more" He goes on to say that: "Most middle Australians are unhappy, gloomy, even angry about the economic changes that have taken place; that have damaged the things they value most – work, family leisure and community". In those quarters where there is a deeper understanding of the political and social processes, there is a belief that our politicians can't fix these problems.

And it is on this tsunami of national insecurity that One Nation surfs towards some sort of political prominence. But One Nation is not alone in this. It is merely the latest party – and admittedly the most

spectacular – to benefit from the disintegration of the two party structure. In the context of this insecurity and uncertainty, the abandonment of the two old parties has been going on for quite some time – and is becoming more and more obvious. In late 1996 in WA the non major party vote rose to 18.5 per cent – up 5 per cent with most of it going to the Democrats. A year later, the South Australian election of October 1997 saw a non major party vote of 24.4 per cent of which the Democrats secured 16.4 per cent. I do make the point here this evening that this result for the Democrats was hardly commented on by the national media. In the ACT election, close to 35 per cent of voters did not choose Liberal or Labor as their first choice. And that was all before the Queensland election of July 1998 which saw a non major party vote of 29 per cent. Twenty two per cent of this vote went to One Nation.

It is painfully obvious that the collapse of the two party vote and the subsequent rise of the minor parties and the independents is a cry from deep within Australia's heart. It is a cry for leadership, for understanding, and for a vision – clearly articulated, so all Australians can understand and share it. It is a cry that says "we don't understand why all this change which we were told was going to improve our lives has made our lives miserable". It is a cry which says "you don't listen to us, you don't understand and you don't care – and we are sick of being taken for granted".

As I said earlier, some Australians, in their desperation, are clutching at One Nation, like a drowning man clutches at straws. But I predict, confidently, that the same lack of commitment and declining loyalty that bedevils the major parties will bedevil One Nation when people realise that One Nation has no answers, only anger. And this is the renewed opportunity for the Democrats. It's where the future of the Democrats lies – and it's why our future is healthy.

I remarked earlier that if you don't know where you come from you can't possibly know where you're going. The Democrats have a history and in this there is yet another important difference between us and One Nation.

This year is the 21st anniversary of the founding of the Australian Democrats. While we've come a long way, the principles of the Australian Democrats have not changed in 21 years. In policy terms, we argue that we have always been well ahead of the pack. From the beginning we have aimed to be a credible alternative – a credible alternative to cynicism, character assassination, misleading statistics, name-calling, port-barrelling, union bashing, confrontation, dirty tricks, secrecy and despair. Our political practice is one in which backroom deals and the accommodation of powerful, vested interests cannot operate.

The Democrats stand for environmental sanity, economic responsibility, equality, industrial democracy, reconciliation and social justice. We stand for strong, well-resourced public education and health systems and a strong public sector generally;

In 1977, the Democrats were talking about things like "democracy in the workplace" and "environmentally sustainable development" long before these terms became part of the mainstream political vernacular.

Ever since our formative years, when my colleague Vicki Bourne helped draft Australia's very first World Heritage legislation, the Democrats have been passionate advocates for the environment. From coasts to chemicals, from greenhouse to green jobs, we have fought to enhance and protect Australia's – and the world's – environment in practical ways. Our very first policy platform was anti-uranium. Our stance is as relevant today as it was then as uranium mining at Jabiluka shapes up to be the defining environmental and cultural issue of the late 1990s.

Much has been said recently about economic rationalism, the drive towards the global economy and the effects on Australian society. There is no doubt that many important benefits have flowed to Australia from our engagement with the global economy, including economies of scale and the rapid spread of innovations and ideas from country to country. But the global economy is not without its problems. The economic rationalist credo that free markets are self-sustaining and that marked excesses will correct themselves is fundamentally flawed. The Democrats have always argued that economic goals must always be tempered by social and environmental considerations.

In addition to markets, the Democrats believe that society needs institutions and structures to pursue social goals such as health, education, political freedom and social justice.

The fact is that every society needs community values to hold it together and reduce everything to the status of commodities – including human beings (labour) and the environment (land and resources). As the globalisation of the Australian economy moves ahead, social well-being lags behind. It's time now to close the gap. Indeed, it's our failure to recognise and then close the gap that has led to the rise of One Nation.

In 1998, the Democrats are in the business of defining a new role for the state in a globalised economy so that we can move forward and bring all Australians along. The Democrats are developing policies so that Australia's engagement with the global economy is on Australia's terms. The Democrats' positions on economic matters are arrived at only after a great deal of thought and research. This means looking at the work of economists like Robert Reich from the US who advocates the development of workforce skills and national infrastructure. We

look to Will Hutton from the UK who calls for a rethinking of corporate governance and the way in which financial institutions engage with industry. New Growth economic theorists like Paul Romer who argue for the importance of research and innovation in the generation of growth are also on the Democrats' reading list.

In Australia, the Democrats look to local analysts like Fred Argy and John Neville who are pointing to a "social liberalism" where governments have a definite role in balancing economic and social considerations. We also look to the Australia Institute and researchers like John Quiggin, Clive Hamilton and Ian Lowe who have developed methodologies to marry environmental and economic goals in a more sustainable, effective way.

The Democrats' message is that Australia can and should participate in the global economy – but on our terms. We do not believe that we can or should turn back the clock – or collapse back into the comfortable isolationism of the 1950s. We believe that we must learn from our past, acknowledge our present problems and develop workable policies for a sound and sustainable future. In these times of economic uncertainty, ordinary Australians are seeking and hoping for a new and improved way forward. The Australian Democrats can provide that way. We have much work to do, but I know we can get there.

In the short term, however, we need to put paid to the vein of racism and the bizarre radical extremism that has been tapped into in recent months. The past does not hold the answers – the 1950s are dead and gone. But, as I have argued earlier, we cannot ignore our past, for our past shows us the way to the future.

For the Democrats, the struggle between the past and the future means taking on, firmly and quickly, those who wish to make scapegoats of indigenous people, ethnic minorities and even single mothers. Within a few months, we face a Federal election. Much has been said about One Nation grasping balance of power in the House of Representatives. It is possible, but I believe that the power to stop this happening lies with the Liberal and National parties. If the Coalition puts One Nation last as Labor and the Democrats have pledged to do, I doubt very much whether One Nation would win more than one or two seats in the lower house. But there remains a real chance that they can win the balance of power in the Senate. . .

The recent Morgan Senate poll shows support for One Nation in the Senate at 14.5 per cent as against 9.5 per cent for the Democrats. This is our 20 year average. Winning an extra three seats in the next Senate depends on winning tight contests with One Nation in Victoria, New South Wales and Queensland.

It will be a battle between values. It's about reconciliation or confrontation, gun control or gun culture. It's about real answers or raw anger, balance or chaos. It's a battle between a party who will hold the

government accountable or a party who will hold the government to ransom. That's why the battle for the last Senate seat in New South Wales, between David Oldfield and Aden Ridgeway is, in my view, deeply symbolic of the divide between the Democrats and One Nation. It is, ultimately, a matter of vision.

My vision is of an Australia with a vigorous and internationally competitive economy based on social equity, in which wealth and access to work, goods and services, and social welfare are fairly distributed, and in which the inequalities which affect many across our country are tackled as a priority. In my Australia, all people, regardless of background, education or country of origin are able to meet their material needs for shelter, food, clothing, health and transport. They are also able to satisfy non-material needs for education and creativity.

My Australia is a young country in an old land – where the youthful qualities of idealism, curiosity, passion and innocence are admired; where there is a deep national regard for the Australian experience – including the cultural values of our Indigenous Australians. And where there is an equally deep regard for responsibility.

The future of the Democrats on the Australian political landscape is assured because this vision is, I believe, shared by the vast majority of Australians. And it is this shared vision, which will take us into the genuinely harmonious, productive, open and tolerant future that we all want.

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Photo - David Karonidis

Catherine Harris

On Tuesday 11 August 1998, Catherine Harris, Director of the Affirmative Action Agency, addressed The Sydney Institute. Tackling the issues that continue to affect women's equal opportunity and their long term career prospects, Catherine Harris reviewed the achievements made to date and suggested a few reforms for the future.

MEN, WOMEN

AND WORK – TIME FOR A NEW DIALOGUE

– Catherine Harris

I'd firstly like to thank The Sydney Institute for the significant role they play in promoting debate around current issues that affect us all.

Over the past week I have been on six interstate flights. In the same way that taxi drivers used to pinpoint the Australian political pulse, an inter-state flight is always a good place to get a gauge of the state of Australian business' feelings about affirmative action.

I don't need to tell you that most times I get a glazed look over their face. You can almost feel it – "What the hell do you talk about with the Director of Affirmative Action?" Another response is a very defensive story. For example: "My colleague at work was taken to court for just trying to be nice and friendly to the receptionist!" Or then there's the denial response, "We just love our girls at work but they don't want to do all this dirty work". However, recently the dialogue has changed. Like a young man last week. "I don't know how women do it," he said. "I find it so difficult to spend the amount of time I would like to with my family."

Why has this been such a contentious issue? Why do some people continue to feel so uncomfortable discussing women's equity in the workplace? Is it because change is so difficult to accept or because men are afraid of losing power or that there is a genuine fear that women just don't have the skills that men have to run corporate Australia. I don't know the answer but I do know that attitudes are changing and that it is important for legislation to change with them. A new dialogue around the affirmative action legislation needs to take these attitudes into consideration.

Some comments during the introduction of the *Affirmative Action (Equal Employment Opportunity for Women) Act 1986* into parliament shows how far we have come. Senator Crichton Browne described the Affirmative Action Bill as: "diabolical and draconian".

He said it was ". . . a threat to family values and tradition and a deep offence to women who choose to stay home as wives and mothers."

Obviously in the early stages of the legislation, it was necessary to fight for the issue of discrimination against women in the workplace. Fight for it to be placed on the agenda, let alone get the issues resolved. Twelve years on I believe the business sector and women fighting for equal rights have now found a commonality of purpose. It is time we now developed a shared vision and a shared dialogue for moving forward.

I could take the opportunity this evening to throw devastating statistics at you. Statistics about how despite obvious improvements there is still evidence that the game is far from won. This dialogue becomes a "binary" dialogue, that is a polarised debate comprising only winners and losers. Taking it to its extreme - "all women are discriminated against, all men are bastards". The classic, I win you lose dialogue, so typical of politics, industrial relations, and dysfunctional interpersonal relationships. Even my kids look pleadingly and beg for no more statistics!

The new dialogue has developed out of what women, men and work share in common. This, in turn, should now encourage new participants to join the debate. However, the story does not stop there. Like any good juicy complex social issue, we then need to examine the emerging issues for women in the context of the likely scenario for the future of work. Finally, what instruments do we have to help shape the future. These are the issues I'd like to address tonight.

I am assuming that all Sydney Institute patrons would agree that women have a basic human right to meaningful work and that they have proved their stuff and have what it takes to contribute to the paid workforce. They are perhaps not the same but definitely equal to their male colleagues. I presume that we would also agree that businesses have a right, indeed an obligation, to their shareholders to maximise profits. Where then is the common ground?

In the early days of the legislation, the common ground was the social issue of inequity. It was assumed that if women were given equal employment opportunities and they had the same skills then they would achieve equality. Sadly, the vast majority of employers saw the Act as a nuisance, thought of it as anti-competitive and hence only paid lip service to taking any action.

At this time the focus was on helping women, such as offering them better access to education and special programs. It was assumed that women needed to adapt to fit into the status quo. Programs helping women to talk more and be more assertive were seen as the answer. Fairly patronising in retrospect, however, women responded brilliantly. They have flocked into Year 12 and universities, and it is estimated that 52 per cent of current university students are women.¹ Alas there was little corresponding improvements in their position in the corporate sector of Australian business.

However, over the past ten years, businesses are starting to recognise that their drive for profits is intrinsically linked to the affirmative actions goals of improving the position of women in the workforce. The link between women's employment equity and business efficiency has come in three waves, the focus on productivity followed by culture followed by citizenship.

By the early 1990s, affirmative action programs were seen to improve productivity, decrease staff turnover and improve returns on training and education. More recently the link has been given a new urgency. Currently the very culture of organisations is being questioned. Cutting edge companies are recognising that knowledge has equal or more importance than tangible assets, thus giving human capital a far more important focus.

This change is as a result of a number of exterior forces. Globalisation has become an urgent reality, the rapid change in technology, the ever increasing power of the consumer are but a few of these forces. The industrial era is now a distant memory for many, the information era only a warm spot in some techno-geek's ear. We are now wrestling with the "knowledge era". How do we capture it, how do we leverage it, how do we share it, how do we measure it? The answer to all of these questions is, of course, people.

John Welsh, the President of General Electric in the United States, says it so well:

We know where productivity – real and limitless productivity – comes from. It comes from challenged, excited, rewarded teams of people. It comes from engaging every mind in the organisation and every good idea – from every source.

There is now a growing amount of research backing this up. Researchers in the United Kingdom have found that people management has a greater effect on business performance than strategy, quality, manufacturing technology and research and development put together.² New leadership and management skills are now sought after to address the challenges to compete successfully into the next millennium. Viv Read, President of the Australian Institute of Human Resources, sums up some and I have added some extras:-

- establishing the boundaries and outcomes
- managing the interdependencies
- encouraging shared learning
- building and sustaining networks and relationships
- promoting egoless knowledge sharing
- acting as mentors and coaches
- managing risk and encouraging innovation

I'm tempted to point out that some "traditional men" may have some problem with some of these new skills but let me not drop into the binary dialogue, rather let's just say that women have traditionally proved excellent practitioners of this sort of leadership!

The third wave, still not strong in Australia but very big in the USA (the strongest trading nation in the world) is the need to be a good and active corporate citizen. There is increasing pressure on corporations to do so. In America, the huge institutional investors are increasingly incorporating ethical statements, environmental guidelines and community needs into their selection criteria for investing. Companies are now beginning to recognise the "good for business" reasons for being a good corporate citizen.

A recent study by the Campaign Palace and Dangar Research Group, published in *Business Review Weekly*, supports this, finding that 90 per cent of customers say their buying behaviour can be influenced by a company's involvement with the community³. A commonality of purpose has developed over the past decade. The Affirmative Action Agency over its 12 years can take pride in educating and establishing the links between productivity and cultural change in business and affirmative action legislation.

This, I am pleased to say, has been clearly shown in the recent review of the legislation. I do not have the results of the review, but I have read a number of the submissions. Australian business has clearly recognised that this is an issue that needs to be addressed. Perhaps the Chamber of Commerce and Industry, Western Australia, best described it in their submission to the review committee:

Equal opportunity is good management and essential if an employer wishes to remain efficient and competitive, it is in their best interests. Employers ignoring the skills of women do so at their peril.

The Affirmative Action Agency still has a role to play in this story. Many companies have still not seen the links and even those that have, realise the enormity of the changes. AMP, one of the leaders in this area, had this to say to the review panel:

Even in best practice organisations, barriers to employment equity still exist. The kind of cultural change required to ensure a level playing field for women takes time and it is too early to arrest the process. In short, repealing or weakening the Affirmative Action Act will send a negative message to the women of Australia, and to the business community about their responsibility to promote employment equity for women.

If we want Australia to assume the role of a strategic player in the world economy we need to encourage our corporations to better recognise these issues. One way to rapidly increase the pace of change is to involve institutional investors, shareholders as well as government and industry bodies. The common ground for investors is that they are looking for indicators that a business is maturing and adapting to changing market conditions. Surely one such indicator is whether they have managed to integrate women into their work force. Recent research by Bruegel & Perrons shows there is a link between the inefficient utilisation of women's labor and the inability of firms to innovate and introduce technological change. Surely it is also an indicator of a

company's capacity to recognise and reward the best and brightest.

Why then are shareholders not demanding more accountability from directors and CEO's about human capital management issues? Where are those holders of our precious superannuation funds in this discussion? Surely it is in their interests to start pushing the buttons of the companies they are investing in.

The real dialogue can now begin. The big question is which institutional investor is going to take the leadership in this area? You, as shareholders or as customers, might need to give things a shove along. Perhaps instead of reporting to the Affirmative Action Agency on equity in their businesses, Australian businesses should be reporting to you the shareholders and customers. Involving more people and organisations in the equity dialogue is certainly important. I feel confident that corporate Australia is now locked into the idea of better adapting their workplaces to utilising the many and diverse skills that women offer. The Affirmative Action Agency's role in this area is to aid, assist and educate, and every now and then give a prod to those that haven't got the message yet.

However, a more urgent and obviously a more important role for the Agency is to now shift the dialogue to new ground to broader social and economic issues. As we approach the new millennium we need to think about the impact of globalisation and the changing nature of work. Our workplaces of the future need to be planned and shaped ahead of time, rather than adapted after the fact. We need to start this thinking now. One issue I feel passionate about and would like to concentrate on tonight is the casualisation of the workplace. I raise this issue now, as there are some elements of the future of work that, if they come to pass, will make it impossible to achieve an equitable workplace, labour market and society.

As the "knowledge era" progresses, the nature of corporations is changing. Corporations are increasingly becoming just parts of global networks that share and disperse knowledge and information. However, the reality of this situation is that these knowledge workers will only comprise about 40 per cent at most of the current available workforce. I believe it's time to really focus on the other 60 per cent of the population. The successful corporations of the future will no doubt continue to require a large body of workers to service both the organisation's processes and its "elite knowledge workers".

What shape will this body of workers look like? What will their life and conditions be like? Contingent, possibly contract or itinerant workers? Regardless, the emphasis is on casualisation. Will they have any security? Will they have a fair wage for a fair day's work and will this pay be able to sustain them? Will they be the working poor? There is an edition of *The Economist* called the "Survey of the World Economy?" 20 September 1997. It looks at this group of workers in an article called "The Ballad of the Global Worker":

The advanced economies have an urgent and seemingly intractable problem on their hands - What to do with the unskilled workers.

This sort of scenario makes people nervous about change. Have you thought whether or not you are frightened by change? I am not one who is frightened by change. In fact, I am a change junkie. I don't want to turn back the clock, try and stop technology or globalisation. It's ridiculous anyway. We can't do it. Rather, I want to look at the changes we need to make and start to plan for them and make sure that we have processes in place to encourage a society in which we all wish to live.

Affirmative action policy played a tremendous role in helping business make the link between equity and efficiency. How now should we focus affirmative action/EEO for women as we go into the next century? It needs to be part of the framework for driving change toward a better, more equitable Australia. As we saw in the earlier discussion, the clue was finding the common ground between business and the legislation. What then are the issues for women and what are the needs of business to make this dialogue productive?

OECD trend statistics indicate that the fastest growing occupational groups nationally and internationally are those in which women are under represented. The large and relatively highly skilled group of professional and technical workers has increased its share of total employment in every country.⁴ In the interim, occupational segregation remains static with 56 per cent of all employed women working in two occupational groups: clerical and sales and personal services. Sixty per cent of all part time women work is in these two areas.⁵ Women also are overwhelmingly lower paid than men in relation to wages. The recent Australian Workplace Industrial Relations Survey⁶ shows that, in relation to wage rates, there is a higher proportion of women in the lowest paid group in every single occupation.

The trouble is that women are restricted in getting out of, what I call, the "pink ghetto". If they have a family they don't have the money or the time to undertake further study or attend training sessions that are mainly run "out of work hours". They are not encouraged into the fast growing areas of high-income growth such as information technology. They are barred from some sectors where there is full time and well paid work such as construction.

Women at certain times look for work that offers part-time hours and flexibility. This better suits their needs for a short period of child raising. However, they are finding themselves entrenched in this sector, the opportunities to move back to full-time work or a career position are limited now and becoming more so. The large periods of time that women are often out of the workforce and their often-reduced income while in the workforce is having an immediate and long-term effect on Australia. Already 70 per cent of those who live in poverty in this country are women and their dependant children.⁷

By world standards, Australia's reliance on part-time work and casual work is extraordinary – exceeded only by Spain. In the past 14 years, the proportion of part-time employees has risen by almost 8 per cent to more than a quarter of our workforce.⁸ Now I know I am falling back into statistics talk. I am using them, I hope, to put the issue on the table. To highlight the depth of the problem so we can move forward and once again find commonality.

So why is business seeking this dramatic shift to part-time and casual work? Part of the reason is the fact that they find themselves having to adapt to the dramatic changes referred to earlier of globalisation, technological advancement and customer demand. They urgently need flexibility and efficiencies to compete in this new arena. How then can we sit around the table and find common ground for dialogue?

As I said earlier on, I am optimistic about the future. Firstly, because I see some industries are starting to find smarter ways of doing things. The wine industry is one example of an industry adopting new ways of doing things. Fruit pickers have always been the working fodder. Like most casual workers, they were badly paid, had insecure jobs and received no training. The large employers in the Australian wine industry have a whole new way of thinking about their pickers and other workers employed casually to meet seasonal demand. Although they are only needed for a few months of the year, the employers have recognised that these pickers are very valuable to their organisations and are crucial to the final quality of the product.

These employees within the wine industry are now treated as part of the organisation. This includes receiving competency based training that closely relates to a career path including a progression to permanency and full time positions if desired.⁹ These companies keep in contact with them during the year and the skills they have learnt they now can use in other industries. In doing this, these workers become part of “the brand”. They reap all the financial benefits as well as the psychological benefits of being valued and needed.

This is about a mind shift, about thinking differently, about those who are outside of the knowledge workers elite. It's about valuing and recognising “every idea, every contribution”. It is time now to shape our thinking about the workforce of the future, rather than waiting to adapt to it. The business community, us as shareholders, customers and citizens have a role to play, as does the government. However, the very type of government that is required to take us into the next century is itself changing. This is a topic in itself but perhaps a glimpse of what might be, is provided by Susan Strange in her article “The Erosion of the State”¹⁰:

The State's power to provide economic and financial stability, to protect the vulnerable in society, and to preserve the environment has been weakened, society is at the mercy of big business.

I believe that the dialogue must shift to one of "social capability and reciprocal responsibility"¹¹ of all citizens. If we want change, if we want an equitable society it must be lead by government but it is also up to every citizen to affect change in his or her own way. I believe that the affirmative action legislation has, and hopefully will continue to be, an excellent example of a piece of legislation that assists by being a "manager of change, provider of frameworks and overseer of protection of public interest".¹² However, as we have seen through the course of its history, it is only when we can find mutuality that real change takes place. It is now up to us as citizens to be part of the solution, to state what sort of society we wish to live in and each in our own way affects that change. I personally want that society to be an equitable one but please let's stop calling out for "more leadership".

Instead of always looking for leaders, perhaps we need to spend more time looking into ourselves and using the levers we have at our fingertips. These levers are not just our ability to vote but also our ability to be a proactive shareholder, to be a conscious consumer, to pick up a pen and write to the CEOs and current political leaders expressing a view.

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Harry Wu

In 1995, Harry Wu, a Chinese-born American citizen, and former prisoner of the Chinese Laogai, was arrested at the Chinese border. For 66 days, the world waited to see if he would be sent back to prison. Only after his mock trial and expulsion from the country did Hillary Clinton announce that she would attend the United Nations Women's conference held in Beijing. Harry Wu addressed The Sydney Institute on Friday 14 August 1998.

HUMAN RIGHTS

AND CHINA - TRADING IN BODY PARTS

- Harry Wu

I would like to start by thanking The Sydney Institute for allowing me to come and speak to you all today. I wish that I could stand before you and say that China is past its dark days, that it has given its people the freedom they deserve, and that a new day of democracy has dawned in China. But, sadly, although there is some improvement, this is definitely not the case. Although China has made much progress since Mao's death, it still executes more prisoners every year than any other country in the world (over 80 offences are capital crimes in China), and sells its prisoners' organs to wealthy foreigners and high ranking Communist cadres.

I would like to begin with a brief history of organ harvesting. Where the human rights situation in Mainland China seems to be improving slightly in many areas, it is getting continually worse with respect to the practice of organ harvesting, and despite the fact that news coverage of this egregious practice began only recently, reports dating as far back as 1979 indicate that prisoners' organs have been used for transplants in China for twenty years! The practice of organ harvesting did not occur during the early stage of Mao's era, but began in the late 1970s, flourishing in the 1980s and 1990s, thanks to Deng's era of modernisation. A huge amount of capital was infused into the Communist giant, and the idea of capitalism impacted every area . . . including China's gulag, the Laogai. The Chinese government in China has a policy that requires every institution in the country to turn a profit. Officials in the Laogai realised that they could make money by selling executed prisoners' organs to wealthy foreigners and high-ranking communist cadres for hard-to-get transplants.

In 1984, the Chinese Communist Party issued a document that stipulated the conditions under which organs could be taken from executed prisoners. It states that organs of prisoners may be used if they meet one of the following conditions:

If the body is uncollected, or if the family refuses to collect it.

If the prisoner volunteers to give his dead body or organs to the medical institutions.

If the family approves of the use.

Thus, we might believe that the Chinese government was, by implementing this law, trying to set up a system of consent for executing prisoners. However, evidence has piled up which indicates just the contrary – that there is no system of consent in China. In fact, the law itself betrays the idea of free and open consent, because it states that “use of the dead bodies or organs from condemned criminals must be kept strictly confidential and special attention must be paid to this objective . . . vehicles displaying the logo of medical institutions are not to be used, and white clinic garments are not to be worn.” The government clearly does not want anyone, prisoners or onlookers, to know about the use of prisoners’ organs in transplants, and this creates an atmosphere full of potential abuses.

The 1984 law is the first hard evidence we have that organ trafficking is a Chinese government-sanctioned practice, but evidence suggests that it has been going on much longer than that. Wei Jingsheng testified before the United States Congress in June and told of how he suspected the practice was carried out in the late 1970s. In 1979 he was put in the Chinese Laogai alongside a death row prisoner. To test the validity of his suspicions of organ harvesting, he told his cellmate, when he was ready to be taken away for execution, to yell “I don’t need any doctors!” if he saw people with medical garb at the execution site. From Wei’s cell he heard the prisoner cry out shortly before he heard the unmistakable sound of a gunshot.

In 1992, I travelled to Germany to meet with a man named Dr Chen Miao, who graduated from the Huaxi University of Medical Sciences. Dr Chen told of how he received a call late one night in 1986 to travel with three other surgeons to a prison in the Sichuan Province county of Xindu. Dr Chen told me that at this prison, he and the other surgeons removed two kidneys from a living prisoner. The removed kidneys were then transported by a Chinese military helicopter to the hospital at Huaxi University, where they were immediately transplanted into the body of a waiting patient. Dr Chen said he heard the patient was a high-ranking Communist cadre. Dr Chen said he was told that the kidney-less prisoner would be executed the following morning. Dr Chen said he and the other doctors in the surgical team were told the procedure was a “political task” and that they were strictly forbidden to talk about their involvement. The removal of two kidneys from a living prisoner is more than a violation of human rights, it is murder. I think that Dr Chen displayed considerable bravery in telling his story to me.

Wanting to investigate the truth of stories like Dr Chen’s, in 1994, I travelled back to China with Sue Lloyd-Roberts to do a documentary on organ trafficking for the BBC, posing as someone needing a kidney for a sick brother. When we went to the hospital to try to arrange an operation, the doctors and nurses spoke very frankly and openly about the availability of kidneys from executed prisoners at a facility a short

way away from the hospital. They demanded US \$30,000, payable only in cash. They would not accept credit card or cheque. Where does this money go? Since the hospitals that perform the operations (and are getting paid directly for them), and the military that carries out the executions are both owned and operated by the central government, there is no question that money from the sale of the executed prisoners' organs directly benefits the Communist government.

In the last year, much new evidence has come to light in the investigation into organ harvesting by the Chinese government. Last October, a Chinese couple was caught on videotape attempting to sell organs to a woman posing as a potential buyer of a kidney for a sick brother. Dr and Mrs Dai were caught on tape trying to broker a kidney in a posh New York hotel room. Their case highlights the fact that it is easy to obtain an organ from an executed prisoner, as long as you have the cash. And this past February, two Chinese citizens, one who was a prosecutor in Hainan Province, were arrested in New York on federal charges of conspiracy to sell organs, including kidneys, livers, skin, lungs and corneas. There is now a case pending in the United States against them.

As if this is not enough evidence of the practice, my organisation, the Laogai Research Foundation, held two hearings in June to expose the atrocity of organ harvesting before the United States Congress, proving once and for all that it is sanctioned by and benefiting the Chinese Central Communist Party. The first of the two hearings was held 4 June 1998, with testimony from a number of sources. A Thai doctor, Phaibul Jitraphai, spoke about the travel of Thai patients to China for transplant operations. He documented last year that there were 46 Thai citizens who went to China to buy kidneys coming from executed prisoners. Tsuyoshi Awaya, a Japanese professor, spoke about his research into Chinese laws and foreign laws that have to do with organ harvesting. Somporn Lorgeranon, a Thai citizen, was courageous enough to tell of his own experience receiving a kidney from an executed prisoner in China. He told of how his operation was easily arranged, and how there were other foreign patients in the same hospital also receiving transplants with kidneys from executed prisoners. When asked how he knew that his kidney came from an executed prisoner, he said that a doctor had shown him a newspaper clipping that said that there was a large execution the same day that he got his transplant, and that he heard nurses around the hospital saying that the patients new kidneys came from this execution. My colleague, Wei Jingsheng, told the story of his companion on death row. I also testified to show how the organ trafficking in China is sanctioned by the Central government.

The second of two hearings was called on 19 June 1998. The Assistant Secretary of State for Democracy, Human Rights Promotion, and Labor, John Shattuck testified, and admitted to the US Congress under considerable pressure, that there is "credible evidence" that organ harvesting exists in China. Since this was before the President's

trip to China, he was asked if the President would make specific mention of the practice during his trip to China. He answered that it had been mentioned already and that it would be mentioned on the trip. My office has attempted in the last few weeks to contact Mr Shattuck's office to ask to see any transcripts of where the President specifically mentioned organ harvesting, but they have yet to get back to us. I also testified again at this hearing. The star of this hearing, however, was a man whose identity must remain secret for the purpose of security, as he is still a Chinese citizen. He was a member of the Public Security in China, and was present at a number of executions where prisoners' were given anti-coagulant drugs before the execution, then dragged into medical vans to have their kidneys removed. He erased any shadow of a doubt that trafficking is a regular practice in China. Yet, despite all of these allegations, the Chinese government denies any knowledge that prisoners' organs are sold to anyone for transplant.

Why is the practice of using executed prisoners' organs for transplants so incredibly abominable? For a number of reasons. First, there is no form of consent. The 1984 law attempts to show the world that the Chinese government gives their prisoners the option not to donate their organs, but this kind of consent under duress is a joke. Following World War II, the Nuremberg War Crimes Tribunal ruled on prisoner consent in these remarks: "In the tyranny that was Nazi Germany, no one could give such consent to the medical agents of the State; everyone lived in fear and acted under duress."

Today, in the tyranny that is Communist China, any prisoner who is asked to consent to donation of his or her organs after an execution is under similar duress. They are already in prison; of course they have no choice of whether or not they want to give away their organs. This point is further proven by the fact that in Chinese culture, donation of organs is frowned upon. It is too ironic that so many thousands of prisoners would willingly give up their kidneys, lungs, livers, corneas, and skin, when ordinary Chinese citizens are so set against the practice. In addition, consent is further prohibited by the fact that, according to security regulations, the family of the executed prisoner is never notified of where or when the execution will take place. How can they collect the body if they do not know anything about the execution? Two hours after the execution, the prisoner's kidney may already be in someone else, and the family will not know that the execution has even taken place until the cremated remains arrive at their doorstep.

In order to make a perfect match, the hospitals will take tissue samples from the potential buyer and tissue samples from the prisoners on death row. If a match is found, the prisoner who likely matches the buyer's tissue will be executed first, because there is a kind of demand for their organs. This prisoner's diet will be improved, and they will be given anti-coagulant drugs to make their organs easier to remove and transplant, thus guaranteeing a successful operation. The Chinese gov-

ernment boasts the fact that it has a very high rate of success in their kidney transplant operations, and boasts that they have such an enormous amount of transplants, boldly stating that they performed over 20,000 in 1996 alone. This figure is truly disgusting when you realise that 20,000 people were killed just for their kidneys, or for their corneas or livers or lungs or skin. The practice of selling organs to foreign patients reduces the people in the prisons to commodities. The government justifies the practice by saying that once the prisoners enter the prison, they are deprived of all of their rights; they are no longer human beings. The authorities, when questioned, say that it would be a shame not to use their "waste". When in history have we ever tolerated living human beings being called "waste" just because they are in prison? The Communist government in China has said that using the "waste" is a kind of charity for the rest of the society – who wants to benefit from the misery of others?

The worst part about the whole process is that the prisoners who are executed are not even given a fair trial. They are sentenced to death, and yes, they may have committed wrongdoing, but not receiving a fair trial and being sentenced to death makes a mockery of justice. Even if they are the worst kind of criminal, the dead have rights.

After it is all said and done, it is not even ordinary Chinese who benefit from the trafficking of prisoners' organs. There is a hierarchy of who is in line to receive transplants. First, wealthy foreigners. Then, high ranking Communist Party cadres. Third, Communist Party members, and finally, ordinary Chinese citizens. People who cannot pay for the organs, or who are not lucky enough to be in the good graces of the Party, lose out. They may die waiting for an available kidney, because they are automatically at the bottom of the list.

What do we do about it? There has never been a country in all of the world that has legislated to make profit from their executed prisoners' body parts.

It is incredibly repugnant, and the only reason why governments like Australia and the United States are able to get away with turning a blind eye on practices like organ harvesting is because their citizens don't know it. Spread knowledge of organ trafficking. Make it known. China needs the West much more than the West needs China. They need your money, your technology. The Australian government should demand that China make progress in stopping these practices, with conviction, and with penalty if necessary.

Friends, organ harvesting is the worst kind of human rights violation imaginable. We must remember that, in spite of the release of a few prominent dissidents, and in spite of the fact that the Chinese have been a bit more conciliatory in talks, this practice goes on and on, and we must do everything in our power, as human beings, to stop it.

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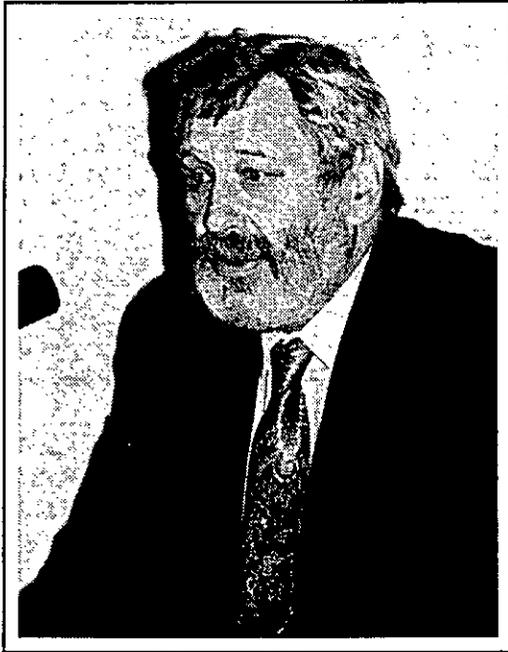


Photo - David Karonidis

Des Ball

Desmond Ball, a special professor at the Strategic and Defence Studies Centre at the ANU, worked with David Horner on *Breaking The Codes* (Allen & Unwin 1998) for many years. They have pieced together a Soviet spy jigsaw revealing that intelligence was going out of Canberra to Moscow. This was revealed in 1944 in a file of decrypted radio intercepts handed to General Blamey, commander-in-chief of the Australian Military Forces. The file showed the Imperial Japanese Army was receiving top secret information – the most likely source, Canberra. Des Ball spoke for The Sydney Institute on Tuesday 18 August 1998.

AUSTRALIA'S KGB

NETWORK

- Des Ball

From 1943-49. A group of about 10 people, all of whom were members of the Communist Party of Australia or close acquaintances of communists, provided information and documentary material to the Soviet State Security Service, commonly known as the KGB. The material that was given to Moscow included not only information about domestic Australian political matters, foreign policy and the structure and activities of the Australian wartime Security Service, but also British and US documents concerning post-war strategic planning which had been passed to Canberra from London.

The Australian Government was apprised of the information leaks in January 1945. During the last few months of 1944, Allied cryptanalysts, who were by this stage of the Second World War regularly intercepting and decrypting Japanese diplomatic and military signals traffic, had discovered that Tokyo was receiving Top Secret Allied intelligence reports, details of General MacArthur's war plans and other sensitive material concerning the Allied war effort. For example, the details of Japanese strength in the Philippines, contained in the Australian Military Forces (AMF) Weekly Intelligence Summary issued on 4 November 1944 were known in full in Tokyo on 11 November. According to the Japanese signals, the leakages had their origin in Canberra - and, more specifically, the Soviet Embassy. General Blamey reported this to the Acting Minister for the Army, Senator JM Fraser, on 6 January 1945.

Thus began one of the most fascinating stories in the annals of espionage and counter-espionage - a story which involved the international cooperation of several of the world's most secret intelligence organisations; the most arcane intelligence operations and techniques; the deaths of Australian servicemen in the South-West Pacific Area; the propagation of seeds of suspicion in Moscow, Washington and London which flowered into the Cold War; and the establishment of post-war intelligence agencies within the framework of the UK-USA arrangements which continue to the present day.

There was little progress with "the case" (as it was later known within ASIO) over the next couple of years. In December 1944, the British signals intelligence (SIGINT) agency, the Government Communications Headquarters (GCHQ) insisted that "the matter is one of serious insecurity on a global scale", but that no action should be taken by the Australian authorities which could suggest that Japanese ciphers had been broken. Of course, work on Japanese ciphers ceased in August 1945, but the Military Intelligence agencies in London and Washington – to the extent that they were not demobilised – also lost their interest in the Australian leaks. In fact, the British and US SIGINT agencies had determined in 1944-45 that the culprit for much if not all of the leakages was the Nationalist Chinese Defence Attache, General Wang, who had been sending information back to Chungking using ciphers which had been broken by the Japanese. The post-war Australian civilian security organisations – the Security Service and then the Commonwealth Investigation Service (CIS) – were too incompetent to pursue the matter anyway. (The chief investigator in the counter-espionage section of the Security Service in Sydney was one of the KGB's first recruits.)

The VENONA operation

However, in February 1943, the US Army's Signals Intelligence Service (USASIS) began cryptanalytic work on Soviet codes. The operation, code-named *Venona*, was to become the most astounding cryptanalytic achievement of the post-war period. It succeeded in decrypting large portions of Soviet radio and cable communications for selected periods from 1940 to 1948. These messages had been encrypted using a two-step process, involving a four-digit codebook and random additives from one-time pad (OTP), and could not have been decrypted by cryptanalytic means. However, in 1942-43, the KGB had mistakenly distributed more than 35,000 pages of duplicated OTP additives to its Residencies abroad.

In about November 1946, Meredith Gardiner broke the "spell table" for encoding English letters in the 1944-45 codebook. He could now read significant portions of messages that included English names and phrases. On 13 December 1946, he was able to read a KGB message that discussed the US Presidential election campaign of 1944. On 20 December 1946, he broke into another KGB message that had been sent to Moscow Centre on 2 December 1944 which contained a list of names of the leading scientists working on the Manhattan Project – the atomic bomb project. He henceforth made rapid progress, reading dozens of messages sent between Moscow and New York in 1944 and 1945. In late April or early May 1947, Gardner was able to read two KGB messages sent in December 1944 that showed that "someone

inside the War Department General Staff was providing highly classified information to the Soviets”.

The cryptanalysts at ASA had by April 1947 also broken into the 1945 KGB traffic between Moscow and Canberra, when Gardiner was able to read portions of more than a dozen cables sent between Moscow and Canberra between April and October 1945. These included a cable from Canberra to Moscow (No.129) on 25 April which contained numerous Spell groups for several Australian States (Victoria and New South Wales) and organisations (eg. The Association of Scientific Workers of Australia, the Royal Australian Institute of Architects, and the Commonwealth Council for Scientific and Industrial Research); a two-part cable from Canberra to Moscow (Nos 324-325) on 1 September 1945, which referred to BEN, who “seems to have furnished information on the Australian Security Service”; and several cables between Moscow and Canberra, in which KLOD occurred some 13 times, eight times in the sequence “KLOD has communicated”, and from which Gardner concluded that “KLOD is Canberra’s regular purveyor of information.”

Within a few weeks (i.e., around the end of September or early October), Gardner read portions of another Canberra-Moscow cable, which became another milestone in the Venona history. This was evidently cable No. 123, sent on 19 March 1946, in which Moscow Centre was informed that KLOD had obtained copies of two documents, *Security of India and the Indian Ocean* and *Security in the Western Mediterranean and the Eastern Atlantic*, prepared by the British Post-Hostilities Planning Staff for the War Cabinet. It was clear to Gardner that the texts of these documents, or at least large extracts from them, had been transmitted to Moscow in a series of cables sent from Canberra between 22 March and 3 April 1946, and one of the GCHQ liaison officers was asked to obtain copies of the documents from the War Office. The request generated much consternation in London as the War Office sought to find out what the US cryptanalysts wanted the documents for, but they were soon forthcoming. The two documents amounted to some 12,000 words, and comprised the complete text of 20 cables sent between 22 March and 3 April – and enabled Gardner and his colleagues to quickly recover a large proportion of the KGB’s code groups.

In December 1947, GCHQ set up its own Venona team, which thereafter worked cooperatively with the US cryptanalysts. By mid-1949, the Venona program has succeeded in reading substantial portions of the cable traffic between Moscow Centre and the KGB Residency in Canberra.

A few hundred cables were decrypted to the extent that extensive or meaningful translations were available. (Of these messages, 189 were published by the NSA in October 1995 and October 1996). These

amount to about 10 per cent of all the Soviet cables that were deciphered in substantial part throughout the joint US-UK Venona operation. And, given that nearly 5,000 cables were sent between Moscow Centre and the Canberra Residency in 1943-48, the decrypts represent only about 5 per cent of this traffic. In addition, however, small groups were broken in more than 1000 other Canberra-Moscow cables, usually involving cable numbers, addresses and signatories, cryptonyms and other words and phrases using groups from the Spell lists. For example, the signature groups were recovered on all the more than 200 messages sent from Moscow to Canberra in the first four months of 1946. Some of the cryptonyms were frequently associated with one or two other words, as in "KLOD has communicated", and "the ACADEMICIAN's son". Some of these fragments were quite useful. A recovered signature provided a lead for the recovery of an addressee in another cable (eg the identification of Beria as the signature on a cable sent from Moscow on 7 April 1946, which noted Gouzenko's defection in Canada and instructed Residents to tighten security), while the recurrence of a cryptonym over some period of time suggested sustained rather than sporadic activity, and the recurrence of two cryptonyms close together in various cables suggested some relationship between them (eg, the "influential ACADEMICIAN" and FERRO). Mostly, though, the hundreds of fragments were more tantalising than meaningful.

The Russians

Diplomatic relations between Australia and the USSR were established on 10 October 1942. From the outset, Australia was regarded as a potential source of important intelligence, and arrangements were made to establish both KGB and GRU Residencies in Canberra. The first intelligence officer to arrive was Vladimir Ivanovich Mikheev, a GRU officer, who was charged with scouting out the Australian scene for the Soviet foreign intelligence services.

The first KGB Resident in Australia was Semyen Ivanovich Makarov (cover-named EFIM), who arrived on 21 May 1943 and quickly established his office in Canberra. His "principal cadre worker" was Feodor Nosov, the TASS representative in Sydney. In addition to Nosov, by 1948 Makarov had at least four other KGB officers working for him in the Canberra Embassy.

The first GRU Resident was Colonel Victor Sergevich Zaitsev, who arrived on 16 March 1943. He had served in the GRU Residency in the Soviet Embassy in Tokyo in 1941-42, where his principal task was to serve as the contact with the Richard Sorge espionage network in the Japanese government, and provided Moscow with intelligence on a wide range of important subjects. For example, Sorge was able to assure Moscow in late July and early August 1941 that Japan did not

intend to attack the USSR but was planning to drive southward, thus enabling the Siberian forces to be entrained for the German Front and contribute to the successful defence of Moscow. It was for this intelligence that Sorge is sometimes said to have "single-handedly saved Moscow"; in any case he has been ranked as "perhaps the greatest spy of all time".

Zaitsev's specific espionage activities during his five years in Australia remain matters of speculation. He was presumably too important an officer for the GRU to leave unproductive for such a long time. Two possibilities have been canvassed. One is that he was engaged in setting up some "illegal" network that was to remain quiescent until the next war but which, for whatever reason, was never activated. It was Vladimir Petrov's firm belief, in 1954, that his GRU "neighbours" had established an "illegal apparatus" in Australia. The second possibility is that Zaitsev was running a very high-level agent somewhere in the Australian government.

The Communist Party

The principal mission of the Soviet intelligence services in Australia was to collect political, diplomatic, military, scientific and technical intelligence through the employment of cadre workers, collaborators and agents. In accordance with instructions from Moscow Centre, the efforts to recruit collaborators and agents were directed at officers of the Department of External Affairs and the armed forces, journalists, scientists, and other public figures. Recruitment was not an easy task. Few of the KGB and GRU officers were fluent in English or confident in dealing with contacts outside of normal embassy activities – though Zaitsev (1943-47) and Nosov (1943-49) were important exceptions. Moreover, Canberra was still very much a "bush capital", which reinforced the isolation of the Residencies from the Australian community.

Without the Communist Party of Australia (CPA), it is likely that the efforts of Zaitsev, Makarov and their officers and cadre workers would have amounted to nought. As the Australian Venona decrypts showed, the establishment and organisation of KGB espionage operations in Australia was dependent upon the Party and some of its high-ranking functionaries, and all the people who directly or indirectly provided information for Moscow were either members of the Party or close relatives of Party members.

From the mid 1930s, the CPA adhered rigidly to directives from Moscow. In the late 1930s, as war loomed in both Europe and Northeast Asia, it championed the causes of anti-Fascism and world peace. By 1939, as war in Europe appeared inevitable, it advocated the formation of a "People's Front" involving the USSR and the non-Fascist powers of Europe in an alliance against Nazi Germany. The

announcement of the Nazi-Soviet pact in August 1939 came as a surprise, and confusion reigned in the CPA for a brief period – compounded by the outbreak of the Second World War in September 1939, and Australia's decision to join Great Britain in the war against Germany. However, the Party soon adopted the Comintern policy that the war in Europe was an "imperialist war", and that "as the USSR was at peace with Germany, communist duty was to do everything to hinder the war effort, even if it means aiding the military defeat of our own and Britain's soldiers". Because of its defeatist policies and disruptive activities, the CPA was declared illegal under the Australian National Security (Subversive Associations) Regulations on 15 June 1940.

After 22 June 1941, when Germany attacked the Soviet Union along the entire frontier from the Black Sea to the Baltic, Party policy underwent another convulsion. The CPA now became a vigorous supporter of the war effort. The ban on the Party was lifted in December 1942. The heroic feats of the Red Army on the Eastern Front greatly increased the Party's popularity, and its membership grew rapidly, peaking at 22,000-23,000 in December 1944.

The great majority of the Party members at this time were loyal Australians, committed to the defeat of Fascism and the building of a more humane and just social and economic order. Some 4,000 served in the Australian Military Forces, and many won decorations and honours. However, many of the Party's leaders remained more committed to assisting the objectives of Soviet foreign policy than to the improvement of social and economic conditions in Australia. Many of the key office-holders in the Central Committee held their posts at the direction of the Comintern; for them, at least, the interests of the Soviet Union were in principle identical with those of Australian communism and, in practice, paramount. Two members of the Central Committee in the 1940s who played important roles in this story were Walter Seddon Clayton and Katharine Susannah Prichard.

Clayton was born in New Zealand in March 1906, and had come to Australia in 1930 or 1931, and joined the Communist Party in 1933. Like thousands of others, he was shocked at the squalor and inequities of the Great Depression and saw the overthrow of capitalism and the imposition of communism as the answer – but none of his fellow travellers were able to match Clayton in his energetic commitment to the Party or the lengths to which he was prepared to go to serve Moscow.

In 1943, Clayton became a member of the CPA Central Committee, and in 1944 he was appointed a member of the Central Control Commission. He continued in both capacities until August 1951. The commission had been set up around 1931, with the guidance of the Comintern, to be responsible to the Central Committee for the internal discipline and security of the Party. It had five members, who had to have been in the Party for at least five years,

and who included a chairman and a secretary. During the 1940s, the commission's principal functions were: (i) to ensure the security of the Party by making sure that it was not penetrated by government or other external agents and by "dealing with" any suspect comrades; (ii) to ensure the unity of the Party, ie. to investigate and make decisions on various disciplinary matters among Party members; (iii) to ensure the correctness of Party decisions and their fulfilment; (iv) to organise and operate the undercover organisation of the Party and prepare for its continuance under illegal conditions; and (v) to organise and operate the information-gathering activities of the Party. The information collected by the Party was of two kinds: information required to inform discussion within the Central Committee, for use in planning Party campaigns, or for publication in the Party press; and information that was passed on to the Comintern and, later, the Soviet intelligence organs.

Clayton's various responsibilities, as secretary of the central control commission, as the official in charge of the Party's illegal apparatus and as spymaster of the Soviet espionage network in Australia, complemented each other very nicely. Those of his colleagues in the Party who were aware of his clandestine activities simply assumed that this was his illegal work for the Party. The agents and contacts from whom he was collecting, almost all of whom were Party members, were subject to his disciplinary functions and in some cases might well have believed they were doing no more than providing covert assistance to the Party.

The KLOD group – Katharine Susannah Prichard

Prichard was by the 1940s generally acknowledged as "the most important fiction writer of Australia". She was also, for half a century, the leading woman communist in Australia, having been a foundation member of the CPA in 1920 and remaining in the Party, through all its policy contortions, until her death in October 1969. She was elected to the Central Committee (together with Clayton) in June 1943, and worked closely with Clayton until she left Sydney and moved back to Perth in March 1946.

Prichard played an important role in the establishment of the KLOD group in 1943-45. She was probably responsible for introducing Mikheev to Clayton in late 1942, and in 1943-45 she was a source of material sent from the KGB Residency in Canberra to Moscow Centre. Most of the material was political gossip, which she would write up in longhand on foolscap paper and give to Clayton to pass to Makarov in Canberra. Much of it consisted of summarised accounts of what Ric Throssell, her son, who had joined the Department of External Affairs in June 1943, had related to her about the structure, personnel, interests and policies of the Department.

Some of her discussions with Clayton concerned Throssell's career possibilities. In September 1945, for example, Throssell was told he was to be posted to Moscow; this information, reported by Clayton after a conversation with Prichard, was cabled to Moscow Centre on 30 September. But, according to the Venona decrypts, "even before he received the appointment", Clayton and Prichard had canvassed Throssell's posting options. Clayton had "clearly hinted to her that from the point of view of the Party it would be better if he went to a post in Europe, for example in Holland", but "Prichard . . . very much wanted her son to go to the Soviet Union and had her way".

The KLOD group – Alfred Hughes

Clayton's first recruit was Alfred Thompson Hughes, who was given the cover name BEN by Moscow Centre in April 1945, and who was the KGB principal source of "operational intelligence" in Australia.

He had joined the NSW Police Force in 1924, and became a detective constable in 1933. In June 1940, he joined the Military Police Intelligence (MPI) section, and in 1942, when the Security Service was formed, he became the chief investigator in the counter-espionage section of the new organisation's NSW office.

However, Hughes also joined the Communist Party in about 1932. During the war years, and including the period when the Communist Party was illegal, Hughes was reportedly one of two officers in the MP1 section and the Security Service (the other was an Army intelligence officer) who were secret members of the Communist Party and whom JB Miles (the General-Secretary) described in 1953 as having been "very useful to the Party".

Clayton had established secret contact arrangements with Hughes even before the establishment of the KGB Residency in Canberra in 1943. He evidently informed the KGB of Hughes' position in 1944, and by the beginning of 1945 Moscow Centre had decided, with some trepidation, to explore the possibility of recruiting him. Clayton was questioned about the possibility by Nosov at a meeting on 15 March, and responded positively. On 5 May, the Canberra Residency reported to Moscow that Hughes, now cover-name BEN, was already "working secretly" on an assignment from Clayton.

On 3 July 1945, the Canberra Residency cabled to Moscow Centre that "KLOD has reported that BEN has been bringing a number of items of operational material from the Sydney security organs for him to see", including "special files on the Soviet Legation and on TASS representatives". Clayton reported that the former were of little use "since the main files on the Legation are in Canberra", but that the files on Mikheev and Nosov were more interesting. Mikheev's file, for example, included copies of telegrams he had both sent to and received from Moscow, as well as references to a request by "American

Intelligence" for information about Mikheev and "his possible connections with the Communists in Sydney". Hughes also provided Clayton with "a lot of information about the organisational structure of Australia's intelligence organs".

Hughes was in a fantastic position. On the one hand, from 1942 to 1945 he was the chief investigator of the Communist Party in New South Wales – not to say of Soviet espionage, which it was also his job to detect. His working responsibilities included attending public meetings of Party "front" organisations, watching the meetings and movements of senior Party and "front" officials, meeting with and interviewing Party members, and reporting on these activities. From January 1943 to August 1945, he produced some 30 reports on organisations or individuals, such as Vladimir Mikheev (4 May 1945) and Walter Clayton (31 August 1945). He managed to include in these reports at least as much information as would have been expected of him as an experienced detective yet provide nothing that would incriminate these organisations, their members or their activities. He knew exactly how much his colleagues in the Security Service and the NSW Special Branch knew about these matters. He was also able to meet clandestinely with his "agents" or contacts in the Party – whom he consistently refused to identify to his Security Service colleagues or later ASIO investigators. He would have been able to keep Clayton and his KGB controllers well apprised of security operations against them.

The KLOD group – Frances Bernie

Bernie (nee Scott) was Clayton's second recruit, and was given the covername SESTRA by Moscow Centre in April 1945. In 1941, aged nineteen, she joined the East Sydney Branch of the Communist Party (then an illegal organisation), and was soon actively involved in several "front" organisations. In November 1945, Clayton (according to David McKnight) arranged for her to work as a typist in Evatt's office in Sydney, where she continued until April 1946.

According to the Venona material, Clayton told Nosov about Bernie at a meeting on about 20 April 1945, describing her as "an undercover member" of the Party "who began work four or five months ago at Evatt's as a secretary-typist". He told Nosov he was "giving her detailed instructions on how to conduct herself while working in Evatt's outfit", but did not tell him whether she had been providing him with "any materials". At a meeting in early July, Clayton gave Nosov additional biographical information about Bernie and described her access to material in Evatt's office. Bernie had brought Clayton copies of Evatt's correspondence, but Makarov reckoned that these were "of no great interest". Clayton told Nosov that he needed to do "a lot of work . . . on her in order to turn her into a worker we can be sure of", and that he had "begun to carry out work along these lines"; he said that

“for a start he refrained from accepting any documents”, but had instructed her to memorise interesting material. Through the next six months, however, she provided Clayton with both verbal reports and documentary material. In October 1945, for example, she “passed (to Clayton) a mass of internal political material”.

Bernie was interviewed by senior ASIO officers on at least nine occasions from June 1953 to December 1958, during which she progressively confessed more and more details of her relationship with Clayton and the sorts of material which she gave him. On 17 November 1959, after attending a Billy Graham evangelical crusade and praying for God’s guidance, Bernie contacted ASIO and made her most damaging admission. She told ASIO that:

She had omitted to inform us that whilst employed in Dr Evatt’s office she had taken information received on a tele-type machine and handed same to Walter Seddon Clayton. This information was in code, but Clayton had expressed interest in it, and asked her to bring any such material she could. She had done this on at least one occasion and probably twice. The particular information had been received from Canberra.

The KLOD group – Ian Milner

In 1945-46, according to the Venona material, the most “productive” members of the KLOD group were Ian Milner and Jim Hill. Milner, code-named BUR, was then an acting First Secretary in the Post-Hostilities Planning (later the United Nations) Division of External Affairs in Canberra. Most of the material KLOD obtained from Milner consisted of official British and Australian post-war planning documents, making Milner the foremost member of the group in terms of the strategic importance of the documentary material he supplied.

Milner was born in New Zealand in 1911. He was deeply affected by the Great Depression, which produced terrible suffering in New Zealand as a result of the collapse of commodity prices. He was introduced to Marxism at Canterbury University College in Christchurch, and was soon a convert. At the end of 1933, he won a Rhodes scholarship to Oxford University, where he evidently became a secret member of the Communist Party. He came to Australia in March 1940 to take up a lectureship in the Department of External Affairs in February 1945.

Milner’s espionage activity evidently began in September 1945, although it is likely that he had been one of Clayton’s unacknowledged informants for some months before this. Together with Jim Hill, he met with Clayton twice in September and “told him many interesting things” about the classified material accessible to them in External Affairs, especially the secret British material. By February 1946, Milner had told Clayton about the British post-war planning papers from the Department of Defence, in particular the War Cabinet document on

Security in the Western Mediterranean and the Eastern Atlantic which had recently been in his possession. When Moscow Centre asked for a copy of the document, Milner was ready to oblige, borrowing a copy from Defence on 6 March and arranging with Clayton for him to collect it (as well as another on *Security of India and the Indian Ocean*) and pass them to the Canberra Residency for photographing on or about 17 March.

Milner left Australia in November 1946, to take up a job as a political affairs officer in the United Nations Secretariat. He began work at the UN in February 1947, and established contact with the KGB in New York on 6 March. During some 40 months at the UN, he "kept sending us" reports from Palestine, Korea "and other countries", as well as New York, about "the activities of minor sections of [the] UN and about some leading officials".

In July 1950, Milner defected to Czechoslovakia. In 1996 newly released secret files of the Czech Ministry of the Interior revealed that in 1950 the KGB had decided to "relocate" Milner to Czechoslovakia after information was received from an informer in "the American counter-espionage agency about a possible repression against Milner working for us as an agent". In 1949, while employed by the United Nations in New York, Milner had also begun working for the Czech secret service, and once he arrived in Czechoslovakia he was paid 25,000 crowns a month, compared with the normal University salary of 7,000 crowns. With the cover-name DVORAK and the pseudonym A. Jansky, agent No. 9006, Milner continued working for the Czech secret service, reporting on academic and diplomatic acquaintances. The last report made available from the Czech archives shows that he was still working for Czech intelligence in March 1968.

The KLOD group - Jim Hill

James Frederick Hill, commonly known as Jim and code-named TOURIST, was an active member of the KLOD group from 1945 to 1950, during which time he worked in the Department of External Affairs in Canberra. He figures in the KGB cable traffic, either as TOURIST or by name of KhILL, more than any other member of the group (except for Clayton) over this period. He clearly provided the KGB with more official material than anyone else, including Milner. Most of this was fairly mundane, such as copies of hundreds of cables from Whitehall to Canberra, but amassed over half a decade they would have given Moscow Centre an important insight into British post-war interests and the development of British and Australian post-war security policies.

Hill had joined the Communist Party in 1937 or 1938. (His brother was Ted Hill, the dominant figure in the Party in Victoria from

the 1940s to the early 1960s). He joined the Department of External Affairs in June 1950.

He established contact with Clayton soon after he moved to Canberra, and at the two joint meetings with Milner and Clayton in September 1945, Hill gave Clayton "copies of several official telegrams received from the British Foreign Office" as well as copies of other secret reports. Hill also gave Clayton "a resume of telegrams dating from December 1944 to March 1945 dealing with the situation in Roumania and the attitudes of the British and US Governments", which were sent to Moscow on 10-12 October. Over the next year, Hill gave Clayton something every week or two, mostly recent Foreign Office cables, such as the British telegrams about Argentina and Iceland dated 16 October 1945, which were sent to Moscow on 8 November. By May 1948, as evinced in the Venona material, but probably much earlier, Hill had been given the cover-name TOURIST. He was now regarded by Moscow Centre as a committed agent about whose reliability it had no question, and he was to be the principal agent in External Affairs in the reorganised espionage operations.

The reorganisation of the KLOD group in 1947-48

Towards the end of 1947, Moscow Centre decided to revitalise the KLOD group. The development of the group in 1943-46 had involved little planning. KLOD had approached, on his own initiative, members of the Party whom he knew personally and who he thought could provide useful information – such as Prichard, who had extensive political connections; Frances Bernie "in Evatt's outfit; and Alfred Hughes (BEN) in the Security Service. During 1945, as Moscow's interests became articulated, his efforts had moved to the NOOK, or the Department of External Affairs in Canberra, where he had several contacts – including Jim Hill and Ian Milner. He had established a variety of contact, collection and reporting arrangements, some of which involved professional espionage tradecraft but some of which were almost casual. By September 1945, the group was expanding to the point where KLOD was having difficulty "in maintaining systematic liaison and work with each of his people". In addition to Sydney and Canberra, KLOD also had informants in Melbourne whom he regularly contacted on behalf of Moscow Centre, and this greatly complicated his control and collection activities. By 1946-47, some of his earlier informants had become inactive – including SESTRA, BEN, the "influential ACADEMICIAN", and BUR.

Moscow Centre decided that the group should be rationalised, with perhaps fewer members but a more balanced representation across the areas of operational and intelligence interest, and with tighter arrangements for control and reportage. Several sub-groups were to be established, with their own liaison arrangements, and "group leaders"

were assigned to coordinate activities and simplify KLOD'S control and collection functions. KLOD was asked to recommend the group leaders, and to provide "detailed character descriptions" of them and "their opportunities". Two meetings were arranged between EFIM and KLOD (the first in late March and the second on 20 May 1948) to discuss the restructuring and the agents involved. EFIM was instructed to ascertain from KLOD who "among his old sources whos material he passed us formerly" should be retained, "apart from PROFESSOR and TOURIST", whom Moscow Centre evidently presumed would continue; the positions presently occupied by SESTRA and BEN, and "whether they can be used for our work"; the opportunities" of PODRUGA and "the possibility of using her in the future"; the whereabouts of FERRO and the advisability of bringing him "into our work in view of the fact that his mother is well-known"; and how he "proposed to organise liaison between FERRO and MASTER in view of the fact that they live in different town?". It was to be a leaner but more dedicated organisation. Whether or not it proceeded, however, the Venona material could not reveal, because the last of the duplicated OTP pages was used by the Canberra Residency in June 1948.

MI5, the establishment of ASIO, and "the case"

On 7 February 1948, the Director-General of MI5, Sir Percy Sillitoe, and the Director of MI5's Protective Security Division, Roger Hollis, arrived in Australia to inform the Government that authoritative intelligence revealed that there was a Soviet espionage network in Australia.

Over the next couple of years, the Australian "case" was one of MI5's highest priority counter-espionage operations, and this was a period when it was being stretched investigating the large networks that the Venona material showed were operating Britain itself. In 1948-49, several of the most senior MI5 officials visited Australia in connection with the case. After Sillitoe and Hollis, the principal officers involved included Dick Goldsmith White, Arthur Martin, Robert V. Hemblys-Scales, Courtenay Young and Derek Hamblen. (During the 15 months from February 1948 through April 1949, Hollis was in Australia more than he was in Britain.)

The MI5 officers had two principal missions in Australia. One was to positively identify the informants whose names and/or cryptonyms had been decrypted in the Venona operation. The other was to advise the Australian government on the institution of protective security measures, and the establishment of a security intelligence organisation.

During 1947, as the Venona operation revealed more and more about the existence of the KGB network in Australia, the US had progressively reduced its transfer of classified information to Canberra. By

May 1948, it had instituted a complete embargo – and was threatening to cut off the flow of sensitive intelligence, military and nuclear secrets to Britain unless London could guarantee that the security situation in Australia had been rectified.

The foundations for the establishment of the Australian Security Intelligence Organisation (ASIO) were laid in two meetings among Ministers and officials concerned with security matters in Canberra on 8 February 1949. The main meeting was attended by Prime Minister Chifley, three of his ministers, Defence Secretary Shedden, Brigadier Fred Chilton (the Controller of Joint Intelligence in the Department of Defence), Sir Kenneth Bailey (the Solicitor-General), and Roger Hollis, Courtenay Young and Robert Hembleys-Scales from MI5. Hollis explained the functions, organisation and operation of MI5 and the meeting agreed that an Australian service should be set up along the same lines.

There was also a smaller, more secret meeting, involving Hollis, Young, Shedden, Chilton, and, at least for some part, Chifley, at which Hollis described the Venona operation and the extremely sensitive nature of the Venona materials, and explained the role Young would play as special liaison officer with the Australian service. This was the first time Australian officials learned anything about Venona. Hollis had copies of the decrypts, which Chilton studied closely. When Chilton and Hollis had met in late August 1948, Hollis had told him "some cock-and-bull story" about a defector's being the source of MI5's evidence, but to Chilton it had been "obvious" that it came from decrypts. He was pleased to have his perspicacity confirmed. It was agreed that knowledge of the Venona operation was to be restricted to those at this meeting, and that after Hollis left, Courtenay Young was to hold the Australian Venona material and that he was not to inform anyone in the new Security Service about the cryptanalytic source of this material.

On 2 March, Chifley told Parliament that "a great increase in Australian security tasks and responsibilities has made it necessary to re-establish a separate security service" and that Justice Reed had been appointed to "establish and organise an Australian Security Service". By March 1949, two members of the KLOD group had been positively identified – Ian Milner (BUR) and Frances Bernie (SESTRA). As Justice Reed and Roger Hollis noted in a joint report that month:

It is known that there is in existence in Australia, a Soviet spy network which has, or had, means of obtaining information from Australian Government Departments. Two of the agents of the network have been identified. One worked in the Department of External Affairs and is known to have passed information to the Soviet intelligence machine which was available to him as a result of his work. The other worked in Dr Evatt's private office and, though not engaged on secret work, may have had access to official material. Neither of these two agents is now employed in any Australian government department.

Then, at the end of March, Dick White, the Director of MI5's B (or Counter-espionage) Division arrived in Australia with a large number of new decrypts, which confirmed that TOURIST was Jim Hill. It also included a lot more information about KLOD, as well as further details about MASTER ("the husband of TOURIST's sister") FERRO (whose mother was "an influential ACADEMICIAN"), and DZhON or PODRUGA, who worked in the Department of External Affairs and had access to the archives containing the enciphered and deciphered texts of Departmental cables.

By June 1949, the officer in charge of the KLOD investigation in Sydney had concluded that "Clayton's our man". And in July, Chilton reported to Shedden that:

With regard to the Top Secret investigations being conducted by the Australian Security Service, some progress has been made.

A tentative identification of the principal spy master of the network has been made, and his present activities are under active investigation. As a result of this tentative identification, new lines have been uncovered and the activities of certain other individuals who have been thrown up by ground investigation are being covered. . .

Assuming that the identity of the principal spy master is correct, it is felt that the identification of other members of the spy network connected with him will come to light in a comparatively short time.

In August 1949, Ray Whitrod, the ASIO officer responsible for identifying the "influential ACADEMICIAN", concluded that this was Katharine Susannah Prichard – and hence that FERRO was Ric Throssell. By late August 1949, the British security intelligence authorities were fully satisfied with the security situation in Australia, and MI5 moved to persuade the US to lift the embargo on the flow of classified information to Australia – which the US began to do on 6 January 1950.

Conclusions

The important information Moscow obtained from Australia can be categorised into five sorts. To begin with, there was the information about Allied war planning, including "General MacArthur's plans for certain operations in the Philippines" and information dealing with "the utilisation of Australian Forces", which Moscow obtained in 1944-45. Access to the US plans for the final campaigns against Japan, from Papua New Guinea and Borneo up through the Philippines to the Japanese archipelago itself, would have greatly assisted Soviet geostrategic planning. Stalin had decided by the beginning of 1945 to move manpower and material to the Far East in order to occupy the northern Japanese islands and to ensure a stake in any peace settlement before the US forced Japan's surrender; at the same time, however, he was determined to push his forces in Europe as westward as possible

before Germany's capitulation. With the details of MacArthur's plans, Stalin was able to prepare for the Far East campaign, and for a role in the Japanese surrender negotiations, with superb timing.

Indeed, Stalin may even have used the material on MacArthur's plans obtained from Australia to manipulate this timing. This material was somehow getting to Tokyo (from Harbin) fairly quickly, and the most likely explanation is that it was being passed directly to the Japanese by the Soviet authorities as part of a deception campaign designed to prolong the fighting in the South-West Pacific – regardless of the US and Australian casualties.

The second category of important information concerned British post-war strategic planning and foreign policy, of which the War Cabinet documents obtained by Moscow in March-April 1946 were highlights. These top-secret documents had a limited distribution and included discussion on policy for the occupation and control of Germany, proposals for a military staff committee for the United Nations, and British security planning in the Western Mediterranean and the Eastern Atlantic as well as India and the Indian Ocean. These papers would have been of great value to the Soviet Union, especially during the period when it was negotiating with the Allies over post-war arrangements in Europe.

The great bulk of the British material, which Moscow obtained in 1945-46, and probably through to 1948-49, consisted of copies of hundreds of cables from the Foreign Office to London to the Department of External Affairs in Canberra, which were given to the KGB by Jim Hill. Some of these went back to 1944, but in most cases they were never more than a couple of weeks old (e.g. the Foreign Office cable on Argentina of 16 October 1945, which was sent to Moscow on 8 November). Some of the Foreign Office cables and papers obtained from Hill were top secret, but most were confidential. They would have provided Moscow with a detailed picture of the making of British foreign policy regarding numerous other countries (as far afield as Greece, Poland, Iceland, Argentina and Indonesia) and international issues. They would have confirmed and complemented the Foreign Office material that Moscow Centre had obtained directly from Donald Maclean and Guy Burgess during much of this period.

Third, Moscow Centre obtained an enormous volume of information about Australian politics and policies, including foreign policy, and about the personalities involved. Much of this was unimportant, such as the political gossip Prichard related to Clayton in 1945, and the material Clayton obtained from Frances Bernie during her first months as an agent in early 1945. However, some of it was top secret, such as a report prepared for Evatt on south-eastern Europe, which was based on secret British information and was obtained from Hill in September 1945. In early 1945 British forces were fighting Greek communists in

Greece, and by 1946 the Greek civil war against the communists was under way. The information also included the telegrams exchanged between Prime Ministers Attlee and Chifley concerning Australian policy on the Indonesian independence struggle, which were sent to Moscow in November 1945. There is no doubt that, in addition to Hill, Ian Milner also gave the KGB material of this sort. As the KGB informed the Czech Ministry of the Interior after Milner's defection to Prague in 1950: "During his employment in the Ministry of Foreign Affairs in Australia between 1944 and 1947, Ian Milner transferred to us through third persons *valuable materials* on political questions".

The fourth category consists of "operational information" about the Australian Security Service, which Moscow Centre obtained from Alfred Hughes. This included detailed information about the structure and capabilities of the Security Service, its interests and activities (eg, its surveillance of communist as well as fascist organisations), and the files compiled about particular operations and people of interest, and for which it asked that Clayton be congratulated. Hughes was able to show Clayton his own file, as well as those of Mikheev and Nosov. He was in a position to stymie particular investigations, to remove incriminating material about Clayton or his associates from their files, and to warn Clayton of any security interest in their activities. In operational terms, Hughes' importance cannot be disputed.

The fifth category consists of Australian cryptographic material of use to the KGB's cryptanalysts. Bernie confessed in 1959 to having given Clayton in 1945 copies of encrypted telegrams sent from Canberra to Evatt's office in Sydney; and the reason for the KGB's interest in PODRUGA (Dorothy Jordan) was her access to the entire correspondence of the Australian Department of External Affairs, including "enciphered telegrams". Extensive sequences of clear and encrypted texts, whether archival or contemporary, would have been extremely useful to the KGB's cryptanalysts working on Australian ciphers as well as the British ciphers from which they were derived.

There remain many important questions concerning the KLOD group and its activities, some of which will never be clarified - such as the process whereby Clayton was selected to be the KGB's spymaster in Australia, or the extent to which some of his particular informants were either witting or "in the dark". Most of the members of the group have died. Some of the cryptonyms have never been identified, such as VNUK (GRANDSON), who was run directly by Makarov in Canberra in 1944-45; and FORMER, SPIRITED and GLORY, who were approved by Moscow Centre for recruitment as ATHLETES or probationary agents in 1945-47.

Only one member of the KLOD group, Bernie, ever confessed to collecting and providing material for Clayton, and her confessions, a decade and a half after the event, are incomplete in important respects.

All of them have dissembled, whether (as in the case of Clayton) about the existence and operation of the group as a whole, or about particular matters concerning their activities or relations with Clayton or other members of the group. An already complex and difficult exercise, to explain and describe the motives and activities of a group operating half a century ago, has been rendered impossible by these deaths and dissemblings.

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Photo - David Karonidis

Nikki Gemmell

Nikki Gemmell writes books about Australian women in difficult places. Her first novel *Shiver*, told the story of a young journalist in the Antarctic – a cold wilderness. Her second novel, *Cleave* (Random, 1998) is the story of a woman's experiences at Australia's centre – the desert heart. On a visit home to Australia from London, where she now lives, Nikki Gemmell spoke for The Sydney Institute on Wednesday 19 August 1998.

AUSSIE CHICKS IN

TOUGH PLACES

- Nikki Gemmell

Mohammed said that all journeys are a fragment of hell. I'd like to touch on four examples of journeying, and hellishness, that I've experienced: in Antarctica, Alice Springs, England, and within the process of writing itself.

Antarctica.

"Down South," as it's known colloquially among expeditioners, I had some of the best and some of the worst times of my life. But I think it's often at our lowest points that we learn the most. Simone de Beauvoir said "literature is born when something in life goes slightly adrift". Many things went adrift for me in Antarctica, and from that experience came my first novel, *Shiver*. This was my mindset before I set out on the voyage:

It's the chance of a lifetime, isn't it? I have to go. I can't not. I can't say no, can I?

The land of mythical tragedies. The place of ships' hulls being crushed by ice, of long treks into darkness and death, of soles falling from feet and being strapped back on, of teeth freezing and splitting, fingers dying, toenails coming away, mates disappearing through holes in the ice, mates walking away into blizzards, saying I'm just going outside and may be some time, and never coming back, of men lying down to die and placing their hand across the chest of their already dead, dear mate.

Who could refuse? (From *Shiver*)

There's an expression used by Australian expeditioners called the "A" factor - the Antarctic factor - which means that everything that can go wrong, will. I had to cope with snowblindness that was like a film of milk over my eyes; I had to cope with not being strong enough and heavy enough to stand in a blizzard, but having to crawl across the ground; I had to cope with cold like glass cutting into my cheeks and a minus 45 degree celcius chill that quickly and constantly leached the power from the batteries driving my tape recorder (I was sent to Davis base by ABC Radio.) I also had to cope with the fact that most expeditioners do not like journos asking questions about what they're doing

(there is an Australian Antarctic term reserved for politicians, and journalists – JAFO, ie Just Another Fucking Observer.) By some people, I was not made welcome.

I also had to deal with the sexual politics of a close-knit community where only 10 to 15 per cent of the population is female. It's a strange hothouse of sexuality on Australia's Antarctic bases, and the tensions of that were something I wanted to examine in my novel. I got into trouble over what I'd written from some of the men – but literature thrives, does it not, on taboos? Edna O'Brien said, "books should make a disturbance...a writer must try to open doors and walls and cracks that are dangerous to open." Tellingly, some of the women who had been with me on the expedition said that *Shiver* was the book that, for them, had to be written.

The main thing that went wrong for me during my Antarctic expedition was that I fell in love with someone who was subsequently killed. The experience was so intense, profound and draining for all of us on that voyage that I couldn't bring myself to write about it as non-fiction. I had to fictionalise the experience. The whole process hauled me into adulthood. I don't think there's any tougher place than that very private hell of grief for someone you love.

Alice Springs

The photographer Dianne Arbus, said "my favourite thing is to go where I've never been." It is a maxim that has pushed me through life, driven me forward. I have, if you like, an unrest of spirit. The gypsy that pushes me relentlessly onward is the bane of my existence, but a gift, at the same time, for my writing.

I need tough places. I could never set a novel in Sydney – because it's my comfort zone. I don't seek too much comfort in my life. I believe the urge to think rarely strikes the contented. That the less satisfied you feel, the more you're likely to accomplish. Emerson said "when it's dark enough you can see the stars."

A decade ago I turned my back on a cadetship in ABC radio's national newsroom in Sydney, and went to work in the Northern Territory. I arrived never having been there before and knowing no one. I was in Darwin for two years, and then Alice Springs. Sydney colleagues were incredulous at my choice – "you're working yourself into a box," they said. But I knew what I wanted. A tough place – fuel for my writing. Like Antarctica, Central Australia has seared into me, it's under my skin and won't let me go. Those two landscapes are a vast seduction. I chose to set my second novel in Alice Springs and the desert that surrounds it. *Cleave*, in a way, is my hymn to the land.

I'm fascinated by so-called "dead" places, ie the Dead Heart of Australia, the vast emptiness of Antarctica. I wanted to write about the

vividness of life that's in them. In both places I've felt more challenged, and more alive, than anywhere else.

Alice is tough. The first day I was there I swallowed a fly and was told by a local woman that it was good for me. It's a place where the dryness and heat quickly leave their imprints on your skin. Where temperatures reach into the mid-forties in summer and below zero in winter. A place where ten minutes after arriving your shoes are claimed by dust. I've had tough times there – I've put a rock through the fuel tank of my ute while on a dirt road deep in the desert, I've been caught in my swag in a savage dust storm, I've had my head split open by a lump of wood.

But I'm addicted now to the hit of tough places. (I'm interested next in Afghanistan. What's happening with the Taleban, and women – but that's another story!) With *Shiver* and *Cleave* I wanted to write the flipside of the Boy's Own Adventure Story. I'm writing a trilogy of novels about Australian women in tough places. I like the idea of putting women as protagonists into those archetypal, mythical landscapes – i.e. the ice desert and the sand desert – and seeing how the genre is challenged when approached from a female perspective. We have our lost-in-the-desert stories, our expedition-to-Antarctica stories, but they're usually involving men.

I couldn't write about Alice Springs without writing about the Aboriginal people who live there. It's a fierce place, a place where four tribes live in fractious co-existence. Not only is there fierceness between black and white, but between those four tribes. I also wanted to write about the white people who cut their ties with their families and go and live within the Aboriginal communities out in the desert. Those East Coast refugees, so to speak. Why are they there, what do they get out of their new life so different from their old, and what do the Aboriginal people think of them? It's an issue that I believe has been rarely tackled in Australian fiction.

Cleave has been sold into about a dozen foreign markets so far, and I'm finding that it is the Aboriginal parts of the book that are particularly fascinating overseas publishers. There is great interest, internationally, in what direction Australia is heading. The commentator Christopher Hitchens recently wrote in *Vanity Fair*: "Before Australia can kick back and become another California, awash in multiculturalism and multiethnicity and the polymorphous perverse, it has to do two things. It has to make a respectable settlement with its original native inhabitants, and it has to decide whether or not to be self-governing."

Germaine Greer recently opened a London exhibition of Aboriginal art from Fitzroy Crossing. Her speech was widely reported in the British press. She said "we (Australians) have a chance to right the wrongs." As an outsider now to my country, I am appalled by what

seems to be happening in terms of moving towards that "respectable settlement" with our original inhabitants.

England

I'm living now in London. By settling elsewhere you begin to think of yourself as someone different, detached and emboldened. I'm finding that rupture, constantly starting afresh, can be intoxicating.

England is a hard place for Australians to live in, and I wasn't expecting that. There are so many factors that make it tough: the weather, the tangle of bureaucracy, the constant cram of people, the plumbing, but most of all, the feeling that the English are irritated by Australians – ie our accents, our manner, our joy, our confidence. We are treated as an annoying, ethnic minority, ghettoised in places like Earls Court. I originally went to the UK seeking on-air radio work (which is what I had done in Australia). I was told that if English listeners heard the news being read to them by someone with an Australian accent, there would be so many complaints it just wouldn't be worth it. An ABC colleague of mine was crisply informed, "Oh no, we don't employ indigenous voices."

This excerpt recently began an article on Australians living in England, in the British magazine *The Face*: "Drinking, swearing, slagging off the poms, travelling in fetid camper vans, having casual sex, sleeping four to a room, arse flashing, tit flashing, throwing up: the Australian night out."

A young Australian was quoted towards the end of the article. "I think that Brits envy us, to be honest. We're bigger, fitter, smarter, and we beat you at every major sport known to man. We're God's own country. And we're not arrogant." I'm fascinated by the generational shift in attitude of young Australians making the pilgrimage to Britain. Young Australians who perhaps share Paul Keating's sentiments, when he erupted in parliament after being accused of manhandling the Queen. He said:

I was told that I did not learn respect at school. I learned one thing: I learned about self-respect and self-regard in Australia – not about some cultural cringe to a country which decided not to defend the Malayan Peninsula, not to worry about Singapore, and not to give us our troops back to keep ourselves free from Japanese domination. This was the country you people wedded yourself to, and even as it walked out on you and joined the Common Market you were still looking for your M.B.E.'s and your knighthoods, and all the rest of the regalia that comes with it.

I've found that young Australians (and Paul Keating!) are not cowed by hierarchy in the same way as the British are. I'm fascinated by the new attitudes. I'm writing, next, about young Australians in England as Australia moves, inevitably, towards becoming a republic. G.K. Chesterton wrote that the object of travel is not to set foot on for-

eign land, but to set foot on one's own country as foreign land. And maybe that's the point, in a way, of why I'm always putting myself into these tough places. I want to ultimately see my own country afresh, to look at my land and its people with new and objective eyes.

Writing

Another tough place. I recently read an article on the complex and fractious friendship between V.S. Naipaul and Paul Theroux. Theroux said: "Vidia was the first writer I met who had a total sense of mission. An uncompromising attitude toward himself, toward the novel. He asked me once or twice, 'Are you sure you're up for it? Are you sure you want to live this terrible life?' I said, I'm up for it."

It is a terrible life. I'm up for it too, but I find it's the hardest thing I've ever done. Tolstoy said a writer must suffer. I'm taking risks with my writing, but I feel like I'm being skinned in the process. And what perhaps frightens me most about the process is the craving for solitude, the fierce, selfish need for spareness around me as I do the thing I want to do more than anything the world.

It has to be said, with some regret, that the first thing that distinguishes a writer is that he is most alive when he is alone, most fully alive when alone. A tolerance for solitude isn't anywhere near the description of what really goes on. The most interesting things happen to you when you are alone. (Martin Amis)

Of course, that attitude wrecks havoc on relationships. But I've found you've got to have valleys to have mountains. And all experiences are fuel, in some way, for my writing.

I've carried with me for many years a quote from an AP foreign correspondent called Edi Leder. It perhaps explains why I so often end up in tough places. "Women should take more risks to live their dreams, which otherwise turn into nightmares of frustration as empty years pass."

Writing is my dream. It's joyous to be finally doing it, but it's also extremely hard. In terms of being in tough places, and going to extremes, I'll leave the last word to David Malouf. It's an indication of why I'm constantly rupturing my life, why I've run from Wollongong to Sydney to Darwin to Alice to Antarctica to London. "What else should our lives be but a series of beginnings, of painful settings out into the unknown, pushing off from the edges of consciousness into the mystery of what we have not yet become."

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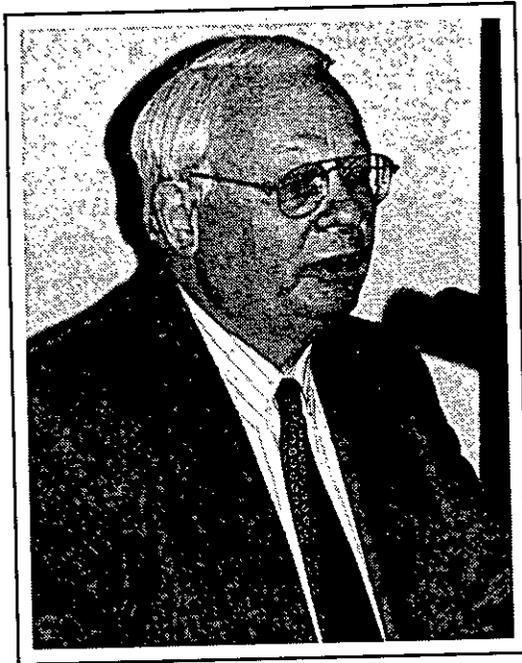


Photo - David Karonidis

Hugh Patrick

What's wrong with the Japanese economy? Hugh Patrick is RD Calkins Professor of International Business and Director of the Centre on Japanese Economy and Business at Columbia University. In an address to The Sydney Institute on Wednesday 26 August 1998, Hugh Patrick offered a more optimistic assessment of the Japanese economy.

JAPAN'S ECONOMY

- WHAT NOW?

- Hugh Patrick

The title I was given is "Japan's Economy - What Now?" and that's a reasonable question to ask. Indeed this is a period of very exciting change in the Japanese economy. Up until the early 1990s, the Japanese economy performed extraordinarily well, creating a high standard of living. Companies were increasingly globally competitive. During the 1990s the performance of the Japanese economy has been miserable. Today the Japanese economy is in recession, with rising unemployment and a banking and financial system that has real difficulty.

Some people have even suggested that Japan is on the verge of economic and financial collapse. That is nonsense. Certainly it is not going to happen. We're talking about what is an extraordinarily strong economy. It's a strong society with a relatively weak political and policy making system. Before going into what's wrong and what should be done, I'll just remind you that we're talking about the world's second largest economy. Japan has an extraordinarily high standard of living. The bottom 20 per cent of the Japanese population probably live better than the bottom 20 per cent of any Western country, certainly better than the United States and I suspect better than Australia. Everybody has a job in the bottom 20 per cent. They have homes. They have access to good schools, good medical care and they live in a crime free environment. Maybe I'm describing Australia. I am not describing the United States when I say that.

In addition, part of its strength is that it has a highly educated hard working labour force. The savings rate, although declining, is still high. And the level of civilian technology is second only to the United States. This is a major economy that has been in trouble for a while but is certainly not down and out. Moreover, it's a society that is cohesive and relatively homogenous even as it becomes increasingly pluralistic. Some 80 per cent of Japanese think of themselves as members of the middle class.

Nonetheless, not only does Japan have serious economic problems, it's been incredibly slow in tackling them. Until the last nine

months or so the Japanese public, while increasingly critical of its politicians and bureaucrats in government, has not really had a sense of crisis. One of the things that surprised foreigners visiting Japan was, while they thought Japan was in crisis, yet the people on the streets, in the shops and in the restaurants seemed to be going about their lives quite comfortably without a sense of crisis. Part of that is because Japan's an affluent country. People could afford to muddle along for what turned out to be all too long a time.

There are a number of reasons for Japan's very poor economic performance during the 1990s. Certainly the stock market and real estate market bubbles in the early 1990s were very important. Stock prices dropped from this peak by 60 per cent. Even now they have not recovered. They're still about 60 per cent below where they were in 1990. Urban commercial real estate prices have dropped something like 70 per cent and still haven't hit bottom. That means that a lot of people who rode the bubble up have now ridden the bursting bubble down and there's been a lot of loss of wealth as a consequence. So naturally when the bubble burst the economy slowed down.

When the substantial real economic boom of the late 1980s ended it was hard to interpret exactly how quickly the economy would respond. The bankers, businesses and government officials all thought, "Well, it'll be like the past. We'll have a down turn; it won't last very long and the economy will recover naturally and quickly. Therefore if we simply wait it out we don't have to worry about these temporary problem loans that the banks have. We don't have to worry about the slow growth because it will pick up." And they were wrong. The economy didn't pick up. It persisted in performing very poorly up until late 1995 when finally government fiscal stimulus combined with an extraordinarily easy monetary policy.

The official discount rate was reduced to and still is 0.5 per cent. Interest rates are very low. If you had a one year savings deposit in Japan, you'd earn about 0.2 per cent today. That's a definition of extraordinarily low that I think we'd all accept is intolerable. But money was easy. Fiscal stimulus worked and in late 1995 the economy picked up. In 1996 the recovery was beginning and people were thinking we're finally out of it. Everything's going to be all right.

The banks were finally beginning to address their bad loan problems. But the reality was they had been festering and getting worse during this sustained period of non growth during the early to mid 1990s. They weren't really addressing those issues even in 1996 because they thought that if the economy grows enough, they will grow out of the bad loan problem. At the end of 1996 the new prime minister was persuaded that the recovery was well underway and would continue indefinitely, and that the first priority should be to shift from stimulating economic recovery to reducing the budget deficit that had

been accruing as a consequence of the stimulus policy. And so there was a major policy mistake. In fact there were two mistakes.

The first mistake was to decide that in the fiscal 1997 budget, instead of having a fiscal easing they would shift to fiscal restraint. They raised consumption taxes, ended a temporary income tax cut, added medical fees and other fees; the swing from fiscal stimulus to restraint was about 2 percentage points of GDP. That turned out to be much more substantial than people were prepared to take. The authorities had thought this would result only in a slow down in growth from 3 per cent to maybe 1.9 per cent and if they would pick up again. Instead it turned into disaster. A Japanese style disaster is very slow moving and not very disastrous. However in 1997 the economy, instead of growing, had a negative 0.7 per cent performance. It went into recession and that recession has continued right up until the present and indeed has worsened. So that was a major problem.

Added to that was that in late 1996 the prime minister was persuaded that, in addition to having a tighter fiscal policy, he should enact a fiscal structural reform law that required the government, every year, to have a smaller budget deficit than the previous year. So when in early 1998 it turned out that what the economy needed was new stimulus, he was handcuffed under the law. So the first thing he had to do for the current year (the fiscal 1998 budget started 1 April) was to pass a very restrictive budget. This was the wrong message. Ten days later he announced the injection of a huge amount of money in a special supplementary budget of 16 trillion yen. But because of this difficulty due to the law he had imposed, it took time to get the new stimulus package passed and finally the impact of the expenditures will be felt starting next month or so. So there was a long period this year when the economy went into a deeper recession and the government was unable to do very much about it.

The second problem has been the banking problem. The problem is that most Japanese banks today, particularly those in urban areas, have very large bad loan portfolios. They've lent out money to companies, particularly real estate and construction companies, which are unable to pay the interest on the loans much less the principal. Recently the authorities re-categorised the bad loans and extended their definition to include problematic loans. So, in addition to these bad loans, maybe 33 trillion yen or so, there's another perhaps 50 trillion yen of loans that are currently good but weak. That is to say, they're being serviced, the interest is being paid. However it's really quite unclear whether those bad loans will be paid off in the future, whether they will be serviced in the future. This grey area is one of the major issues in trying to figure out exactly what loans are likely to be bad in the future, which ones are likely to be good. It's an issue of immediate concern.

However, the government was very slow to tackle the banking problem head on. Even though many of us realised by 1995 that there had to be some infusion of government funds to bail out the system, because it was not just individual banks but the system which became increasingly at risk. It wasn't until November 1997 when there was a series of major collapses of major financial institutions that government policy really changed. The fourth largest securities company, Yamaichi Securities, collapsed in a messy scandal. The tenth largest city bank, Hokkaido Takushoku Bank, went bankrupt. Sanyo Securities Company failed, as earlier had a mid-sized life insurance company, up to then unthinkable. And suddenly there was a spectre not just of financial difficulties but of potential financial disaster. And this really scared the policy makers, the bankers and the public. And so over the course of the next few months from November until the end of March this year, the government did a lot to avert what they thought might be a real financial collapse. And they were successful. Several measures were ad hoc and temporary and not very good. But the government passed a 30 trillion yen package to guarantee deposits and to provide new capital to banks that were weak but deserving of new capital.

In my view, these funds to guarantee all the deposits of all banks were particularly important. Japan has lots of little, local financial institutions. My fear had been that there would be a run on them that would cascade into urban areas and provoke a financial crisis.

The government in 1995 had said, "all deposits are guaranteed. Don't worry". But people had learned not to believe the government. When the government said "don't worry", maybe ten years ago they wouldn't worry. But in 1997 and 1998 people worried. Therefore this 17 trillion yen to guarantee all deposits turned out to be a very important measure because now some small financial institutions can go under, as indeed they should, and certainly will, without the fear that it will lead to a broad based financial panic.

On the other side, there was a provision of funds to be put into banks that could demonstrate they were viable over the longer run but had capital shortages as they wrote off their bad loans. But that was really only the beginning of addressing the issues. There are a whole series of banking issues that had to be dealt with. The bankruptcy laws were very unclear. The claims on real estate collateral for the loans, were mixed and tangled and it was very hard to obtain the collateral on defaulted loans and sell it. This major issue had to be addressed.

And then there was a problem that you might have read about in the newspapers. Suppose a bank fails and it has a number of good customers, not just bad customers. What about the good customers? Who's going to take them on? Other banks were reluctant to because they weren't sure which was good and which was bad and because they weren't interested in making new loans anyway. So this created a

dilemma for the authorities; on the one hand they wanted to close down some insolvent banks but on the other hand not to do it in a way that bankrupted a number of perfectly legitimate, viable companies. This has led to the legislation that is currently being considered, often referred to as the six bridge bank package.

When the upper house elections were held this 12 July 1998, much to the surprise of everybody who had been predicting victory for the Liberal Democratic Party, the party suffered a crushing defeat. The LDP controlled the lower house but no longer controlled the upper house. It was a crushing defeat in two ways.

The party lost a large number of seats, which the opposition gained. And there was a huge turnout of voters. This was the first time in several years that voters had a chance to show what they felt. What they felt was anger at the government and its incompetence. So 14 percentage points more of the population came out for that election than they had for the previous upper house election. This was a very clear message.

The first message of course was that prime minister had to resign and be replaced by someone else from the Liberal Democratic Party. But the more important message was, I think, to all members of the Diet whether they were in the Liberal Democratic Party or the opposition party. Clean up these banking and economic stagnation messes, move ahead, you've got to do this and if you don't or are obstructionist, then at the next election that comes around we shall clearly punish you by voting you out of office.

Politicians in every country want to get re-elected. The Japanese are no exception. This has created a new dynamism in the policy environment in Japan because immediately after this new election, the new prime minister came to office and his government did a 180 degree change on fiscal policy. The government is scrapping the structural reform law which forces it to reduce the budget. The government promised tax cuts that would be permanent, not temporary. The previous policy had said it would reduce taxes one year, but raise them later. And that's not really designed to inspire confidence. So now they said they will make permanent tax cuts, they will be large and the government will enact a further second supplemental expenditure budget during this fiscal year. Also next year's fiscal budget will be expansionary. So in fact they've said for the next fifteen months the government is going to put a lot of the demand stimulus into the economy. That is a very good message. We now have to see it implemented.

The opposition parties are also in support of this so I think that legislation will be non controversial. There will always be details that the opposition will want to fight over so they can prove that they're the opposition. But the more immediate issue has to do with a series of half

a dozen financial reform bills that are in the Diet right now. There is tremendous pressure on the Liberal Democratic Party to get this passed. It's a tremendous opportunity for the opposition parties, particularly the Democratic Party led by Mr Naoto Kan who is the most popular politician in Japan. I might say Mr Kan is the only popular politician in Japan. It's an opportunity for the opposition to criticise the government for having got into this mess, and to criticise the specifics of these bills, and to suggest changes and indeed come up with their own legislation. That's the process that's underway right now.

Since the lower house is controlled by the Liberal Democratic Party, they will pass their own proposed legislative bills. In the upper house the Liberal Democratic Party doesn't have control. There are a number of opposition parties and for them the political issue is whether they can unite on a different bill that they can pass in the upper house, and that will force the Liberal Democratic Party's hand. The danger in all of these political games is that nobody should look like an obstructionist. Each political party has to say it is producing good legislation. My judgement is that they will indeed compromise in finding a good package for these six bills and that it will pass in the next few weeks, because it would be disastrous for the political fortunes of the parties if they don't pass this legislative package now. So I'm optimistic that this will pass.

Let me say something about the new prime minister. He was one of three contenders for the prime minister's position. That is to say first of all, the president of the Liberal Democratic Party. There were two charismatic, rather idiosyncratic people who were dynamic and very appealing to the public, Mr Kajiyama and Mr Koizumi. Both are somewhat controversial. And then there was Mr Obuchi who was a veteran politician, supported by the leadership establishment of the Liberal Democratic Party. Charisma is not the word that's been used to describe him. He's not noted for his leadership skills or his charismatic clout. What he is noted for is that he is a very good negotiator of compromises. And he won. Right now that's exactly what Japan needs. Someone who can negotiate and compromise on this legislation with the opposition so that it will be passed and Japan can move ahead. Mr Obuchi will never become a visionary leader but if he passes this legislation he will be doing a very competent job. There are many people within the party who have ideas so the fact that he doesn't seem to articulate ideas is not a particular disadvantage. So I regard the selection of the least popular of the three as actually the best solution to resolve these immediate problems.

All of this leads me to believe that Japan's economy is likely to be reaching bottom now and will turn around and start to move ahead. I think we will see the fiscal stimulus working on stimulating real demand in the economy. The banking reforms, first getting the legisla-

tion and the institutions in place, will then provide mechanisms whereby certain smaller banks can be closed and some of the larger banks can be merged into other banks, at the same time getting rid of the bad loans. I'm the only optimist about the Japanese economy at the moment. But I do see light at the end of the tunnel. It's not too far away and so I'm rather hopeful about the near term prospects as well as the prospects over the next few years for Japan.



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Photo - David Karandis

Peter Doherty

Professor Peter Doherty is an Australian with an internationally distinguished career. He began his professional life at the University of Queensland and is now Head of the Department of Immunology at St Jude's Children's Research Hospital in Memphis, Tennessee. In October 1996 he was awarded a Nobel Prize for Physiology or Medicine for his work in immunology. In 1997 he was made Australian of the Year. On Thursday 27 August 1998, Peter Doherty delivered the Larry Adler Lecture to a capacity crowd at The Regent, Sydney. Professor Doherty was introduced by Catherine Livingstone, a board member of The Sydney Institute, and the vote of thanks was given by the Institute's deputy chairman, Rob Ferguson. Larry Adler's daughter, Kathy Shand, was MC for the evening.

A SCIENTIST LOOKS

AT THE AUSTRALIAN EXPERIENCE

- Peter Doherty

When I came to write the Larry Adler lecture I realized that I had spent a lot of time in Australia over the past two years campaigning for increased research funding. Unfortunately, any such lobbying effort can sometimes come across as carping and negative. After a few false starts, I realised that what I wanted to do here was to give a positive sense of how this nation has been formed by, and has contributed to, the rise of the scientific culture. Both contemporary Australia and modern science have their roots in the 18th Century, and have evolved over the past 200 years. It also seemed to me that few people have any real idea of what science is, though we are all aware of the impact of technology on society¹. Weaving these threads together in such a brief format may well be beyond the scope of my limited skills, but the Australian ethos requires that we should be prepared to "have a go, mate!"

What I want to convey to you more than any other single point is the excitement of science, the excitement of discovery. The excitement of finding something that no human being has ever seen before, of opening a door that we did not even know existed. This is what real science is about. Without discovery we are at best innovative technologists, and even that capacity is slowly lost in the absence of intellectual drive and curiosity. I will try to persuade you that science and discovery are central to the Australian experience. The need to deal rationally and effectively with an unfamiliar reality has given a sharp and critical edge to the national character. The creativity and insight of our literary and artistic vivisectioners like Patrick White, Peter Carey, Janet Turner Hospital, David Williamson, William Dobell and Gillian Armstrong may be more accessible to most of us, but scientists have also helped to show the shape of our harsh landscape and to paint the broad canvas that defines contemporary Australia.

The best I can hope for in the time available is to sketch a few vignettes² that hint at bigger pictures. In attempting this I need to tell you something of the way that science works, for the world of the research investigator can be unfamiliar and counter-intuitive. As the

scientist Lewis Wolpert points out, when we stand outside and look at the sky it is obvious that the sun circles the earth. We are no longer likely to suffer the fate of the 16th Century philosopher/poet Giordano Bruno, who was burned at the stake for arguing that we are not the centre of the universe, though tilting at some of the illusions dear to the more "touchy-feely" aspects of the imported Hollywood culture³ can lead to a transient sense of immolation on talk back radio! Fortunately, such experiences are ephemeral, not too painful and in the realm of virtual reality.

Think of the excitement that must have built slowly during 1770 in naval Lieutenant James Cook and his crew as they realised that they were surveying hundreds of miles of virgin coastline, seeing strange animals, different plants and new people. The voyage of the *Endeavour* resulted primarily from a commission by the Royal Society of London to observe the transit of the planet Venus from the southern skies. The Royal Society, founded in 1660 by King Charles II, is the oldest of the world's leading scientific academies and the parent of our own Australian Academy which was in turn chartered in 1954 by Queen Elizabeth II. The *Endeavour* arrived in Tahiti in 1769, the measurements were made, and the converted coal carrier then plowed westwards, carrying her crew and a supercargo of 10 scientists. That is what scientists are supposed to do, sail into the unknown, though most of us no longer do so at the risk of our lives! Cook's orders from the Admiralty were to look for habitable land in the south Pacific, the Terra Australis that had been partially mapped from the west and the south (Tasmania) by the Dutch navigators, principally Abel Tasman.

The 18th Century research team on the *Endeavour* included the astronomer Green, who died on the voyage back to Britain, the naturalist Solander, and, most important, the young botanist, Joseph Banks. Banks was an aristocrat, who was later to be the longest serving President of the Royal Society. He held the office for some 42 years, even longer than some tenured professors in Australian universities. Incidentally, this year we celebrate the 100th anniversary of the birth of Howard Florey, the only Australian to be President of the Royal Society and our first Nobel Prize winner for medicine. Cook himself was also a scientist, and it was he who wrote up the account of the astronomical observations. He was elected to the Fellowship of the Royal Society (FRS) in 1776, the year of the American Declaration of Independence. When I was elected FRS in 1987 a senior colleague warned me that FRS could also stand for "former research scientist". In my area of immunology the over-riding maxim is that "you are only as good as your next experiment". So he won the Nobel Prize, but what has he done recently? The tone of this question should be familiar from the media treatment of some Australian sporting heroes!

When George III lost the American colonies in 1776, the British slowly woke up to the fact that they had to find somewhere to send their human debris, the minor and major criminals accumulating on rotting hulks in Portsmouth Harbour. In earlier days Mr Justice Jeffreys and his colleagues would simply have hanged them from the nearest tree, an approach that is finding increasing favour with some contemporary conservatives. However the 18th Century was the age of "The Enlightenment" and, compared with what had gone before, a more tolerant time in human history. It was the powerful, vocal and well-connected Joseph Banks who argued strongly for transportation to the new land of Australia. I sometimes tease our American friends by telling them that the founding of my country resulted from the need to find some way of disposing of undesirables who would otherwise now be counted in their own illustrious ancestry! The gene pool of any immigrant country is likely to reflect some fairly dubious lineage's, so those of us from families who have been here for some time should not be too smug. More than a few will be descended from the remittance men, or others who were driven from Europe because of unacceptable behaviour. So far as I can see, this diversity has only served to enrich.

Australia thus has the peculiar distinction of being the only nation state established as a direct consequence of a scientific expedition, Cook's first voyage, and the lobbying efforts of a senior scientist, Banks. We scientists aren't always wimps when it comes to dealing with politicians! The only remotely comparable situation is the founding of the modern state of Israel, where the eminent research chemist, Chaim Weizmann, played a major part in the years preceding independence, then became the first president. Though greatly different in size, Israel and Australia have many similarities, including a beautiful coastline, areas of great dryness and a lack of fresh water. The River Jordan of Biblical account looks like an Australian creek shaded by eucalypts, our unique contribution to the Holy Land. However, we tend to think of the Jewish people as highly intellectual, while we do not attribute that characteristic to Australians. I believe that our native scepticism often leads us to under-rate both our contributions and our capacity. Sometimes we could be a bit more optimistic as a people!

Cook, Banks and Solander were Australia's first scientists. Hold on, you say, what about the people who were here for 60,000 years or more before the time that any European sighted the place? They must have done experiments to discover, for example, which plants were edible and what pigments could be used to create the magnificent legacy of the cave and rock paintings that we all can see in Kakadu. The Aborigines recognized six seasons and lived in harmony with their environment though some of their practices, like burning to drive large animals towards their hunters, forever changed the ecology of Australia. What we would be arguing about is not their achievements but the defi-

inition of the term "science". The reason that it is inappropriate to describe the indigenous people of Australia as scientists is that they did not record their actions. Their tradition is the stuff of tribal lore and established practice, not science. First and foremost, science must be written. This point is made very strongly by the eminent philosopher of science Karl Popper, who died last year. As an aside, Popper spent some years in New Zealand during the Second World War, and seemed to enjoy the experience.

Science can be a game, and many of the best scientists feel that they are uniquely privileged because society rewards them for playing. However, the science game has very firm rules and we get paid because we also achieve something of social value. The first and foremost rule is that we must make careful observations and do controlled experiments. Scientists cannot just theorize and work from some historical text, whether it be Aristotle or the Bible, the practice that prevailed in what we now think of as the Dark Ages. The motto of the Royal Society is "Nullius in Verba", nothing by words alone. Theoretical physicists need experimental physicists if their speculations are to mean anything. The second rule that most, but not all, scientists accept is Popper's sanction that we should make every effort to falsify our hypothesis. The really big scientific ideas, like Charles Darwin's theory of natural selection, have stood the test of time because they are just not readily falsified. Falsification means that we must try to detect the flaw in our reasoning, the worm in the apple. Biting onto the worm can be a nasty surprise, but the worm hole can sometimes lead somewhere new and intriguing.

Most good scientists think this way, and delight in demolishing rigid intellectual edifices. In the broad sense, science can be deeply subversive and very unlike, for example, the world of precedent that comes naturally to many of the lawyers who dominate most political systems. Curiosity driven science thrives in open societies and will always, in the end, be perceived as dangerous by authoritarian religious, academic and political systems. Such regimes lead inevitably to repression, brutality and to intellectual and economic poverty. It takes a substantial level of sophistication for politicians to understand that they must support the creative process. Interestingly, most members of the US Congress seem to have embraced this message, at least for the sciences. Maybe this reflects that American politicians have generally been exposed to four years of undergraduate life that includes a good measure of science. The key to the American university system is a belief in liberal education. Future scientists must also study literature and a foreign language!

This emphasis on the importance of trying to find the fault lines will explain to you my conviction that "creation science" is a scam. What committed creationist tries systematically to falsify his or her

position by applying, in effect, the "doubting Thomas" model? This does not mean that I have any quarrel with those who wish to believe in the Biblical story of creation. A democratic society must observe the principle of freedom of religion. Nobody should have anyone else's values, including mine, rammed down their throat! The only point that I want to make is that the creationist view is held by faith and by faith alone, something that Christians are enjoined to do anyway in the Bible. Creationism is simply not supported by science. Most of the major churches recognize this and leave the nature of the rocks, the plants, the animals and the stars to science, while they concentrate on equally important aspects of the human condition that are less readily approached by observation, experiment and attempted falsification.

One creationist remonstrated with me on Adelaide talk-back radio because I criticised the campaign that was intended to finance an expedition to find Noah's Ark. His argument was that no real scientist should be upset with people who want to do research to support their beliefs. He wasn't too interested in falsifying his position, but his point could be valid were it not for the reality that such an effort would require substantial resources. Any systematic effort, including the search for Noah's Ark, costs a lot of money that could just as well be used for something else. How is the judgement made between competing priorities?

What if someone is absolutely convinced, and argues with great passion and conviction, that the moon is made of green cheese. Most would point out that men have walked on the moon and it consists of rocks, some of which were brought back to earth. "Ah no!" argues our zealot, "both the astronauts and ground control in Houston lacked the perception to penetrate the cosmic concealment plan. Had they dug down five metres they would have found green cheese. The idea that the moon is made of rocks is just a theory that has never been proven. Nobody has ever looked properly at the green cheese model." Of course, if this crazy experiment was done and they found no green cheese at five metres, the argument would then be that it is necessary to return and drill to 100 metres. Are we to give our deluded friend, who bears no resemblance to anyone living or dead, billions of taxpayer's dollars to test his mad idea? He could be lucky. Politicians will sometimes blow away enormous amounts of money on something that is quite insane, a scenario known in the USA as the "star wars syndrome". Alternatively, if our "green cheese" man's political lobbying fails, should we let him alienate the savings of vulnerable people who have lost their marbles because the triumphs of medical science have kept them around long after they would normally have shuffled off this mortal coil?

Many of the big decisions, like those to do with building space telescopes, are made directly in the political arena. Otherwise, the

scientific community deals with the problem of distributing the resources allocated by the politicians to a particular area, like medical research, by a process called peer review. The usual model is that people submit research grant applications for evaluation by a committee of their colleagues drawn from across the country. This approach is used by the better run charities, for example the Australian Multiple Sclerosis Society, and by the federal government's National Health and Medical Research Council (NHMRC). Like most established Australian scientists I worked for the NHMRC as a reviewer when I lived here in the 1980s, and thought that this was about the best that a country with a relatively small population could do to distribute resources effectively and fairly to the most innovative and competent medical scientists. The NHMRC review process is probably the most thorough applied to any dollars from the Australian tax base. Similar mechanisms operate to support other areas of science. Our "green cheese" man might be funded if he kept his obsession to himself, and argued in his grant application to the National Science Foundation that he intends to drill the moon for titanium. All that reviewers can do is to determine whether the project makes sense and if it looks to be worthwhile. Every scientist knows that what is actually done can, and must, change overnight if there is some sort of a breakthrough. Look for the headline, "Moon is Green Cheese!"

Peer review also has another essential function. People often ask me how scientists deal with the possible ethical implications of what they do. My reply is that this is less a matter for the individual investigator than for the various, mandatory legal checks and balances that have been put in place by government, and for the peer review process. Obviously, none of us would do something that we find to be repugnant. Should, however, a young molecular biologist who is in the process of discovering genes that confer susceptibility to a particular type of cancer abandon the research because his or her findings might be used inappropriately to deny opportunity to someone carrying the gene? Of course not: such a discovery has the potential to facilitate both early diagnosis and treatment. All of us who work in medical research must first have any proposed investigation with patients approved by a human ethics committee. Experiments using laboratory animals are also reviewed very carefully by a separate, expert group. At least in the USA, every such committee has substantial lay representation. Concerned people, typically priests, pastors and school teachers thus have a direct say in what is and is not acceptable. Broad community involvement is essential, both in making and administering these laws.

Every research grant application to a legitimate funding agency carries assurances that whatever is being proposed has been approved by the appropriate institutional ethics committees. The peer review group then decides on the scientific merits of the project. There is, I

think, a general consensus that some sorts of research are just not worth doing. A few of you may have read a book called *The Bell Curve*, which claims that one group of American citizens is less intelligent than another. What is this argument worth? Consider, for example, a country that has three major racial categories, which we shall call A, B and C. There are 10 times more Bs than in the other two groups combined. Say we analyse statistically-determined groups using a battery of IQ tests, which will probably be designed by some of the Bs as there are more of them. The conclusion reached from spending several million dollars may then be that the Cs are, on average about 20 IQ points below the B's. That is, the peak of the "C" bell-shaped curve is displaced a bit to the left of that for the B curve. Less comforting for the B majority, however, is that the A's are on average 20 IQ points to the high side. Both pieces of data are essentially useless. If you draw the three bells, you end up with one large mountain and two small, flanking hills, the majority of which are absorbed in the foothills of the big one. The only thing that you conclude is that we need to treat everyone as an individual and that there is no point in categorizing groups by racial stereotype, which most fair-minded people understand intuitively anyway. No legitimate funding agency would support a research proposal to pursue such ideas.

So much for what scientists do and how they do it, we should return to discovery itself. The systematic analysis of the special character of Australia's biology progressed through the 19th Century, coincident with the exploration by land and sea that we all know about from our school history books. There are still elements of the flora and fauna that have not been described, an effort that is continued by the Australian Biological Resources Study. Mushrooms, for example, live such a short time that it may take many years to find and catalogue all the possible variants.

The great experiment of nature that is there for all to see in Australia's biological heritage also influenced the momentous 19th Century debate that changed forever the way that we understand ourselves and our world. The survey ship *HMS Beagle*, carrying the unpaid naturalist Charles Darwin, made port in both Sydney and Hobart after mapping and exploring islands off the coast of South America. Darwin was able to observe for himself the different characteristics of the plants and animals that had been preserved and had evolved in this physically isolated continent. What he saw in the Sydney hinterland helped him to formulate the arguments that were published in his classic work of 1859, *On the Origin of Species*. Darwin's arguments resonated with Thomas Huxley, who had visited as assistant surgeon aboard *HMS Rattlesnake*, which was given the job of charting passages to the north of Australia. Huxley married an Australian woman, Henrietta Heathorn, and made his initial scientific reputation

for a study of Australian jelly fish. He wanted to stay here, but his application for a Chair in Natural Sciences at the University of Sydney was turned down. Perhaps this was just as well, for it was Huxley as a lecturer at London University who defended natural selection successfully against the then powerful established church, personified in the unfortunate and pompous Bishop Wilberforce.

It was London University with its size, diversity and substantial focus on the natural sciences that was to form the model for the foundation of our oldest universities in Sydney, Melbourne and Adelaide. Oxford and Cambridge were at that stage strong in religion and poetry, and probably provided the motivation for the neo-gothic and the ivy, but they were not to modernize until the late 19th Century – early 20th Century. The isolation of the Australia of that era forced William Bragg, a professor of mathematics and physics at the new University of Adelaide to build his own equipment for practical classes, an experience that sparked his interest in doing research. Publication of his incisive work on α particles, then β and γ rays led rapidly to a substantial reputation and recruitment “home” to Leeds University after 18 years in the City of Light. Working with his son Lawrence, who provided some of the key theoretical insights, he developed the basic technology for X-ray crystallography. The Braggs were awarded the 1915 Nobel Prize for physics. Lawrence Bragg was only 25 years of age, the youngest Nobel Prize winner to this date and the first to be born in Australia.

Adelaide University also provided our next Nobel Laureate, Howard Florey, who graduated from the medical school and was recognized for his contributions at Oxford University to the production and evaluation of penicillin. During the first 20-30 years of this century it was difficult to develop a substantial profile in basic medical research in this country, though the situation changed gradually with the work of major scientists like the virologist/immunologist Sir Macfarlane Burnet at the Walter and Eliza Hall Institute (Nobel Prize in 1960) and the neurophysiologist Sir Jack Eccles at the Kanematsu Institute in Sydney, and later at the Australian National University (Nobel Prize 1963). Eccles spent an interim period in New Zealand after the good doctors that controlled the Kanematsu effectively shut him down because they thought his research on the transmission of impulses in the brain was too esoteric, a good example of the need for external peer review and the damage that can be done by authoritarians. Burnet and Eccles were both graduates of Melbourne University medical school. Research themes that they pioneered accounted for a significant proportion of the first class work done in this country through the 1950s to the 1980s.

Sir Lawrence Bragg was still Director of the prestigious Cavendish laboratory in Cambridge when his very junior colleagues,

James Watson and Francis Crick, worked out the nature of DNA in 1953, thereby triggering the molecular biology revolution that we are living through today. Their sense of excitement is brilliantly conveyed in the BBC movie based on Jim Watson's refreshingly open account in his book, "The Double Helix". The Watson/Crick model was based on X-ray crystallographic data generated by Rosalind Franklin and Maurice Wilkins obtained, in turn, using the technology pioneered by the Braggs. Poor Franklin died young, while Watson, Crick and Wilkins won the 1962 Nobel Prize for Medicine. Watson has, in turn, played a major role in promoting the massive international effort to map the human genome, an enterprise that will impact the lives of us all. Application of a combination of molecular biology and X-ray crystallography has led to the recent development in Australia of a specific inhibitor for the influenza A viruses, pathogens that were also a major focus of Mac Burnet's research 50 years ago. The contemporary influenza team included scientists from the CSIRO and the Australian National University, working with Australian expatriates in the USA.

The preceding tells us a lot about the nature of science. Basic science is open, it is for the long run and it does not recognize national boundaries. Lineages can be traced over decades and even from century to century. Though we may divide science into categories, like medicine, physics and chemistry, discoveries often depend on technologies and insights that come from a spectrum of disciplines. The final message is that Australia is a serious player, and has been for some considerable time. The main problem for Australia now is whether this country can afford to up the ante as other advanced nations increase their relative level of research spending¹. There is only so much money to go around in any political system. It takes real political leadership to abandon precedent and reallocate resources.

Much of what is currently exciting in biology results directly from the application of the new molecular technologies. Apart from medical research, Australia has also had considerable impact in a number of other areas of science, particularly those relating to economic development and the particular characteristics of the Australian environment. There is great strength in the plant and animal sciences, marine biology, environmental studies, water research, the earth sciences and astronomy. Most of this has developed and prospered with the direct support of the Australian taxpayer. Leaving aside the medical area where there are a number of independent institutes, the engines of Australian science have been the CSIRO, the universities and applied research activities associated with the various state governments. I started my career in the Animal Research Institute of the old Queensland Department of Agriculture and Stock, an organization that did substantial work in areas like veterinary microbiology, plant toxicity and the control of tick-bourne diseases.

Some of these operations were so successful that they essentially worked themselves out of a job. An example is the control of bovine pleuropneumonia as a consequence of research that was done in the CSIRO Division of Animal Health, then applied by the various state and federal regulatory authorities. These CSIRO Divisions were headed by men of immense authority and independence with the extraordinary title of "Chief". Their modern counterparts are still called "Chiefs" but, by the 1980s, their role had been greatly moderated by an enlarged bureaucracy and the values that currently permeate society. The first Chief of the Division of Animal Health in the 1930s was a veterinary pathologist called Jock Gilruth, who did a great job. Gilruth came to this position after a disastrous period as Administrator of the Northern Territory, the only Australian scientist that I know of who held a position of real political power outside his sphere of broad professional expertise. At one stage Gilruth's administration even closed all the pubs in Darwin! Appointing a scientist to deal with a social context that seemed to be largely defined by the radicalised Australian Worker's Union of the day was not a great idea, and left permanent scars on his psyche, though I expect that the north end and the AWU recovered fairly quickly.

Are scientists in some fundamental sense different from the rest of Australian society? I don't believe so. The old authoritarian male culture of science is in full retreat and women are well represented, at least in the biological sciences. The molecular biologist Suzanne Cory has Mac Burnet's former job as Director of the Walter and Eliza Hall Institute, while the plant scientist Adrienne Clarke served as Chair of the CSIRO and is currently Lieutenant Governor of Victoria with a mandate to boost science and technology in that state. I know Australian scientists who run marathons, ride surfboards, sail yachts, are sculptors, play musical instruments, grow grapes and/or consume the products of the same, with great vigour and enthusiasm. Jack Eccles and Howard Florey were both demon tennis players.

Interviewers have asked me if, as a scientist, I am in some way disturbed by the tremendous emphasis on sport in this country. Why should those of us who have had the opportunity to be good at one thing knock people who make an effort and have real ability in any other acceptable area of human activity! In fact, the practice of science seems to me to be a bit like golf. Most people who are motivated can do reasonably well at scientific research or at golf. However, no matter how much time is spent in training and money on equipment, only a few will have the particular characteristics that allow them to be first class. Also, even the best players hit the ball from time to time into places that they do not expect. The real mark of quality is what they do with it then. Finally, even a duffer can occasionally hole in one. Sport

and science are not mutually exclusive faces of the human condition. Both deal with reality.

Being excited by discovery is as basic to childhood as the desire to run and to play¹. Finding out is central to the development of every child, though many of us become distanced from this as we grow older. Perhaps the difference with people like Mac Burnet² is that they retained their sense of intellectual adventure throughout their lives, and that they were lucky enough to find jobs that allowed them to live this way. The description of research scientists as "perpetual adolescents" is not totally off the mark. If you have forgotten your own childhood take your kids, or borrow somebody else's progeny, and go to one of the interactive science centres that are now in every capital city³. The first one I saw was the Questacon in Canberra. Watch them as they make some of the simple and not so simple experiments work. You will see their excitement, realize that they often have a better intuitive grasp of what is happening than you do and will understand a little of what drives the research scientist. Many of us have had the experience of one of our children putting us straight when it comes to using a home computer system.

The wealth of nations through the 21st Century will derive from the enthusiasm, ability and commitment of a perceptive and energetic citizenry. The perils of relying largely on a natural resource-based economy must be obvious to all of us. The coming decades will be driven by rapid advances in science and the speedy application of novel technologies. Thoughtful citizens need to make certain that this society builds for the future and that the Australian political process does not fall down on the job of providing real opportunities for the practitioners of both basic and applied science in our universities, research institutes and industries. Ensuring that every high school student has some understanding of the strengths and limitations of science may also be our best hope for maintaining a critical and thoughtful body politic that does not sink into mysticism^{4,5} and the contemporary equivalent of Luddism⁶, fear and reaction. On the other hand, a new dark age controlled by technology would be at least as bad as any other form of repression. Liberal education, open discussion and creativity are what drives a culture of innovation and real economic achievement. There can be no better way of guaranteeing the maintenance of freedom and prosperity in this country.

Endnote

1. The two leading science journals, *Science* (USA) and *Nature* (UK) also act as "newspapers" that keep up a running commentary on the state of science and rational enquiry around the world. There is great concern that science should be seen as an integral part of modern society. See, for example: "Putting science in the hands of the public", G. Delacote, *Science*, vol 280, pp 2054-2055, 26 June, 1998; "Hooray,

- Hooray! It's science! The sixth grader's perspective". Students from Sun Prairie, Wisconsin, *Science*, vol 281, pp170-171, 10 July, 1998.
2. Living in the USA I have had only limited access to primary source material about Australia. I have been helped greatly by Jenifer North of the CSIRO, by Jane Eskdale of the University of Melbourne and by Penny Doherty. Much of the material on the early days of Australian science has been drawn from Ann Mozley Moyal's excellent book, *Scientists in Nineteenth Century Australia, a Documentary History*, published in 1976 by Cassell Australia Limited.
 3. We need to be aware of how pervasive mass-media generated fantasy can be in skewing the thought processes of the young away from reason and reality. See: "Popular Culture and the Threat to Rational Inquiry", D. R. Hofstadter, *Science*, vol. 281, pp 512-593, 24 July, 1998.
 4. At least with regard to the matter of research funding, Australia has not looked too bright of late. See: "The Scientific investment of Nations", R. M. May, *Science*, vol. 281, pp 49-51, 3 July, 1998; "UK provides step increase in funding for its science base" and "UK Universities get another funding boost", D. Dickson, *Nature*, vol. 394, p209 and p307, 16 and 23 July, 1998; "Cuts reversed in Canada's new budget", D. Spurgeon, and "Australia urged to avert collapse of university science" P. Pockley, *Nature*, vol 392, p7, 5 March 1998; "Australia research budget to remain flat for 3 years" P. Pockley, *Nature*, vol 393, p101, 14 May 1998.
 5. Christopher Sexton's admirable biography "The Seeds of Time" tells us that Burnet, who died at the age of 86, discovered Darwin's ideas as a young boy while reading an 1861 edition of Chamber's encyclopedia. Not everything has to be new to be true, as Burnet was not born until 1899. He shared the 1960 Nobel Prize for a theory (immunological tolerance) that has its basis in natural selection.
 6. There is a great deal of misunderstanding about the nature of the modern molecular sciences which has led to a strong, almost "religious" reaction in some western European countries. The Swiss science community faced this recently, and did a terrific job of explaining to the public what they do and why their activities are worthwhile. See: "Swiss reject curbs on genetic engineering", Q. Schiermeir, *Nature*, vol. 393, p507, 11 June, 1998.

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Photo - David Karonidis

Antony Green

As Australians prepared for another federal election and the One Nation Party made the outcome unpredictable, Antony Green addressed The Sydney Institute on Tuesday 1 September 1998. Antony Green has been covering elections at the ABC and across Australia for a decade. His face is now a regular feature in election commentary before, during and after the electoral event.

THE STATE OF

THE PARTIES

– Antony Green

Over the past few weeks, I have made several speeches on the topic of prospects for the next federal election. Usually the first ground traversed has been the tiresome topic of possible election dates. Thankfully, the prime minister relieved me of this duty on Sunday by announcing an election for Saturday 3 October.

It also provides the Sydney Institute with a huge scoop, as for the first time I reveal my prediction for the federal election. A tempting thought for such an attentive audience, but alas I must disappoint you. Unlike my fellow psephologist, Malcolm Mackerras, I am inclined towards caution on the matter of election predictions. At the 1996 election, a journalist asked me whether on election night I would be the first to call the result. I replied no, Malcolm would be the first to call the result. However, I did believe that I would be the first to call the result correctly.

People have become familiar with my rather frantic style on election night, as I pour through the computer spotting the most important trends, and trying to bring some sort of order to the chaos of figures flooding into the ABC's computer.

But really, election night predicting is easy. Australian voting patterns are very stable, meaning past results are a good guide to the final outcome. The election result is final at 6pm on election night, when the polling places close. All I am doing on election night is modeling the order in which results are transmitted through to the tallyroom, in an effort to predict the final outcome. In such a task, I am only modeling the time delay in counting and transmitting results, so no great understanding of voter behaviour is involved.

Picking the winner before election day is more difficult. You are trying to analyze the complex interplay of behaviours in a highly diverse electorate. There are a vast array of factors that cause Australian voters to vote the way they do. Both political parties also have an array of tools, which they use to try and influence the electorate. And there are

always unexpected outside factors that can have a critical impact on the course of an election.

So picking a winner this far out from an election is guesswork rather than a science. This is even more so at this election, where public opinion polls show a vast instability in the pattern of party support.

The rise of One Nation over the last two years greatly complicates any attempt to analyze the possible outcome of this election. However, let me address my first remarks to the traditional view of Australian elections as a two-party contest between Labor and the Coalition. I will return later to discuss the impact of One Nation, the battle for the Senate, and also make some comments on the pattern of party support on a time frame longer than just the current election campaign.

In 1996 Labor recorded its lowest primary vote at a Federal election since the great depression. In two-party preferred terms, Labor's defeat was not as overwhelming as the Coalition victories in 1966, 1975 and 1977, and certainly, the Coalition failed to achieve the Senate majorities which went with the 1975 and 1977 landslides.

The Howard government's majority was in fact built on the massive swing recorded north of the Murray River. Across Australia, Labor lost 32 seats on a uniform swing of 5.1 per cent. But in New South Wales, Labor lost 13 seats on a 6.9 per cent swing, and in Queensland, 11 seats on a 8.7 per cent swing. Two-thirds of the government's majority lies in these two states, mostly in the outer-suburban areas of Sydney and Brisbane.

The swing was much smaller in other parts of the country. Labor actually recorded a majority of the two-party preferred vote in both Victoria and Tasmania, and the Labor decline in South and Western Australia was nothing new, continuing a trend that has occurred at every federal election since 1983.

Table 1 shows the results of the 1996 election, and the current state of the parties following recent redistributions.

Table 1: Result of 1996 Election

Australia	PRIMARY VOTE AND SEATS							2-PARTY	
	ALP	LIB	NAT	DEM	GRN	ONP	OTH	ALP	L/NP
1996 % Votes	38.8	38.7	8.6	6.8	2.9	..	4.2	46.4	53.6
Seats (March 96)	49	75	19	..	..	1	4		
Post-Redistribution	48	76	19	..	..	1	4		

To form majority government, either Labor or the Coalition needs to win 75 seats. Labor requires 27 seats, and assuming all independents retain their seats and the swing is uniform across the country, that translates into Labor requiring a two-party preferred swing of

4.3%. If Labor can recover one seat held by an Independent, the two-party swing required falls to 3.9%. With the presence of independents, and the rise of the One Nation Party, a swing of between 3% and 4% could produce a hung Parliament.

At state and federal elections over the past five years, the final poll conducted by Newspoll has proved to be the most accurate predictor of election results, and Newspoll's fortnightly polls are recognised as the most reliable guide to public opinion.

Newspoll has revealed considerable variability in party support in recent months. (See Table 2) The best poll for the Coalition (15-17 May) occurred after the Federal Budget was released. It was the best Newspoll result for the Coalition since April 1997. Labor's support has not fallen below 39% since October 1997, the month that saw the resignation of Australian Democrats leader, Cheryl Kernot, and the announcement that she would stand for Labor Party pre-selection.

Table 2 : Results of Recent Newspolls

Australia	% Primary Vote						% 2-Party (est)	
	ALP	LIB/NAT	DEM	GRN	ONP	OTH	ALP	L/NP
Election 1996	39	47	7	3	..	4	46.4	53.6
Newspoll (17-19 Apr)	41	41	4	2	4	8	50.4	49.6
Newspoll (1-3 May)	41	43	3	2	4	7	49.3	50.7
Newspoll (15-17 May)	39	46	3	2	4	6	46.8	53.2
Newspoll (29-31 May)	40	43	3	1	7	6	48.3	51.7
Newspoll (12-14 Jun)	40	37	3	2	11	7	51.1	48.9
Newspoll (26-28 Jun)	45	34	2	1	13	5	54.6	45.4
Newspoll (10-12 Jul)	40	37	2	2	11	8	51.0	49.0
Newspoll (24-26 Jul)	41	35	3	2	12	7	52.5	47.5
Newspoll (7-9 Aug)	39	39	3	2	11	6	49.6	50.4
Newspoll (16-18 Aug)	39	44	4	1	7	5	47.4	52.6
Newspoll (28-30 Aug)	40	40	3	2	10	5	49.7	50.3

As Newspoll does not normally ask questions about the direction of preferences, the above table contains estimates of preferences. The Democrat vote has been distributed 60% to Labor, 40% to the coalition, in line with trends at last year's South Australian election. Green preferences have been distributed 70% to Labor, 30% to Coalition, and One Nation preferences 30% to Labor and 70% to the Coalition. Votes for other candidates have been split evenly. It is possible that Green preferences may flow more strongly to Labor, and One Nation preferences more strongly to the Coalition. If this were to occur, the estimated Labor two-party preferred vote would be lower.

Assuming a uniform national swing, the Coalition's best poll was just after the release of the budget (15-17 May), and would have seen the government re-elected with roughly the same majority. Yet just five weeks later (26-28 June), the government recorded its worst poll, and would have been routed by a Labor landslide.

Significantly, the most important shifts in voter support over the past year have coincided with single political events. The first followed the defection of Cheryl Kernot in October 1997, when support for the Coalition slumped, and Labor support rose. Since then, polls have reacted dramatically to the release of the budget, the Queensland election, and the release of the Coalition's tax package.

This poll reaction to short term political events suggests there is considerable volatility in the electorate. The worry for the Coalition is that this volatility appears to be greater amongst its supporters than amongst Labor's. In the 23 Newspolls since Ms Kernot defected, the Coalition has averaged 40% (minimum 34, maximum 46), Labor 42% (min 39, max 45) and others 18% (min 15, max 23).

The polls suggest that support for One Nation is drawn disproportionately from the Coalition. This was evident in the Queensland election results, where the Labor vote fell 4.0% compared to a 17.6% decline in Coalition vote.

Polls prior to the 1996 election are a poor guide to prospects for the looming Federal election. For twelve months before the 1996 election, polls consistently showed the Coalition would win the election. John Howard was elected Liberal Party leader in January 1995, and in 28 Newspolls from February 1995 until the election eve poll, the Coalition averaged 47.7% (min 43, max 53) and Labor 39.7% (min 34, max 43). In 28 polls, the highest recorded Labor vote was only equal to the worst recorded Coalition vote.

The pattern revealed in Newspoll over the past twelve months, where the electorate appear to be reacting to short term political events, is similar to the pattern leading up to the 1993 federal election. Following Bob Hawke's replacement as prime minister by Paul Keating in December 1991, the Coalition held a comfortable lead in the polls until October 1992. Following the election of the Kennett government in Victoria that month, and Mr Keating's continuing attacks on the Coalition's Fightback package, Labor took the lead until the end of 1992. After food was dropped from the proposed GST at the end of December, the Coalition again pulled ahead. In the end, it was the campaign, which delivered the election to Labor, with Newspoll revealing a 2% shift to Labor in the campaign itself.

Volatility in the polls indicates a large number of undecided voters willing to be wooed by either side of politics. This suggests that attitudes to Prime Minister John Howard and Opposition Leader Kim Beazley could be critical to the result. Table 3 displays the quarterly Newspolls since the last election.

The decline in the prime minister's approval rating, and in support for the government, began in the middle of 1997, with the

Table 3 : Accumulated Quarterly Newspolls since 1996

	Party Vote			Preferred PM		Approval/Disapp	
	ALP	Lib/Nat	Other	Howard	Beazley	Howard	Beazley
Election Result 1996	38.7	47.0	14.3				
Apr-Jun 1996	37	52	11	55	21	56/22	44/19
Jul-Sep 1996	38	49	13	52	26	54/33	46/27
Oct-Dec 1996	36	49	15	53	23	54/33	42/34
Jan-Mar 1997	38	47	15	52	23	51/36	43/34
Apr-Jun 1997	37	43	20	47	25	43/43	41/37
Jul-Sep 1997	38	42	20	43	30	41/47	42/39
Oct-Dec 1997	43	40	17	37	37	35/54	47/35
Jan-Mar 1998	43	41	16	37	36	37/51	48/32
Apr-Jun 1998	41	41	18	38	36	36/52	42/39

resignation of Mr Prosser as Minister for Small Business over conflicts of interest, and the ensuing 'travel rorts' affair that originally surrounded ex-Labor Senator Colston, but eventually led to the resignation of three Ministers in September 1997. The defection of Cheryl Kernot in October then completed the poll turnaround. Table 3 shows that in the last three-quarters, Labor has equalled or surpassed the Coalition vote, that Mr Beazley has equalled Mr Howard in the preferred prime minister ratings, and has also recorded higher approval and lower disapproval ratings.

Compare the polls in the last year with the period between the election of John Howard as Liberal Party Leader in January 1995, and the 1996 election. Then every poll recorded John Howard with a higher approval rating than Paul Keating. In 27 of the last 29 polls since May 1997, Kim Beazley has had a higher approval rating than John Howard, including every poll since October 1997.

The last two elections have been unusual in recent Australian politics in that there was a strong polarisation of support. In 1996, this was created by Paul Keating's leadership, and in 1993 by the Coalition's 'Fightback!' package. The 1998 election may yet follow this path, as the Coalition's tax package may create divisions. If it does not, then it is likely that the attitude of swinging voters to the two leaders will play an important role. Volatility is likely to continue into the campaign, and the prime ministerial debate between the two leaders may play a crucial role.

Given the decline in his opinion polls, and the wariness the public expresses towards a consumption tax, Prime Minister Howard faces a difficult re-election campaign. History is on his side, as the last one-term federal government was that headed by James Scullin (1929-32), and Labor need a historically large swing to win government. Yet

assumptions in March 1996 that the Coalition would have at least two terms in office now seem a distant memory. No one could have foreseen how the Coalition would waste its poll lead.

When the government announced its commitment to tax reform last year, the size of its majority in parliament suggested it could survive any electoral backlash against a GST. It is a sign of the turnaround in the government's fortunes in the last year that it now hopes to be re-elected because of, rather than despite, the scope of its tax package.

The contest for the Senate

Had the government proceeded with plans for a double dissolution, then the Coalition would have lost between three and five Senators, even before the rise of One Nation in the polls. Once the support for One Nation became apparent, it was clear the Coalition would lose even more seats to One Nation because of the lower quota for election at a double dissolution Senate election.

A half-Senate election will make it harder for One Nation to win seats, and also minimize the number of Coalition seats at risk. Table 4 shows the composition of the 36 state and four territory Senators retiring.

Table 4: Party Composition of the Senate

	ALP	LIB	NAT	DEM	GRN	IND	Total
Retiring Senators							
New South Wales	3	2	1	..	..	..	6
Victoria	3	2	1	..	..	..	6
Queensland	1	2	1	1	..	1	6
Western Australia	2	3	..	..	1	..	6
South Australia	2	3	..	1	..	..	6
Tasmania	3	2	..	..	..	1	6
	14	14	3	2	1	2	36
Territory Senators	2	1	1	..	..	..	4
Continuing Senators	12	16	2	5	1	..	36
Current Composition	28	31	6	7	2	2	76

Queensland Senator Colston is included as an Independent. CLP Senator for the Northern Territory included under the National Party.

The Senate is elected using a complex form of proportional representation in which the final positions are decided by the distribution of preferences. A party requires 14.3% of the vote to elect one Senator, 28.6% for two, and 42.9% to win three of the six vacancies in a state.

In each state, both Labor and the Coalition will poll well enough to elect two Senators. Whichever side of politics records the higher primary vote is also likely to go on and win a third Senate position. The balance of power will then be determined by which party wins the sixth vacancy in a state.

A Morgan Senate poll published in June indicates the Coalition would lose a Senate position to the Democrats in Victoria, and one to One Nation in every other state. Labor was also at risk of losing a Senate position to the Democrats in New South Wales, but otherwise retain its position. The Democrats may win the seat currently held by the WA Greens.

It is likely the election will see the Democrats at least retain its seven Senators, or perhaps increase to eight or nine. Labor should finish with 30 or 31. The number of Coalition Senators will decline to 35 if One Nation polls poorly, or as low as 31 if One Nation wins four or five seats.

Whoever wins government, the Coalition will find its position weakened in the Senate, while Labor's should improve. At this stage, it appears that the Australian Democrats will be more powerful in the next Senate at the expense of other minor parties and independents, probably being able to produce a majority of Senators in combination with either Labor or the Coalition.

However, whatever the result of the half-Senate election, it is important to remember that newly elected Senators do not take their seats until 1 July next year. This will have a critical effect on the legislative priority of the Howard government if it is re-elected.

Since its release, the government's tax package has always been a race against time. It has been a race against time to get to the polls before its popularity faded. But equally, it has been a race against time to pass the legislation before the Senators chosen by the electorate as their representatives for the next six years are allowed to take their place in parliament.

If it wins the election, the government will claim for itself a mandate for the passage of its tax legislation through the Senate. But to pass, it will rely on the votes of 18 Coalition Senators elected in 1996 on the basis that there would "never ever" be a GST, and deny the vote to Senators elected on 3 October to oppose a GST. Whatever the Prime Minister's statements on not breaking his "not in the life of the current parliament" promise because he is taking a GST to an election, he will try and pass the legislation through a Senate elected under the old promise.

Whatever happens on 3 October, the balance of Senate power will remain in the hands of Independent Senators Brian Harradine and Mal Colston until the end of June next year.

Both men face re-election. If he chooses to stand, Senator Colston will be defeated, and Senator Harradine's prospects for re-election are weaker now than at any time in his 23 years in the Senate. But even if both are defeated, it will be their votes in the Senate that will determine the fate of the government's tax package.¹

The rise of One Nation.

In normal circumstances, the looming Federal election would elect a parliament to take Australia through to the new century and the centenary of Federation. But the rise of Pauline Hanson's One Nation Party may yet produce a House of Representatives with no clear majority and unlikely to last a full term, creating a real-life re-enactment of the sort of multi-party politics not seen since the first decade after Federation.

In 1901, politics had been fractured by the rise of the Labor Party, disrupting the battlelines between the forces of Free Trade and Protection. Australia's second prime minister, Alfred Deakin, ruefully compared the parliament elected in 1903 to cricket. "What kind of game of cricket . . . could they play if they had three elevens instead of two, with one playing sometimes with one side, sometimes with the other, and sometimes by itself." By 1909, the two non-Labor parties had fused, essentially creating the two party system that has continued to this day.

One Nation's rise is set to return three elevens to the floor of the next Parliament, but without the goodwill that allowed the parties in Deakin's day to work together. The three elevens produced by the current political climate are more likely to be interested in tactical games aimed at securing majority government at a subsequent election than providing stable government in the short term.

That such a picture sounds fanciful is because to date, analysis of One Nation support has concentrated solely on the tactics of the major parties in response to One Nation. The primary focus has been on how Labor and the Coalition can recover support lost to One Nation, and also, which side of politics will be favoured by the flow of One Nation preferences.

But this overlooks the fact that in many seats, One Nation preferences will not be counted. This election is likely to see a record number of seats decided on preferences. But with three elevens in the field, whose preferences will be distributed is going to depend on the level of primary vote support for each party, and this will vary widely from seat to seat.

The Queensland election in June saw electorate level support for One Nation vary from eight to 44 per cent. This is different from the even spread of support normally seen with the Australian Democrats and other minor parties. At the 1996 Federal election, the Democrats polled 6.8 per cent of the vote and won no seats, yet with only a slightly higher 8.2 per cent of the vote, the National Party won 18 seats. In recent polls, One Nation has been polling up to twice this level of support, and One Nation's surge in Queensland occurred after the election was announced.

Only 54 of Queensland's 89 electorates finished as a Labor versus Coalition contest, recording a 4.7 per cent swing to Labor, a swing reported by the opinion polls. But the swing was 3 per cent against Labor in the 21 seats where One Nation finished first or second and Coalition preferences were distributed, and 16 per cent against the National Party in the 12 seats where Labor finished third. Instead of a uniform swing, the nature of the electoral contest was determined by the preferences of the party that finished third in each seat. The Bronze medalist determined who won Gold and Silver.

In Queensland, Labor won 44 seats, and if votes for One Nation had been distributed as preferences, Labor would certainly have won a clear majority of the state-wide two-party preferred vote. But such a vote makes no sense if so many electorates do not finish as a two-party contest.

Since the introduction of preferential voting after the First World War, there has never been an Australian election where the two party system broke down to this extent. The nearest analogy would be the 1943 Federal election, when the United Australia Party disintegrated, to be re-born before the next election as the modern Liberal Party.

Which is the warning for the coming Federal election. The whole idea of electoral pendulums, of uniform swings, of pollsters asking minor party voters to whom they will direct preferences, is based on an assumption that support for the major parties will be over 80 per cent in every electorate. When that assumption is breached, as it is in the current political climate, then politics becomes a whole new ball game.

With Labor's vote in the polls seemingly solid at about 40 per cent, the Liberal Party faces a difficult decision. In all states except Western Australia, they have announced they will direct preferences away from One Nation, which will mean towards Labor. If One Nation continues to make inroads into Coalition support, that could deliver the election to Labor.

However, the seats One Nation are likely to win are those contested by the National Party, who may direct preferences to One Nation. In addition, a promise not to direct preferences to One Nation does not mean party activists will bother to turn up and hand out how-to-votes cards on election day. One Nation may still win safe seats from the major parties, even with the Liberal and Labor decisions on preferences.

In a final twist, if the result is a hung parliament, the question of who forms government becomes complex. Parliaments do not elect governments, they merely express confidence in advisers chosen by the governor-general. If Labor has roughly the same number of seats in a hung Parliament as the Coalition, it is likely to refuse to form government. In that case, the Coalition would continue as government in a caretaker status until the parliament meets. Unless One Nation and

Labor combine to bring on a vote of no-confidence, the Coalition will continue in government. Labor cannot be forced to take office.

The question for the Labor Party will be what happens if it falls just short of a majority? Would it be prepared to put good government on hold until a minority Coalition government self-destructed, or would it be prepared to form government with the support of break-away small '1' Liberals prepared to put Labor into office rather than see their own party rely on One Nation support to govern?

Longer term trends

Despite the talk of growing electoral volatility, survey evidence suggests that only a small proportion of the elections ever change their vote. Many consider doing so, and the art of modern political management is about making sure those considering changing their votes do not end up straying. In the short term, stability is always more important than change in the relative support for political parties.

But over time, change does occur. Much of this is generational, as older voters die, to be replaced by younger voters reaching political maturity. Over a lifetime, many voters also change their vote. But so strong are the ties of inherited party loyalties in the electorate, that it may take a voter decades to re-align his or her primary political allegiance away from inherited loyalties, to bring them into alignment with the reality of their adult lives.

An examination of survey data over the last three decades suggests that there are long term trends at work in the electorate that are working against the Coalition.

The 1990s have seen a widening gap between the voting behaviour of voters over and under the age of 50. Opinion polls over the past few years have shown that the Coalition's lead over Labor has at times been due entirely to the vote of Australians over the age of 50.

There are two factors that explain the voting patterns of different age groups. The first is the life-cycle factor, where voters become more conservative in their political attitudes, as the idealism of youth is replaced by the responsibilities of raising families and paying mortgages. The second is the generational factor, which suggests that to understand the voting pattern of a particular age group, it is important to understand the politics of the era in which that group developed its political awareness.

Using data from the 1996 Australian Election Study, Ian McAllister and Clive Bean have argued that the Labor Party seems to have demographic trends working in its favour among voters from ethnic backgrounds, and among voters who have entered the electorate since 1970. This is the reverse of the trend noted by Don Aitkin in the 1967 and 1969 Australia National Political Attitudes Surveys. He explained some of the electoral failure of the Labor Party in the 1960s

as being due to the fact that "in 1955 and afterwards Labor polled poorly both among new voters and among immigrants."

If you go back and look at data from the 1960s and 1970s, the Coalition achieved a substantial majority among younger voters, where nearly all modern polls show Labor now leads in this group.

In an article for *AQ* (Vol69/3, Sep-Oct 1997) I presented data that supports an argument that the current overwhelming conservatism of older voters is a product of generational change. Australians who voted at their first election in 1966 would now be in the over 50 age bracket. Don Aitkin noted that the 1950s and 1960s are unusual in that first time voters tended to support the Coalition rather than Labor. It may be that the Coalition's current majority is built on the support of the most conservative cohort of voters in Australian political history.

Given Prime Minister Howard's well known respect for Sir Robert Menzies, it is somehow appropriate to come to the conclusion that his political success may be based on a legacy of his idol's making. Prime Minister Howard's more relaxed and comfortable vision of the future, based as it is on a nostalgic picture of the past, has a receptive audience whose political attitudes were moulded in an older more stable Australia that is likely never to return. In the short term, this works in the Coalition's favour against Labor, though it presents problems in combating the populism of Pauline Hanson. But it also presents a longterm problem for the Coalition, as over the next decade, the Menzies to Howard generation begins to depart the electorate, replaced by younger cohorts with different perceptions of the nature of Australian society and politics.

Endnote

¹ Senator Mal Colston chose not to recontest but will be a senator until the new Senate takes its seats in July 1999. Senator Harradine did re-contest and won.

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Photo - David Karonidis

Peter FitzSimons

Peter FitzSimons, rugby hero and journalist with *The Sydney Morning Herald*, is also an author. His latest book is *Beazley* (HarperCollins 1998) and gives, for the first time, a big picture look at the life and times and personality of the Labor opposition leader Kim Beazley. To share some of the stories behind the book, Peter FitzSimons spoke for The Sydney Institute on Monday 7 September 1998.

KIM BEAZLEY –

A LIFE

– Peter FitzSimons

I am extremely honoured to be asked to speak. The Sydney Institute is a prestigious institution. Already I know what you're thinking: Who is this thug? And how did he get the gig to write the Beazley biography?

I'll take a fairly long run-up if I may. As Gerard mentioned I'm probably better known as a sports journalist and former sports person. But for what's it's worth I actually have more of a political background than you might reckon, growing up in Pear's Ridge about 60 miles north of here. My Dad was the local Liberal Party President. In my house, "Liberal" was synonymous with sunny days, meat pies, *The Sydney Morning Herald*, good, solid, dependable things, while the Labor Party was thought to be but a dark cloud on the horizon, not necessarily the forces of the evil, but we certainly knew that they were up to no good and it was up to us to do everything in our power to keep them at bay.

Every election Dad and I would go up and down Kulnura, Mangrove Mountain, Central Mangrove and would put out these pink slips "Vote 1, Liberal" and on actual election day would retire to the Mount White Primary School looking hopefully at every person who came down the gravel track, with a prayer that they might not only take the leaflet we offered them, but also do the right thing inside, and vote for whichever of the butcher, the baker or the candlestickmaker we were putting up against the incumbent Labor man this time. That they would Vote 1, Liberal

Our target was always the same, Barry Cohen, the ALP member for Robertson. Every election night, Dad and I would go back to the tomato packing shed to pack tomatoes and tune into ABC Radio to find out just how badly our man had got thumped this time. Because we never did get anybody up and over the line. Nevertheless, it at least nurtured a great interest in politics in me and a rough ambition to go into it myself, perhaps powered by egotism more than anything else.

I'd like to report that maturity set in, and I grew out of it. But actually what put me out of it was the crushing realisation that I was simply unelectable.

All through Knox and Sydney University – where incidentally I was lectured to by the Prime Minister's brother, Bob Howard – I stood for any student position that came up. I ended up getting flogged no matter what I tried, and I tried everything. I tried to be nice to my fellow students, I tried to form useful alliances, I tried to send them post-cards during the holidays to generate good will towards myself. In pure desperation, I tried slogans. My favourite was "vote for me, I'm 6 foot 3." But nothing ever worked. I gradually got the message that I was never going to make it as a politician myself, but still maintained a great interest in politics and for what it's worth, to this day I always read the political pages before the sports pages.

I suppose what I most admired about Australian politics, was the knockabout egalitarian nature of it. That while it was a serious exercise, it was not something that should really pull people apart, either the public, or the politicians themselves. I think this notion was best expressed by John Howard, at the conclusion of the 1987 election when, after losing, he said as I recall it, "I may have lost, but the things that unite us are still greater than the things that divide us."

But it is my time in journalism that really drove it home to me, how special this brand of Australian politics was. This common notion that at end, we're all Australians and no-one should get *too* carried away with mere politics. It shouldn't be something that divides the public from each other, and nor should it be something whereby those who did make it as politicians, should feel they had the right to get tickets on themselves and get above all the rest of us.

You may remember a time when Ronald Reagan had polyps in the colon. I remember reading about it in *Time* magazine, page after page, how the finest journalists in America had formed themselves up into polyp patrols. And there were pages of this stuff about what polyps of the colon actually meant. At the same time our own Prime Minister, Malcolm Fraser, had to go into hospital for a small problem and his spokesperson gave a one-line summation – "The Prime Minister has got a bit of a crook throat," he said.

It wasn't something we got fantastically excited about and it wasn't like our political leader was God and we had to know every last little thing about him.

When I became a journalist myself for *The Sydney Morning Herald*, in the latter part of the 1980s my big scoop was to gain an interview with Bob Hawke at half time during a soccer game between Australia and Brazil. And I was present for this wonderful moment of Australianiana. Bob Hawke was getting to the punch line of his best anecdote when a waitress came up and said, "How would you like your

coffee Mr Hawke?”. Bob Hawke just flicked his hand which is basically a fairly polite but very pointed way of saying “Not now, not now.” And she stood her ground and said, “How would you like you coffee Mr Hawke?” And Hawke turned around and basically said, “Bugger off.” She flounced off and came back and gave me a beautiful cup of coffee and two Tim Tams and the prime minister got *nothing!* I thought there was something particular about it that in Australia you can work like that. In France it is unthinkable, in America out of the question. In Russia you would have been shot. There were many instances like that. I thought I had a similar scoop when I first interviewed Paul Keating on the subject of his great sporting moment and his opening remark was “Your fly’s open, champion,” and then asked me how I would have my coffee. And I remember sitting there quietly in the ante chamber of his office and thinking “Isn’t this fantastic. The treasurer of the land is making me a cup of coffee.” In fact, he was getting one of the service people to do it, but that is the theme that has come through which I’ve enjoyed time and again.

I was up with my wife a few years ago at the Mirage Resort, Queensland. In the morning we happened to be standing in a queue to get into the breakfast room and I could not help but notice that the man in front of me was Governor General Bill Hayden with his wife Dallas. I thought it was a fantastic thing that there we were standing in a queue for breakfast and the most prestigious person in the land was standing in the queue with everybody else.

Just a couple of years ago at the Ansett terminal, I noticed that the man who had gone through before me was quite seriously frisked with a little metal wand detector. It was the Deputy Prime Minister Tim Fischer. Again, how many countries would that happen in?

To give it some balance. It doesn’t always happen like that. I like to tell the story of being with Gough Whitlam in 1994 when the *Herald* had sent me on a five day sojourn with Mr Whitlam to Perth, to do a story on his life and times. And Gough Whitlam must have had his entire collection of house keys still in his pocket. As he went through the metal detector again at the Ansett terminal, they went off and Mr Whitlam, without breaking his stride, turned to them and said, “I think you’ll find it’s my aura.”

The final anecdote I have on that theme occurred on the 18 December 1996 precisely. I was standing there at the entrance to Parliament House and Peter Costello came in. He had obviously been jogging quite fiercely because he came in very red in the face, hair everywhere, sweating profusely. There was the usual gaggle of journalists. A very well dressed, attractive female Channel 10 reporter called out to him very politely, “How are you feeling Mr Costello?” Peter Costello strode purposely into parliament and said over his shoulder, “Fine. Absolutely fine.” And the scruffy Channel 10

soundman called out after him, very laconically, "Yeah? Well you look like shit. . ."

Again, what was great about it was that Peter Costello didn't break stride. There was a slight faltering. He didn't turn round and say, "Don't you ever speak to me like that!" But it would have been un-Australian. The great Australian thing about it was that he just had to cop it. Walk on and walk on. He did. Again I felt privileged to be there.

It was that same morning, that I made my first acquaintance with Kim Beazley. That was the reason I was in Canberra - to talk to him about the book. He too proved to be, whatever else, a regular bloke with no tickets on himself. As I would later find in the course of my research on him, I think the best summation of him came from an unnamed Labor colleague, quoted by Michelle Grattan in a story in *Good Weekend*: "He's not one of your Chardonnay and nouvelle cuisine Labor Party people. He's more one of your hamburger-and-milk-shake-for-lunch men." And that is exactly what he is.

I was constantly struck during the course of the book, by his very Australian ordinariness, if I can call it that. I went to Perth seven times in the course of researching the book and on one particular occasion I remember it was a Saturday morning. He answered the door in tatty old football shorts with paint specs on them and a holey T-shirt and bare feet. And I remember thinking he answers the door on a Saturday morning in exactly the same way as I answer the door on a Saturday morning and most people I know do. It was no tickets whatsoever.

When I had the initial talk with him about writing the biography I was armed with all sorts of arguments about why it would be a very good idea. I was only about 20 seconds into the conversation with Beazley when he said he was acquiescent. He was not enthusiastic, though. He said "if you want to go to the trouble of going through all this research and doing it I'm not going to stop you." That was the basic beginnings of it. For myself I was starting with a very blank canvas.

I returned with very few ideas and no idea of the man himself. One of the original things I put in my letter to him was, "We on the east coast know you're a big man. We know you're from Western Australia. We know you've been around since just about forever. But we don't know much more about you than that." But I was enthusiastic about the project. I returned to the Herald and sent my then editor-in-chief, John Alexander, a message on the Herald computer system, saying I'm going to do a biography on Kim "Beazely". John Alexander sent me a message in return, saying congratulations, but he thought I should know Beazley was spelt "l-e-y, and not "e-l-y"

I thought, now there's a tip I can use and it proved to be useful over the next 18 months!

In the first six months of the process, I undertook a crash course in Labor Party politics, talking to people, and reading every book I could get my hands on to try and get up to speed in understanding the landscape that I was writing about.

One of the first I turned to, was Barry Cohen himself whom I had come to know a little bit. I remember at the conclusion of our lunch that he held his head in his hands, so profound was my ignorance.

The *Herald* was also terrific because it is chock-a-block with people who have expertise in all the different fields. Beazley, during his time in politics, had been Aviation Minister, Minister for Defence, Communications, Education and Training and so forth. And we had within the *Herald* people I could walk 50 yards to, 20 yards to, get on the phone and talk me through. So I started to get some understanding of what it was all about. Separately and variously, I was able to consult such people as Alan Ramsey, Pamela Williams, Ross Gittins, Mike Seccombe, Brad Norington and so forth. They were tremendously helpful.

By the middle of 1997, I thought I knew enough to be able to ask some sensible questions of the opposition leader, and we got stuck into it.

I'm often asked how do you write a biography. This is the second biography I've done. The first was on Nick Farr-Jones. As to how you do it? I'm not sure. I only know the way I write a biography, and that is basically to get it all down on tape, from the subject of the biography to everybody else I talk to. I hand the tape to a transcriber with whom I have a close relationship and she punches it out and gives me a disk the following day. I just whack it all into the personal computer and developed a huge file. In terms of interviews that I did on the Beazley biography they came to 650,000 words. And I had to go through it time and time again, to put in bold what I thought was important. I was doing a rough time line of the man's life and dividing it up into chapters. I then started whacking in important stories and things until I got some feel for it and then I'd put them in chronological order. I had always been a great believer in the line I heard somewhere that "the art of writing is the art of rewriting".

What I was after, of course, was to get to the essence of the man. In all humility, I think I somehow got really close to it. I was fascinated by the stories of his growing up in Western Australia particularly the time in the house at 1 Thomson Road, Claremont. Kim Beazley was the oldest of three children, the youngest of whom was intellectually disabled.

In the pubs around, no doubt the usual rule applied that applied all over Australia at that time that it was better not to discuss religion or politics – this was in strict contrast to the way it was in the Beazley household, where it was nearly all religion and politics.

The religion part came through the Moral Re-armament movement which I had never heard of when I began the book. But it was basically a movement I was advised about in very strong terms by Kim's father. It was not a religious movement. It was a spiritual, ideological movement. But the essence of the Moral Rearmament movement was to analyse everything that you do by four eternal verities: is it absolutely honest, is it absolutely pure, is it absolutely unselfish, is it absolutely loving? And if you get a big tick "yes" for all of those questions you will know the mind of God. Now Kim Sr. already had a very great Christian base in the family before he came across Moral Rearmament. It is worth noting that Kim Jr. is Kim Christian, the second, a daughter, is Merrilyn Christine and the third child is David Christopher. There is "Christ" in each of the second names. Kim makes the point that this was a very strong statement by his parents about which way their religious affiliation lay.

In 1953 Kim Sr. was sent, as part of the Labor Party delegation, to the Coronation of Queen Elizabeth II and it was there that he first became strongly acquainted with the basic precepts of Moral Rearmament and became converted - if I could call it that - to the cause. It was something that really changed his life around. It may not necessarily have worked well for him in politics but when you get through those great pictures of "absolutely honest, absolutely pure, absolutely unselfish", it may be terrific on a personal level but not necessarily on a political level. Gough Whitlam said to me, for the purpose of the book, that in his opinion in terms of Kim Sr., "The coronation, was his ruination."

But for Kim Jr those four absolute values, I believe, were his personal compass: "Is it absolutely honest, is it absolutely pure, is it absolutely unselfish, is it absolutely loving? Those four absolute values, I believe basically became wired into his soul. He became a very conservative young man.

Just how conservative shows up in his letters from India. I was very lucky when on one occasion while I was interviewing his parents, I think for the first time, I asked Mrs Beazley if she had any documentation, any school report card, anything that was a really solid reference point as to how Kim was as a younger fellow. And just as I was leaving she handed me a sheaf of letters. And they were the most amazing letters that Kim Jr. had written from India in 1967 when he was on this evangelical mission over there on behalf of Moral Rearmament. He had written these letters back. One stands out that he wrote on the 30 May:

Dear Mum and Dad,

Got your \$20 Dad, but please don't send any more money by post, because it is supposed to be declared before entering the country.

It is quite difficult to exchange this money, since we do it legally.

All the best, Yours, Kim.

I mean can you imagine a seventeen year old saying "Don't send the money"?

Dear Mum, Dad, Merrilyn and David,

I have just received some letters from you and Dad's cable yesterday. I was very sad to read of our defeat in the elections and was amazed to see Dad's marvellous increase. It is a real tribute. The result must be shattering to a lot of people. I am convinced that we need now to build a totally new ALP out of what remains of the old. A Labor Party guided by God with a genuine concern for Asia and the world would be a great thing for Australia and Asia.

You get the drift. Not a lot of laughs. It reminds me very much of that famous Bob Dylan song, "I Was So Much Older Then, I'm Younger Than That Now. . ." Every sort of sign I got of Kim as a 17 year old, as a teenager, was very much along those lines. Ultra, ultra serious. But I think after he got to twenty and got into university and got into the rhythm of the university he loosened up somewhat. He got younger from 20.

That last letter though about rebuilding the ALP brings out just how committed he was politically, even at that early stage of his life. For politics was the other huge thing in his life, as he grew up. Bob Hawke would later call Kim a prize-winning pessimist and it is not difficult to trace where it came from.

Kim Beazley's father, Kim Sr., was the member for Fremantle for 32 years. That sounds very solid but in fact he was hanging on by his fingernails for much of that time. Kim talks about the feeling of growing up in a household always under siege when his Dad was always on the edge of being obliterated. When I went through the files in the offices of the *West Australian* it shows headline after headline:

Wolves Draw In On Beazley.

Beazley has Fight Ahead - Unionists Left - Wing Gauntlet At Beazley's Feet.

Dowding Will Fight Beazley

Kim Beazley: How Long Will He Survive In Politics?

DLP Makes Effort To Unseat Beazley.

And basically every two or three years it was like that. Just holding on. With those sorts of headlines, it is easy to see just why it is that Kim Jnr says one of the primary motivations he had for getting into politics was the one to protect his Dad, to stand shoulder to shoulder with him and try and help him. Most particularly from the attacks of Joe Chamberlain who was a famous ALP left wing strong man. And not a bad man by many accounts. But he was somebody that was always going hard at Kim Sr.

And as Kim said when he got to university in the first day or two he signed up and got in there and in a very short time found himself on the state executive. He proved quite adept at garnering force among

fellow young turks and basically forming alliances to make changes. One of my favourite stories from the book is when Joe Chamberlain had moved a motion in early 1967 that the new opposition leader, Gough Whitlam, should not be invited to a particular state conference. Kim Jr. with all the other young turks with him moved that not only would Whitlam be invited but that Joe Chamberlain would go out to the airport to meet him! And he did. They made him do it.

Not that Kim Sr. didn't cause some grief to Kim Jr. in turn. You couldn't separate them greatly in political attitudes or on particular issues but they did have entirely different approaches and Kim Sr. was very much in the old guard.

The story I love most was about the State conference in 1970. It was for the WA Labor Party and it was going on all morning. This was the time of great libertarianism. There had been movements to legalise abortion, legalise marijuana. One unbelievable motion had been put from the floor to legalise incest. (I'm told that came from a Tasmanian delegate.) Kim Sr. had been boiling as these things came through and just before morning tea he strode to the podium and said in famous tones that would ring through the following decades:

When I joined the Labor Party, it contained the cream of the working class. But as I look about me now all I see are the dregs of the middle class! And what I want to know is when are you middle class perverts going to stop using the Labor Party as a spiritual spittoon!

One of the themes of the book that shows up, is the difference between father and son. Whereas the father's politics, were very much influenced by Moral Rearmament, consulting his eternal verities of truth, honesty, unselfishness, etc, and if that didn't suit the politics, then that was too damn bad, Kim Jnr, took a far more pragmatic approach.

In the course of writing the book, I thought it was Bob Hawke who summed it up best:

Kim Jnr is essentially a man who has got the cloud-lands and the grass roots. When I say the "cloud-lands", I mean up there he is thinking, he is a thinker, but he also knows that if you are going to be able to translate your ideas into action, you have got to be "down there" at the grass-roots, and I just found him from the word go, a charming, good man - and I formed the view very early that he could go where his father hadn't been able to go.

As a matter of fact, I wanted to call the book "Cloudlands and Grassroots" - but was eventually dissuaded. In terms of what drives the man himself there is this quote from him that I think sums it up well. He says:

All the time, from the day I went into politics or earlier than that, I've always thought that you've got to look at the logic of history, and that it is not kind to nations like Australia, occupying large areas with small populations, culturally different from the regions around them. I've always thought survival for Australia is going to

be a close-run thing. I think we're quite capable of it, but we have to always properly situate ourselves internationally so as to do it. We cannot be totally self-absorbed, we do not have that luxury.

I think that is the guts of it. For me I have always taken it for granted that Australia in the year 2060 will be simply a modern version of that which we know now. I don't know quite what version that modernity will take, but Kim Beazley does not take that for granted and that showed up time and time again. He has the sense of Australia's vulnerability and I think you can track the way he's operating. He always seems to steer by the star of solidifying Australia, if I can call it that, in what he seems to perceive as dangerous international waters, making Australia stronger for the future and able to better weather those storms wherever they might come from.

Whether he is right or wrong in this, I think some part of this can be explained by his West Australianness. I had no idea before I began the book that there was a particular different slant that West Australians take. But there is. There is a sense of vulnerability that a lot of them have. I suppose in part because they are the most isolated city on earth. And I came to the conclusion that whatever that refined essence of something is that makes a West Australian, a *West Australian*, Kim had a double dose of it. It has been highlighted in a way by the fact that in his backyard he had a working air raid shelter which had been left there from World War II. And when the Japanese controlled the Indonesian archipelago there was always this issue that they might be coming for us.

In the course of the book I was always keen on those stories to look to the human part of the person I was writing about. I would note in passing that David Barnett's book on John Howard took an entirely different slant to my own, in concentrating first and foremost on Howard the politician, and the hand he has had in legislation over the years. This was totally legitimate but I think my book is at the other end of the spectrum where I was probably trying more to get the man within the politician first and foremost and added the political part later.

I didn't necessarily intend to have them when I started out, but hopefully the book has its fair share of lighter moments.

My favourite comes from 1987 just before the Federal election, when Kim as Defence Minister and Bob Hawke as prime minister were inspecting some troops in Townsville. The soldiers had their entire kit laid out on the ground before them and Hawke, being the chatty sort of bloke he was, wanted to engage some of the soldiers in conversation. In the middle of it all was one weedy sort of bloke, looking straight ahead in the military manner, but still not managing to suppress a scowl. "Giddyay," said Hawke, not at all perturbed. "This stuff looks pretty good, does it go alright does it?" "No," replied the soldier with some

feeling, "It's shit. All of it's shit, and all of it always has been shit, whatever new stuff they give us, it's always shit!" Later, Hawke, still clearly disquieted by what he had heard, and wondering if such discontent in the armed forces might be part of some deep-seated problem, asked the Defence minister about it. Beazley put his mind at ease. "They're infantrymen, Bob," he told him, "What some people call 'grunts', and that's just the way they are. The thing is, just about every advance in weaponry and warfare techniques over the last 2000 years has been singularly devoted to more effectively wiping them out, and they're not happy about it. They never will be. Don't let it worry you."

I like to think the book also has its fair share of drama, my favourite part being the fight between Hawke and Keating, and Kim's role within. I enjoyed immensely interviewing both of the former prime ministers to get both their perspectives on that stoush, and Kim generally.

I call it "Round 1" and "Round 2". The political drama of Keating coming again and again at Hawke. I just loved every minute I did on that particular part of it. I remember the date when the prime ministers changed hands. It was Thursday 19 December 1991. I remember it particularly because I met the woman who was to become my wife on that particular night. On the night of Monday 16, December 1991, Kim had finally come to the conclusion that basically even though he was Hawke's greatest disciple and greatest supporter, the time had come for him to go. He went to The Lodge at 11 o'clock on the Monday night and Hawke was all alone in the Lodge study and Kim said - I'll paraphrase it: "Bobby, I love you like a brother but that way is the highway." Hawke had said he wasn't going to go. Kim, reaching for something to persuade him, said "I've heard that even Hazel wants you to go." And Hawke said, "No, no that's not true. She still supports me." And they went on like this for half an hour, to and fro, until eventually Bob Hawke summoned Hazel from the bedroom and she came down and supported him and said, "I want Bob to stay." And Kim had driven away that night thinking that he had to support Hawke to the end.

The whole thing was a struggle that damn near tore Beazley apart, and his wife Susie told me it took him twelve months to recover physically. That shows up in some of Kim's quotes. He makes no bones about it. "On top of divorce and the absence of Mick," he says, "the fight between Keating and Hawke just withered my commitment to politics at that time. I was sickened by elements of it. I was sickened by the fact that my friends had fallen out, sickened by the fact that my marriage had fallen apart. I had got an enormous joy out of politics until about the late 1980s, but after all that, it changed. All of that just about destroyed any joy I had in it, and I have never got it back. What I had left is a hard armoured sense of responsibility about it, which is a

different thing." When he was saying that, he was really saying with some feeling that that was a real crunch time for him. Something that marked his soul.

Not that he couldn't laugh about it here and there. I loved his summation of the difference between Hawke and Keating. "The theory in the Labor Party is that Hawke always wanted to have an election because he knew it gave him a chance to front the electorate and that Keating never wanted to have an election because it gave the electorate a chance to front him."

What sort of prime minister would Beazley make if he gets there?

I frankly, think, a good one. I finished the book impressed equally by both the man's integrity and intellect. Even though I hear alarm bells ringing in the distance to hear myself say something that sounds close to the verbal equivalent of applause, I do want, for what it's worth, to put it on the record. After 18 months researching his life and times, my summation is that Beazley is a good and decent man, with a particular ability to change the landscape around him, somehow without calling in the bulldozers and the dynamite.

He moved around. He had that fight about telecommunications when Keating had a very clear idea of how it should be organised and Beazley had an entirely different idea. And Keating, a very powerful, charismatic man and very forceful, did a lot of pounding on the podium. The Beazley way was basically to get into the aircraft and move, zigzag his way across Australia building a consensus, that his way was the best way. I think it's quite typical of the way he went about things. I would describe him as being an evolutionist rather than a revolutionist, always wanting to create the conditions where the environment he wanted could grow naturally.

Biographers are meant to maintain a particular distance from their subject at all times – close enough to understand the intricacies of their lives, and what drives them within, but still far enough away to have a dispassionate view about their good and bad points. Hopefully I achieved that. I was particularly gratified that 95 per cent of the reviews of the book so far, have noted that I did not shy away from "Ripping off the scabs", as Christine Wallace put it.

I note that did not stop one political commentator today in the *Financial Review* – Christopher Pearson – a former John Howard speechwriter I'm told – taking a huge piece out of me and accusing me of having written a campaign document with conspicuously good timing.

My reply will come in due course, but allow me to say a couple of things here. On the latter accusation first. Good timing? Guilty, your honour. Great timing, timing to dream of. I love the timing of this book. Nevertheless I would make the point that it is not as if this book has been sitting in the warehouse for the last six months. I have moved

heaven and earth to finish this book in time. I was contracted by HarperCollins to finish it on 31 March and I finally wrote "the end" on 22 June. And I was petrified for most of the time that John Howard was going to call an election on 4 July. The election would be all over and they'd be sweeping away the confetti when my book came out.

To the charge that I have written a campaign document, with a brief to portray Beazley as a man of inner strength – where do I start? Not only is that not true, and deeply offensive, I note that the same writer who accused me of a lack of balance, went on for the last 200 words of his article mining my book for some of the choicest negative things I had written about Beazley. The first part of the article said that I had no balance and was trying to make Beazley look good. The last part he was saying, here, however, are some of the most negative things the writer recorded about the opposition leader. If I didn't know better, it would be hard to escape the conclusion that Christopher Pearson himself might be a smidgin lacking in balance.

I was conscious all the way through that I did not want to write a hagiography or anything that could be construed as a campaign document.

The first biography that I did was on Nick Farr-Jones who was and is my closest friend. With Farr-Jones, the truth of it is that even though he is my closest friend, come the time of writing the book, I gave his critics a run, everybody who had said a negative thing about Nick Farr-Jones. But anybody that looks at Beazley would realise he's not somebody that makes a lot of enemies.

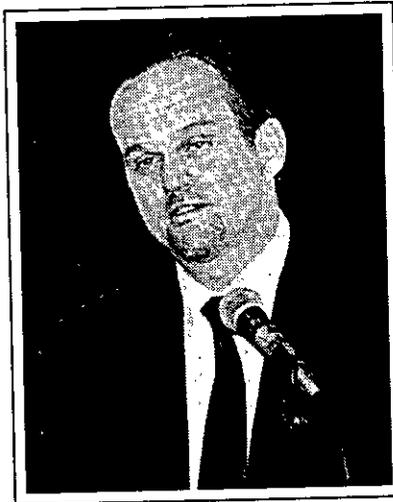
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Margaret Seares



Adrian Collette

Photo - David Karonidis

How should the Arts be regarded by government? Amid debate over funding and what the Arts really mean to the taxpayer, Margaret Seares, Chairperson of the Australia Council and Adrian Collette, General Manager, Opera Australia, addressed The Sydney Institute on Tuesday September 15 1998.

WHY THE ARTS

MATTER

- Margaret Seares

Three issues have confronted the Arts in Australia in the last year which, as we shall see, are in some way interlinked. They have all in some way put into the spotlight the notion of "Why the Arts matter".

These issues have been

1. The Serrano affair
2. Published criticisms of government funding for the Arts and advocacy of the free market
3. Pauline Hanson's Arts "policy" and its potential impact had she gained the balance of power in the Queensland parliament or any other parliament in this country.

To look at each in turn.

The Serrano affair was not, in fact, the first Serrano affair. The first occurred several years ago now in the USA, but followed similar lines: an outraged religious sector pitted against an Arts community, many of whom were secretly furious that the spotlight had been thrown so negatively upon art which, in the view of many visual Arts specialists, was not of the top drawer anyway. In Australia the additional twist to this was that the Serrano exhibition sat alongside one of the artworks of one of the great masters of all time, Rembrandt.

Quite why there was so much fuss, both in the US and Australia, I'll come to later. Because the reality is that art has always rocked the boat, has always challenged the orthodoxies by which we live and view the world. The examples from history are too numerous to mention: Beethoven's late works, so misunderstood by his contemporaries and so revered today, and the works of the impressionists, which outraged the Parisian establishment and caused the Director of the Academy in Paris to warn the French President against going into the exhibition because it "was a disgrace" to France are just two clear examples. Stravinsky's *The Rite of Spring*, a standard set work for tertiary music students around the world today, caused a riot at its first performance in Paris in 1913. The combination of the raw, "pagan" music and the "obscene"

dancing of the Ballets Russes was simply too much for the Parisian audience of the day.

These examples come from the gradual alienation of the artist from mainstream society. In terms of social history this is sometimes explained in the context of the rise of the bourgeoisie. In a recent review of Peter Gay's *The Pleasure Wars. The Bourgeois Experience: Victoria to Freud* in the *Australian's Review of Books*, Gordon Craig has commented that

The idea that the bourgeoisie is bereft of interest in matters of art and the higher culture dates back to the time when the rising middle class was contesting the political and social dominance of the crown and the aristocracy. The mercantile origins of the new class led its opponents to attribute to it an insensitivity to any feeling for finer things.

He cites Matthew Arnold who noted that in the 1860s, few schools exemplified a high art training but instead served more practical ends, guided by "a spirit of intelligent industrialism". In these circumstances, asserts Craig, "the Arts were apt to be 'terra incognita' for most of the bourgeoisie, and artists widely regarded as people whose lives were irregular and whose activities were offensive, if not subversive." Craig says this explains the shock at the impressionists, and it also helps to explain the wide approval that Hitler's antagonism to modern art enjoyed among ordinary Germans.

Gay points out in his book that members of the petty bourgeoisie had to spend a disproportionate amount of their barely adequate salaries on keeping up appearances, which left comparatively little for spending on the Arts outside the home. But there are other reasons, too, for the gap which divided the middle classes from the public Arts, and these reasons are perhaps best exemplified through Music, a field which I know best.

In the mid 18th Century, no self-respecting concert goer would dream of doing as we do so regularly today and that is, attending a concert of music written on average 100 years ago. One attended concerts then to hear the new, the music which was still wet on the page. And one's normal expectation was that the composer would be directing the orchestra, or playing in it. Thus there was an immediacy surrounding the performance of music which we have completely lost today. This breakdown came about gradually, and is inevitably associated with the change in the status of composers from employees – e.g. Haydn, who had a contract, a designated place at the servants' table of his employer, Count Esterhazy, – to "artists". Beethoven marks the point of no return, and the beginning of the notion of "artist as hero" – witness his comments that anyone can be born a king or a general, but only certain individuals are ordained to be born artists.

By the time of Wagner it is quite clear that composers had largely left their bourgeois audiences behind in the drawing rooms, and the

20th Century has seen this phenomenon even more acutely exacerbated. Little wonder, then, that the Serranos of this world, and indeed, so much postmodernist art, have disturbed and upset a significant number of people. This phenomenon has helped fuel the other two areas I mentioned in my opening and I will now turn to the second of them, the issue of the free market.

Government funding versus the free market

In the USA the Serrano affair was taken up, not only by the Bible belt of the South, but also by those in the US Congress who were and are opposed to government intervention, the Serrano exhibition having been supported there, as here, by government funding.

The arguments for free market philosophies to be applied to the Arts have also been voiced in sections of the media in Australia in recent times, as we move into a more deregulated market place and as the prevailing philosophy of both major political parties has moved towards less rather than more government intervention.

The issue here is that State support for the Arts is no Johnny-come-lately as some Australian journalists appear to think. Its history goes back centuries, well before government support for health, education or welfare was even dreamt of. Firstly the Church, then the Court, then the State, have overseen and stimulated the development of the Arts in Europe since the monks first started writing down music pre-1000 AD. Michelangelo, Bernini, Monteverdi – just some of the great artists who depended on support from Church or State. One of the greatest names in the artistic lexicon, JS Bach was, in fact, employed by the Leipzig Town Council during the last 30 years of his life – a fine example for Australian local government!

The first European government, in the modern sense, which saw support of the Arts as being integral to the image and position of the country was Louis XIV's France. The first state opera, orchestra, theatre – all were established during his reign, for the glory of France. Versailles, the focal point of artistic activity in France and itself a ground-breaking piece of architecture, was the envy of all Europe. Despite the fact that, in the 1680s and 1690s France was at war, and seriously bankrupt, the glory of its artistic triumphs continued to astound Europe.

Governments have followed this pattern ever since, sometimes in a highly manipulative manner, as with the USSR. Perhaps this latter example is the reason for the seeds of distrust of state support for the Arts in the minds of some Australian writers. And this, plus the Serrano factor, are probably what inspired Pauline Hanson in her avowed intention to cut all government funding to the Arts. But I think that this latter, if passing, phenomenon comes also from a misunderstanding

of what the Arts really are, of what we mean when we use the phrase "the Arts".

Earlier this month the Australian Bureau of Statistics and the Australia Council released a publication entitled *Public Attitudes to the Arts*. The result of a survey of 3000 households throughout the country, it provides some very interesting data on issues as diverse as "Support for Government funding of the Arts", "Perceived importance of cultural venues in [the] person's community", and "Activities included in the Arts".

It is this latter point which rather surprisingly shows that the understanding of what is included under the heading "the Arts" is by no means shared throughout the community and, in particular, across the age groups. For the Australia Council, it has been very surprising to find that, amongst people aged 65 and over, literature, books and poetry are regarded as "the Arts" by only 45 per cent of the cohort. Even at ages 55-64 this figure only rises to 53.7 per cent. Equally surprising is that craft, pottery and weaving register equally poorly as being part of "the Arts" amongst these age groups. The best figures on literature, books and poetry come from the age 25-34 group, but even here only 69.2 per cent regarded them as "the Arts".

Photography comes out even more poorly – the best figure, again, coming from the age 25-34 group, in which 62.9 per cent saw photography as "the Arts".

Conversely, the categories which scored most highly as activities included in the Arts were plays, ballet, opera and music (primarily classical).

Looking at these figures, it is not hard to understand why people living in regional areas, or outside the major city centres, may not see themselves as involved in some small way or related to "the Arts". Books, photography, craft – these are all things which many people are involved in some way, as either practitioners, amateur or professional, or purchasers, but clearly some of these people do not see themselves as relating to "the Arts". From here one can understand that they might perceive government funding for the Arts as going only to those areas – theatre, opera, ballet – with which they have no involvement.

This is an important issue which the Australia Council will be working hard to address over the next few years, so that, if any politician were again to propose to "cut all Arts funding policy", there would be a resounding outcry because the community recognised that this would, indeed, hurt them as much as it would hurt those involved in the so-called 'high Arts'.

But to go to the other side of the argument, that which advocates leaving the Arts to the market place. There are several reasons why I would argue that this would be a profoundly negative step for the Arts in Australia.

Firstly, we don't have the centuries-long traditions of public funding for the Arts which our OECD partners have. We are starting well behind – indeed, centuries behind. Compare 30 years of Federal funding for the Arts in Australia through the Australia Council, with the 300 years of funding in France. And the French, the Germans, the Italians, the Dutch, even the British, are showing absolutely no signs of abandoning that tradition. Why on earth would we, in Australia, consider putting ourselves at an even greater disadvantage? What we need, in fact, is affirmative action for public funding of the Arts in Australia, to help catch up on our partners and competitors!

Secondly, the French, in fact, are very aware that public funding for the Arts is crucial at a time when the global economy is also leading to the potential for a global culture, most of which is generated from the United States. And the Canadians have massively increased their public funding to the Arts and broadcasting, in order to avoid cultural domination by their giant neighbour. Many Australians are also worried about this cultural domination – a serious issue which is not yet really being addressed.

Thirdly, the size of our market place is just too small, and the size of our country too big, to allow market forces to prevail. Outside NSW and Victoria, Arts organisations could not survive without the support of public funding, because there simply aren't enough people to buy the tickets, buy the paintings, to keep the industry going. As a West Australian I am particularly conscious of the issue that Perth is not big enough to sustain a major opera company, a major ballet company, a large symphony orchestra, a number of theatre companies, a major publishing house, without funding from the State and Federal governments. It is foolish to believe that, in the absence of those companies, the national companies could just step in and fill the void. It costs a fortune to cross the Nullarbor, and increasingly the national companies are finding it harder and harder to include Perth on their itineraries with any regularity. Public funding is a must if the citizens of our large country are to have access to culture.

And lastly, another issue relating to the free market is that the US is often cited as the model, in which public funding of the Arts is smaller than that from "private" sources. However, these private sources included the huge American foundations which are simply not replicated in Australia, the extremely wealthy private philanthropists, as well as the corporates. There is plenty of evidence to show that all of these groups are encouraged in their giving to the Arts, education, and health through comparatively generous tax breaks. We don't yet have those in place in Australia, and it will be a long time before we have foundations of the size of the American models with which to sustain the Arts. Again, the free market for the Arts is far too premature, as we don't have the systems in place to encourage it.

But there are other reasons, beyond issues of market economics, which encourage Australian governments to continue funding the Arts. These include:

- the Arts as employer: over 500,000 Australians work in some capacity within the Arts,
- the Arts as part of Australia's small business network,
- the positive social impact which the Arts can have in the community,
- the potential of the Arts to work with and turn around young people at risk – a phenomenon, sadly, which we haven't explored enough in Australia, as our overburdened courts and gaols indicate,
- the potential for the Arts to "position" Australia internationally, as a unique and distinct culture.

WHY THE ARTS

MATTER

- Adrian Collette

My most desperate act so far, in my relatively short time as General Manager of Australia's largest performing arts company – and it is likely not to be my last – was the commissioning of an "Economic Impact" study on Enterprise OA, the good ship Opera Australia, which, throughout its 43 year history, has listed perilously from time to time when the currents of public funding have run against it. I say my most desperate act because an economic impact study is as far away as one can get from defining why art matters. But as long as we are dependent in any degree on the public purse, then we have to be able to make governments as comfortable as we can with the notion that the millions spent on the Arts are as much a question of good investment as a question of cultural value – investment in jobs and GDP contribution.

The national opera company employs some 320 full time people (including Australia's only full time, professional chorus of 49 – now sponsored by Deutsche Bank), as well as managing Australia's busiest orchestra, the AOBO, which plays for the Australian Ballet when it is not playing for us.

Conservatively, we can argue, and believe me we do argue, that our \$46 million in revenues (of which 23 per cent is public funding) create at least 3000 Full Time Equivalents nationally as we supply product to the Sydney Opera House for over seven months of the year and the Victorian Arts Centre for five months of the year. We would then roll in some further assumptions about our contribution to tourism. We can, and do, also argue that there is about a 1 to 4 value ratio in the economic return on government investment in our company, and this before we ascribe any magnifiers to the commercial impact of the \$5 million of sponsorship we attract. And so on. . . .

This is not why the arts matter, but this is what we do to justify our activity at a time when the funding of artistic activity, and of course opera in particular, is viewed as a hard sell to the electorate. The day Pauline Hanson announced that she would cut all funding to the Arts I

thought to myself, "My case rests, you see the Arts must matter!" My response, of course, was too easy by half. Hanson would spend the money on jobs instead, but here her economic reckoning is as naive, or wilfully simplistic rather, as it has been on any other economic issue. Public funding of the Arts, it can be argued, is a tremendous economic investment in jobs, in training and skills, and amounts to one of our most significant drivers of activity.

But back to the real question – of why the Arts matter. I am sure now to bite off much more than I can chew. I want to mention just some of the values that economic impact surveys cannot do justice to, for these are the values that define artistic endeavour. Answers can be practical or they can be philosophical; or perhaps, like all things this century, the most potent answer will be *psychological*. In saying this, I take it for granted that the most influential thinker, or practitioner rather, of the 20th Century in Western culture has been Sigmund Freud who prescribed our self interest and the creativity that springs from it. The trouble is, of course, that artists themselves have dangerously *uncivilised* tendencies (at least in this century) and by definition do not want to be cured! They remember their dreams, interpret them, then go back for more! They celebrate and even indulge their neuroses in a way that would have horrified Freud's therapeutic ambitions. (I say this to acknowledge the self consciousness of any argument about why art matters in this day and age. All the arguments about the alienation of the modern artist, of 20th Century atonality and the shattering of the melodic octave, or the dislocation of language and meter in poetry and writing, is true. Our artists generally do not want to be called to public account, they do not want to define shared values; their relationship to society remains an uneasy, and, these days, not even a "romantic" one.)

One of the best examples I have ever come across of the psychological value of art, of why art matters, is contained in John Stuart Mill's *Autobiography*. It is the very modesty of Mill's claim for the value of art that is so moving. In a famous chapter called "Crisis in My Mental History", Mill, the arch utilitarian thinker, the man educated under the strictest Benthamite principles that the value of all things must be defined by their usefulness, a man of tremendous social conscience and energy, describes what we today would call simply, a nervous breakdown, tormented by the black dog depression in his middle years. His years of study, his belief in the most rational of economic and philosophic disciplines, had let him down badly in mid life, and he writes about it with his customary microscopic candour. His "habit of analysis had a tendency to wear away the feelings," he says. Becoming more reclusive, he turns to poetry – there could be no greater vanity for someone like John Stuart Mill! He discovers Wordsworth's *Prelude* in particular, and in his self conscious study he

feels his spirits begin to soar. He finds, as only he can put it, the "natural complements and correctives" to his life of utilitarian discipline. Worse was to come. Mill then discovered *music*, the most non-representational and therefore non-utilitarian of art forms, and, vanity of vanities, ". . . became acquainted with Weber's *Oberon* (of all things!), . . . and the extreme pleasure which I drew from its delicious melodies," he says, "did me good." Reverting to the most satirisable utilitarian principles, Mill then claims that the pleasure of music is impaired because it "fades with familiarity and requires to be fed by continual novelty," or, even worse, that the "notes of an octave itself offer only a finite number of possible arrangements and between them, Mozart and Weber had probably exhausted the beauty to be gained from composition".

As I say, what I like about the use for art that Mill describes is the very modest claims he makes on its behalf – they are not grand, they are not about universal truths – they are about how an *appreciation of art and the life of the spirit is necessary to one's survival as a civilised human being*. Later, again in his punctilious utilitarian way, he tries to define the artistic imagination, and it is here that he arrives at a definition that sees art as not simply a crutch to lean on when times get tough, but as something integral to our experience and without which we would be smaller and more primitive in stature. He describes the imagination as the "ability to enter the mind and circumstances of another", a disarmingly simple definition which says more about artistic values of understanding and tolerance and open-mindedness than many I have read.

Of course this was all prescribed by a moment in history. John Stuart Mill was ushering in an age of Romanticism, and other luminaries like Matthew Arnold and even Tolstoy described the imagination's use in much the same way. But that imaginative talent (the ability to enter the mind and circumstances of another) matters, because it is deeply civilising. It is not simply the result of a civilised society, it is what *creates* a civilised, by which I mean a socially cohesive, sympathetic and above all tolerant, society.

When I was listening recently to Peter Doherty give the Sydney Institute's Larry Adler Lecture, arguing as he did the case for science, and the adequate funding of that dangerous activity – true scientific research, which knows no social or moral taboos in its quest for facts – I thought that you could overlay the argument for why Arts matter pretty well on top of his claims for why science matters. I would share his arguments with just one distinction: if science pursues facts, art pursues truth. When the writer Peter Ackroyd was asked why he chose to write both novels and biographies he said something like: "I write biographies because I like creating fiction about great men's lives, and I write fiction because I am interested in truth!" This is a characteristi-

cally theatrical Ackroydianism, but it's a good one. Truth often has little to do with fact – the artist knows this and sometimes *threatens* us with it. And that is why, as much as ever, art really matters in the world we currently inhabit.

Or *virtually* inhabit? We live in a world shaped by mass media, where what shapes our appreciation is the distribution of data, and we are evolving more and more sophisticated means of distributing information by the day. Journalists are the greatest purveyors of data; the excellence of what they do depends on their ability to package experience and information in line with distribution requirements – to reduce the facts, to refine the grab, to package information.

Fact: "A young mother threw herself under a train and died in Russia after domestic problems." That could be a journalistic fact, or it could be a source of inspiration for the contrary imaginative impulse – contrary that is, to journalism – which is art; or in this case the creation of *Anna Karenina*. All art, without exception, imposes form on data and gives meaning to experience. Even if the artist is celebrated as a rebel or iconoclast, as he has been throughout most of this self-conscious century, where individual psychology has held sway, he or she defines and refines the truth about our *common* experience; reflects it, and even more gives it radical definition in the eye of the beholder. Again it is my claim that the value of art is not that it reflects a civilised society but that it creates it.

On a far more practical level I have seen a value to artistic enterprise particularly since joining the opera company which is truly remarkable – a value which is integral to all *performing* arts in particular. It is the value of collaboration – at every stage of what we do. For example, this year we give over 250 performances of an opera written for primary school children in Victorian regional and metropolitan schools. It involves five gifted artists, four singers and a pianist, setting up portable scenery, repairing their costumes, giving performances in a school, answering many questions from delighted pupils and staff, then packing the truck and moving on for the next day. Or I have seen *Ozopera* perform in small towns in central Australia, in aircraft hangars and circus tents – giving over 30 performances of *The Barber of Seville* or *The Magic Flute*, complete with orchestra – in regional centres. This too represents a fantastic collaboration, and the response from audiences is overwhelming, from Cobar to Cunnunnara, and even to Canberra (that other well known regional centre).

I heard someone talk recently of the "zoom lens" mentality, the intense focus on the winner in our society, how experience is defined by competition and those who excel. Performance art remains utterly ambitious, but stubbornly and uncompromisingly collaborative as well – even the great opera divas know this – and I would ascribe a huge

value to the process rather than the prize; the artisan or craftsman as much as the artist.

I know I have taken liberties with the subject, trying to argue on a pin head why art matters, which is an endless topic of philosophical, sorry, *psychological* inquiry. But I can't divorce why THE ARTS matter from why art matters. In fact the arguments should *never* be separated in theory or in practice unless you want the most unrewarding, trivialising consequences to follow. If the question is why do we need *subsidised* art companies, let me answer on behalf of the opera company which is my business: *the satisfactory performance of this great art would not happen if it was left to market preference.* That is a fact. Opera Australia takes a significantly higher percentage of revenues from the box office, and also from sponsorship than any other opera company in the world, but it is not enough to sustain the art without funding. (And then there is the economic impact study.. .!)

What THE ARTS as an industry has to guard against is that it never forgets that it is the art, the artist and the audience that are the important constituents, not the arts industry, but that's another story.. . .

Or, if you want to define why the subsidised Arts sector matters, you could take the negative option – just try taking it away from people. Take the museums, the libraries, the orchestras and theatre companies. Add 30 percent on to the price of an opera ticket, take away Opera in the Park which attracts up to 100,000 people and turn the Sydney Opera House into a cineplex. People's addiction to art and the notion of artistic institutions is irrational, and that's why it matters! It is also why they turn up in their millions.

Or, perhaps, why the Arts matter can be represented by the extraordinary and complex and opinionated and volatile relationship that Sydney has with Australia's greatest icon, its very own Sydney Opera House. Many Australian cities have built Arts Centres. Sydney aspired to have an Opera House – it aspired to something greater, grander, more beautiful. And it got it. But having got it the subtle dynamic is that it has had to live up to it ever since – it is the great cathedral of the 20th Century and it comes at a price: the price of fulfilling its promise, of literally *living up to what it represents.* I don't know a Sydneysider who is not fiercely proud of the Sydney Opera House, though it defies popularity in all its form and content. People's attachment to it is irrational (even the brand marketers know this!) It civilises the city, it reminds us daily that we can expect more.

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Photo - David Karonidis

Julianne Schultz

Julianne Schultz is a journalist, academic, writer and librettist, and for a time was Associate Professor of Journalism at the UTS and contributing editor of *The Courier Mail*. Her book *Reviving the Fourth Estate* (Cambridge University Press, 1998) throws out challenges to the modern media - a major global industry far from its roots as the handful of reporters documenting debates in the House of Commons. Julianne Schultz spoke for The Sydney Institute on Tuesday 22 September 1998.

DEMOCRACY,

ACCOUNTABILITY AND THE MEDIA

– Julianne Schultz

The topic I have been assigned to address, the question of what is wrong with the media, leaves me a bit breathless. Not because there is so much that is wrong, but because the complexity of the question makes it hard to know where to start.

Thanks to the federal election campaign of 1998, the role the media plays in political life has again won renewed interest. There is nothing quite like an election campaign to focus minds on the shortcomings of the media – as the government is reminding us daily in its criticisms of the ABC. More importantly, of course, the failings of the media are a subset of the short comings in the political system as a whole, but less seems to be said about that. In all the talk about bias, distortion, manipulation, in the passions raised about interviewers who fluff questions, the close and intimate interrelationship between the media and our political system is sometimes lost sight of.

I am reminded of the apparently simplistic, but actually extremely revealing insight of the 1950s book, *Four Theories of the Press*; that for a good short cut to understanding a state's political system have a hard look at its media – its ownership, methods, priorities, preoccupations and relationship with other political institutions – and all will be revealed in very sharp relief.

(By the way, this may be why when the ownership questions were being so bitterly fought a few years ago they were important not only in themselves but for what they said about the locus of power and influence in this country.)

This is an observation of considerable value at this time in Australia's history, and more generally in the interconnected global world we inhabit.

We live in suspicious, sceptical, arguably even, cynical times. That is clear from even a cursory examination of the Australian media. Many involved in media programming are complaining that they sense that people are retreating to private spaces, drawing away from interest in politics and public life. My feeling is that if this is happening it is to

avoid the pervasive and corrosive cynicism and its suspicious mistrust of established institutions and those individuals in positions of power, influence and responsibility.

The media has certainly been at the forefront in propagating this view of the age and it now has dangerously widespread currency. Turn on any radio at any time of the day and you will hear people criticising politicians for being dishonest, public servants for being lazy and obstructive, judges for inventing the law. This is not confined to the most rabid end of talk back radio, it is even obvious on Radio National. In a way it is less important that people are saying this, but it is much more important that it is never, or rarely challenged, so the impression is perpetuated.

Media attempts to "reveal the truth" – are grounded, often quite rightly, in the perception that many of those in public life have something to hide. Yet the overriding philosophy and assumption of unmitigated self-interest is probably misplaced. The search for the incriminating error, the misleading detail, the personal gain, can profoundly distort perspective and inhibit understanding of the big picture.

This suspicious, sceptical, insincere approach is most clearly on display during election campaigns as the gaffe busters hunt for the incriminating moment, often forgetting the point it is supposed to illustrate or the big picture of which it forms a whole. The dangerous circularity of this approach is well illustrated in the One Nation phenomena. Pauline Hanson has developed a remarkable skill to undermine respect for institutions, as she demonstrated when she suggested that the four former prime ministers who said there was no place for racism in Australia should be taken off the public purse. Similarly when she denies well documented and verifiable facts about trade or immigration, thousands, who have become accustomed to doubt any official information, nod in agreement.

At the same time as this increased scepticism, we have a global media of unprecedented scale and influence, coupled with the emerging anarchy of multiplying outlets thanks to the Internet. As a result we are on the verge of a series of new relationships with audiences, publics, citizens. Ways of relating are no longer determined solely by the *father knows best* certainty of the averages of a mass consumer world or party controlled politics. The old routines of representation are now tempered by the possibilities of directness, of a world in which audiences – like citizens and consumers – are not only knowledgeable. They are also more knowable than ever before, and also inclined to answer back.

This will present some pretty profound challenges to established media practices, as it is already doing in politics.

So when commentators worry that modern journalism seems to have lost its way, they are probably right. As Martin Walker said earlier this year journalists and editors now are a bit like World War I generals, the game has changed and not quite sure how to respond. At some meta level it is probably because the established routines of political life are also a bit lost and somewhat under challenge. In part because government has gotten relatively smaller, business bigger and the defining ideological tension between capitalism and communism dissipated.

All these factors are given new urgency by the tantalising possibilities of different ways of doing things that are beginning to emerge, thanks to the digital communications medium of the 21st Century is already showing some of its potential. As a result it may be necessary to imagine a different model of the press – the news media – in which the anarchic proliferation of the Internet complements and offsets the global reach of the megamedia companies.

Before beginning such an imagination it is however important to go back to basics and re-examine what it was about the 18th and 19th Century arguments for a quasi-institutional Fourth Estate that gave the concept such resilience despite myriad contradictions, self evident failings and periodic redefinition. Long since most people have forgotten – if they ever knew – what the first, second and third estates were, there is widespread understanding that the Fourth Estate is another name for the news media. By a curious process of hype, self promotion, definitional flexibility and an underlying good idea, the Fourth Estate has survived. Just.

The ideal of the news media successfully fulfilling a role that transcends its commercial obligations has been seriously battered by conflicting political, commercial, ethical and occupational truncheons. There is now a widespread, and reasonable, doubt that the contemporary news media can any longer fulfil the historic role it created for itself several hundred years ago, as the watchdog of those in positions of political, corporate, economic and social power.

Like a Chinese whisper the original components of the ideal have been distorted by repetition without going back to the source to check the original message. I was reminded of this the other day watching my young son copying his spelling words – what began the week as “kitten” became “kitchen” by Thursday.

So it is with many of the underlying concepts justifying the news media as a watchdog fourth estate. The process by which the 19th Century press won the standing as an institution, not just a business, is a remarkable tale. It has brought unprecedented wealth and influence to those who are able to capture it, but it has also, on balance, provided an essential component of modern democracies, despite its frailties. Rupert Murdoch quite rightly identified the core weakness in 1961

when he asked, "What right have we to be considered the Fourth Estate when all too often we are motivated by personal gain?"

It's a good question. It is also one which needs to be compellingly answered for the health of our democracy. For all its flaws there are still very good arguments for a quasi-institutional watchdog news media, as one of the informal checks and balances in a representative democracy. Certainly most Australian journalists still hold this ideal very dear. If the question is not satisfactorily resolved it is easy to imagine a world in which the media becomes a beast that is prepared to devour itself and any other institutions and individuals that get in its way. If this happens the cost will be enormous.

My argument is that responsibility for the watchdog, information-providing role of the media, now more than ever, lies most compellingly with the journalists and editors who produce the content. But to grasp this responsibility in any meaningful way they need to cast off the occupational inclination to blame – owners, technology, speed, audiences, entertainment. Once they have stopped blaming others it will be easier to recognise that the relatively small component of modern news organisations that is concerned with the production of news, information, comment and analysis is what legitimises the independence of these vast global enterprises.

Individual owners are of course still important, but their agendas and horizons are not as narrow as they once were – money is more important than the relatively minor differences between political parties. Such a reclamation of responsibility for the core Fourth Estate ideal may also lead to a reconsideration of methods – restoring perspective and connections with the audience, putting an information floor under our increasingly complex society, rather than pandering to whims, fashion and manufactured hysteria to try to put people "out there" to respond.

There is, therefore, a need to reconsider on whose behalf independence is sought and exercised, how the public interest is defined and realised, how diversity can be truly incorporated into media routines, how commercial imperatives can be kept in perspective, how accountability can be more than mere window dressing, and how political purpose can be maintained when the pressure is on to entertain, amuse and titillate in an almost value free environment.

The press was the bastard estate of the 18th Century. At a time of limited suffrage, but growing literacy, the press was a crucial political institution, more intimately connected to the concerns and pre-occupations of the population than most of those who exercised political power. It not only created the want which it supplied, but it has gone on to flourish and become, at the end of the millennium, the most pervasive global industry. Its tentacles reach into the lives of almost every man, woman and child on earth: from the rich, media-

saturated societies of the West to the shanties of the developing world, where television cables hang above roof tops and international news crews descend in voracious waves to capture images of famine, flood and genocide, before bouncing them back off international satellites, into billions of sitting rooms a world away.

The connections between this vast global industry, which drip feeds us a diet of pacey news, flashing images, instant analysis and entertainment, and the hand-printed, densely written, black and grey news sheets of the past seem remote. The sheer magnitude of the global news business is overwhelming, the profits staggering, the values questionable and the power immense.

Yet at its core, at the news focussed centre of the media business, an ideal remains. This ideal is grounded in the notion that among the checks and balances that ensure that the powerful are held accountable, public access to information is essential. The process of finding, distilling, analysing that information and making it available is what gives the news media its political role – and the core of its self-definition as the Fourth Estate.

Once it was the press alone which fulfilled – generally quite inadequately – this informal information-providing and watchdog role, alongside the more formal checks and balances of the executive – parliament and judiciary. The process has been augmented by a raft of international covenants and conventions; by legislation granting access to official information; and a network of organisations with an explicit brief to scrutinise those in positions of power. Commissions against corruption, answerable only to elected parliaments, have sprung up in many countries. These commissions, many of which were created after revelations in the news media, which disclosed corrupt practice, have formally assumed the role which was once the province of the Fourth Estate. The need for checks and balances, and scrutiny of those in power is greater than ever, but the task is beyond the scope of the media industry with its competing imperatives to provide news, information and entertainment.

The ability of the news media to use access to public and private information has been the key to commercial success for many. This access and the wealth it has generated has been leveraged by the owners of media organisations to win and exercise political power, often in a quite ruthless and self interested fashion. This abuse of political power, and readiness to conflate personal and public interest has been a major contributor to the erosion of public confidence in the independence and disinterest of the news media as a watchdog estate.

The commercial nature of the news media is both a strength and a weakness. The strength comes from the independence that profits alone can buy. A news media that is profitable has much greater autonomy, its managers can say no to those who would seek to buy its

patronage. Financial autonomy can insulate a news organisation from the demands of politicians, lobbyists, advertisers and merchants. Greed can, however, undermine this autonomy. In the desire for that next dollar, deals may be made and the independent soul of the news organisation sold to the highest – or most opportunistic – bidder. So the commercial nature of most of the media is an ambiguous burden. *The New York Times* captured this well in its advertising slogan: "From Fourth Estate to Real Estate". It covered the lot and made money out of it.

The publicly funded media face a different challenge when asserting a role as independent scrutineer. Where governments provide the funds, governments will attempt to determine the content. Where direct intervention over content was once accepted as the norm, it is now bitterly resisted. The public sector media in Australia has asserted considerable autonomy over content despite the opposition of politicians. The degree of antipathy this has generated was demonstrated early in the life of the Howard Government, with major cuts and a far reaching review into the Australian Broadcasting Corporation shortly after his election in 1996. The cuts, which had not been foreshadowed during the election campaign that year, were widely interpreted as a form of political pay back because of a perception of pro-Labor bias. It is as Brian Johns (Managing Director, Australian Broadcasting Corporation) said yesterday when he launched *Reviving the Fourth Estate*, a campaign that is still being waged.

The process of asserting editorial independence has taken different routes in the public and private media and in different countries over the past two centuries. In the last 20 years this movement has gained momentum in many countries as the emphasis shifted from the role of the huge media corporations to the role that individual journalists and editors could play. It has been clearly shown in many countries that journalists and editors remain the most insistent advocates of the news media as the Fourth Estate: watching, questioning, analysing and informing. Evidence of it can be seen in the increased interest in pursuing investigative journalism, in the attempts by journalists to win charters of editorial independence and paradox reduced day-to-day, word-by-word control that has accompanied globalisation of the media.

As the scale of the global media increases, accompanied by the rise of information provided on the Internet, it may be that the role of independent information providers – journalists, editors and producers – will revive the ideal of the Fourth Estate. In the new, more anarchic, media world, content will be crucial. In this environment, the role of the information provider will assume an importance well removed from the arcane world of press barons who treated their journalists like

pawns in a bigger game in which the prizes were political influence and wealth.

In ruminations about the global media industry, and the complexity of contemporary political and public life, the alarming concentration of media ownership, it is easy to lose sight of the reality that the news media is at its most influential when it is local. At the level of the city, state or nation, the best of the news media is able to explain us to ourselves, highlight our shortcomings and provide the insights which enable new solutions to emerge. One of the paradoxes of the global industry is that at a time when the scale of the news media has never been vaster, its reach greater and its timing quicker, control can no longer be held so tightly. Despite vast teams of managers and executives, the old days of cabals of media owners and politicians, is no longer so potent.

In the days of monopoly newspapers, there is a virtue in a degree of information diversity that would have been unthinkable even two decades ago. Journalists and editors in Australia have, somewhat belatedly but nonetheless quite convincingly, got a taste of independence. News organisations remain hierarchal and surprisingly untouched by many of the principles of modern management, but there is more freedom than was once thought possible. This independence is not absolute, nor is it unassailable.

So when the ownership of a newspaper, television or radio station changes, the limits of editorial independence are again tested, just as they are when a government changes and decides to settle old political scores by reducing funding to public broadcasting. Most importantly, yet often overlooked by its advocates, the assertion of independence by journalists and editors must not be an end in itself. It is an independence exercised on behalf of others – in the public interest. In the analysis of the extensive surveys that I report in my book, I show that while Australian journalists are happy to invoke the public interest, but they are somewhat disdainful of their audiences.

The public has responded to this disdain with a very critical attitude towards journalists and the media. The popularity of programs such as *Frontline* and *Media Watch*, tap into a deep seated antipathy towards the intrusive and cavalier methods of journalism. Public scepticism about the media is readily exploited by politicians who seek to bully and blame. While the excesses of unethical practice remain, journalists and the media continue to be an easy target.

But there is an ambivalence in the public attitude towards the media, and it is an ambivalence that was graphically demonstrated in the overwhelming public response of more than 10,000 submissions to the Mansfield Review of the ABC in 1996. There is a powerful alliance waiting to be built. A two way relationship between information provider and audience is notoriously difficult to cultivate, developments

in what is known as public journalism, whereby closer links between a community and its media are established, is one route. Another is by investigative and advocacy journalism, where the news media is at the cutting edge of change in a society. It can be measured by acceptance of ethical codes, meaningful public accountability: in terms of the diversity of information provided, the methods by which it is obtained, presented and pursued.

These methods involve challenging existing assumptions within news organisations. Yet over the past three decades, Australian journalism has changed profoundly. It is now more inquisitive, more investigative, bolder, more intrusive, more demanding and more sceptical. It has won greater political autonomy. But this has come at the cost of public scepticism because insufficient attention has been paid to ethical standards and public accountability.

Independence – the key to reviving the ideals of the Fourth Estate – has a price tag of accountability. There is no reason to expect that journalists and editors who have won half the battle for greater independence from their owners will be any more enthusiastic than any other group about the price of public accountability. But without it, there is little hope of a meaningful revival of the core of the good idea of the Fourth Estate.

A revived Fourth Estate must be accountable and responsive to the audience, ethical in its dealings with sources. There is no reason for it to be boring, worthy, dull or unprofitable. The Fourth Estate which most Australian journalists say they accept as an ideal is not central to the interests of the vast media conglomerates, but it's at their kernel. It is also central to the self esteem and integrity of journalists. By reviving and reclaiming the Fourth Estate, journalists may be better able to explain us to ourselves, expose cobwebs in dark corners, address process and methods.

Rather than accepting the dire prognosis that Martin Walker proposed when he suggested that journalists and editors today were rather like World War I generals – fighting the wrong war with the wrong arms and techniques. We are in the middle of tremendous change which appears daunting. But there are also great opportunities. My view is that by reviving the best of the ideals of the Fourth Estate, and reconsidering the aims and methods of journalism – in line with the original principles that won the day and converted the press from an industry to an institution 200 years ago – exciting new opportunities for journalists and citizens may emerge.

There is too much at stake to give up now.