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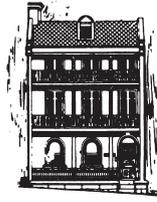
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Boral
is delighted
to help build
the Sydney
Institute.

(Not to mention the rest of Australia.)



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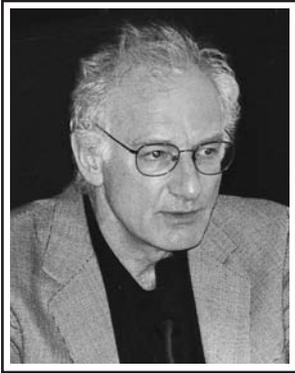
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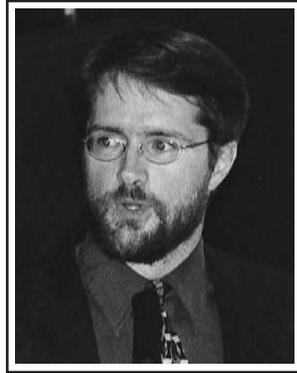
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Jonathon Caulkins

Photo – David Karamidis

Dr Jonathon Caulkins, Carnegie Mellon University, H. John Heinz III School of Public Policy and Management and RAND Drug Policy Research Center, and Dr Peter Cohen, Director of the Centre for Drug Research at the University of Amsterdam were participants in a major drug conference in Sydney in October 2001. On Tuesday 30 October, they also addressed The Sydney Institute as part of their visit to Australia. Taking two very different approaches, Dr Caulkins and Dr Cohen reviewed the many efforts to tackle illicit drug use, its effects and the many ongoing hurdles in the so-called war on drugs.

INSIGHTS AUSTRALIA

SHOULD AND SHOULD NOT TAKE FROM US DRUG POLICY

Jonathan P. Caulkins

I want to very quickly touch on a few of the many differences in the drug problems and drug control policies between the United States and Australia. This will be a precursor to my main topic, which is a thumbnail sketch of what, in the United States, we think we have learned about which interventions are most effective in controlling drug problems. Such effectiveness statements need to be made within a framework that differentiates sharply between controlling mature drug markets and controlling emerging drug markets.

In some ways, the Australian and US drug problems are very similar. Heroin use and marijuana use are very similar in both countries. Australians use a bit more amphetamines and more alcohol. Americans use slightly more cigarettes. There are only three striking differences. In Australia you don't have anything close to US levels of cocaine use, violence or HIV/AIDS. Those are just three differences. But it's like saying my car is like your car except my car doesn't have wheels, a motor or a chassis. Those are three very big differences. In fact, most Americans would say that if our cocaine, violence and HIV levels dropped to Australian levels, the drug problem would have essentially been solved.

There are a variety of institutional differences between Australia and the US. I don't want to go through all of them because it would take too long. But just to give you a sense of how different two seemingly similar countries can be, note that while Australia has eight police agencies, the US has over 18,000. The US has a separate police force for nearly every town, rather than having just one police force for an entire state, like you do in New South Wales. That means it is extraordinarily difficult for us to assemble and meaningfully analyze statistics on enforcement. It also means we have horrible co-ordination problems. On the other hand we have so many overlapping jurisdictions with a local police force, county police, state police, and several different federal agencies, all worrying about drugs in the same geographic location, that it is very difficult for the bad guys to corrupt

the good guys. So the United States has quite low levels of systemic official corruption.

There are also sharp differences in policy. In the United States, policy is dominated by locking up large numbers of drug offenders, primarily sellers. The United States locks up more drug offenders per capita than other first world countries lock up criminals of all kinds. In the US, policy is geared towards protecting the interests of middle class voters. In contrast, in Australia there is much more of a harm reduction approach that puts priority on controlling HIV/AIDS. Australians seem to care more about what happens to the users, whereas the typical American political response is to say, "They're criminals. They're felons. I don't care about their welfare. I want to design policies that appeal to middle class voters." The emphasis is on "appeal to" not help. So, for example, when an analyst suggests that treatment is a good thing, even from the perspective of the middle class voter, a political candidate might respond, "Yes I believe your analysis that drug treatment is a good way to protect my middle class constituencies from crime. But if I've got \$10 million and I can use it to provide treatment for a bunch of criminals or spend it on schools for those law-abiding voters' kids, there is no question what I'm going to do. I'm always going to spend it on the kids." One could write volumes about the differences between US and Australian drug problems and policies, but that in a nutshell are some of the major differences.

There are many approaches to thinking about what are the best interventions for controlling drugs. I'll focus on that of the "frugal taxpayer" who wants to "buy" as much reduction in drug problems as possible per dollar spent on drug control. This perspective has much in common with portfolio investment analysis. It asks, how can we allocate our resources across different interventions in order to achieve our goals as efficiently as possible?

This table summarizes some findings in this regard. There are two different columns with comments for each of the various interventions. The first column refers to a mature market; the second to an emerging market. I can't stress enough that the effectiveness of an intervention depends crucially on whether we are talking about a mature market or an emerging market. So let me clarify that difference. Many different drugs in different societies, in different time periods, have gone through something of an epidemic cycle. They start off with very low levels of use. Then something happens that kicks off a contagious spread, and use grows very rapidly. At some point the epidemic peaks and then decays to an endemic level of use that is lower than the peak. When I refer to an epidemic cycle, I have in mind that change over time, where initially there is very little use then there's a period of rapid spread, with most of the users being relatively recent initiates who are pretty happy with their use. For example, they will tell you that the drugs are doing

good things for them. Then there's a later stage in which most of the consumption is by long-time dependent users, many of whom are badly harmed by the drug and who serve as an effective negative role-model for potential users.

In the United States, essentially all of the markets are mature markets, with the exception of Ecstasy. In Europe, basically all of the markets are mature markets. (The European Ecstasy epidemic is ahead of that in the United States by several years.) I frankly don't know what the situation is in Australia. That's one of the things I'm hoping to learn this week. Heroin use in Australia was growing quite rapidly according to a variety of indicators before the heroin drought occurred, including initiation as is indicated by the figure. So it is possible that Australia, unique amongst first world nations, had a heroin problem

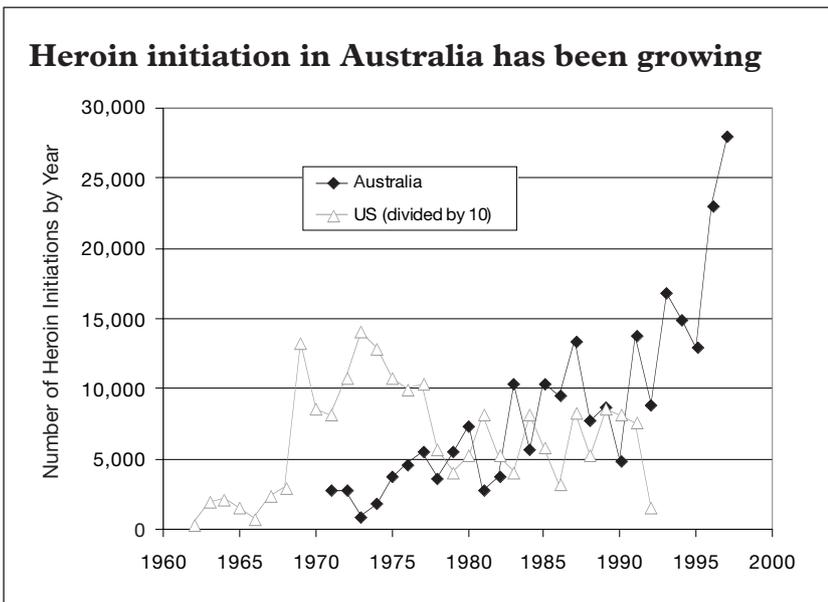
Findings Concerning the Cost-Effectiveness of Drug Interventions

Intervention	Stage of the Epidemic	
	Mature Market	Emerging Market
Treatment	Even programs with high relapse rates can be very cost-effective	Irrelevant for light users, who are the majority. Possibly even counter-productive?
School-based drug prevention	Cost-effective because it is cheap, not because it has a big effect.	Great if you can do it 15 years before you know you need to do it.
Short-term supply disruptions, e.g., from high-level enforcement	Hard to create. No consensus concerning whether benefits outweigh the costs.	Very valuable to slow/delay the contagious spread.
Locking up sellers indiscriminately, including low-level retailers	Money sink or worse because of replacement.	Very valuable to slow/delay the contagious spread.
Using enforcement strategically to displace markets into less destructive forms	Great potential if society can exercise realpolitik.	Unstudied, but probably prefer markets embedded in friendship networks (or even beeper sales) to stranger-to-stranger sales in street markets.
Micro harm reduction	Sensible; little risk of risk compensation increasing use.	Theoretically there is a risk of stimulating use. Cf. auto safety, mountain climbing, etc.

that really was more like the right column rather than the left column in the table.

There are people who worry today in Australia that there is an emerging stimulant epidemic of cocaine or amphetamines. And there probably is also some sort of emerging Ecstasy market, although the question with Ecstasy is not only whether it is emerging or mature but also do we care? That is, some drugs, notably cannabis, are not as harmful as others. If you have epidemic spread of such a drug, that's obviously not good, but it's not a problem on the scale of the US cocaine epidemic. About one-sixth of the people who try cocaine end up having their lives substantially dominated by the drug and are very sorry they started. I am agnostic as to whether Ecstasy is more like cannabis or more like cocaine in this regard.

So that's the table. I don't have time to go through all the cells, but the basic nuggets of insight are in the table so you can read them. What I want to call attention to is a contrast between two broad categories of interventions. On the one hand there are what I'll call progressive liberal, open-minded interventions such as providing treatment to drug users and taking steps to alleviate their pain and suffering. On the other hand there are hard-core conservative interventions whose objective is to stamp out supply to the greatest extent possible. These tend to be very costly interventions in the short run because incarceration is expensive and in the long run because incarceration ruins the lives of the people who are incarcerated and may ruin the lives of their family and children as well.



The two-second summary of this table is that for a mature epidemic you don't want to lock up a large number of sellers because that's a very inefficient way to suppress drug use and drug-related crime at that point in the epidemic. In fact, it may even make drug-related crime worse. In contrast, for an emerging epidemic, enforcement can be vitally important and extraordinarily valuable for helping to delay and diffuse or ideally even short circuit this contagious spread. Conversely, treatment at a stage in the epidemic when most users are light users, who are happy with their use and don't want treatment, is essentially irrelevant. There is even an argument that it could be counter productive because it reduces the number of negative role models that serve to "innoculate" the potential user population, although I do not know how much faith to put in that argument. On the other hand, for a mature market such as the cocaine market in the United States, treatment interventions are the most cost effective way to reduce drug use and are by far the most cost effective way to control crime.

The United States has it exactly backwards. We are using interventions now that we wish we had used in the early 1970s even though they are inappropriate at this point in the epidemic. I don't know whether Australia has it backwards or not, or whether a shift towards a more punitive approach would help or not. If you believe that heroin was spreading rapidly here, the heroin drought of the last ten or eleven months might be a godsend because during contagious spread even small or short interruptions of supply can be very valuable. If you thought that the heroin market in Australia was mature and indicators to the contrary were a statistical apparition, then a movement towards being more punitive is following the United States down exactly the wrong path.

The heroin drought may or may not have been caused by policy or by enforcement. I tend to think it was. But whether it was or was not, I want to make one more point about why enforcement has a role. Enforcement is unique amongst all interventions in having the capacity to have its impact now. Treatment is like an investment. You spend money now and you derive benefits over the next ten or fifteen years or however long those people you successfully treat would have continued to consume. Treatment has a very delayed response.

Prevention's response can be even more delayed. The median age for cocaine initiation in the United States was 21. But you run school-based prevention programs with 13 year olds, eight years younger. The peak year of initiation in the United States of cocaine was 1979. So we would have to have implemented school-based prevention back in 1971 or even earlier to affect that initiation, and we did not even know we had a cocaine problem until 1984. In fact, at the time of peak cocaine initiation, the chief drug policy advisor in the United States was

announcing that cocaine was not addictive and was probably not even harmful. So prevention, school-based prevention in particular, is singularly unable to decisively act at that crucial time of contagious spread. Only enforcement, amongst all of the drug interventions, has the capacity to act in the present.

Let me offer one closing anecdote to summarize. At the conference Peter Cohen and I are attending here in Sydney, he made an argument that the Netherlands has the right policy towards heroin. It allows prices to be low enough that addicts do not have to commit crime in order to finance their habit and purity to be high enough that people can smoke the heroin instead of injecting it. Don Weatherburn of the New South Wales Bureau of Crime Statistics and Research, on the other hand, said that creating the heroin drought was exactly the right thing for Australia to do because it drove prices up, there was a sharp drop in the number of overdoses, there's been no increase in the crime rate, and there has been improvement on a variety of other heroin-related outcomes. A woman in the audience said, "Well wait a minute, Peter. You're saying this and Don you're saying that. Which one of you two is right?" My answer is they both may have been. Peter may be describing the right policy for the Netherlands, which has a very mature heroin problem. Don was probably describing the right policy for Australia.

DRUGS AND SOCIETY

- AUSTRALIA, THE NETHERLANDS

AND THE USA

Peter Cohen

In the Netherlands, we have learned to live with drugs without a strong punitive system of prohibition. Decades ago, in the nineteenth and early twentieth centuries, people wanted to follow the American temperance movements and prohibit alcohol. In the Netherlands, there was a strong labour movement, willing to engage in a fight to emancipate its working class members. It saw how badly alcohol worked on the working class. So, eventually, it was decided that beer would be made cheaper and hard liquor would be made more expensive. In the end it was seen as better to improve public housing, to improve salaries and to improve healthcare. After a long discussion, the Dutch decided not to have alcohol prohibition but to have long ranging social policies that would lessen the need for heavy drinking. And also make treatment and care for people, who did the heavy drinking, more available.

The Dutch, as well, had a big colony, which is now Indonesia. They were producing opium there for the Chinese and a small minority of the Japanese endogenous population. The Dutch decided to have a regulated system to make this drug available to those who wanted to use it, to increase the quality of the opium to the highest possible level and make it very cheap. So opium has always been cheap in the Dutch Indies. Moreover, there was some social support for people who were using too much of it, the same social support that the Dutch had already initiated for excess use of alcohol in the Netherlands. I'm speaking about the period that ended in 1940 when Java and the rest of the Dutch Indies were occupied by the Japanese.

In the Netherlands itself, apart from alcohol, there were not many drugs that were used until the 1960s when marijuana came along. Cannabis became part of a new lifestyle for youngsters and students who said that they were going to change the world. They were also changing the intoxicants that they used and they chose marijuana and LSD. The Dutch government had to create an answer to that. It installed two commissions. One commission headed by a criminologist, the other

commission headed by a medical doctor. Both concluded that it would be much better to have people use the drug that they preferred than to imprison them. Imprisonment would be so much more destructive for these youngsters, who were choosing drug use, that we had to simply allow them this for a period in their lives. A lot of research was done in the late 1960s about how long such careers lasted and concluded these careers did not last very long. So the conclusion was, let's not prosecute, let's not harass the conflict, or individual drug users and small time sellers. By 1972, these insights had become a majority point of view.

From that period on, in the Netherlands, individual drug use has gone unpunished, although the law prohibiting its use was never changed. Individual drug users were never arrested by the police. Small time dealers and sellers were not arrested. And, in this system, cannabis was given a special position. Since cannabis was the most often used illicit drug in the Netherlands, it was decided that the drug cannabis should not be sold by criminals in the streets, but that youngsters who wanted to use it should be able to buy it in the youth clubs that were available to them.

So, in the many municipalities that subsidised clubs for youth, where you could see films and play a type of soccer, the government allowed the so called "club dealers". Only he or she was allowed to sell cannabis. This went on from the early 1970s to the early 1980s, when some of these club dealers decided to open shops. The coffee shop system was born. Small shops were allowed to sell cannabis to people who were no longer going to youth clubs but who still wanted to smoke some marijuana. There used to be about 1200 coffee shops in the Netherlands around 1995, now there are about 850 of them divided over 50 different municipalities. They are usually extremely good businesses.

In the Netherlands, in 1997, after almost 30 years of decriminalised cannabis use, the Dutch average use is about 16 per cent which is exactly half of the figure for the United States where usage is 32 per cent. In the UK, where the drug laws are much stricter and applied in a much stricter way, lifetime prevalence for lifetime experience with cannabis is about 27 per cent. In Germany and France drug use is almost the same as in the Netherlands.

This is a very interesting fact because it has given rise to a study that we undertook just a few years ago and we published the results last week. We reasoned that, if lifetime experience between countries with such different drug control regimes is about the same, if the very strict drug control of America or Britain deliver higher use levels, and the strict drug control of Germany delivers about the same drug use level as in the Netherlands, and a very strict drug control system as for Greece or Sweden delivers lower drug use levels, maybe we should not

speak about delivering but should say that different levels of experience with drugs exist in different countries, irrespective of drug policy.

So our Institute, together with the universities of California (USA) and of Bremen (Federal Republic of Germany) decided to make a study about the ways in which people use cannabis. It would have been interesting to also include other drugs in those examinations, but we didn't have the money. We opted to use methodology we had already tested for a big user study in Amsterdam and apply this in Bremen, Germany and San Francisco in the USA – The attempt was to try to compare variables which would describe the pattern and career of use of cannabis. Cannabis is the generic name for marijuana and hashish. Together it's called cannabis. To our surprise, we did not only find that patterns and careers of use were very similar, they were extremely similar. We now have data with which we can show that whatever drug control system you have – the German, the Dutch which is basically semi-legalisation, or the American which is rather strict – the way that people use cannabis is practically the same. They start at the same ages, they use it at the same locations, they have the same number of periods of abstinence. They have the same peaks and the same valleys. It is amazingly similar.

The report of the three cities study was called "The Irrelevance of Drug Policy". This is a title politicians do not like, because many politicians prefer drug policy as a topic for making politics. Yesterday, or the day before, I heard here in Sydney how many politicians use drug policy during elections as a kind of value exhibitionism, a way of showing how good their values are. The truth is that you will find little difference between those with highly punitive drug control systems and those with a drug policy which is much more treatment oriented. Not only politicians but many other people such as academics, doctors, sociologists like myself, used to think that drug policy mattered. But the factors that determine crime, the factors that determine drug use, the factors that determine all types of social behaviour are so complicated and so multiple that the mere fact of some people saying we should do this or we should do that, or the probability of being arrested being higher or lower, all these things do not play a very large role in the levels of use that we see in a population and in the careers that we see with the users.

It's time to maybe distance ourselves a bit from that now obsolete view that drug policy really matters. We have to find out instead how we can lessen the harm that some types of drug use can have for society, or for individuals.

The Dutch model comes from a philosophy that says, drug use is going to happen so let's regulate it. It is the same model as the Dutch have applied to prostitution. No one in his or her right mind would say we can make an end to prostitution. So, after a period of about 40 or

50 years of slowly regulating prostitution that could take place in particular parts of the city and not in others, we made regulations for how and where, and the minimum number of brothels and so on. The same rules have been made for coffee shops. The same thing will happen around euthanasia. Euthanasia is happening. Doctors are actively making an end to lives of people that are hopelessly ill. Let's regulate it. This philosophy of regulating, instead of trying to end undesired behaviour is a significant factor. It can be found in all types of policy in the Netherlands, not only in relation to drug use. This, according to me, is a sensible approach.

There is no country in the world that has ended alcohol use. Drug use levels in all the populations of the first world are rising. There is no big town in Europe, or in the United States, and I suppose also here in Australia, where drug markets have not established themselves. People who are 40 years and younger all know which drugs there are, how much they cost, what their uses are. So we are not going to make an end to drug use. My view, which is very Dutch, is let's regulate it.



1. Janice Anoutsos, John Jefferis,
Jenny Jefferis
2. Philippa Smith, Paul Murnane
3. Joan Linklater, Kay Turnbull
4. Chris Drummer & friend

5. Rhiannon Carter, Rebecca
Jaggard
6. Darrn Baguley
7. Rebecca Gibb, Matthew Deaner
8. Kerry Edmeades & Tony

9. Les Apolony, Deborah Campbell
10. Charles Curran, Eva Curran
11. Peter Shaw, Julia Thornton
12. Coleen Beck, Stephen Wong
Photographer: David Karonidis



Michael McKernan



Diane Armstrong

Photo – David Karonidis

In the stories of Australia's war heroes and those who have sought new lives Down Under as refugees, there is much to learn. Diane Armstrong, as a young girl, sailed to Australia on the overcrowded and clapped out **Derna** from Marseilles. In **The Voyage of Their Lives** (HarperCollins) she has recorded the pain of that journey and arrival. Michael McKernan, on the other hand, in **This War Never Ends: Australian Prisoners of War Come Home** (Penguin) has charted the experience of hundreds of returned service personnel after World War 11. Michael McKernan and Diane Armstrong addressed The Sydney Institute on Wednesday 7 November 2001.

THIS WAR NEVER ENDS

Michael McKernan

Guy Harriott, described by the historian of the **Sydney Morning Herald**, Gavin Souter, as one of that paper's best war correspondents, served in the Middle East and the Pacific, appointed in 1939. He knew war, and he knew Australians. He had seen it all. In late September 1945 with the peace just a month old, Harriott joined a troopship in Darwin and sailed down Australia's east coast. His fellow passengers were former prisoners of war returning to their homes after three and a half years of starvation, unceasing, dangerous work and, often, mindless brutality. Harriott's **Herald** readers were eager and anxious to find out how these men had fared. There had been almost no news of any of them for the entire period of their captivity. Indeed when John Curtin asked the Post Master General, he discovered that after 15 months of imprisonment less than 500 letters or cards had arrived in Australia from the more than 22 000 men in captivity. All of Australia was holding its breath to know how these men and women had been treated; what had happened to them. There were rumours, of course, and some shocking isolated stories that had somehow slipped under the censor's guard but for most it was, simply, silence.

There's nothing wrong with these men, Harriott reported, that "a month's loaf on the beaches won't cure. These men are not broken, even battered, in body or spirit. Their scars have healed fast". Even the "amps" – amputees – were cheerful, "as nimble on one leg as many men are on two". Was this wishful thinking, a failure to treat his readers as adults, or what the former prisoners might themselves have wanted him to write? Indeed if Guy Harriott had been listening to the men on board the troopship he would have heard the former prisoners earnestly asking one another how they would be received in Australia. Would they be shunned as pariahs, as men who had disgraced the Anzac legend their fathers had fought so valiantly to establish? George Johnston found men of the 8th Division who feared that they were going back to Australia "like a pack of convicts and cowards' marked forever with "a stigma of disgrace and shame". As HMS **Speaker** steamed

from Manila on the last day of its journey to Australia with 600 former prisoners on board one man wrote in his diary: "all hands are quietly excited about tomorrow – arrival in Sydney. Or are we?" Even "Weary" Dunlop, almost the last to leave Singapore anyway, and up till then always inventing excuses not to go, jumped off his Melbourne bound plane in Sydney and spent an afternoon on Bondi Beach with a doctor mate discussing whether he could face up to home and his long waiting fiancée. "Will it work out?" he asked and later told his biographer: "I had lost my nerve."

The first Australians to arrive home from the prison camps after the war flew to the flying boat base at Rose Bay. There was a crowd of 50,000 or more people to welcome them. When the doors of the Catalinas opened and the men stepped onto the launches a roar swept over the harbour, a noise such as never had been heard there before. This was no ambiguous or ambivalent welcome; this was wholehearted and full throated. The returning prisoners were shocked, ill-at-ease and embarrassed; they did not know what to do or where to look. They were the fittest men, specially chosen, to set civilian minds at ease. These were not men who had lost half their body weight, who had been ravaged by disease. They were not, like Sister Jessie Simons on the day she was rescued, at the last point of starvation, wondering how she might hold on a little longer. In comparison to her, these men did not look too bad.

Quickly herded onto buses for Concord Repatriation Hospital where they would meet their families "they were gone in a minute" a journalist reported. "What followed seemed as touching as themselves. The composure of group after group [of bystanders] along the footpath seemed to collapse. The writer has seen many poignant and dreadful scenes around the world but he cannot remember any which moved him more than the spectacle of these silent people, standing on the edge of a Sydney pavement in the dusk, their faces crumpled, their hands grasping bags, hats, little children as their tears fell unashamedly." They had been holding themselves together, you see, trying to kid the returning prisoners that they did believe the fiction: there was nothing wrong with these men that a month's loaf on the beaches wouldn't cure.

Australians go away for war and they are expected to come home to a clean slate and a new beginning. I have written this book to show that reality is probably not like that for any soldiers and their families, and certainly not for former prisoners of war and their families.

I was able to publish a brief account of my project in the journal of one of the ex-prisoner of war associations. In the manner of those journals this was reprinted in a number of other ex-prisoner journals. And that's when I discovered what an important issue this was for many of the former prisoners and their families. For I started to receive

correspondence and phone calls from people who said that at long last there would be discussion of an issue that still bothered and hurt so many people.

Let me give you a couple of examples of what people remembered. Immediately they were able to do so after the war had ended, prisoners in the camps began writing home regularly and in some detail: "I am in tip-top health and condition," a father wrote to his 13 year old daughter in September 1945. But, even so, he anticipated some of the difficulties they would both experience when he returned home. "You are wondering what I'm like and I'm trying to build a mental picture of the people in my little family. Well this is sure," he concluded, "if I find you as fit and as full of pep for the future as I am myself, life should be very rosy at our place." "What a lot we have to find out about each other," he admitted in his next letter. "I am dying to know what you and the little ones look like and what your hobbies are and your likes and dislikes."

This girl, Nola, remembers all the details of her father's return home with a freshness and clarity which tells how important these days were for her. Earlier in the war she would often come across her mother in tears. "Mum might have heard some news on the radio to start her off." And she missed her husband dreadfully. So did Nola miss her father. When the news of peace came, Nola was at school and she remembers throwing streamers from the bus on her way home in her joy at what the news meant for her family. She remembers, too, how excited her mother was when she got home; and her little sisters were racing through the house shouting "Daddy's coming home, Daddy's coming home." When they heard that he was safe, and in Nola's memory this was very quickly after the news of the peace, "I don't think we stopped crying for two days." Nola's mother went alone to Sydney to meet her husband and they were away for three days "to get to know each other again". Nola went to the station alone to welcome her mother and father home and might have been apprehensive at meeting the man whom, in truth, she hardly knew.

Her father was gaunt and thin she thought but "didn't look too bad to my eyes ... I thought he looked alright". He held her hand all the way home from the station and kept saying to her, "You're beautiful, look at your beautiful skin." His sisters got together "and made him a party when he came back. I suppose a couple of days after. They were all fantastic cooks my aunts. I'll never forget it. I've never seen so many sponges... Dad was absolutely overwhelmed because all the [relatives] came to that party". But Nola also remembers that she was "a bit of a problem" when he got back because she resented the loss of her position with her mother and because her father did not really know how to treat her. Her father did not believe that she needed a say in the running of things at all and "their personalities clashed".

“I was petrified of Father actually,” she concluded, “I was scared stiff of what he’d do if I did something wrong.” He was a stern man, much given to lectures which Nola and her sisters found “boring”; and he never talked about the war. “I wanted to be very close to Dad and I never was. I tried ... I wanted a piece of him and he couldn’t give it to me.”

It is not hard to imagine this father of three, 37 years of age when he enlisted, dreaming of his family, forever in his thoughts, in all the years of his captivity. He would have pondered how desperately he missed them and he would have cursed the fact that he would never regain all that he had lost of their growing years. “You will know Janice and Wendy so much better than I”, he had written to Nola in that first letter, “I’ll get you to put me through a quick catch-up course.” But that was too optimistic. He could indeed find out about “the latest news and the music, movies and school doings, books and topics of the day”, as he asked that Nola be prepared to bring him up-to-date in all of these. But there could not be a “quick catch-up course” in the lives of his children. They had lived a significant part of their lives without him and those years would remain forever lost, making this father, and possibly many others like him, somewhat remote and unknown to his children. More than a decade later this man, who had resumed his work as a teacher, would have the first of his “nervous breakdowns ... he was morose, he couldn’t cope with work”; possibly the seeds of the illness were planted in those first days at home when the high hopes and dreams of the prison camps clashed with reality of lives that had grown apart.

Stan Ringwood was born at Albury in 1914 and was a “bootmaker, repairer and mechanic” when he enlisted in the AIF in July 1940 joining the 2/30th Battalion, “Black Jack” Galleghan’s battalion; he soon came to worship the old man. Galleghan came to know Stan Ringwood personally, recognised his worth and had him promoted sergeant. Stan, who had lived most of his life in Junee, New South Wales, the railway town, married Jean, a Junee girl, in April 1941, just three months before he left Sydney for the war. There was a son, John, born after Stan had left for the war. Stan fought at Gemas in Malaya and had some really worrying times and then became a prisoner with the defeat at Singapore. Soon he had dysentery and was in the Changi hospital for twelve months. A tall man, with magnificent military bearing in the photographs his son proudly shows me, Stan Ringwood lost more than half his body weight in hospital – he was down to six stone. During his time as a prisoner he received only three cards from home. Only in June 1943, after 15 months of uncertainty did his wife, Jean, finally hear that Stan was at least alive, he was a prisoner. Her letter in return was so loving and so typical of those who had suddenly been released from the terrible fear that their soldier

might have died: "Well, sweetheart, I am walking on air ... I am so relieved to know that you are safe and well. So you can understand why my feet haven't touched Earth since last Friday night when the news arrived ... I had nine Phone calls Stan when the good news of you passed round Town, you can just imagine how it went, like Wild Fire ... [John] and I will be waiting for you at the Station as we have arranged over and over again. It will be wonderful won't it Stan ... when you come home darling all our worries will be over."

Jean Ringwood and their son John lived with her parents in Junee through all the years that Stan was a prisoner. It was a great day when he was to return home, a day for all the town. John's grandfather, the captain of the local voluntary fire brigade, spruced up the fire truck and with bells ringing, processed to Junee's magnificent railway station to see the train arrive. Jean, of course, had gone to Sydney but John stood on the top of the truck, straining to see the train approaching. When a Mrs Myers called to him that he must be so excited to know that his father was coming home, John was perplexed: "My father? He's not my father. This is my father," he yelled, pointing proudly to his Grandad.

That comment set the tone for much that would follow. They had built a sleep-out at the back of the house for Stan, Jean and the little boy; just one room really, but with a small stove so that they could live as a family when they wanted to. But Stan was difficult, nervy and moody; he smoked incessantly and got on the grog. There were shouting matches between husband and wife, with the in-laws joining in. John had never heard cross words in that house before. There were plans to build their own home but somehow that never happened; they all rubbed along together and his parents continued to live in the sleep-out until 1961 when Stan became fire chief himself and the family moved into the newly built station house. There had been no more children after John; illness and malnutrition in Changi had seen to that. Stan had set up as a boot repairer when he started to work again after the war but the shop had burnt down in 1947 and then it was the railways for Stan, first at The Rock, later, and until he died aged 55, at Junee.

The worst times, John recalls, were when a mate died. Stan would read obsessively the death notices in the newspapers, scouring the columns for any bloke he had known. But they depressed him, these constant reminders of his own mortality; 'I'm living on borrowed time' he would say. The words became a refrain, a mantra. It was always there, this fear that his life had been brutally shortened, and that death was just around the corner, as indeed it was. Stan Ringwood could not forget the war; it was with him and his family constantly. A death would set him on a binge and he would drink olive oil to line his stomach to allow for more determined drinking. John learned to hate Anzac Day which would put his Dad out of action for a long while.

Stories such as these gave me a glimpse into lives that had been so damaged by war. The book explains that the military had studied the problem for years before peace came and had developed an elaborate doctrine based on medical research for what these men and women would need. It shows why the plans that the military doctors had made were quietly but comprehensively shelved.

The book also explains the deep loneliness and terror of loved ones waiting on the homefront during the years of captivity and outlines what these people were trying to do to find out more about their sons and daughters, husbands. It shows that they believed themselves to be partners with the prisoners in suffering and it shows the expectation that they developed for life after the war was over. It explains that this was a silent suffering and hurt that few could articulate and how in modesty they would not talk of it when the prisoners came home, as their sufferings were so much more obvious and horrific.

The book also attempts to show how memories of home sustained the prisoners during the years of captivity and how those memories could be frozen in time as few men allowed themselves to think how the lives of those they loved might have moved on. For there was virtually no communication at all from either side, prisoners or those at home, for the entire period of captivity. It was the lack of any involvement at all in ongoing lives that was setting up such problems when those lives had to be integrated again.

Each man, and the circle of family and friends to which he would return, would need to make adjustments. There might have been a better way, a more leisurely and a more structured way of assisting the accommodations that needed to be made but in their haste to make it all normal again all sides to these issues minimised the difficulties. Most would soon admit, however, that “it wasn’t as I had expected”.

“I’ve changed so much,” one man returning to Australia from Japan said to his fiancée. “Take a good look at me and if you don’t like what you see well I’ll understand if you want to call it quits.” In his case, happily, the relationship was picked up from where it had been before the man went away. But even in this happy story both husband and wife would suffer dreadfully from disturbed sleep, nightmares and vomiting in the first years of the peace, and the nightmares even now sometimes return.

This is a book about suffering and about trauma but it is not a book about blame. Occasionally in my research and writing I have become incensed by the insensitivity of a senior military officer or a medical man who should have known better. The government’s response could have been more imaginative, but recrimination will not make the story any more palatable. In any case, in view of the numbers involved, in the determination of all to see the men in their own homes

as soon as possible, and in the popular belief that “she’ll be right”, there was little real prospect that the government could order long periods of care and rehabilitation, except in cases of obvious illness and wounds.

There was justification for all the positions adopted and decisions taken. Staggered though we may be by the army officer who counsels his minister about making too much of a fuss of the returning prisoners, nevertheless we have to agree with him that those who had borne the “heat and burden of the battle” on Kokoda, at Tobruk, in bomber command over Europe, had no less right to assistance and to the community’s deep-seated gratitude and admiration. The best we could have said to him was that surely it did not have to be either/or.

Nor would I suggest that the parents of a son killed in war would not have swapped places instantly with the parents of those who had to nurse their prisoner son, over many years perhaps, through the terrors and traumas of his terrible memories. At least, they might have said, you have your son back whereas we are left with a cold emptiness of the heart.

In this tale of anguish and suffering, of hopes unfulfilled, of misunderstandings, of fear and torture and death, there are very few – prisoners or their loved ones at home, politicians, military leaders, community workers, doctors and public servants – whom we have the right to condemn; whose motives we can contest. It is war that we should learn to hate through the telling of this story: war the dreadful evil that makes these things happen. For most of the people in this book, war was an atrocity from which they could be liberated only slowly, if at all. For this war, like all wars for those captured by it, never ends.

TRAUMA AND MEMORY

Diane Armstrong

I'm delighted to be here tonight to talk about **The Voyage of Their Life**, a book which relies extensively on memories of traumatic events. When I first thought of writing about the **Derna**, it seemed like Mission Impossible. How was I going to recreate a voyage that took place over 50 years ago, when the ship no longer existed, its log had disappeared, and I had no idea who the passengers were? Yet in spite of these obstacles, I was obsessed with the voyage of the **Derna**, a post-war migrant hellship which sailed from Marseilles to Melbourne in 1948.

My passion for this project stems from the fact that I sailed on the **Derna** myself. I came out with my parents from Poland when I was nine, but about the only thing I can remember is sitting on the deck, knitting dolls' clothes. That amazed me when I discovered how eventful and dramatic the voyage was, and that it lasted for almost three months. Psychologists are convinced that our minds store traumatic memories in a special way, so perhaps I was converting mine into knitting!

I knew from my parents that the **Derna** was ready for the scrapheap. It had been built back in 1915 for the German East Afrika Company to carry cargo and nine passengers, and was refitted in a great rush in 1948 to carry 545 migrants. I remember the stuffy, overcrowded cabin that I shared with my mother and over 20 other women and children, and the primitive communal washrooms we used. There were no laundry facilities of any kind, and what that must have been like for mothers of all the babies and toddlers on board, doesn't bear thinking about.

The **Derna** was a floating United Nations carrying passengers from 15 European countries. There were many Holocaust survivors like my parents and I, who had been persecuted by the Germans, but there were also nationalities who had been allies of Hitler and some of the men had fought with the Wehrmacht. There were passengers from concentration camps, labour camps, DP camps, Communist gulags in

Siberia and Greek islands where civil war was raging. Most of us were fleeing from anti-semitism, communism, or civil war, all hoping to find a safe haven in Australia.

The storyteller in me was stirred up at the thought of all the stories of those displaced, destitute and desperate people. I was dying to find out what had happened to them all during the war, why they'd chosen Australia, and what they remembered about the voyage. I longed to trace their lives to see what became of the hopes and dreams.

Since 1788, we have been a nation of boat people, but as far as I knew, no-one had ever taken one post-war migrant ship and traced the lives of its passengers until the present day. The more I thought about it, the more significant our voyage seemed. Refugees have been a recurring theme throughout our history, never more so than today – and in fact our arrival on the **Derna** foreshadowed today's situation in many ways. Although we all had permits from the Australian government, many of the passengers had falsified their documents to obtain a passage. What's more, many Australians felt threatened by these "bloody reffos" and wrote angry letters to the **SMH** about this flood of foreigners. I knew I just had to tell the story of the **Derna** and its passengers. But first I had to find them.

When I was at school, I longed to be a detective. I could think of nothing more exciting than uncovering mysteries, searching for clues, and then piecing the story together. And that's exactly what I ended up doing in my search for passengers. My first step was to apply to the National Archives, although I doubted whether they'd have any documents about the **Derna**. To my delight, several thick envelopes arrived containing departmental memos, reports about the appalling conditions on board, files about some of the passengers, and a passenger list.

Scanning the list, I saw that there had been some Estonians on board so I placed a notice in the Estonian newspaper for the following week saying I was looking for passengers from the **Derna**. That same afternoon the phone rang, and a woman said: "I'm Helle, I'm the editor of the **Estonian News**, and I was on the **Derna** with my family." Before I could get over this incredible coincidence, she added: "Our secretary Lea was on the Derna too!"

I couldn't believe my luck but that was only the beginning. Helle, who had been 17 at the time, had kept a diary throughout the voyage, which she copied out for me. Imagine having the diary of a romantic 17 year old girl on a long voyage! And Lea gave me her father's journal. His contained fewer feelings but more facts about our diminishing speed and the deterioration of the engines. It turned out that many of the Estonian passengers had stayed in touch, and thanks to Helle and Lea, I acquired a network of people whose stories gave me an insight into a nationality I knew nothing about.

In addition to ethnic newspapers, I approached the co-ordinators of ethnic radio programs to broadcast my search. One of the first to respond was Rita who told me that she had come out on the **Derna** with seven members of her Latvian family. On the voyage, she had fallen in love with a stowaway and would have married him if the captain hadn't refused to perform the ceremony. Rita's experiences in Australia were a poignant saga of tragedy, exploitation and courage. I could have written an entire book about her, but as I was to discover, this was true of all the passengers I met.

Researching the history of the ship was like trying to solve a jigsaw puzzle: the more pieces I collected, the easier it became to slot others in. As time went on, I became instrumental in getting old shipboard friends together again. The launch of **The Voyage of their Life** last week became an emotional reunion, and passengers who hadn't seen each other for over 50 years hugged each other and wept as the memories came flooding back.

One of my best pieces of detective work involved a man whose story aroused my suspicions after his son told me that he vaguely remembered his father being involved in intelligence work during the war. It occurred to me that ASIO might have a file about him and I applied for it. After long delays and discussions, they finally released it. I really felt like a detective in a John Le Carré novel as I pored over files that were thrillingly marked "Secret", whose contents were far more shocking than I had imagined.

Tracking down the woman who was the subject of the biggest scandal on the **Derna** also involved much detective work. Everyone remembered the sexy German girl who had moved in with the escort officer but no-one remembered her name. Eventually, one of the male passengers told me what it was – but it was her maiden name. Not much use 50 years later.

I kept going through the passenger lists in the hope of finding some clue to her identity when I noticed the name of her sponsor. The sponsor had an unusual surname with only five listings in the telephone directory, so I started dialling. The second woman I spoke to said: "The sponsor was actually my mother-in-law. She's been dead for years but I do remember the German girl. She got married but after all these years I don't think I remember her husband's name." I held my breath.

She did remember the name. Again luck was on my side because it wasn't a common name. I was thrilled to hear that the woman who answered the phone had a German accent. I knew I'd have to be very tactful in the way I broached the subject of her shipboard affair. After all, I couldn't very well ring a strange woman and say I heard all about you and the escort officer. I hadn't finished telling her that I was researching the voyage of the **Derna**, when she burst in: "Have you heard about our escort officer? I was his secretary on the voyage.

I can show you a photo we had taken together.” I felt as though I’d won the lottery!

The Voyage of Their Life became a collage of history and memory, of recollections, reminiscences, and archival documents. It was fascinating to compare what people remembered and what they forgot. Most of them recalled that when a fire broke out, there was pandemonium because the crew couldn’t find the hoses. The refrigeration broke down and everyone watched in horror as the crew flung three tonnes of rotting meat into the sea. Two engines broke down, and we drifted for weeks in the Indian Ocean.

By the time I was ready to start writing, I’d interviewed over 100 passengers, and accounted for about two hundred others. Among them were 61 Jewish orphans travelling with a chaperone. Most of them had been in concentration camps where their parents and siblings had been murdered, and where they themselves had gone through unimaginable suffering. If anyone ever had a good reason to repress the past, they certainly did, and in fact until recently, few of them had talked about their experiences, but luckily for me, they were now ready to tell their stories. I have to admit that there were times when it was almost unbearable for me to listen to what they were saying.

From the matter-of-fact way they recalled their wartime experiences, I had the feeling that they had somehow distanced themselves from those hideous times in order to cope with the past. In fact several commented that it seemed as if it had happened to someone else. I remember one elderly man whose voice cracked and his shoulders heaved as he told me about his experiences at Buchenwald concentration camp. This was the first time he’d ever talked about it, and not even his wife or daughters knew what he’d been through.

Among the passengers we had an elderly Russian princess who was related to the Romanovs, a Russian Orthodox archbishop sent to establish the Russian Orthodox diocese in Australia, an Estonian submarine commander, a honeymoon couple who must have had the most celibate honeymoon on record, because the cabins were segregated, and a sleazy officer who seduced a seventeen year old girl – if I’d been writing a novel I couldn’t have assembled a more colourful cast of characters or a potentially more explosive situation.

A voyage is a microcosm of human society, and we had everything on the **Derna** from mayhem to mutiny, birth, death and a mysterious midnight fight in which a passenger was thrown overboard. As weeks turned to months, tension among the crew increased, and they lashed out at each other with knives. At one point, the captain had to use his pistol to restrain them. And tension between various ethnic groups escalated, largely thanks to the escort officer who stirred up trouble between the Baltic passengers and the Jews.

As I scoured libraries and archives, I discovered that our arrival caused a furore. For one thing, we had exceeded the Jewish quota. In 1948, the policy of the Australian government was that no more than 25 per cent of the passengers of any ship should be Jews, but in actual fact, the **Derna** carried far more than that. When the immigration authorities were alerted to this, they decided to allow everyone to land but the minister urged his department to make sure the press didn't find out!

There were also headlines about communist agitators because one of the Baltic passengers wrote a letter to the immigration authorities alleging that Jewish communist agents were coming to spread propaganda in Australia. To accuse refugees of being communist agents in 1948 was like accusing today's boat people of being terrorists.

The deeper I got into the story of the **Derna** and its passengers, the more I realised that this was also the story of Australia as well. When we arrived here in 1948, this was a homogeneous nation where 97 per cent of the population were white, anglo-saxon and conservative.

It's interesting to speculate that if the government had been influenced by the prevalent xenophobia, many of us would not have been allowed to migrate here. I shudder to think what my life would have been like if I hadn't come to Australia, but I also think that Australia would have been much poorer without our wave of post-war immigration which helped to transform the cultural, ethnic, economic and intellectual landscape of our country, and make it the diverse, multi-cultural nation we are today.

The Voyage of Their Life was based on history and memory but it seems that when you're really determined to do something, the universe seems to conspire to help. Last year, just as I was writing about the beginning of the voyage, my elderly aunt in Poland sent me something she'd found at the back of a drawer. I couldn't figure out why she'd sent me an old postcard of Marseilles until I turned it over. With a start recognised my mother's handwriting. The date was 30 August, 1948. My mother had written the card on the **Derna** on the day we sailed for Australia and my aunt had sent it just as I was writing about our voyage. As I read it, I had the strange feeling I was watching my parents and myself just as we were stepping over the threshold of the past into the future. I saw them with all their hopes and dreams for themselves, and above all, for me. That's when I understood that my obsessive search for the story of the **Derna** was more than a quest to record a historical event: it was also an attempt to comprehend the voyage of my own life.



1. Jo Baker, Sophia Baker, Anya Muston
2. Alison Broinowski, Anne Broinowski
3. Antonia Roland, Brian Shepherd,
Margaret MacDonald
4. Caroline James, Robert Ward

5. Ken Goodley, David Morrow
6. Justine Marsden, Antonin Sebasta
7. Sonja Schere, Lothar Haschke
8. Tim Bulman, Ellis Connolly

9. Liz Day, Matthew Deaner
10. Jack Paine, John Beer
11. Pru, Parkhill, Geoff Board
12. David Pigott, Paul Rigby

Photographer: David Karonidis



William Maley



Dewi Anggraeni

Photo – David Karonidis

In the conflict and confusion following the World Trade Centre tragedy on 11 September 2001, the West began to acknowledge its curiosity about the world of Islam, even to admit Islam's complexities. Dr William Maley, academic, barrister and author of **Regime and Change in Afghanistan: Foreign Intervention and the Politics of Legitimacy** (Boulder Westview Press) and Dewi Anggraeni, Australian correspondent for **Tempo** magazine and regular contributor to **The Jakarta Post** addressed The Sydney Institute on Tuesday 13 November 2001 to discuss some of the many facets of Islam and how the West might respond.

SOME FACTS ABOUT

ISLAM IN AFGHANISTAN

William Maley

Today is a dramatic day, given the reports that have come through this afternoon that the Taliban movement has been forced to flee the capital of Afghanistan and that Kabul is now under the control of the forces of the Northern Alliance. Despite this tumult, what I would like to do is step back from the contemporary events which have captured our attention and offer some broader comments about Islam in Afghanistan.

One of the great problems confronting Islam is that there is an almost compulsive tendency on the part of some non-Muslim writers to engage in wild generalisations about what is a complex and diverse religion both in terms of the philosophical precepts which define it and also the attitudes of those who identify themselves as Muslims. I was disturbed, in a major Australian newspaper on 1 November 2001, to read the argument of a well-known columnist who asserted that while extending a hand of friendship, it is reasonable since 11 September “to be wary in dealing with Muslims”. Would we accept such an argument in respect of other groups—for example Jews? The world saw enough of such collectivist thinking in Germany in the 1930s to be very cautious about it now.

Muslims are an extremely diverse group of people. In India in October, I visited the Afghan Ambassador to India who happened to be in the room, on the afternoon of 9 September 2001, when two suicide bombers killed Ahmad Shah Masoud, leader of the anti-Taliban forces, with a bomb concealed in a video camera. My friend has one thousand pieces of shrapnel in him, is blind in his right eye, and has lost his hearing in his right ear. He is a devout Muslim, but that did not protect him from the agents of Osama Bin Laden who killed Masoud. Written questions they submitted to Masoud before the assassination revealed their motives: “Why are you so hostile to Osama Bin Laden” and “What would happen to Osama Bin Laden if you caught him?”

I encountered an excellent illustration of this diversity closer to home, in the comment that an Afghan friend of mine made rather

sharply in Canberra. Staff of the High Commission of Pakistan recently took it upon themselves to organise prayers at an Islamic Centre in Canberra for the “innocent people of Afghanistan” suffering under American bombardment. It was noted by members of the Afghan community that the Pakistan High Commission had not similarly organised prayers for “the innocent people of Afghanistan” when the Taliban massacred two thousand Shiite Muslims in the northern Afghan city of Mazar-e-Sharif from the 8-11 August 1998. The day after this meeting, an official from the High Commission telephoned my friend to inquire why he had not attended the prayer meeting. He replied: “I would attend a prayer meeting for the people of Afghanistan organised by Jews, Christians or Hindus, but **not** by the Pakistan High Commission.” Within the wide body of believers we call Muslims, not everyone is an extremist. People are moderate, people have minds of their own, people cannot be reduced to mere representatives of some crude category.

Having made that point, I think we also need to distinguish between different ways in which Islam as a faith can function socially. The Holy Koran offers a number of precepts about social life which are then augmented by the documented sayings by the Prophet Mohamed, the Hadith. By emphasising different parts of the Koran one can accord emphasis to different elements of this tradition. There are certainly passages within these texts which can be highlighted to try to paint the Muslim world as aggressive. However, there are passages in the Koran, which seem to be underemphasised, which point in the opposite direction. There is a powerful passage in the Koran that says there shall be no compulsion in religion, and moderate, liberal Muslims have been able to point to this as painting a very different picture from that put forward by radicals as to how Muslims should lead their lives. It is in accordance with this more moderate interpretation that most Muslims worldwide actually live. But texts have no capacity to interpret themselves, and this plays into the hands of charismatic figures who want to mobilise populations around more extreme political agendas.

In Afghanistan, Islam is an exceptionally complex social phenomenon. The bulk of the population of Afghanistan is indeed Muslim, and the bulk of the Muslims are adherents of the orthodox Sunni rather than the heterodox Shiite sect within the faith. Most people in Afghanistan who are Sunnis are by natural disposition relatively moderate in their views, capable of reconciling quite stringent interpretations of religious doctrine with the need to interact with other people on a day to day basis without irritating them and trying to tell them how to live their lives. Within the Sunni community there are also significant spiritual groups such as Sufi brotherhoods which have attracted large number of Afghans. Some of the leaders of the brotherhoods are quite conservative, uninterested in politics, and

pursue very much a spiritual view of the relationship between an individual and God, rather than the events of day-to-day politics and social life.

In the late 1960s there emerged what some would call “Islamist” groups amongst the Sunni Muslims in Afghanistan, that is, groups which were concerned to give a political twist to Islamic teachings. They demanded that the politics of the country be reconciled with what they saw as the demands of religion. Some of these individuals were modernists and moderate such as the late Ahmad Shah Masoud and some of his associates. Others were extremist and autocratic such as the **Hezb-e Islami** (“Party of Islam”), which more than any other group was responsible for the destruction of the Afghan capital Kabul. Its leader Gulbuddin Hekmatyar, despite his religious protestations, was identified in 1989 as the likely owner of the world’s largest heroin factory. During the course of the war in the 1980s, when resistance to the Soviet Union dominated the politics of the country, a number of Arab extremists were pushed in the direction of Afghanistan by Arab elites very happy to see the back of them. Many worked with Hekmatyar, and caused all sorts of trouble in their countries of origin when (to the consternation of the rulers) they returned alive.

Apart from Sunni groups, Afghanistan has a significant Shiite minority, many of whom are of Hazara ethnicity. Hazaras make up the bulk of people who have alighted from boats on Australian shores. Hazaras are notable for their Central Asian or East Asian phenotype, in contrast to other Afghans who are more likely to be of Southern European appearance. Not only are they religiously distinctive, but they stick out in a crowd. As a result, they faced grave peril at the hands of the Taliban. The Taliban force for a very long time adopted policies which were cruelly hostile to Hazaras, but their reputation really suffered when, shortly after they seized the Afghan capital in September 1996, they credibly established themselves in the eyes of the world’s media as being the world’s least feminist group—by a wide margin.

The Taliban were a pathogenic force. They emerged from Islamic training colleges in the North-West Frontier Province of Pakistan in which orphans from refugee camps were placed at a tender age under the authority of extremist, conservative clergy of Deobandi persuasion who filled their minds with all sorts of doctrinal material which a normal family life in Afghanistan would have washed away. The Taliban themselves were victims of disruption produced by war and this led them to engage in oppressive behaviour of a kind quite alien in Afghan society.

They reflected an eccentric fundamentalism based around a reclusive leader Mullah Mohamed Omar, who claimed for himself a title of **Amir al-Muminin**, or “Lord of the Believers”. It would not have been possible for the Taliban to acquire significance without two

particular sources of support. One was Osama Bin Laden who functioned as both the financier and the mentor of the Taliban movement. The Taliban takeover of Kabul in September 1996 was funded by three million American dollars from Osama Bin Laden, whose assets purchased defections to the Taliban by commanders on the road between Jalalabad and Kabul and allowed the regime of President Burhanuddin Rabbani to be overwhelmed. The other and more important support came from the Pakistan Armed Forces which after a kick start from Benazir Bhutto's Interior Minister, became a prime backer of the Taliban, providing them with material, financial and diplomatic support, even though many of the Afghan population regarded the Taliban with horror. It is unfortunate that the United States decided that it was a good idea to go to sleep at this time. The US could easily have strangled the Taliban in their bassinet. It took the events of 11 September 2001 to awaken the United States to the Frankenstein's monster which had flourished under the patronage of Pakistan.

There are four key elements of the US approach to Afghanistan: political, diplomatic, military and humanitarian. And the problem at the moment is that there is a discontinuity between these different elements. I wanted to point very briefly to six approaches necessary to carry Afghanistan forward. Here, I am not so much concerned with the elimination of Osama Bin Laden as with the achievement of some kind of stability for the people in Afghanistan who have suffered so much in recent years.

First, there needs to be a partnership between the international community and moderate Afghan Muslims who are available in large numbers to assist reconstruction. Without that partnership, without the sense that action in Afghanistan is a rescue mission rather than a punitive operation, then the prospects for Afghanistan will be poor.

Second, there needs to be attention to the dimensions of the humanitarian crisis in Afghanistan. The country is on the brink of an almost unimaginable humanitarian disaster: the United Nations argues that 7 million people out of a population of 19 million are at great risk in the current situation.

Third, it is necessary to insulate Afghanistan from its neighbours. When I think of Afghanistan, I am reminded of a story about the late Frank Knopfmacher, who was a Reader in Psychology at Melbourne University, and a notable controversialist. A friend remarked to him that his problem was that he had too many enemies. He replied: "I have no enemies. I have friends who do not like me very much." That is the situation in which Afghanistan has been trapped for many a long year. In particular, it has to be made clear to Pakistan that the days in which it could demand a veto over the composition of an Afghan government are over and will not come back.

Fourth, the crisis in Afghanistan is not a product simply of the failure to constitute a legitimate **government**, but of the collapse of the **state**. Any attempt to solve the problems of that country will depend on serious efforts with the assistance of the United Nations to rebuild the instrumentalities of a functional state. Not a strong state, indeed preferably one which is widely diversified, but one capable of performing certain minimal functions such as providing a basic level of security.

Fifth, the entire region is a troubled one. Problems in South-West Asia don't originate simply from Afghanistan; they reflect the relationship between India and Pakistan, they reflect the relationship between Afghanistan and Central Asian Republics, they reflect the relationship between Pakistan and Iran. All these need to be addressed if one is to move forward rather than witness a situation in which a promising start would be snubbed out by problems elsewhere in the region.

Finally, none of this will come cheaply. It is necessary to have a new Marshall Plan for Afghanistan. Unfortunately, General Colin Powell during a flight from Delhi to Shanghai seemed to rule this out in conversations with the press. Fear of US disengagement may explain why moderate Pushtun forces in Afghanistan have not defected as rapidly from the Taliban side as expected. But without resources it is fanciful to think that one can overcome the type of problems that Afghanistan has experienced. The international community, I think, has the key role to play here. If it again walks away from Afghanistan, it will pay a much higher price in the long run.

SOME FACTS ABOUT

ISLAM – INDONESIA

Dewi Anggracni

Ziauddin Sardar, a Muslim scholar living in London, recently wrote for the **Observer** News Service, that Muslims everywhere, from Egypt to Malaysia, were in a deep state of denial. There is an aversion, according to Sardar, to seeing terrorism as a Muslim problem and a Muslim responsibility. Sardar also pointed out that in the meeting of the Organisation of the Islamic Conference in Qatar in the middle of October 2001, the conference condemned the 11 September attacks, but refused to accept any responsibility.

I thought that was a little unrealistic of Sardar. Living in denial and subsequently refusing to accept responsibility for crimes of which you are not directly culpable, especially when the consequences are still so deeply felt, is not peculiarly Muslim. Our Prime Minister John Howard has been consistently refusing to accept responsibility and offer formal apology to the Aborigines for acts which took place many decades ago, where theoretically you could come across magnanimous saying, while my generation didn't do it, I'll offer our collective sincere apologies.

You need a sense of being in control of your circumstances before you feel strong enough to accept responsibility, especially if it is a case of collective responsibility. You also need to have the ability to be rational, hence a great deal of training in debate and emotional detachment. Last but not least, you need to know that when you take the responsibility and subsequently take an awful lot of flak from inside your own circle as well as those outside, you will eventually have some strength left to rectify the situation.

In Indonesia where some 85 percent of the population are Muslims, there are many moderate, rational and intellectual Muslims, and they are fairly vocal. However they are the voices of the minority, because the majority of Indonesian Muslims feel defensive and worse still, for decades under Suharto, have been conditioned to feel somewhat hamstrung.

Before I go on to the complex problems faced by Muslims of various groups in Indonesia, let me give you a brief background of the political context where being Muslim plays an important part. To avoid going too far back in history and taking hours to explain it, I will go as far back as the Suharto rule, and draw a sketch that hopefully makes sense.

During his New Order government, Suharto was extremely adept at power games. He contained the force of Muslim influence and kept it at arm's length, and successfully placed the Armed Forces as a counterforce against the Muslims. He then created an impression that without the Armed Forces, the non-Muslim public would be vulnerable to the spread of Islamic fundamentalism. At the same time he also cultivated relationships with Muslim groups, thus conveying the message to the Armed Forces that he could, without much difficulty, rally the Muslim forces against them if they failed to toe his line.

He then forced all different Muslim groups into one political party, the United Development Party, known as PPP.

With the Muslim groups all tidily contained, the Armed Forces and the civil servants all tied up in the ruling party, Golkar, it was then easy for Suharto to identify those who posed potential danger to him and his set-up, because they were mostly to be found in the Indonesian Democratic Party or PDI, his government only allowing three political parties.

PDI was indeed the most inclusive political party, accommodating many of the hard-nosed nationalists, the Christians, the intellectuals and the social democrats, basically those for whom the ideologies of the other two parties somehow clashed with their own values. However, not being explicitly Muslim, belonging to the Armed Forces or under the umbrella of Golkar, PDI was vulnerable to the government's accusations of being subversive or communist leaning. Under the New Order regime, being subversive or seen as infiltrated by communists was tantamount to trying to topple the government, hence liable to be charged with treason.

In fact, something very near to that happened to PDI in 1996. When the elected leader of the party, Megawati Sukarnoputri was becoming too successful in rallying support for PDI, the government began to see her as a threat. So at the party's national congress, a rival congress was engineered in another city, where a government sanctioned chairman, Soeryadi, was elected. Naturally Megawati's supporters were outraged, and insisted that she was still their rightful leader.

On 27 July that year, the Soeryadi-led PDI camp demanded that the headquarters in Jakarta be relinquished to them, but the Megawati-led supporters refused to leave the building. A full scale physical confrontation occurred where a number of Megawati supporters were

arrested and later charged with subversion. So being neither Muslim nor Golkar might mean being vulnerable to the claws of the all-powerful authorities. And since change, if it had to occur, would not come from Golkar, it would have to carry the Muslim label.

In a country where communism has been declared enemy of the state, therefore banned, any individuals and organisations who have dared question the government's social justice policy or lack of it, have had communist labels forced on them. Unless of course, they were Muslims. Thus Muslim militancy was born. So in the lower strata of the society, people have been using their Muslim identity when demanding social justice from the government. After the fall of Suharto, the different political groups that were taking advantage of the opportunity to emerge onto the political scene, could not ignore the potential power of the Muslim masses in initiating change.

One of the keys to change it appeared, was in the hands of the two largest Muslim bodies, the Nadhlatul Ulama, known as NU, a grass roots organisation with some forty million members, and the Muhammadiyah, an organisation of business practitioners, teachers and professionals, with a slightly smaller membership. Among the country's Muslim population, NU has always been known as traditionalist while Muhammadiyah modernist.

Not long after Independence, in the early 1950s, Indonesian Muslims enjoyed a limited period of economic revival, which benefited members of the Muhammadiyah. They continued their forefather's endeavours in founding educational institutions where their children experienced Western-style learning. By late 1960s, when the New Order government had just taken power, young Muslims from Muhammadiyah had graduated qualified in different disciplines, forming a powerful Muslim middle-class. And they soon used their combined assets skilfully.

With their Western education they entered the fields of business, government services and academia. Realising that Islam was the only significant alternative power to the ruling party, this new generation of Muslims also took advantage of their Muslim identity to enter politics. Not all of them positioned themselves in the alternative power, a fair number actually joined the ruling party, thereby becoming the Muslim influence in the government circle. And since they were already established in the civil service and experienced in taking part in policy-making, their influence in the policy of the government's Islamic university, IAIN, was also strongly felt.

Despite the presence of Muslims in various strata of society, Islam still represents the country's peasants and the lower middle-class, simply because the majority of the population are of those classes. The New Order government practised a curious combination of capitalism and authoritarianism, where they gained economic dominance by

renting their power to ethnic Chinese businesses. By choosing the ethnic Chinese to be their money spinners, the government retained political power and accumulated wealth at the same time. They knew the ethnic Chinese had no political power of their own, hence would remain dependent on them for their personal security.

Regardless of the number of generations the ethnic Chinese had lived in Indonesia and indeed they were Indonesian citizens, the government's regulations still discriminated against them, thus sending out clear messages to the general population that they were to be regarded as non-indigenous. For that reason also, their prominence in business only bred resentment all round.

So collectively they became the government's convenient hostage, as they were made to feel "indebted" to the government's protection. Here the Muslim business people also used their Muslimness to compete with the ethnic Chinese. While they may not have gained the same prominence in the field, they had a psychological power base among the population.

The emergence of Muslim influence did not elude Suharto. To make sure it did not develop beyond his control, he encouraged the founding of a Muslim think-tank, the Indonesian Muslim Intellectuals Association, or ICMI. He appointed as head of ICMI, his most trusted protégé, Dr B J Habibie (who later succeeded him as president). This government-sponsored think-tank did attract noted intellectuals, partly because people tended to want to be close to power, and partly because, in a country where being educated means belonging to the elite, many liked the identification of "intellectuals".

However, ICMI was closely watched, and the members were not free to express opinions deviating from the official line. When the then chairman of Muhammadiyah Amien Rais, who was also in the chair of the Board of Experts of ICMI, criticised the government's business dealings with some multinational mining companies, he was pressured to resign his chairmanship of the board.

His demotion in ICMI invoked different reactions in Muhammadiyah. Some were concerned that Muhammadiyah might have fallen out of the government's favour, others tacitly supported his stance. Among those who were concerned there were some who expressed disappointment that Rais may have jeopardised his organisation's standing vis-à-vis the government, namely Suharto, so important it was not to weaken relationships with power. In retrospect, the incident actually provided Rais credibility as an independent thinker. Later, during the last days of Suharto, he indeed emerged as an alternative leader.

In the meantime, NU, which as a political party merged into PPP in 1973, retained its name but changed the nature of its organisation into a social one. NU maintained its power base for some time in rural

areas, where it managed the rural boarding schools. Understandably NU had extensive social influence among the rural population. However the NU leadership gradually realised that if they wanted to gain political power in the New Order government they needed to compete with the other forces already in place. They began to send their children to universities too. One of the universities founded by NU, the Nusantara University in Bandung, is now part of the mainstream learning institution.

What is noteworthy in the NU style learning is that they practise the individual-development philosophy as well as the group learning philosophy. Since very few NU members were involved in large businesses, those who went to universities became intellectuals, and rarely found themselves in the position of competing with anyone in business.

Two of such thinkers are, the organisation's once chairman, Abdurachman Wahid, who later became president in 1999, and Nurcholish Madjid, the founder of Paramadina, a social foundation which has also founded a university. While Nurcholish is an independent thinker, he is of NU origins, and his works reflect a great deal of NU basic philosophy. Paramadina attracts very fine thinkers and extremely committed workers, who work not only toward achieving social justice and the empowerment of women, but also to being good Muslims while respecting the teachings of other religions and necessarily, other ethnic groups. NU, which has always been known as an organisation for traditionalist Muslims, nowadays has a comprehensive education structure under its wing. Paramadina University, while not officially an NU institution, bears a great deal of NU identity.

While Muhammadiyah members were no strangers to Western-style education and sophisticated life-style, it is interesting to see the development of NU in Indonesia's intellectual life. Muhammadiyah has wide and established influence in all sectors of the country's middle-class, including medium to large businesses. NU's power-base is mostly agrarian and small businesses. The unfair distribution of wealth affects mostly the NU community. During the 1997 riots where churches and shops belonging to ethnic Chinese were burned down in East Javanese towns, it was alleged that some NU members were involved. Wahid promptly made a public apology for his supporters' involvement, and at the same time exhorted his supporters not to subject themselves to incitement to violence, especially victimising a particular social group. He emphasised that such acts were contradictory to the writings in the Qur'an and the teachings of the Prophet Muhammad.

Islamisation is now an irreversible current in Indonesia. The country is close to being saturated with Muslim influence, if not Islamic thoughts. In the political arena, this influence is already very visible.

Since the fall of Suharto, over 50 political parties sprouted, however only a handful appeared to be strong enough to ride through the current crisis. Three of these have explicit Muslim labels: the PKB, which won 13 per cent of the 1999 Parliamentary election, was founded by NU, the PAN led by Amien Rais, former chairman of Muhammadiyah, 7 per cent, and the existing PPP, the current Vice President Hamzah Haz' party, 20 per cent. Even the two big ones, PDI (Megawati's camp), and what is left of Golkar, while inclusive in principle, have a lot more Muslim than non-Muslim members.

The Muslims groups, coming from different backgrounds, having come through different routes, do not necessarily have the same interpretations of events or situations.

One very important aspect that people outside the Muslim world seem to overlook is that because of the social and economic inequity between the Muslim masses the non-Muslim segments of the population, the Muslims still see themselves as victims of social and political injustices. This widespread belief is a ready time-bomb for any group who want to manipulate it. Unless this problem is tackled head-on, countries like Indonesia will always be riddled with internal conflicts of which the overflow is felt outside from time to time, and will not be in a position of strength to exhort their Muslim population to understand that they are easy prey for terrorist manipulation, let alone take responsibility.

Author and journalist Ian Buruma, recently wrote for the **Guardian News Service**, criticising the silence of liberal intellectuals inside the Muslim world, including Indonesia. It is true, as he stated, that moderate Muslims in Indonesia are wary of an Islamic backlash. But they have not been silent. Muslim intellectuals such as Nurcholish Madjid, Azyumardi Asra, Vice Chancellor of IAIN Islamic University, and other moderates have been addressing fora, interviewed on the print and electronic media, and writing columns in various media. However, instead of condemning the hardliners who encourage physical jihad, which very likely would land them in a confrontational position with them, thereby alienating the masses, these intellectuals work on a different plane.

They keep reminding the masses what is written in the Quran, what Prophet Muhammad actually said, thus making them see for themselves that those advocating violence are actually at odds with the true teachings of Islam. They do not stop at lofty teachings either. Syu'bah Asa, a senior lecturer at Paramadina University, wrote a column in **Tempo**, 21 October issue, with a sober reminder to those who are driven to join a volunteer army to defend Afghanistan against US aggressions. He asked them to open their eyes to the fact that those in the war against the Taliban were not all secular. (Being secular in the mindset of these people, equates being anti-Muslims). Many in fact are

fellow Muslims who do not agree with the Taliban. The question he then posed to those would-be volunteer warriors was, are they indeed prepared to fight and kill fellow Muslims in Afghanistan? Are they sure that the Taliban and Usama bin Laden whom they allegedly are protecting, are the true Muslims? That indeed, is the closest to the line a Muslim intellectual can go, without losing his credibility as one, and becoming, in the eyes of the Muslim masses, a politician.



1. Michael Davis, Angie Gallinaro

2. David Ingram, Olya Booyar

3. Anna Park, Adam Cagliarini & friend

4. Anna Holder, Gerald Holder

5. Barry Davies, Rachel Davies

6. Michael Baume

7. Susan Cox, Vacelia Pavlatos

8. Ghaith Krayen, Stan Moore

9. Maria McNamara, Anne Henderson

10. John Freeman, Ryoko Freeman

11. Mark Sant & guest

Photographer: David Karonidis

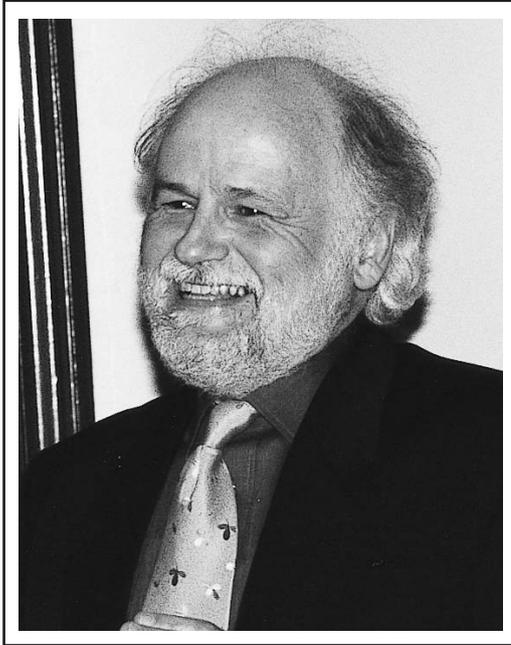


Photo – David Karonidis

David Day

David Day, author of the acclaimed biography of Prime Minister John Curtin, has now completed his biography of Australia's war time Labor Prime Minister Ben Chifley. The son of a blacksmith who went on to become a train driver, Chifley as a politician became one of Labor's most revered leaders. As Prime Minister he announced Japan's surrender in the Pacific War. To discuss some of the work which went into producing **Chifley** (HarperCollins), and the legacy of Ben Chifley, David Day addressed The Sydney Institute on Tuesday, 20 November 2001.

THE GOLDEN AGE OF

BEN CHIFLEY

David Day

Fifty years ago, Ben Chifley died of a heart attack in his Canberra hotel room. While his secretary and companion, Phyllis Donnelly, called in vain for a doctor, across the paddocks the gaily festooned Parliament House resounded with the music of the ABC dance band and the shuffle of dancing feet. Chifley's parliamentary colleagues, along with invited guests from across Australia and around the world, had gathered to celebrate the jubilee of the parliament's opening in 1901. But the festivities came to an abrupt end as news of Chifley's death spread among the formally dressed revelers. Prime minister Robert Menzies was as distraught as most when he announced the death of a man he described as "a fine Australian".

How did Ben Chifley, with his rudimentary education and shy nature, rise to become one of the most admired and widely loved prime ministers of the last century? And what were the enduring political legacies, if any, of this long-time train driver turned politician? These are some of the questions that I attempt to address in *Chifley*.

In answering these questions, I have tried to move beyond the usual top-heavy and sometimes one-dimensional political biographies that concentrate their attention overwhelmingly on the few years spent by their subjects at the summit of political life and which ignore the many more years their subjects spend struggling towards that summit. Both Fin Crisp with his landmark biography of Chifley, and Lloyd Ross with his biography of Curtin, were examples of this style. There are many others. Not that such books do not have their place in the field of biography. Indeed, they dominate it as far as biographies of politicians are concerned, as if political figures had little life outside of politics. However, as with my biography of John Curtin, I have tried to present a more balanced life of Chifley that gives due weight to his family and social background, his formative childhood years, his interests outside of politics, his career with the railways, his many contributions to the life of Bathurst, and which balances his private and public lives.

Not that it has been easy with Chifley. Unlike Curtin, there is no prime ministerial library devoted to collecting material about him and with an active oral history component interviewing people who knew him. Moreover, there is much less personal material overall, with Chifley having been an assiduous destroyer of his own papers while his widow managed to destroy most of those that remained after his death. The lack of children in their marriage, and his jealous guarding of his domestic privacy means that there are less witnesses to his domestic existence in Busby Street. And many people who might be able to contribute to the biography are just as careful in guarding Chifley's privacy and protecting his received memory even half a century after his death. Nevertheless, there were people prepared to talk about Chifley, and there are considerable collections of papers, oral history interviews and other materials scattered in various libraries and archives such that a more complete picture can now be presented.

The origins of Chifley's political development lie in his childhood at Limekilns, about twenty kilometres outside of Bathurst, where he was taken to work on his grandfather's farm at the age of five. He remained there until his grandfather's death nine years later. This rather tyrannical farmer, who had experienced the poverty and starvation of the Irish Famine, was an important role model for Chifley. His grandfather was obsessed with building up his original 40 acre selection, adding new lots to it over a thirty-five year period until he had accumulated 456 acres while still living a most austere life in his whitewashed, wattle and daub hut.

So too did Chifley as prime minister continue to live in his simple Bathurst cottage, with its outside bathroom and toilet, despite having accumulated sufficient funds to live in a mansion. In Canberra, he stayed at the Hotel Kurrajong, where he had to pad down the lined corridor in his pyjamas to a shared bathroom rather than live in the relative luxury of the Lodge. While this humble lifestyle endeared him to many Australians, it had a political downside for Chifley. It meant that he was unable fully to appreciate the postwar material aspirations of Australians and respond adequately to them. He believed that Australians would be willing to make further sacrifices, and endure further rationing, for the sake of the common good. By 1949, he was wrong.

Chifley's grandfather, together with the Irish Catholic milieu of the farming community thereabouts, also invested Chifley with a sense of historic grievance against injustice. Not that there is much on the public record by Chifley about his Irish background and what it meant for him, other than the oft-quoted description of himself as 'the descendant of a race that fought a long and bitter fight against perjurers, pimps and liars'. Nor did his boyhood experiences make him a passionate "us and them" politician, or a wild-eyed ideologue who

was going to take on the conservative ruling class. Chifley was imbued more with a quiet, but stubborn, determination simply to leave the world in a better state than he found it. He was a proponent of what he called “sane and sensible”, or “commonsense”, policies. He would have argued that even the most radical of his policies, that of bank nationalization, fitted this description.

Unlike many other politicians, Chifley was not driven by a great ambition to achieve a personal position of power. He worked at the railways for twenty-five years and was a staunch member of the engine drivers’ union. Indeed, he helped to found the Australian Federated Union of Locomotive Enginemmen after the great strike of 1917 led to thousands of sackings and demotions, with Chifley being among those targeted. Yet, unlike many of his future political colleagues, he was never a paid union official on either the State or Federal level. Even in the Bathurst branch of the AFULE, he was content to be the auditor rather than secretary or president. This lowly official position failed to reflect his influence. Within the branch, he would often chair the meetings and move many of the more important motions. It would be Chifley who would negotiate with local railway officials or travel to Sydney to see the Commissioner or Chief Engineer about working conditions. He would also represent the Bathurst branch on the steering committee of the NSW union and he would usually be one of the NSW delegates to federal conferences and be a key witness in its arbitration cases.

Even when he was elected to parliament in 1928, and made Defence Minister in Scullin’s Labor government in 1931, Chifley remained a loyal member of the union. How galling it must have been then to be expelled unfairly from the union, as Chifley was in 1931 after falling foul of his more radical colleagues in Bathurst over the Lang Plan. Yet Chifley did not rail against the great injustice that had been done to him or denounce those who had sought to do him down. Instead, he wished his colleagues well and abandoned plans to appeal against his expulsion when it was clear that it might cause the NSW branch to secede from the federal organization. Chifley was almost alone among NSW MPs in opposing the Lang Plan, yet he would not bend to the populist demagoguery that was sweeping so many before it. There would be no quick fix to the depression and he would not hold out false hope to the people to ensure he retained his position. As he told a loyal union friend in Bathurst, there was no point promising “things that you can’t fulfil just to get a temporary popularity”. So he was swept from power to spend the remainder of the decade organising the political fight against Lang, in an effort to drive him and his methods out of the labour movement.

Chifley returned from the wilderness at the 1940 election, now smoking the characteristic pipe that would become an ever-present part

of his image. It was never out of his hand and he would always commence a conversation by lighting it, usually using several matches to light the tobacco that he invariably packed too tightly. The pipe helped to confirm his avuncular image and also provided a protective barrier for Chifley. It gave him “thinking time” when people were crowding around his desk pressing him for immediate decisions. He would have been content, one suspects, spending his political life as Treasurer to Curtin, finding the financial resources for the war while ensuring that the country was not burdened with an unmanageable postwar debt. He did this and more, providing the much-troubled Curtin with the emotional and psychological support that he needed. He was the rock on which Curtin rested. But his real strengths were revealed after Curtin’s death in July 1945, when Chifley was prevailed upon by his colleagues to lead the country into the postwar period.

In recent years, it has become commonplace for conservatives to hark back to the golden age of Australian history that was supposed to exist under the prime ministership of Robert Menzies. In fact, it was Chifley who had held out the promise of Australia entering a “golden age” under his government, for which he was greatly derided by the press, and who did much to bring it about. He was determined that Australia not relapse after the Second World War into conditions similar to those of the 1930s. Drawing on his wartime experience, and his army of mostly young advisers, Chifley determined to refashion Australia in ways that would put the depression years behind its people forever.

The most significant legacy of the Chifley years was the immigration scheme that has gone on to transform Australia from its prewar Britishness. To do this, Chifley put aside his own earlier opposition to European immigrants, that he had expressed most virulently in the 1928 election campaign, and backed a mass immigration scheme that was designed to boost Australia’s population eventually to 20 million people. Included among the numbers would be hundreds of thousands of refugees. Instead of displacing Australian workers, they would be put to work in the fields and the factories as Chifley sought to transform the massive wartime production to peacetime purposes.

Australia now had the spare productive capacity that the world lacked and Chifley encouraged businesspeople from Australia and overseas to make use of it. He wanted Australia to become an industrialized nation, rather than essentially a farming nation, and even to be an exporter of manufactured goods rather than a purchaser of them. Of course, it was not a dream that began with Chifley, but he gave it more impetus than ever before. The Holden car was the most prominent of the manufactures that Chifley promoted. But there were hundreds more, with the aluminium industry being one of the more

important. In his hometown of Bathurst, Chifley spent considerable time encouraging an American manufacturer, California Productions, to take over one of the government factories to make swimwear for the American market.

Chifley recognized that Australia's future prosperity, and the security of its working people, could no longer rely upon the farming sector backed up by heavily protected and inefficient industries. He supported American plans to boost world trade rather than return to the old prewar trading blocs based upon empires. And he looked to Asia as the great future market for Australia's factories. If the living standards of Asian countries could be increased by just a fraction, said Chifley, it "would establish a market for all that Australia could manufacture".

Chifley's vision for Australia depended upon the preservation of world peace. Along with his External Affairs Minister, Dr. H.V. Evatt, he deplored the onset of the Cold War and the increasing hostility between the former American and Russian allies that increasingly threatened to erupt into war. While Chifley supported the American air effort to break the Russian blockade of Berlin, he did what he could to play down the widespread fears of an imminent Third World War. He had visited Hiroshima in 1946 and had seen what an atomic war could do, while his visits to Britain and Europe had shown him what even a conventional war could do to a city. He predicted that a future war would be fifty to a hundred times greater in its destruction than the last war. Not that he had any illusions about Stalinist Russia. He acknowledged that Stalin would push the West as far as he could in order to extend Russian power and influence. But Chifley argued that Stalin was too busy reconstructing his country and would stop short of initiating another war, which it was in no position to win against the United States.

Neither did Chifley give much credence to the American and British-inspired stories of there being a world-wide communist conspiracy that threatened to engulf the emerging countries of Asia. Chifley conceded that there was communist involvement in various independence movements but argued that the main impulse of these movements was based upon economic and social disadvantage, rather than ideology. As such, they had to be answered by economic and social means rather than simply military means, as the United States and the European powers seemed determined to do. He recognized, in ways that Menzies was unable to do, that the independence movements were an inevitable response to the oppressive conditions of imperialism. So he refused to send troops to help the British in Malaya or Hong Kong. And he argued that it was no good the Dutch trying to repress the Indonesians, with Chifley describing their so-called "police actions" against the rebels as being akin to "drawing a stick through water".

It was ironic then, that Chifley should be remembered by many people as the prime minister who sent the troops into the coalmines of New South Wales. It was particularly ironic given Chifley's role in the great strike of 1917 and the discrimination that he suffered for his involvement in that strike. And ironic too given his long record of sympathy for the miners. Indeed, his first parliamentary speech was made in support of them. But they were now threatening his "golden age", throwing hundreds of thousands of people out of work and causing great hardships in the cities as people made do without power. He also seems to have believed that the Communist Party, as part of an international conspiracy to destroy social-democratic governments, was intent on destroying his government. From late 1948, he had been warned of such a conspiracy by the former Lang supporter, Jack Beasley, then High Commissioner in London. For this reason, Chifley seems to have decided that a showdown with the miners was inevitable. And he was determined that his government should win, despite the political cost it might have to pay.

By the time he was swept out of power in December 1949, Chifley had presided over Australia for four years as prime minister and eight years as Treasurer. He had helped to bring Australia safely through the war without any of the economic upheavals that had been feared. The federal government was much more powerful for him having been there and Australians much more secure. Income taxes had been taken from the States. Great projects, such as the Snowy Mountains Scheme, had been begun and others were waiting to be pulled out of filing cabinets in Canberra. Unemployment was virtually non-existent; social security was much more extensive; and the feared inflation had largely been kept in check. The government had stumbled over its plans for a universal health system and it had been knocked back by the privy council over its attempt to nationalize the banks. Otherwise, though, as Chifley told his colleagues on the eve of the 1949 election campaign, they had done over the last three years everything that was possible to do, "physically and constitutionally". And much of it remained intact, and was even built upon, by his Liberal successor. The "lucky country" of the 1960s and beyond owed much to Chifley's "golden age".



1. Gus Lehrer, Andrew West,
Maurice Newman

2. Barbara Hardaker, Ron Hardaker

3. Jason Li, Paul Murnane

4. Bruce Adams & Guest

5. Julie Vonwiller, Chris Vonwiller

6. Greg Sheridan

7. Denise Morris & guest

8. Peter McGregor, Anne Whitehead

9. Stephanie Beaumont, David Morgan

10. Martha Knox

11. Matthew Kelly, Kate McNamara

12. Marise Payne, Alistair Kinloch

Photographer: David Karonidis



Photo – David Karonidis

James Jupp

In 2001, one in four Australians were born outside of Australia. According to Dr James Jupp, this is an exceptionally high figure for a country, by international standards. In 1988, James Jupp edited the first edition of **The Australian People: An Encyclopedia of the Nation, its People and Their Origins** (CUP, 2001). The 2001 edition, which he produced for the Centenary of Federation, contains much new material. To explain what an undertaking the encyclopedia has been, and something of what it contains, James Jupp addressed the Sydney Institute on Tuesday, 27 November 2001.

THE AUSTRALIAN

PEOPLE

James Jupp

The Australian People was originally published in 1988 as the major item in the Bicentennial Authority's publication program. It was lavishly funded and sold about 15,000 copies. It might have sold more if Rupert Murdoch had not (temporarily) abolished its publisher Angus and Robertson. It is now out of print and completely unobtainable.

The second edition is published to commemorate the Centenary of Federation, although the Centenary of Federation Council, in its wisdom, declined to fund it. Life would have been easier if the Howard Government had not abolished our sponsors, the Office of Multicultural Affairs and the Bureau of Immigration Research, in 1996. But the Commonwealth and State ministers of immigration came to our rescue. Otherwise we would not have appeared. It is not easy to secure support for scholarly publications on Australian origins, except for the burgeoning area of Aboriginal studies. Needless to say, neither I nor my 240 authors represent official government views. Many of us have recently dissented from aspects of immigration and refugee policy. But Australia is still a liberal democracy and even dissenters still have access to some public funding.

The first edition was a pioneering work. It falls within the growing category of "specialist encyclopedias". It does not seek to cover all aspects of "the Australian people". Perhaps by an oversight neither edition contains a reference to Don Bradman, which some might find shocking. Had he been mentioned it would have been as a descendant of English rural immigrants from the borders of Suffolk and Cambridgeshire in East Anglia. For this is an encyclopedia of origins. Apart from the Indigenous minority of about two per cent, comprising Aborigines and Torres Strait Islanders, Australians are either immigrants (23%), the children of immigrants (22%) or the descendants of fairly recent immigrants (the remaining 53%). Of these, a substantial majority derive from the British Isles and particularly from England. This is, then, not an "ethnic" encyclopedia, although the first edition was greeted as such and I suspect the same fate will befall the

second. As one of a million British immigrants I find it strange that the term “migrant” has come to mean “ethnic” or, as some sociologists would term it, “the Other”.

This is, then, not about “the Other” but about “Us” and where we came from. It is also about how the multiplicity of origins – including those broadly termed British or Anglo Celtic – have been and continue to be transformed into “Australians”. The final section of the encyclopedia – “Building a Nation” – takes up about one-eighth of the total text. It is innovative, replacing the emphasis on welfare and immigrant settlement services in the first edition. I am not obsessed with the continuing debate on Australian identity – who are we? What makes us Australian? Where are we going? And so on. Too often this is an attempt to impose the idea that “we are all the same at heart” or at least that we should be.

More important, and canvassed here, is the dilemma of changing a fairly well established notion of Anglo-Australia into the more contested idea of multicultural Australia. Yet that is what is happening in real life in the five major cities in which nearly 60 per cent of Australians now live. Not everyone wants to come to grips with what has happened over the past 50 years. But a look at the encyclopedia might convince some that making and remaking Australia has gone on for the past two centuries and cannot be frozen at a particular point in time. Even in provincial and rural Australia, migration and movement changed the character of many areas in the past and is still doing so today, if not always in directions that people relish and appreciate.

The encyclopedia differs from its first edition in using census data from 1996 rather than from 1981. Responding to this data it shifts its emphasis towards new and expanding ethnic groups. But it does not desert the basic historical material which relates primarily to settlement from the British Isles and the relationship between the settlers and the Indigenous people. For at the heart of Australia’s nation building dilemmas is not just how to create a unified and harmonious society from a wide variety of ethnic groups. It is also how to reconcile ourselves to a history of occupation of someone else’s territory and the decimation and subjection of the original inhabitants. There is very little “black armband” history here, but considered views on the impact on Indigenous society which has left a negative inheritance which is not the fault of those who came later but is their responsibility.

A created society

The first section deals essentially with population building through immigration. Because New South Wales was founded as a convict colony, immigration was always controlled by government. This included the supervision of shipping contractors to remedy the abuses of private enterprise on the second fleet, and a system of accompanying

surgeons and matrons which was later adopted for free immigrants. This was so effective that deaths on the months long trip to Australia were well below those on the shorter Atlantic crossing. With the introduction of assisted passages from 1831 (originally based on the reformed Poor Law) planning and control continued to be central. Schemes of free and assisted passage continued for 150 years until finally abolished by the Fraser Government.

They encouraged the British to move across the world rather than to North America and allowed Australia to choose those they wanted to settle in an age when there was no effective immigration control outside the autocracies of Europe and Asia. So Australia became a “New Britannia” or “England across the water”, as Queensland recruiting pamphlets of the 1880s expressed it to the farm labourers of Suffolk. Even today Australia, with New Zealand, is the “second most English” society and the “second most Irish” society in the world although Canada and New Zealand are arguably more Scottish.

Many contributors in later sections search for their ancestors in the early days of Australian settlement, but the weight of evidence is that this “Britishness” was predominant and even became more marked in the years after World War I. German settlers in South Australia have a good claim to be founding fathers. Chinese have run their businesses in Little Bourke Street, Melbourne, for 150 years. There were certainly Jews, Africans, Indians and Europeans among the convicts. The practice of finding the “first settler” which is also common in the United States and Canada, does not distort the entries to the point where Australian multiculturalism overshadows its historic Britishness. But as I point out in an article of my own, the Anglo-Australian was also created out of the melding of various elements from the British Isles, many of whom could not speak English on arrival. More significantly many were Catholics – creating a division which has only faded in the past 30 years. Even among the English – who rightfully have the largest section – regional variations were important and some areas were much more likely to produce emigrants than others, especially as public policy right into the twentieth century favoured farm labourers and domestic servants.

British Australia was created by two processes – assisted passages limited to United Kingdom subjects; and investment and cultural colonisation from Britain which brought out unassisted clergymen, teachers, graziers, businessmen, professionals and even miners and railwaymen. The threat to this did not become evident until the goldrushes of the 1850s brought in thousands of Chinese. Thus began, with a Victorian law of 1855, the process of defending White Australia, which was completed between the 1880s and the 1960s – in other words well into the lifetime of the present generation of Australians. These three elements – assisted passages, preference for the British and

racial exclusion – combined into a form of social engineering not experienced anywhere else other than New Zealand and, more recently, Israel. There were similar elements in the peopling of Canada, the USA and Latin America but they were not dominant. Australia was consciously created by governments as a particular form of society. This tradition is still with us and dominates official thinking on immigration even today. Except at the margins, there has never been a free market in migration, nor is there one today.

A diverse society

Despite this conscious creation of what was sometimes called South Britain, many today are happy to call Australia “the most multicultural country in the world” (which it is not). The largest section of the encyclopedia – over two-thirds – details 125 different ethnic origins. The major ones – Chinese, Croatians, Dutch, English, Germans, Greeks, Indians, Irish, Italians, Jews, Lebanese, Maltese, Poles, Scots and Vietnamese – are dealt with by various authors using regional and historical perspectives. This differs from the original **Harvard Encyclopedia of American Ethnic Groups** on which the first edition was based. This gave each “ethnic group” to a single author with often unsatisfactory results. Our approach allows the differences in time and space to be brought out. The German farmers settling in South Australia from the 1830s were not the same as the German skilled workers settling in Melbourne from the 1950s; the east European Jews coming from the 1920s were not the same as the British and German Jews who came before them or the refugees from Nazism and Stalinism who came after; the assisted English in the nineteenth century came from villages but in the twentieth from metropolitan centres; and so on. Some “ethnic communities” consolidated from a variety of backgrounds, some disintegrated as assimilation eroded their distinctiveness. Cantonese and German continue to be used after 150 years while Gaelic and Irish have died out.

The main contribution which this core section should make to our understanding of Australia is to dispel many of the stereotypes and myths which characterise popular discussion of immigration, ethnicity, race and multiculturalism. The majority of Muslims in Australia are not Arabs and the majority of Arabs are not Muslims; Sydney was no more Catholic Irish than Melbourne; Queensland was once the most ethnically diverse region of Australia until swamped by British immigration in the 1880s; the settlement of refugees has not been particularly generous and has often aroused prejudice; the White Australia policy was not just for labour protection but was unashamedly racist; Aboriginal disadvantage was not just due to their culture but was often the direct result of public policy; Asian immigrants are very varied in their lifestyles, cultures and origins and nothing can be said that

applies to them all, except that they may arouse prejudice among some non-Asians.

Building a nation

Finally, to return to the topic with which I started – how to create a sense of common Australian purpose from such a variety of backgrounds. This has already been done once but the model created may not be useful any more. Between the 1830s and the 1940s scattered societies made up of convicts, rural labourers, Catholic Irish, Aborigines, Chinese, Germans, city workers, farmers, Scots, Cornish and so on were moulded into an Australian nation with a series of myths and symbols. Some, notably Aborigines, fell by the wayside. Some, notably Catholics, retained a distinct and well organised identity which others resented or even feared. Some, mainly Chinese, were refused citizenship and the right to settle at all.

But over a vast and empty land where the native born have only been a majority for little over a century, a remarkable degree of uniformity emerged. As John Howard once said – and certainly still believes – “we’re essentially the same. We have a great egalitarian innocence”. This echoes over a century Henry Lawson’s picture of the bushmen “who call no biped lord or ‘sir’, And touch their hats to no man”, quoted in the encyclopedia by Bob Birrell in his chapter on national identity. The contrast in both views, of course, is with class-bound, regionally diverse and traditional England. Howard reached further back in the same speech – “there is a continuity, that golden thread of unity that hasn’t changed” – an echo of Sir Henry Parkes’ crimson thread of kinship over one hundred years before – truer than it is now.

This kind of egalitarianism is engrained in Australia and is quite attractive when not expressed in anti-intellectual terms. It was never wholly true, but national myths rarely are anywhere. But apply it to the multicultural variety revealed by the encyclopedia and it becomes quite strange. Are the inhabitants of Kirribilli House and Cabramatta “essentially the same”? Are the Aborigines of Palm Island and the Lutherans of the Barossa Valley the same? Indeed, are the Chinese professionals of Chatswood the same as the South African Jewish professionals of Chatswood? Of course not. Governments sought the solution in assimilation, including forced assimilation of Aborigines based on the contradictory principle of segregation. White Australia was based on the exclusion of those who could never be the same because they and their children would never look the same. This kind of assimilation was often unpopular with those it sought to change. I once had to advise a ministerial staffer not to write into a speech to a Jewish gathering that “Australian Jews have assimilated very well”. Good advice.

Essentially, and this is the message if encyclopedias can have messages, we have to accept that there is a wide variety of difference in Australia, not all of it ethnic, but society is not threatened. For one thing which is common to all Australians is that they are citizens of one of the world's oldest and most secure democracies, and a more perfect, more stable and more egalitarian one than in most other societies including Britain and the United States. We live in a socially engineered society in which the state takes major responsibility for health, education and welfare. We live in the most thinly populated country in the world (apart from Mongolia!) and there is still plenty of room. There are no compelling reasons, other than prejudices left over from the past, why we cannot all live together in relative harmony without all being the same.

RE-ENGAGE SERIES



1. Richard Mussali, Vicki McPherson,
Tom Foster

2. Tasha Olsen, James Mayo, Laura Hazell

3. Gavin Cheng, Margaret McCue

4. Anthony Joshua, David Macfarlane

5. Sally Davis, Victoria Cooate

6. John McGrath speaks for the
Re-engage series

7. Christopher and Joy

8. Ian Koo, Vi-ki Lam

9. Jason Li

10. Meredith Hellicar

11. Tony Barnes, Kate Ahern

12. William Mertnes, Sam Mattila

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Pru Goward

Women are currently entering business at three times the rate of men. In 2001, former head of the Office of the Status of Women and now Australia's Sex Discrimination Commissioner, Pru Goward, released a book on success strategies for businesswomen – **A Business of Her Own** (Allen & Unwin). The book uses the experiences of past award winners of the prestigious Telstra Businesswoman of the Year Award to give advice and provide a valuable resource for women aiming at leadership positions. Pru Goward addressed The Sydney Institute on Monday 3 December 2001 to discuss the women she spoke with in the book.

WOMEN AND

BUSINESS

Pru Goward

The decision to write **A Business of Your Own** came from a long term curiosity about the girls of the Year Ten Toilets. You know those girls – they smoked, you didn't. They smoked in the toilets and discussed their boyfriends over the walls. They used tampons, your mother wouldn't allow it. They told you what you really were and why you didn't matter. They occasionally got expelled for smoking or being seen out with boys when they were supposed to be in the boarding house. They were confident and sharp tongued and when they returned to the class room from the toilet, sat up at the back and passed notes between themselves. Teachers considered them a bad influence and your mother discouraged any friendship. After all, they were not obedient. They were never prefects and they often left school early. You were relieved, because they scared you.

They often went on to run their own business. Sometimes they just had kids or bombed out. Of course they were not all leaders or buccaneers, some were just not very bright. Sometimes they were that sharp tongued woman running the laundry of the hotel you worked in over your university vacation, or the head waitress in the restaurant. You always felt vaguely guilty, because you remembered that they had really been cleverer than you – you wondered why they hadn't worked out at school when they were obviously so whip smart and capable.

I fear that had these young women been boys, they would have been seen as leaders, as daredevils – and honoured as such.

At least that's my story and I am sticking to it.

Years later, as head of the Office of the Status of Women, I met one of these women. She was a finalist in the Telstra Business Women of the Year awards and I was a judge. Her story was what happened after year 10 to the over-bright under-achiever: she got pregnant, got married, worked hard, had her husband leave her with three children, one hundred dollars in a cheque account she didn't know how to access, and no job prospects. Without any significant work experience behind her, she faced bringing up her family alone. She became a stand

out business woman. Her story was quite inspirational as were the other stories of other finalists I heard that day. They were humbling too, because none of these women thought she had done anything remarkable at all, they had just done what they had to do.

I never did find that woman again, to include her in this book, but she was the inspiration for it.

While I am sure that success comes to nobody, male or female, without perseverance and triumph over adversity, it struck me, as I sat there with other judges listening to woman after woman telling her remarkable life story, in that deeply personal and vulnerable way so peculiar to women, that the perseverance and struggle of these women was a lesson for us all, and the lessons needed to be recorded. Other than their gender and their success, as it turned out there was another common feature that made this a group worthy of attention; not one woman identified being female as a problem. Sure, some considered it an advantage but, despite their woes and struggles, not one woman considered this had made her job harder. It is the missing chapter in the book – because although I asked each woman this question, nobody ever said it was a problem. Now of course this cannot be correct; we all know the enormous impact family responsibilities have on women's life choices, we all know the harder time women have for not enjoying a full education, like Maggie Beer who, when times got tough was sent out to work at 15 because it was wasn't worth educating a girl.

We all know how difficult the transition is for young girls being brought up to believe they should be nice wives and mothers, that to be ambitious for a career was not actually womanly. The enculturation of women has traditionally relegated success to soufflé making and the achievements of her children. Even my own head mistress, herself an unmarried career woman, was shocked when I told her that I wanted to work after the children were born. When I reminded her that she had championed the education of girls and in particular my own advancement, she replied, “but you educate a woman and you educate a whole family”, and as far as she was concerned, that was the end of the matter.

I told Telstra that a book was in order and, happily, Telstra agreed that I should be the one to write it. Together we selected 35 women from the 70 or so winners over the years and set about inviting them to be part of the book. Thirty two women agreed to what turned out to be three hour interviews and many email exchanges.

This book also inevitably reflects my interest in the subject matter and my professional experiences as a journalist and as head of the Office of the Status of Women. It was written before my appointment as Sex Discrimination Commissioner and is not an authorised HREOC publication. I am here tonight as Pru Goward, author, not as Pru Goward, Federal Sex Discrimination Commissioner. Having said that,

issues of success and failure come before the Human Rights and Equal Opportunity Commission constantly and what I have learnt about women's lives I trust will enrich my work as Sex Discrimination Commissioner.

Of course analysing childhoods was not the book's only motivator – for either myself or Telstra. These women had enormous experience in succeeding, and both Telstra and myself believed a book devoted to identifying what worked for women was as useful as books, and there are many, about the struggle women so often have to succeed or just to survive. Interestingly, the women themselves were resistant to the idea of their lives being paraded as triumphs over adversity. Despite what were quite traumatic childhoods and adulthoods so often, they felt their lives had been successful and were proud of their success.

The next decision was the form of the book. Books of mini profiles are not unknown in Australia – and while we all love reading them, I felt that mine would be just another. I thought it would be more useful if I did it thematically, so that readers could, as far as possible in what is essentially focus group research, analyse each of the factors for success by comparing the strategies of different women. I am told by some readers that this proved a little confusing; they kept forgetting each woman's story, but overall I believed it made for a more useful book and provided me with more of an opportunity for analysis.

The first discovery – and one that perhaps should not have come as any surprise – was that owners and managers are very different people, with very different strategies for success. Since the Telstra Awards included both owners and managers, I ended up with two subsets of subjects, rather than one homogenous group.

So, about half of the women are successful managers – women like Sue Vardon and Mary Foley, Marianne Hammerton and Lee Downes. The other half was owner managers – and this was where the Year Ten Toilet group tended to occur. It would be unfair and insulting to say that all the women in this owner group were wild and rebellious bright girls – or pregnant at 16. But what was true was that the group of owners were significantly different to managers in their childhood experiences and impressions of childhood, their education and their routes to the top. There was also some evidence that they had planned their enterprises and dealt with their staff differently.

But there were some characteristics they all had in common – whether manager or owner, they didn't mind making mistakes. Regret didn't seem to be in their dictionaries. They all felt mistakes were valuable learning opportunities rather than reasons to give up. That was how they came to be winners. The art for the rest of this is developing this same capacity to persist.

The Telstra Awards acknowledge those women who have endured as well as succeeded in the competitive and complex world of

business. For many, although not all winners, success came at a price. As it comes to all who succeed in any field. That there is a price to be paid for everything should come as no surprise, but neither should it be forgotten. So often these women believed the price had not been paid by themselves, but by their families. Where men are **expected** to succeed in their careers, and to have that as their primary goal, it seems some women still feel that their success is to blame for any failing or problems in their children's lives. Show me a less than perfect eighteen year old and I can show you a guilty mother – especially if the mother is professionally successful.

Since I didn't study unsuccessful women I cannot say whether unsuccessful women have the same inclination to take responsibility for their children's imperfections. There were other women who did consider their mothering was successful, although these made incredible efforts to give to their children – efforts that perhaps others would not have made. Sue Vardon drove across Western Sydney to do tuck shop duty when she was running a busy department in local government, others took their babies to work and breast fed when the baby was only a few days old. They coped with their children's crises and kept working – Lesia Gale tells the hilarious story of supervising the hunt for a recalcitrant pair of ballet shoes over the phone while conducting delicate industrial negotiations at the hospital she was running. I wonder how many men would just have told Johnny they didn't know where his footy boots were, they were far too busy to help – and just hung up!

The story of the struggles of modern women is part of this book, but it is only a part of it. Their stories are stories of success and it is the success they are proud of, the struggle they take for granted. For the reader in the struggles and successes are the lessons and what they said to themselves when their backs were against the wall, how they kept going, how they found it in themselves. The strategies they devised for dealing with staff and finance, with bad business decisions or external threats. And the lessons are spoken in women's voices, in terms to which I think the community of women will relate.

It is not a Business Management text book; there are plenty of those and anyone thinking of going into business ownership or management has probably read one or two along the way. But it is about the way those business principles work in practice and how each woman applied the principles – writing a successful plan and then sticking to it, borrowing finance and from who, when to take advice and how to manage staff without ending up before an industrial tribunal. And of course, where families fit into the picture. A unique chapter I am sure you would agree would never appear in a book about how business men succeed, although, given our high rate of divorce

and the number of times wives cite “the Job” as their husband’s real mistress, perhaps a chapter like this wouldn’t go astray.

The other feature of the book that I think makes it peculiarly female and particularly useful for women is the honesty of the women in the book and their preparedness to reveal their fears and bad times. I frequently observe of those in public life that it is so often the women who are prepared to be open, perhaps too open, about themselves. This openness makes women extremely vulnerable to personal attack, ridicule or, worse, pity, but, on the other hand, enables the rest of us to learn from them and to “hear them thinking”. It is a testimony to their honesty that there are probably only four quotes in the entire book that are not attributed. Those four relate to child abuse, father alcoholism and the affair of a spouse. The many other revelations, about divorces, crucial business mistakes, staff misjudgements, nearly going broke, dealings with banks, former partners, present partners, their children and their childhoods, no matter how painful, these experiences are all attributed.

That, I believe, makes this book very real and very honest and, I trust, very useful. I might add, also useful for men since so many of these business issues are common to all those running an enterprise.

Without wishing to save you the trouble of reading the book, let me just say a couple of things about the book’s findings. Each chapter examines a factor in success. These include:

- childhood and upbringing
- early professional experience,
- deciding to begin a business or take on that managerial challenge,
- planning the enterprise and raising money,
- getting through the first and most crucial twelve months, riding the roller coaster learning curve, identifying and developing their business advantage
- dealing without external threats such as economic downturns
- crucial management challenges of financial accountability and staff development that ensures your staff become the business.
- The final chapter is an analysis of the factors of success as identified by the women themselves.

Childhoods varied enormously, with, as I have already observed, significant differences between managers and owners. Managers tended to be head girls – the first child of the family, often a prefect or school official, a strong academic achiever. Owners, as I have already mentioned, tended to be NOT the first child, have more often had wilder childhoods and interrupted schooling. A good many of them were childhood entrepreneurs, selling farm produce, fattening calves, fixing up horses bought on the cheap and selling them at a profit, or making bikes out of parts they collected from the local dump!

Gail Austen and Penni Tastula had both been such successful childhood business owners they had lent their fathers money to get them out of financial difficulties by the time they were twelve. Very few managers had been entrepreneurial children, although quite used to taking family responsibilities as the oldest one.

There was not one only child in the study, which doesn't auger well for China, although three women were born a long time before or after their siblings. Learning negotiating skills, such a crucial part of being a successful owner or manager of others, would be a challenge for only children.

These women didn't necessarily come from happy families either – there were some from successful professional homes, many from happy and average ones, but others from more troubled backgrounds where alcoholism and poverty were not unknown. Some had to overcome physical handicaps – one of Tasmania's most successful business women, Frances Bender, had been so badly burnt as a child they considered amputating her fingers. Frances Bender grew up learning to live with a certain isolation and even rejection by other children – you can imagine little girls in the playground. It bred in her, as in others, a certain loneliness, a loneliness that stands leaders in good stead. I have to say loneliness was an unexpected stand out.

So many of these women grew up feeling different, separate either from the rest of their families or from their peers; I am sure that sense of difference, whatever its cause, played a large part in their success. Eve Ash was the first generation of Holocaust victims, but the only child not born in Europe, but in Australia. She always felt different and rebelled against the high academic and leadership achievements of her older sister. Lee Downes came here from Canada and never felt she fitted in, with her Canadian accent. Some had alcoholic or abusive fathers and didn't want other girls at home or up too close. One nursed her father until his death and consequently had very little contact with other girls at school. Gail Austin was always rebelling against school discipline, so was Michele Nugan. None of them saw this isolation as a difficulty, but they all felt it.

Undoubtedly this sense of difference made them more self reliant and, I am sure, hardened each one of them for the challenges ahead, made them self-sufficient and capable of both taking decisions (and this of itself is rare among all people) and then taking responsibility for the consequences. If you want to be friends with everyone, if you like fitting in, then taking responsibility for decisions is not easy.

So basically the book finds you can succeed from anywhere. Most were not born into privilege and in fact this book demonstrates you don't need to be even born into an okay family to make it to the top.

As some of you might have seen from press reports, marriage didn't always fare so well for these women when children were also

involved. It worries me that the press has made so much of this as a problem – in fact each woman was saying it took her a while to work both herself out and what she needed in a partner, but that it could be done. Sure, many had been through terrible times, but only one was actively unhappy when we spoke. When marriage or partnership was at its best, that is, when husbands or partners were supportive of a woman's endeavours, indeed when they took a back seat or managed part of it for her, then the marriage was an extremely happy one. So many of these happily married women described their partners as their mentors.

Surely there is no higher praise for a partner than this – and again perhaps peculiarly female; I am not sure how many successful men would describe their wives as their mentors. The moral of the story is women should choose their mates wisely, admit their ambitions and seek someone who is prepared to support it. Competing ambitions of partners proved much more difficult to manage, although Mary Foley, now of St Vincent's Hospital, believed she and her husband achieved this balance with a great deal of discipline and organisation. The children come first on weekends, friends a luxury that had to wait.

While managers seem to have always been blessed with a sense of purpose and a desire to lead others, the path to success was not as clear for owners. With the exception of Gail Austin, Lyn Scott and Katie McNamara, who had been entrepreneurs from the beginning, most of the owners group "found" themselves and their business often by accident. Their self esteem was often to blame – as Nancy Knudsen, surely one of Australia's best known aviation entrepreneurs, said when I asked her why she started her own business after her husband left her with the children and three cups and saucers: "Well, I started a business because I didn't think anyone would employ me!" It took the breakdown of a marriage often to kick start them on to the entrepreneurial route, or it just happened, on an impulse, as it had to Fiona Wright of The Lobby fame. Overtones again of those clever underachievers we can recall from school. Wherever I speak and use the metaphor of the girls' toilets, I am always greeted warmly by several business women afterwards who tell me that is exactly the sort of girl they were, more or less.

When it came to running their businesses, many women tended, at least initially, not to think financial or systems management was what really counted. Their passion and creativity they felt were more important drivers. But significantly, as they went along, the importance of financial management, not only for keeping the business or enterprise solvent but as a tool and a discipline for management generally, really emerged. Those women who took their finances seriously right from the beginning tended to do better than those who had to learn this down the track by trial and error.

Staff management, even for good managers, also proved to be a difficult issue and most women identified a mistake with a staff member as their costliest one. They learnt the importance of seeing staff management as a professional rather than a personal matter and of adopting a systematic and professional approach to hiring and firing.

For a lot of women this meant self-awareness. There was strong agreement that you don't take on friends as staff and you don't turn staff into friends. That leadership is a lonely place and difficult decisions, often that staff won't like, requires a certain courage and a certain distance. The No More Miss Nice Girl was a big step – but along with the comfort of discovering that, in business, it is never personal. When it came to staff management particularly, this de-personalisation relieved the owner or the manager of the responsibility for another's personal discomfort and encourages a dialogue that was professionally rather than personally styled. It made it a lot easier.

Professional and business success for this group of entrepreneurs, also involved learning to take risks.

When it came to taking a chance, this group of women was pretty good. By and large they liked to take risks, and often the businesses they inherited were in such a mess they had no choice. Ask Liz Gale or Lee Downes. They had twelve months to turn loss into profit. Lesia Gale's hospital had never made a profit in all the time it had been run by male accountants. She was a strategic planning specialist with no finance management background at all.

Time is of the essence in winning business advantage and sometimes there is no time to do more than rely on instinct. That's probably pretty usual among entrepreneurial owners and managers. These women either learnt to take risks or started out impulsive. But it is also true they were conscious of risk and although there was no comparable male group, I think we can conclude that women are probably more conservative in this area. Perhaps that is also why they remained solvent but risk taking emerges as something women need encouragement to do.

Among this group not surprisingly, success bred success. With experience and growing confidence, women did take risks based on gut instincts and short time frames and more often than not they got them right. That might have meant, for example, spending more money up front when they had been given twelve months to save it! So often they agreed that they had made at least one mistake when they took a risk they knew was wrong, but they wanted to please someone – either the new man in their life or their children. They all concluded they should stick to their knitting – which at first I thought meant sticking to their original business but which I concluded meant sticking with their own instincts, with what they knew and not with what others told them would work – and never ever take a risk to please someone else. Almost

all of them managed their risks by limiting their financial exposure. Eve Ash decided after one disastrous economic downturn that from then on she would only ever risk her own time, never again the Bank's money.

Finally the closing chapter – what did women believe had made them successful – and remember that many women didn't realise they were until they wrote their Telstra award application and won a national prize.

They all agreed they had to be healthy, be able to work long hours, keep driving themselves and those around them, have stamina. Few of them smoked and most considered they had been blessed with good health. Many of them could survive on only a few hours sleep each night.

They also identified the need for a work-life balance. There was some contradiction here – because they knew their passion for the business, their obsessional nature very often, was the driver in their success but also of their personal destruction. While they talked about the need for a passion for business, often they reconsidered and agreed, as Nancy Knudsen and Marianne Hammerton did, that they were really obsessional people. But driven, obsessional as they were, they acknowledged that time away from the business, time attending to the other needs in their lives, made them not only happier and more successful people, but also better in business.

They frequently said they needed to find ways to keep going, without being overwhelmed when they made mistakes and criticism flowed. Yes, they took advice, asked questions, but they had to teach themselves not to be broken by the criticisms and sniping from the chorus. Turn off the negative tapes, said Eve Ash, imagine them in your head and turn them off. It continued to amaze me that the women in this book, such high achievers, had started out as their own worst critics – perhaps that's part of being driven and obsessional – and many consciously had to learn to say they were okay. Who can forget Sue Vardon, Australia's most successful female public servant, saying she imagined a shield on her back and the arrows bouncing off it.

Through all of this, their leadership qualities came through. Leadership came down to their drive and passion, their ability to listen and to communicate to their troops and to the outside world. But it was also about having the courage of their convictions, taking risks, backing their own judgement, accepting responsibility for good and bad consequences, learning from mistakes and living with the loneliness of the leader. They loved what they did and took the Buddhist approach to their careers – that it was a journey, not a destination.

None of that should come as a surprise to any of us, but I hope what the book conveys, through the lives of these women, is that success has many paths, many approaches, many guises. But the

common ingredient is courage – courage in determination, in conviction, in effort, in decisions. Leadership.

And courage, when you think about it, is the characteristic that has, since man and woman first swung down from the trees, ensured the survival and prosperity of our species.

RE-ENGAGE SERIES



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 3. Richard Shepherd, Kim Bransdon
 Michelle Power, John Bransdon
 4. Richard Fiedler, Lucy Cooper

5. Rachel Carroll, Richard McBride
 6. John Eales speaks for the
 Re-engage series
 7. Anthony McCarthy
 8. Donna Lee, Dennis Kalofonos

9. Jeremy Barnett
 10. Michelle with Peter Moore
 11. Rania Wannous, Vicki Mullen
 12. Caroline Hill, Justine Goodsir
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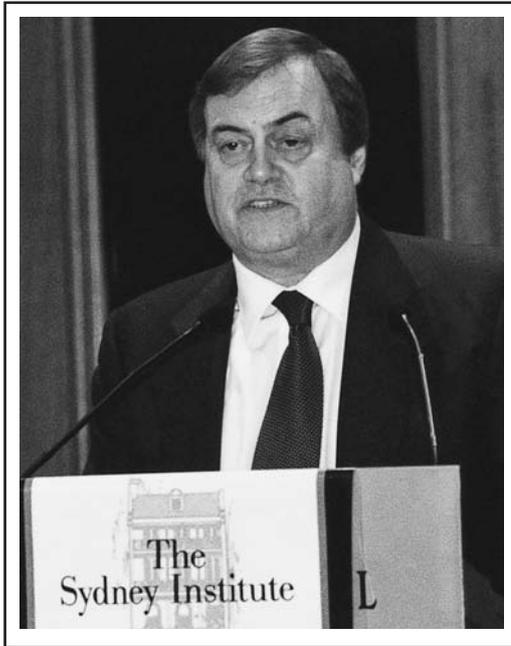


Photo – David Karonidis

John Prescott

On 4 December 2001, the Rt Hon John Prescott MP, the UK's Deputy Prime Minister and First Secretary of State, addressed The Sydney Institute at the Hotel Intercontinental. In his talk he focussed on the major global issues of the moment – the environment, terrorism and trade. His visit was timely, with the UK taking a significant leadership role in building the Coalition against terrorism in the hunt for Osama bin Laden. Of almost equal importance, John Prescott pressed for a positive outcome at the World Summit on Sustainable Development in Johannesburg in September 2002 saying “we need to win the peace as well as the war”.

BRITAIN AND THE

GLOBAL ISSUES

John Prescott

It is a great pleasure to be here in Australia's Centenary year. I have been a regular visitor to Australia over the years. It is extraordinary to think that a journey which used to take weeks can now be covered in 24 hours. That is one of the many ways in which our world has changed over the years. As we move to a global village and greater independence many national policies are now influenced by global agreements and global consensus.

UK/Australia

But there are some constants. Australia and the UK have a long and close relationship. The links between our two countries remain as strong now as they have ever been. Over one million Britons of the present generation have made Australia their home; 1.6 million Australians have a parent born in the UK. And the flow of visitors between our two countries brings many of us into close contact with each other. The value of these ties is difficult to quantify. But it is deep in our culture and history and I believe that is hugely important to our trade and investment relations.

The bilateral trade and investment relationship is impressive by any standards. UK visible exports to Australia were up by 24 per cent in the year 2000. And we remain the second largest source of foreign investment in Australia. But it is by no means a one way street. We are the largest export market for Australia in the European Union. And your inward investment into the UK is even more impressive. Seventy per cent of all Australian investment in the EU comes to the UK where we have as many as 700 Australian firms. They come to us because they recognise that the UK offers the best environment for business. We are determined to keep it that way.

British Trade International – our department responsible for trade and investment development – plays a key role and has designated Australia a Target Market. Our aim is to increase trade and

investment between our two countries focussing in particular on the IT sector and small and medium sized enterprises.

Development of international environment policy

Increasing trade is one aspect of what we are coming to call “globalisation”. The word is used in different ways. For some it is a force for evil which should be resisted. In fact though, it means the growing interdependence and inter-connectedness of the modern world. That makes sense because it is right, but also because it is good for business. So I want to say something about globalisation, not just in trade, but in the environment and other issues.

As anyone who knows me will recognise, I am a political animal. I think the leader of the Liberals in Britain called me “tribal”. It is from that political perspective – the perspective of a political negotiator – that I want to reflect on some of the changes we are seeing in the world today, where global solutions are required and where the pace of change has quickened.

Think for a moment about the history of international environmental discussions. We have come a long way in a relatively short time. And the pace of change is increasing. As you may know, the first international Earth Summit was held in Stockholm in 1972. It agreed that we had to liberate ourselves from “the destructive forces of mass poverty, racial prejudice and economic injustice”. But:

- it took 15 years to get from Stockholm to the Montreal Protocol on the protection of the ozone layer; and
- it took two whole decades to get from Stockholm to the Rio Earth Summit in 1992.

It is only in the last decade since Rio that the pace of change has rapidly increased.

Climate change

There is no doubt that climate change is the most serious environmental threat to mankind today. It is clear to all of us that the speed of climate change is increasing as the climate lurches from one extreme event to another in different parts of the world. Only last year, in Britain we suffered the worst floods and storms we had seen since the seventeenth century. It was what I have described as a “wake-up call”. People the world over are experiencing floods, storms, droughts and desertification like they have never seen before.

Here in Australia you have seen:

- the second highest rainfall since 1900 with numerous floods;
- mass bleaching of the coral reefs on your north and north west coasts;
- the warmest decade since records began; and
- in 1998 the warmest year on record.

You have also seen worrying damage to the Antarctic ice caps.

Wherever I go there is a growing recognition that climate change is taking place – an uneasiness that something is not right and out of natural balance. That is shared by world leaders as well as millions of ordinary people. And it is true in the developing world, just as much as in the developed world.

My experience of China and India – two G77 countries in which I take a particular interest – is that they are making significant efforts to improve the environment. Smog, air and river pollution are a matter of growing public concern. My discussions with Premier Zhu Rongji and Prime Minister Vajpayee show that the importance of the environment is recognised at the highest levels and acted upon even though they have no legally binding Kyoto targets.

I know that here in Australia you are very worried about the competitive disadvantage that you may suffer if you take action on climate change. But think for a moment. Between 1996 and 1999 Chinese carbon dioxide emissions **fell** by 6.5 per cent despite 25 per cent economic growth. Comparable figures for the US show a **rise** in carbon dioxide emissions of 5 per cent with only 13 per cent economic growth. In China they have halved carbon dioxide emissions per GDP and emissions per capita are still only 20 per cent of developed countries. They have also closed down thousands of factories for pollution offences.

It's worth bearing these facts in mind next time you hear someone moaning that developing countries don't care about the environment. And don't forget it was developed countries that caused the damage in the first place.

Voluntary and statutory approaches to reducing emissions

The 1992 Rio Summit recognised the problem of climate change and called for united voluntary efforts to reduce greenhouse gases. Some countries met their voluntary targets – and I am proud of what the UK has achieved. Kyoto set a target of 5 per cent reductions overall for developed countries. But within that each country's individual target recognised their different circumstances. That process of differentiation was pioneered by Australia.

Europe has a target of minus 8 per cent overall. But under the "European Bubble" targets range from minus 28 per cent for Luxembourg and minus 21 per cent for Germany to plus 27 per cent for Portugal. The United Kingdom's target is minus 12.5 per cent. Australia negotiated a target of plus 8 per cent, reflecting your circumstances and industrial structure. In addition you negotiated a number of concessions, including allowances for land clearing and for carbon sinks like forests.

As John Hewson, John Howard's predecessor as Leader of the Liberal Party, said in Friday's **Australian Financial Review**, that was a pretty good deal for Australia, particularly since in per capita terms you are the world's biggest greenhouse gas emitter. Having said that, I want to pay tribute to your ex-Environment Minister – now your Defence Minister – Robert Hill. Not only did he negotiate a good deal for Australia. He also made a significant contribution to the broader international climate change process. He has remained committed to consensus throughout and has helped to forge international agreement.

We must not underestimate that achievement. Maintaining the global consensus is a recognition by the global community of the threat posed by climate change. And it has been secured among more than 180 countries with only one casualty – the United States. It is now important that we all ratify Kyoto and bring it into force next year.

The United States

I do not underestimate the importance of America's refusal to accept Kyoto. But I believe it is not the end of the line. We must act together to bring the US back on board and not use the US position as an excuse to do nothing. I know that there is particular concern in Australia about the US position. But don't forget it was the first President Bush who signed the Rio Convention in 1992 and the United States did not seek to block agreement at The Hague, Bonn or Marrakesh – although I think they were taken aback and did not expect the international community to press ahead towards ratification without the US.

As I know from my visit to Washington last week, the US is still reviewing its position on climate change. It accepted very tough targets at Kyoto – the headline 7 per cent reduction in emissions was in reality a reduction by 30 per cent against projections. That though was under the previous Administration – a fact of political reality which should be recognised when we look forward to future participation in the process by the Americans.

The new Administration's assessment was that it couldn't meet the targets set by President Clinton and Vice President Gore without considerable damage to its economy. They also felt that all developed and developing countries should be involved. It is a fact that President Bush made a political decision on Kyoto. We can't turn the clock back on that, but now the review is underway and I made clear last week in Washington that when it is finished we are willing to enter in to a debate. I am in any case sure the review will come up with concrete proposals to reduce domestic greenhouse gas emissions – some of which are already underway. And I am hopeful that we can deal with some of the US objections – just as I am hopeful that in the medium term some of the richer developing countries will adopt targets to

reduce greenhouse gas emissions. Don't forget, the GDP of the Philippines is higher than that of Portugal.

To use an analogy, the Kyoto train has left the station. There are plenty of stops where other passengers can get on board. I include the US and the richer developing countries among those passengers. One opportunity is the World Summit on Sustainable Development in Johannesburg. But we also have a timetable built into the Kyoto Protocol to review commitments in 2005 and 2010. There are plenty of opportunities for progress to be made.

Business role

I also want to say a word about business and the increasing support they have given since Kyoto. At Kyoto the Global Climate Coalition of oil producing companies and large scale industries was hostile to any agreement. They even rejected the science and its predictions. Industry in Australia was also concerned. But over the last few years around the world, business has increasingly come on board and worked constructively to build agreement. Without the engagement and support of business we cannot win the battle against climate change. That is something which the US realised before any of us and which we have found in developing our British climate change program. Industry is motivated as much by the commercial opportunities offered by Kyoto as by its environmental contribution.

Business has begun to see that our Kyoto targets can be achieved by "gain not pain" by improving the environment at the same time as developing commercial opportunities. There are a range of incentives:

- emissions trading which allows countries and companies to sell their surplus reductions;
- sinks which give credit for absorbing greenhouse gasses in forests;
- the Clean Development Mechanism which allowed developed countries and their industries to invest in climate friendly projects in developing countries, for the benefit of both; and
- Joint Implementation, which allows industry to get credit for climate friendly investment in other developed countries.

These mechanisms give us flexibility. They are global solutions – giving benefits to business, the global economy and greenhouse gas emission reductions.

NGOs

Having said something about business I must of course also acknowledge the hugely important but very different role played by NGOs. The environmental NGOs have raised the profile of climate change with the public and made tackling climate change a political issue as well as common sense. I particularly recall the role they played at Kyoto where they helped clinch the historic deal by keeping the

pressure on the politicians up until the last moment but then recognising that the protocol was an excellent deal for the environment.

September 11

Climate change is a good example of the global community working together to solve global problems. Global co-operation is even more important after the terrible events of 11 September. The world has successfully responded in a coalition against terrorism – and I know that Australia has acted quickly to support the coalition. But I believe the new spirit of global co-operation can be used for good, as well as to fight evil.

It is the poor places, the places without food, fresh water and electricity that are the breeding grounds for terrorism. Tackle these issues and you are tackling some of the causes of terrorism.

Johannesburg

It is with that in mind that I believe the World Summit on Sustainable Development in Johannesburg next September has a major part to play. It is a great opportunity to create a global alliance for greater prosperity and social justice. We need to win the peace as well as the war. We need to see Johannesburg in the context of other major international initiatives. I am thinking in particular in terms of a route map from the recent and successful Doha World Trade talks, through to the Finance for Development Conference in Monterrey in Mexico and then on to Johannesburg. These three conferences are dealing with highly interrelated subjects.

Doha has put development on the trade agenda. Monterrey will put development on the finance agenda. Johannesburg will bring these together and ensure that development is sustainable and benefits all, in particular the world's poor. Our starting point is that one in five of the world's population – two thirds of them women – live in abject poverty. It is unacceptable that more than one billion people around the world live on less than one dollar a day. You will know that all major countries and international organisations have signed up to meet the millennium development goals so that by 2015 we hope that:

- poverty will be cut by half;
- every child will get a primary education; and
- child mortality will be reduced by two thirds.

You may also have heard our Chancellor Gordon Brown making proposals to the IMF two weeks ago for a new global deal with opportunities and obligations for both developed and developing countries.

Doha

It goes without saying that an enormously important part of that is to improve the climate for international trade. It is a sign of the spirit of co-operation after 11 September that the success in Marrakesh was followed by the successful ministerial conference of the WTO in Doha.

Doha was a clear demonstration that the global community was determined to strengthen security by sharing prosperity. The Doha agreement combines the launch of a broad new round of trade negotiations with a package of measures specifically focused on the needs of developing countries. The new round launched at Doha opens the prospect of increased trade in agriculture, other goods and services. That is the most certain path to economic progress for developing countries. If we could just halve the trade protection in both developed and developing countries, the wealth of developing countries would be boosted by around \$150 billion a year. That could lift as many as 300 million people out of poverty.

Business in the developed world should not see this as a threat. Doha will help provide the stable and predictable climate which business needs to flourish and make it easier to attract foreign investment in both developed and developing countries. at, I believe, is a real step forward. But we now have to translate it into results for people all round the world. That vital transition from targets and aims to real achievements is the great challenge for globalisation.

Conclusion

Across the board – on trade, environment and poverty reduction – the international community is setting itself a difficult task. With almost 200 countries in the world, there are 200 voices to be heard, all with their own priorities. It is a huge challenge for us politicians to secure consensus on these major issues. We need to negotiate the stepping stones from Doha to Monterrey to Johannesburg where leaders from around the world gather to revitalise the global effort for sustainable development.

One of my purposes in coming to Australia – and indeed in America and New Zealand where I've just come from and Malaysia and Vietnam where I go next – is to raise the profile amongst other issues of the Johannesburg Summit and to encourage political representation at the highest level. We want Johannesburg to be about celebrating success on the road from Stockholm 30 years ago, and from Rio ten years ago. We must continue moving forward. Recent experience shows:

- that the pace of change has quickened,
- that there is a greater willingness to find consensus
- that there are fewer divisions between north and south

- and that every day the world becomes more and more a global village.

I know that in Australia you have doubts about global environmental agreements. But even in America business is increasingly active on the environment and recognises that environmental improvements can be achieved by gain not pain. Let us hope that we can continue to secure agreements on sustainable development and the environment with ever greater speed and commitment. Let us make that Summit our first big milestone in winning the peace and shaping a new world order. It is the very least we need to do for our children and our children's children – and to meet the obligation on all of us to pass on the world in a better state than we found it.

That can only be done by global consensus, global delivery and a global alliance.



Photo – David Karonidis

The Rt Hon John Prescott MP addresses The Sydney Institute.



Photo – David Karonidis

Anna Lanyon

Anna Lanyon's prize winning book, **Malinche's Conquest** (Allen & Unwin), is a journey across Mexico in search of clues to the life story of Malinche, the Amerindian woman who translated for conquistador Hernan Cortes and from whose lips came the words that triggered the fall of the Aztec Emperor Moctezuma in 1521. Mexican identity likewise haunts the works of artist Frida Kahlo, who dated her birth from the outbreak of the Mexican revolution because she wanted her life to begin with modern Mexico. To reflect on some of the forces that underpin Mexican culture, Anna Lanyon addressed The Sydney Institute on Tuesday 11 December 2001.

MEXICAN ART AND

POLITICS: FROM MALINCHE TO FRIDA KAHLO

Anna Lanyon

Malinche was an adolescent slave in March 1519 when the Mayans surrendered her to the Spaniards in the aftermath of their first great battle on the American mainland. She had neither family nor wealth to recommend nor protect her, yet within a matter of weeks this insignificant and stateless girl managed to escape her fate as “comfort woman” to an invading army, and became instead its leader’s principal guide, interpreter and negotiator. That is why in April, when the Aztec emperor, Moctezuma, sent his court painters to sketch the curious expedition which had fetched up on the gulf coast of his imperial domain, he instructed them to capture her likeness too, along with that of Cortes.

Moctezuma’s painters did what he asked of them, then they hurried back to the Aztec capital, which stood where Mexico City stands today, to show their precious blend of art and espionage to him. Unfortunately, those early impressions of Malinche are lost to us now. They were probably destroyed during the terrible siege that engulfed the city two years later. Yet the fact that they existed at all means that when Malinche made her entrance into recorded history in March 1519 she also stepped for the first time into Mexican art and politics. It was a realm she has never ceased to haunt.

Some thirty years after her disappearance and probable death in 1528, representations of Malinche began to emerge in the Indigenous accounts of the Conquest. The **Lienzo de Tlaxcala**, for example, was painted onto a linen banner, probably by a team of artists, and although we now consider it a work of art, its original purpose was to illustrate for the Spanish Crown the strategic support the city-state of Tlaxcala had given to the Spaniards during the Conquest of the Aztecs. Its value to us now lies both in its innate beauty and in the story it tells us about the politics of pre-Hispanic Indigenous Mexico, and in particular about Malinche’s crucial part in the Conquest. Whenever she appears in the **Lienzo** she dominates the space around her. Tlaxcalan, or sometimes Aztec, warriors stand to one side of her, Spaniards to the

other, a small tongue floats above her head – it is the pictographic sign for speech – and she raises her hand to instruct the men, on either side of her, while they stand listening attentively to her every word, just as they did throughout the wars of conquest.

The Florentine Codex, so named because it resides now in Florence, tells the conquest story from a different perspective – that of the vanquished. It is an encyclopedic history of Aztec life and culture compiled about the same time as the **Lienzo de Tlaxcala** but by young Aztec scholars rather than Tlaxcalans. Its parallel texts are written in both Spanish and the Aztec language, Nahuatl, for the young men who produced it were students of the great Franciscan ethnologist Bernardino de Sahagun and the first of their people to write their language in the Roman script. Malinche dominates the illustrations in the Florentine Codex which deal with the Conquest, just as she does those in the **Lienzo**. While she may have been the hero of the Tlaxcalan accounts, she is, however, an enemy woman to the authors of the Florentine Codex. But not a traitor, for a traitor is a different kind of enemy, an enemy from within, and the young Aztec scribes and painters of the Florentine Codex knew that was something she could not have been, as she was never one of them. In making this distinction they demonstrated a finer sense of the political and cultural complexity of their Indigenous world than Mexico's later nationalist leaders in centuries to come.

Neither the **Lienzo de Tlaxcala**, nor the Florentine Codex was art for art's sake. If the **Lienzo** was art in the service of politics and history, the Florentine Codex might well be described as art in the service of history and anthropology. But both works belong to the traditional blend of art and politics we can still observe in the beautiful hieroglyphic inscriptions carved on stone **stellae** by the Early Classic Maya in their ancient temples and pyramids, or painted into screen-fold books made of finest deer-skin. Later, on the eve of first European contact, we see it in the iconic writing on native **amatl** paper of the Aztecs of the high central plateau. Like the friezes and **stellae** and painted books of pre-Hispanic Mexico, the **Lienzo de Tlaxcala** and the Florentine Codex were intended to record, to commemorate, to inspire and instruct. Both reserved a central place for Malinche in the stories they recounted, and four centuries later the politically-inspired art of early twentieth century Mexico would also draw powerful inspiration from her.



In 1920, in the aftermath of a violent revolution that had lasted far too long, Mexico's brilliant young Minister for Education, Jose Vasconcelos, called on all Mexican intellectuals to "leave your ivory towers and make a pact of alliance with the Revolution." Among those

who answered his call were the painters and soon-to-be muralists: Diego Rivera, Jose Clemente Orozco and David Alfaro Siqueiros.

Rivera and Siqueiros had lived in self-imposed exile in Paris. Orozco had worked in the United States for some years, but now they returned to their homeland where Vasconcelos showed them the cloisters of some of Mexico City's most beautiful colonial buildings. "The walls are yours," he told them. "Paint what you wish, with only two conditions ... that it have Mexican content and that it be good painting." All he asked was that their murals bring enlightenment and comfort to the still largely illiterate Mexican people, who had lost confidence in their society after ten years of revolutionary violence. That is precisely what the painters did, and what their murals continue to do to this day.

But "the three great ones", as Rivera, Orozco and Siqueiros are called in Mexico, are celebrated not only for their prodigious gifts as painters, and for the magnificent works of art they left behind. They are remembered also for their politics: in particular for the way they clashed and swirled and parted ways around the figure of Leon Trotsky after he took refuge in Mexico in January 1937. Rivera became his protector, Siqueiros, always the **enfant terrible** of the trio, tried to murder him. Orozco kept his distance from the furor, while the painter Frida Kahlo, who was then Rivera's wife, became Trotsky's lover for a time.

Rivera, Kahlo, Siqueiros and Orozco belonged to the international socialist cause which drew so many hearts and minds in the early decades of the twentieth century, but socialism was not the only political idea to inspire and agitate their lives and their work. They were equally aroused by a movement which had its roots much closer to their Mexican homeland: **Indigenismo**.

"I could tell you much concerning the progress to be made by a painter, a sculptor, an artist, if he observes, analyzes, studies, Maya, Aztec or Toltec art, none of which falls short of any other art," exclaimed Rivera after his first visit to the great Mayan ceremonial sites in the south of Mexico, a journey organized for him by the prescient Vasconcelos. Siqueiros too was deeply affected by the art of ancient Mexico. "My painting is fired," he wrote, "with an intimate conviction that it is imperative to produce a totally American art." He was referring, of course, to the American continent, or continents, rather than to the United States, which had not yet appropriated the name 'America' for its exclusive use, in the English-speaking world at least.

Neither Rivera nor Siqueiros could lay claim in any biological or cultural sense to Mexico's Indigenous past, but after years in Europe among the works of Giotto and Fra Angelico and Michelangelo they were ready to embrace it as their own, to become **Indigenistas**. Siqueiros, with his faith in the enriching powers of modernity, came to

doubt the validity of **Indigenismo**, fearing it condemned Indigenous Mexicans to a glorious imaginary past from which they could never escape into the future. “Let us come closer to the works of the ancient settlers of our valleys, to the Indian painters and sculptors,” he pleaded with Rivera, [but] let us adopt their synthesizing energy without ... the lamentable archeological reconstructions of Indianism and primitivism so much in vogue amongst us.”

Frida Kahlo expressed her own commitment to **Indigenismo** through her self-portraits with monkeys and birds, flowers and curling vines from Mexico’s tropical south and also, most famously, through her dress. She was a privileged member of the Mexican bourgeoisie, her father was a German immigrant, yet she took to robing herself without embarrassment in the costumes of her **Tehuana** maid. Later, in **El Abrazo del Amor del Universo** and **Mi Nana y Yo**, she would paint herself in the Herculean arms of an imaginary Indigenous mother. Yet something in those famous works suggests that Kahlo was not an entirely romantic **Indigenista**. The mask-like faces of those dark Indigenous mothers with their empty eye sockets and parted lips, recall the lifeless flayed skins of sacrificial victims stretched taut across the face of the priest who has just despatched them, or perhaps across that of the young god, Xipe Totec, as depicted in surviving Aztec sculptures.

It is difficult in the Australian context, impossible in fact, to imagine a white woman of European ancestry adopting an Indigenous persona for herself without drawing accusations of cultural insensitivity, of blatant appropriation. But in Australia **Indigenismo** has only just begun to breathe, whereas in Mexico it has a long and respectable history, among middle-class Mexicans at least, because of its association with the Independence movement of the early nineteenth century. It arose among the white elite of purest Spanish ancestry as they sought to differentiate themselves from the Iberian Spaniards whose language, religion and culture they shared, but from whom they wished to sever political ties. In order to do so they tethered their movement, symbolically if not in fact, to the Aztec past, and in doing so they appropriated the history of the very people their ancestors had conquered centuries before.

In retrospect, this episode of Mexican political history seems curious, even reprehensible, but in the long and complex saga of human history, such “ancestor-borrowing” is not unusual. The fourteenth-century Aztecs had indulged in it themselves when they burned their own painted books. They did this because the story those books recorded, of a humble nomadic past lived out in the northern deserts, was no longer suitable to the newly urbane and “civilized” people they had become on the central plateau of Mexico. Instead the Aztecs adopted for themselves the history of the far more ancient

Toltecs whose great pyramids can still be seen on the outskirts of Mexico City. The Aztec strategy, like that of the later Independence leaders, was a quest for legitimacy through the forging of imaginary links with another people's antiquity. It was precisely the kind of political strategy Eric Hobsbawm has described so vividly in **On History and The Invention of Tradition**.

Indigenismo in Mexico has many ironies then, including, most obviously, the fact that its adherents have always been the descendants of the European conquerors, rather than the Indigenous conquered. A second irony, and one with powerful ramifications for modern Mexico's political idea of itself, is that it was those early **Indigenistas**, those descendants of Spanish conquerors, who in an act of candid misogyny and, perhaps, of unconscious racism, became the first Mexicans to condemn Malinche, an Indigenous woman, as a traitor to her people.



During the 1920s, when Diego Rivera was painting his beautiful murals on the walls of the **Palacio Nacional** in Mexico City his **Indigenismo** seemed to override his Marxist sensibilities. It blinded him to the class and racial tyrannies of Aztec political culture, and inspired him to depict the Aztec past as a place of universal bounty and happiness. Yet when the time came to paint Malinche, who was to most **Indigenistas**, the official villain in the history of Mexico, he did so with a surprisingly sympathetic eye. Rivera's Malinche stands watchfully beside the fires of the Inquisition, which may also allude to the New Fire ceremony, that Aztec symbol of new life beginning. She wraps her arms protectively around the small **mestizo** son she has born to Cortes, while beneath her feet a conquistador attempts to rape an Indigenous woman. It is a complex, troubling scene that suggests Rivera may have empathized with Malinche's predicament and that of all Indigenous women during the Conquest.

David Alfaro Siqueiros failed in his attempt to assassinate Trotsky, but he never abandoned the political activism he had begun as a fifteen-year-old Mexican revolutionary. During his lifetime he was exiled from Mexico, deported from the USA, from Chile, from Uruguay and Argentina in turn, but he spent long enough in New York to tutor and inspire Jackson Pollock. Siqueiros was always less receptive than Kahlo and Rivera to the romantic lure of **Indigenismo**, because for him modernity alone held the key to survival for the Mexican poor and, indeed, for all the workers of the world. Historic Mexican subjects were rare, therefore, among his dazzlingly experimental work, with the exception of **Cuauhtemoc Unbound** in which the last young emperor of the Aztecs leaps back into life in the luminous metal armor of a Spanish conquistador. If Malinche, or the **polemica** surrounding her

in Mexican society at that time held any interest for Siqueiros he did not show it in any studies of her.

Jose Clemente Orozco with his naturally skeptical and deeply compassionate nature was also less enthusiastic than either Kahlo or Rivera about **Indigenismo**. Like Siqueiros, he doubted both the sincerity of its adherents and its ability to improve the lot of indigenous Mexicans. In Mexico City Orozco's murals grace the walls of the **Antiguo Colegio de San Ildefonso** and it is here, beneath a staircase leading up to the second floor, that he made his most famous political and artistic statement about **Indigenismo** and Malinche's place in Mexican history.

She sits beside Cortes, the two of them naked, he pallid and ghostly, she copper-skinned and immense, mysterious and unknowable, her eyes closed against the world. Some observers have interpreted the downcast eyes Orozco has given his Malinche as a sign of shame or repentance for her part in the Conquest, but that, perhaps, is nothing more than a projection of their own beliefs about her. It seems to me equally possible that he has closed her eyes to protect her: to preserve her mystery, to provide her with a place within herself where no-one else can reach her, the kind of refuge she never had during her brief lifetime.

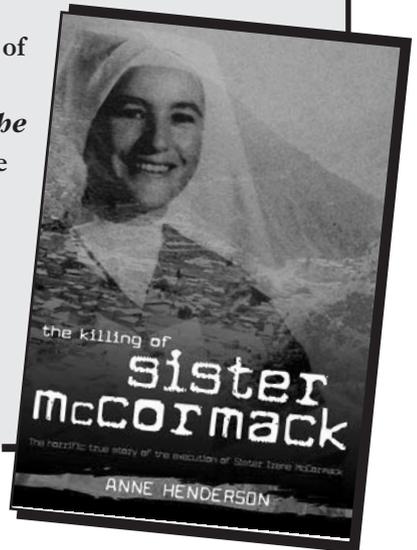
It is difficult to be absolutely certain what an artist means to tell us through his painting, even when he chooses to explain his intentions, for unconscious processes may be at work of which even he is unaware. But Orozco seems to have intended this most celebrated of his works to record, to instruct, to commemorate, with solemn, tragic beauty, the "epic marriage" between Malinche and Cortes, Spain and America, that gave birth to modern Mexico.

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THE KILLING OF SISTER McCORMACK

In late May 1991, Sister Irene McCormack's murder by Sendero terrorists in the Andes of Peru made headlines for days in Australia – receiving media coverage that overshadowed that given to the passing of historian Manning Clark and the assassination of Indian Prime Minister Rajiv Gandhi which occurred at the same time. In *The Killing of Sister McCormack*, Anne Henderson travels across Peru and Australia to speak to many who knew Irene McCormack and put together the pieces in this tragic and compelling story.



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Photo – David Karonidis

Ross Cameron

Younger voters are loathe to join community organisations, pensioners live alone without regular contact with families or friends, streets are places that intimidate locals – these are some of the issues of concern to Ross Cameron MP, Parliamentary Secretary to the Minister for Family and Community Services and Member for Parramatta in Sydney. On 30 January 2002, Ross Cameron addressed The Sydney Institute to evaluate what can be done and what new ideas might be explored in trying to solve our modern day lack of community spirit.

A CONSERVATIVE

REFLECTION ON THE FAMILY, THE STATE AND SOCIAL CAPITAL

Ross Cameron

A group of young volunteers recently invited me to join their community service project in my electorate. It is the policy of state and federal governments to help frail older Australians remain in their homes rather than entering nursing homes. It is a good policy and government provides some fairly basic community nursing to these people but the truth is, many of them, several dozens throughout my electorate, are struggling. Their gutters are clogged up and rusting because they can't climb a ladder to remove the leaves. Their windows are smudged because arthritic hands can't clean them. With the assistance of the NSW Government agency HomeCare, we visited a dozen homes and helped clean the windows and tidy the gardens. As three of us walked up the drive of a pensioner in Lawson Street Ermington, a neighbour approached and asked with concern, "Can I help you with something?" We explained our mission, and he allowed us to pass undeterred, explaining, "The old man and his neighbour on the other side are both quite frail – the wife and I just like to keep an eye out for them."

I had a contrasting experience during the last election campaign while door-knocking in Wentworthville. It was shortly after the space shuttle **Enterprise** had docked and bolted a seven tonne solar panel onto the side of the International Space Station, creating for the first time in history, the prospect of permanent human inhabitation of space. Having concluded my discussion with a housewife on the marvels of the Howard Government, my constituent helpfully advised me that I need not knock on her 92 year-old neighbour's door because nobody was home. Some days earlier, her neighbour had apparently fallen and broken her hip and was now in hospital recovering. She had lain on the ground for almost three days, unable to reach a phone and almost died of dehydration. I wondered what it meant that we had the will, the resources and expertise to conquer the final frontier of space, yet an elderly Australian could lie on her kitchen floor for three days before anyone noticed.

I want to lay before you an idea that has gripped my imagination since I first heard it. It is not a particularly new or original idea. With the attention of the nation almost entirely absorbed by terrorists and refugees, it carries no great immediacy or newsworthiness. It is difficult to define, hard to comprehend in the first instance, difficult to measure and impossible to legislate. It is something I speak to you about with a great passion and there is a sense in which its adoption requires conversion. To my mind, it is the most pressing long-term challenge faced by the Australian people, the **summum bonum** of public policy. Put simply, it is the rebuilding of trust between citizens.

Since Adam wandered with God in the Garden of Eden we have gained a sense of control from naming things and the social scientists in this instance have settled on a term for the process I describe – “social capital”. Its achievement requires a quiet revolution in our thinking as legislators, a virtual re-engineering of the state to shift the balance of power away from Canberra and into the street, away from the bureaucrat and out to the citizen. In summary, my thesis is that renewing social capital is our central challenge, that social capital is premised on shared values – which is another way of saying trust. The family must be defended, in part, because of its role as the crucible of value creation and transmission. I regard social capital as being of primary importance because of its role in improving quality of life in virtually every area of concern to governments, whether it be education, law and order or economic development.

The term social capital is thought to have originated with a rural educationist, LJ Hanifan, state supervisor of schools in West Virginia in 1916, who made the connection between higher levels of community involvement in schools and higher educational outcomes. Hanifan’s use of the term “capital” attempted to drive home the importance of these untapped resources to hard-headed business people and economists, arguing:

Those tangible substances that count for most in the daily lives of people: [are] goodwill, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit...The individual is helpless socially if left to himself... The community as a whole benefits by the cooperation of all its parts, while the individual will find in his associations the advantages of the help, the sympathy and the fellowship of his neighbours. (Robert D. Putnam, **Bowling Alone**, 1995).

Citizen v state

We began the twentieth century with an almost unlimited confidence in the capacity of the state as an agent for individual and social progress. We begin the twenty-first century with considerable scepticism on that question but without a coherent alternative. The doubts grow out of the apparent difficulty of centralised bureaucracies being able to

effectively penetrate down to the level of the individual choices of private citizens in a way that is empowering. On the contrary, our experience in a number of key policy areas is that the agency of the state has had the reverse effect.

Voluntary action of the citizen has many advantages over the centralised, command and control actions of the state. The first is home-court advantage. The individuals in a particular street or neighbourhood have the benefit of intimate knowledge of their problems and resources. By the act of walking the dog, talking to the neighbours, going to the local shopping centre to transact the daily business of life, they undergo a constant education in the character of their neighbourhood. By contrast, policy makers in a capital city office block cannot hope to be familiar with the intricacies, personalities, history and culture of each street.

It was Friedrich von Hayek's critique of socialism, **The Road to Serfdom**, that furnished the first real study of this problem. He argued, in my view correctly, that the behaviour of human communities is simply too locally varied, chaotic, spontaneous and dynamic to be effectively subject to the planning control of a distant bureaucracy.

A second constraint of the state is the necessity to allocate scarce resources according to a formula with some claim to equity and rationality. The result is spending programs based on "need" or "disadvantage". The risk of such a formula, essential as it may be, is that it conditions human behaviour in precisely the wrong direction. That is, it erodes social capital and self-reliance. What you get is the tendency of large groups of the populace to organise their affairs around continued eligibility for the benefit.

Public v Private

A related problem is the tendency to erode human dignity by the intrusion on privacy attracted by the twin goals of transparency and accountability. As the Parliamentary Secretary to the Minister for Family and Community Services, I have recently been made responsible for a \$26 million dollar initiative called the Emergency Relief Program. Successive Commonwealth governments for 30 years have administered "emergency assistance" grants to local charitable agencies, which in turn, dispense the funds to people in need. The program has the laudable goal of financially assisting those who find themselves unable to meet a pressing bill, or buy groceries for the children.

The following is based on the experience of a constituent. In order to receive the Emergency Relief assistance, Kelly has to demonstrate that she is desperately poor and that some circumstance beyond her control has overtaken her. This involved divulging a history of misfortune and disadvantage, handing over bank statements, copies

of relevant bills, outstanding court orders, and perhaps a discussion of personal medical problems or her partner's gambling or drug habit.

Kelly will probably, understandably, be unhappy about the payment because it falls so far short of her actual material need. The payment will be somewhere between \$30 and \$50, in the form of a pay order to the local supermarket. Kelly will then get the groceries before presenting her pay order at the checkout, hoping that her maths has been good enough to keep her under the proscribed limit. The checkout operator takes the pay order, looks her up and down and examines the contents of the trolley. The checkout operator is then likely to call the manager, who will take a moment to arrive while the queue gets longer. As the other customers are watching, listening and wondering what the hold-up is, the manager turns up and is asked by the checkout operator whether Kelly is allowed to buy pet food.

The manager explains, "No, the customer is not allowed to buy pet food, confectionary or cigarettes with an Emergency Relief voucher." Kelly then removes the pet food from her trolley and has to decide whether she will return to the aisles to pick up another carton of milk. Looking at the queue of waiting shoppers, she sees a mixture of impatience, judgement and pity on their faces. She decides to forego the milk, and wanders home, defeated and demoralised, anxious about how she is going to feed the dog.

I am not critical of the agencies dispensing the funds. Many are volunteers and all are trying to make a little go a long way. The problem is inherent to the system. Those with responsibility for dispensing taxpayer funds have an obligation to ensure those funds are not wasted. Everyone feels entitled to have a view about the welfare recipient and the whole idea of privacy is destroyed. Without privacy, it is difficult to achieve dignity.

Contrast the culture of private, voluntary, mutual benefit with the relationship that exists between government bureaucrat and citizen. A dollar in the hands of government does not require the creation of value, but the confiscation of value created by others. There may be a relationship of mutual satisfaction but it is not essential to the continuation of the relationship. Instead of the parties engaging each other as peers and equals, most often the relationship is one of dependence by one party on the other. While private citizens exercise the freedom to contract with each other, relationships with government bodies are often entered by force, backed by threats of sanction for non-compliance.

Where government provides a financial benefit, it tends to be received as a matter of right and entitlement, so that no increase in trust occurs. On the contrary, the payment often results in unhappiness because almost inevitably, its not enough to adequately meet the need it is designed to address. By contrast, if they had never been told that

big brother government would be there to help, they may well have changed their pattern of consumption, strengthened the muscles of self-reliance and finished with a much higher standard of living.

Process v Outcome

The management consultants would ask us, as organisational leaders, to focus our resources and creative energy on the sphere of activity that promises the greatest return, the greatest fertility, and the greatest potential to improve the quality of life of Australians. We have to determine how to better harness the resources we already have, rather than following the chimera of increased public funding to solve human problems. As each day passes, I am more convinced power is with the citizen rather than the state and critical expertise is with the amateur rather than the professional.

Since March 1996 I have worked to build a network of community leaders in my electorate who work voluntarily for the benefit of their neighbours in a multitude of local organisations. When I receive a letter from a constituent with a problem, the first question I ask myself is “will I get a better result from my community leaders network or from an agency of the state?” Usually, I call on both but what I find is that by calling on private citizens to make a local response, we have, in small ways, strengthened the character of neighbourhoods.

The traditional Left in Australian politics has yet to throw off an essentially Marxist critique in which the call to class war has been replaced by the call to redress “structural disadvantage”. The Left sees human problems in terms of broad collectives, especially class, which can only be effectively remedied by an agency of the state. Propositions like “we all know that the real cause of crime is poverty”, offends the overwhelming majority of law-abiding poor and contradict the white-collar crime of the wealthy. The argument made is that the only way to effectively reduce crime is to redress “inequality of wealth distribution”. Economic rationalism is another popular target. The case is made by large collectives, especially so-called peak bodies of expert advocates and trade unions whose solution to most problems is “a massive increase in funding”.

The great attraction of this critique is that it absolves everyone, with the exception of the state, of any responsibility for human problems. The answer to every problem is action by the state because the state is the only agency big enough to impact structural issues. This is the politics of white papers, consultative committees, inquiries, commissions, policy priorities, scoping studies, statistical averages, demographic trends, press releases, pilots, program management and interagency co-operation. It produces litres of spilt ink in newspaper columns with sage commentators bemoaning the fact that these

problems don't go away, and the political class defending itself against accusations of heartlessness by reference to budget line items and program allocations.

In the last election campaign, (as reported by the Melbourne **Herald Sun**, 17/6/01 and 4/11/01) Kim Beazley's response to identified community problems was to create 44 new federal bureaucracies and announce a staggering 220 inquiries. There is a certain irony for me in the observation that the real intellectual leadership of the Left in Australia was coming not from Mr Beazley and Mr Crean, but from the legacy of the Prime Minister in whose cabinet their fathers served. The Whitlam Institute, based at the University of Western Sydney in my electorate of Parramatta, houses Gough Whitlam's official papers and acts as a stimulus to public debate under its Foundation Director, Professor Peter Botsman.

In a speech to the great charitable organisation and employment agency, Mission Australia (March 2001, "The New Social Deal"), Professor Botsman confesses his disillusionment with the old Left and gives a pretty rousing endorsement to the Jobs Network as an initiative of government that has contributed to the creation of social capital.

I have spent most of my life thinking about structural issues, and I realised after working in so-called "practical" areas that it was leading me to a dead end.

Almost without knowing it, organisations such as yours [Mission Australia] have been creating the skills that are going to be essential in the new social enterprise culture. Accepting the challenge of the Job Network ethos created by the Howard Government, the skills have been further developed and I think the risks have been worth taking. In 1996 I tried to convince the ACTU and the CPSU that the Jobs Network represents the strategic opportunity for Australian unions to insert themselves into the mainstream of the workforce of the future. But they were unwilling to take the risk. The irony is that the union movements that have a role in job creation across the world have the highest rates of unionisation. It's a shame for them. Fortune favours the brave.

In an opinion piece for **The Australian** newspaper in the lead up to Australia Day, the custodian of the Whitlam legacy argued that:

It is about teaching the massive social work industry and government bureaucracy, from police to speech therapists, that their interests are not in the creation of yet another enormous closed compound of professional band aid workers, but in giving back control and power to people and communities to solve their own problems.

The family

Francis Fukuyama is most famous, especially after 11 September, for his essay, **The End of History and the Last Man**. His more recent book takes up the theme of social capital as the underpinning for a prosperous liberal democracy, under the title **Trust – The Social**

Virtues and the Creation of Prosperity. Fukuyama sees “civil society” and “social capital” as two sides of the same coin and makes the case for the family as the engine room of social capital formation stating that:

“Civil society”- a complex welter of intermediate institutions, including business, voluntary associations, educational institutions, clubs, unions, media, charities, and churches – builds in turn on the family, the primary instrument by which people are socialised into their culture and given the skills that allow them to live in broader society and through which the values and knowledge of that society are transmitted across generations.

Fukuyama’s book examines the contrasting patterns of economic and political development among nations and gives us further comparative evidence for the subject of today’s discussion. He assumes the ambitious and delicate task of ranking nations on a sliding scale as between “high trust” and “low trust” societies, relying heavily on a concept of “spontaneous association” as the practical evidence of trust in action.

He assumes as a universal starting point that the highest levels of trust in any group or association are to be found among blood relatives. Every culture in the world evidences higher levels of trust, reciprocity and mutual obligation among kin. Blood is thicker than water. The trick, however, for vigorous communities, is to translate family trust into a wider civic culture of trust in which people are spontaneously, drawn into associations with others outside the family, for their mutual benefit, on the basis of shared values.

Why is this amplification of trust so crucial to economic development? Because the emblem of democratic capitalism, according to Fukuyama, is the large, professionally managed corporation, enduring over several generations, investing, researching, innovating, employing, paying dividends, salaries, wages and taxes. But, as a general rule, it can only be achieved if capital is set free from the nepotistic and arbitrary constraints of family ownership and hereditary management.

Economic development

Professor Robert Putnam of Harvard University made a 20-year study (1995) of various patterns of economic development in regional local government areas throughout Italy. The causes and cures of patchy regional development remain of central concern to governments and communities in Australia today. In his study, Putnam asked the single question, why is it that one region flourishes, while another languishes in economic and cultural poverty, when their demographic, geographic and natural resource endowments maybe close to identical? His conclusion was that:

... the best predictor is a strong tradition of civic engagement—voter turnout, newspaper readership, membership in choral societies and literary circles, Lions Clubs, and soccer clubs – are the hallmarks of a successful region. (Putnam, **Bowling Alone**, 1995).

Putnam defines Social Capital as: "... features of social organisation, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit. Social capital enhances the investment in physical and human capital." (Putnam, **Bowling Alone**, 1995)

I would add to Putnam's list of variables the presence in a region of risk taking entrepreneurs with vision. In a definitive Australian study of regional development by the McKinsey group the presence or absence of individual entrepreneurs emerged as a critical factor in the economic success of communities.

Education

Can I record my belief that the building of community involvement around each school would repay greater dividends than almost any other civic endeavour. We have just been through a federal election in which education funding was central. I don't propose to re-open that debate and I don't want my remarks to be understood as an answer to the funding questions. I do believe that the preoccupation with funding has involved an unwillingness to tackle the hard issues of local culture and leadership that are essential to lifting educational outcomes in individual schools from existing taxpayer investment.

The Wentworthville Leagues Club in my electorate has for many years sponsored the Rugby League team of a local high school. This allowed the school to provide the team with jerseys, footballs, subsidised travel, end of year trophies and the like. Recently, the Club was surprised to receive a call from the principal saying the school would no longer require the sponsorship. He explained that each year it had become more difficult to interest the students in playing or to find a teacher willing to take on the coaching responsibilities. Parents, likewise, seemed unwilling to commit the extra-curricular hours and energy required by the enterprise. Rather than expending management resources in a losing battle, the school had decided to cut its losses and end its long association with Rugby League.

A school principal in my electorate recently asked for Commonwealth assistance in the erection of a flagpole in the playground. I indicated my desire to help on that front but asked, in the course of the discussion, what was the fund-raising goal of the school's Parents & Citizens group? The principal explained that the school didn't have a P&C because, in the past several years, no parent of the 600 pupils was willing to stand as president. Local schools regularly have difficulty attracting a quorum for meetings of the P & C and the School Council.

The presence or absence of one motivated parent or couple can make a huge difference. It is proving particularly difficult in Western Sydney to get fathers to participate, often depriving schools of skills and relationships that they desperately need. Through his study, Putnam demonstrated that a 10 per cent increase in community involvement in a school has a bigger impact on scholastic outcomes than a 10 per cent increase in funding. Funding is important but we must bring energy and creativity to the task of building community involvement.

Law and order

Another great apostle of social capital was Jane Jacobs – who gave inspiration to the New Urbanism movement in city planning which asked how we retain a sense of community and vitality in the vast suburban metropolis in which 80 per cent of western democratic citizens now live. In one of the great books of the twentieth century, **The Death and Life of Great American Cities**, Jacobs makes a vigorous defence of organic, chaotic, urban growth, dedicating two chapters on the social ecology of the footpath, or to use the American vernacular, side-walks.

The trust of a city street is formed over time from many, many little public sidewalk contacts. It grows out of people stopping at the bar for a beer, getting advice from the grocer and giving advice to the newsstand man and comparing opinions with others customers at the baker

Most of it is ostensibly utterly trivial but the sum of it is not trivial at all. The sum of such casual, public contact at a local level ... is a feeling for the public identity of people, a web of public respect and trust, and a resource in time of personal or neighbourhood need. The absence of this trust is a disaster to a city street. Its cultivation cannot be institutionalised. (Jacobs, **The Death and Life of Great American Cities**, 1960)

Jacobs touches on the issue of law and order or public safety that consistently rates at the top of polling on issues of voter concern. Most often, our response to these concerns has been an institutional, top-down government commitment to throw more resources at the problem or increase the statutory penalties in the Crimes Act. We now have the situation where the NSW Police Academy simply cannot recruit and train police officers fast enough to keep up with the promises of politicians to put more cops on the streets. These things may be part of a solution but it's the easy part.

The greater challenge is how we get Australians in their streets and neighbourhoods to care about each other. A former Local Area Commander of Parramatta reported to me the case of two shady characters pulling up in the driveway of a public street, breaking and climbing in the front window of a house, passing out through the window electrical appliances, loading up the boot and driving off. When the neighbours were later questioned by police, several were able

to give a detailed description of the offenders but none had reported it, because they said, “I didn’t want to interfere” or “it’s none of my business”. Many Australians live in apartment blocks in which they don’t know their neighbour’s names. If we could find ways to address the suspicion and isolation of the neighbourhood, we would do more to reduce crime thereby putting additional police on the beat.

Indigenous affairs

Noel Pearson is one of the most thoughtful, courageous and far-sighted leaders anywhere in Australia today. Pearson has taken up the task of turning around the fortunes of his Cape York community, including an attack on attempts to solve problems at the structural level by collective land title. Pearson’s thesis is not that we need an incremental change at the margin. Pearson’s argument is that the collective, so-called “progressive” response has not only failed to help Aboriginal people but has actively contributed to the destruction of their communities. Pearson argues that:

Let us admit the fact that we have no analysis, no understanding at all. All we have is confusion dressed up as progressive thinking. The great mistake of the Social Democrats of all countries is that they put all their efforts into economic redistribution and fail to build a movement that could take up the battle about the laws of thought. (Noel Pearson, remarks at launch of the **Enabling State**, 2001).

Similarly, in Mark Latham’s book, **The Enabling State** (2001), Pearson argued the following:

Aboriginal policy is weighed down by confusion. Many of the conventional ideas and policies in Aboriginal Affairs – ideas and policies which are considered to be “progressive” – in fact are destructive. In thinking about the range of problems we face and talking with my people about what we might be able to do to move forward, the conviction grows in me that so-called progressive thinking is compounding our predicament. In fact when you really analyse the nostrums of progressive policy, you find that these policies have never helped us to resolve our problems – indeed, they have only made our situation worse. (Latham, **The Enabling State**, 2001).

Six weeks ago, former US President Bill Clinton delivered the BBC Richard Dimbleby Lecture and referred to the findings of Peruvian economist Hernando de Soto, who made the observation that, if valued on the basis of asset and cash flow, there are US\$5 trillion worth of economic assets in the developing world. Unlike equivalent assets in the first world, those assets do not give their owners access to capital because they operate outside the rule of law. The businesses are unregistered, not subject to disclosure or reporting arrangements and not based on recognised legal title. The consequence is that no lender is prepared to extend finance for expansion and further investment. Clinton and De Soto argued that we should focus resources on

building the legal infrastructure and property system of these countries “so poor people can get credit because they have collateral” which he describes as “the key in a market economy to both personal advance and national economic growth”.

Rather than reversing this trend among our poorest citizens, the implication of Pearson’s critique is that we in Australia having been actively working, with the best intentions, to accelerate it. Echoing De Soto, Pearson has argued that:

... all our assets, in the form of lands, housing, infrastructure, building, enterprise, etc – are inalienable and, therefore, have no capital value. They cost huge amounts of money to develop and replace and renovate but they don’t have any capital value. And billions of dollars transferred from Aboriginal communities end up in the form of dead capital: it cannot be leveraged to create more capital. We are therefore in a dead capital poverty heap. (Noel Pearson, remarks at launch of the **Enabling State**, 2001).

Public Housing

I could cite numerous examples alongside Noel Pearson. For example, in order to qualify for public housing tenants must fit underneath a poverty threshold. For those wanting public housing in my electorate of Parramatta, the average waiting time for applicants is said to be eight years. Reliance on Commonwealth benefits for income support is most persuasive in evaluating the claim of an applicant. If an applicant’s financial circumstances change for the better, they must immediately inform the relevant authorities and their place in the queue is jeopardised, and eligibility for benefits reduced. I wouldn’t object so strongly if there were a real chance applicants would receive the promised benefit. In fact, the situation is analogous with George Orwell’s 1984 in which the poor bought tickets every week in the state Lottery but no prizes were ever paid.

There are over 50,000 people in New South Wales and over 200,000 nationally waiting in the queue for public housing. The NSW Housing Department, in compliance with the Commonwealth State Housing Agreement, give priority to a number of “high need” groups. That is, the disabled, women subject to domestic violence, recently released criminals, and recently arrived refugees. The result being very little movement in the general queue and the overwhelming majority of its 200,000 applicants will die before a house becomes available.

Governments of both persuasions have understood the implications of virtually unlimited demand for public housing and limited capacity to satisfy that demand. In the absence of the will to massively increase funding for new construction, there is a strong argument that the NSW Government should now write to 45,000 of the 50,000 applicants and explain that while they may be eligible for public housing, they are unlikely ever to receive it. At the same time we

would lift a significant burden off the staff of the Department of Housing, who are standing like Atlas under the weight of several billion dollars worth of existing assets that cannot be adequately maintained.

Howard Government's record

The question naturally arises, if these are the problems, what is your government doing about them? I make two responses. The first is to point to the areas where government policy has produced an increase in choice, self-reliance and community engagement. Foremost among them are:

- The Work for the Dole program for the unemployed as the emblem of the wider doctrine of mutual obligation;
- Provision of greater incentive to take out lifetime private health cover;
- Education funding models that respond to, rather than proscribe, parent choice;
- The reform of Commonwealth–State financial relations, under the New Tax System, to overcome traditional blame shifting between different layers of government;
- Reforms to the industrial relations which encourage employers and employees to discuss and collaborate rather than viewing their interests as inherently opposed;
- In my portfolio area, the Stronger Families and Communities Strategy based on strengthening family relationships, balancing work and family and building community capacity. But there is more to be done.

Australia has come some distance in the past two decades in managing the tension between economic development and preservation of the environment. We now require developers of major projects, through the agency of the Environmental Impact Statement, to consider the environmental impact of their actions before the project is approved. In the realm of social policy, however, we make insufficient effort to consider the social capital impacts of actions by the state. This must change.

No amount of government funding is going to clean the gutters at the home of an aging pensioner or pick her up when she falls. No public agency is going to produce a motivated Parents & Citizens Council at your local primary school. No bureaucracy can provide the informal, neighbourly surveillance that notices and reports to police the presence of a character behaving strangely.

Younger Australians tend not to join community organisations in the same numbers as their parents and grandparents did. At the same time, I find a great willingness among young people to participate in community building activity. My suspicion is that we need to find new

forms of participation, possibly based on individual projects rather than attendance at weekly meetings.

Finally, I want to suggest that the fact we are so conditioned to ask the question, “what is the government going to do about it?” is a large part of the problem. The social capital thesis requires that we ask also, “What am I going to do about it?” Someone may protest that such a strategy is too sporadic, personal and unpredictable. I am reminded of an interview between Mother Theresa and a Western journalist, whilst she was visiting her Sisters of Charity at a Calcutta orphanage. The reporter noted that India had over 200 million poor, and many hundreds of thousands of orphans. He asked how could she, and her small group of sisters, possibly hope to make an impact on a problem of that size. Mother Theresa responded by saying, “I cannot solve the problem of 200 million but,” picking up a child from its bed, “I can certainly help with this one.”



Clare Loewenthal



Anne Deveson

Photo – David Karonidis

Mental illness, in particular schizophrenia, was given centre stage at the Oscars when the film **A Beautiful Mind** won for best picture, among other awards. A decade or so before, Australian writer Anne Deveson put her own experience of her family's life with her schizophrenia suffering son into a best selling book **Tell Me I'm Here** (Penguin). She went on to help establish the NSW Schizophrenia Fellowship and the national organisation, now known as Sane Australia and continues to work for mental health reform. Clare Lowenthal recorded her battle to overcome anorexia nervosa as a young adult and recorded her struggle in **The Substance and The Shadow** (Pen Skill 1996). At a special forum on mental illness on Tuesday 5 February 2002, Anne Deveson and Clare Loewenthal addressed The Sydney Institute

SPEAKING THE

UNSPEAKABLE

Anne Deveson

One in five people in Australia will suffer some form of mental illness in their lives, and three per cent will experience a psychotic illness. Tonight, I want to talk about the ignorance, fear and discrimination which surrounds mental illness, what it means to those who struggle with such disorders, and how we might address some of its consequences.

Let's begin by going back over 20 years to one summer's evening in Adelaide. It was a Sunday I remember, and very hot, so the doors were open to the garden and we were sitting having dinner when suddenly, my elder son, Jonathan – who was 17 – leapt up from the table, and began pacing round the room, talking to himself ... talking ... talking. Then he rushed outside, a tall fair haired boy whose face was now contorted in terror as he ran round and round an old fruit tree, screaming that rats were eating his brain.

That night was the beginning of a seven-year journey of suffering which ended in Jonathan's death when he was 24. He had schizophrenia – an illness which doesn't have to be as savage in its outcome – but which, like so many other mental disorders, is often misunderstood and neglected.

There are a wide range of mental disorders, all of which can be serious if not adequately supported, and all of which are made more difficult because of public misconceptions and fear.

Sixteen months ago, when the national mental health organisation SANE conducted a survey into the hopes and wishes of people with a mental illness, what they wanted more than anything else was to see an end to the stigma which they said blighted every aspect of their lives. They made comments such as: "Less stigma would make my life better. It is hurtful not to be able to talk openly about your illness and to see it made fun of" ... "If only people around me would understand that I'm not lazy and I'm not weak" ... "Health professionals need to be more compassionate and understanding. They don't realise how worthless they make us feel."

People are stigmatised because of ignorance – what we don't know or understand we fear, and what we fear, we shun or sensationalise. Sometimes this fear is commercially exploited like the sales pitch on this new video game – since withdrawn. The new Playstation game includes a cast of characters “straight out of the asylum... a twisted little tribe of freaks.. outcasts from society... fruitcakes... nutters... maniacal killers”. Players are invited to “slip into their minds, take a walk around their mental anguish, and come out screaming for more”.

People are stigmatised because they are powerless. Until fairly recently, people with mental illness did not make an effective lobby group, nor did their families who were often silent because of the need to keep confidentiality, or because of the stigma. So you have stigma compounding stigma. This is improving. Consumer lobby groups have become increasingly active in recent years and that has helped return their sense of self and self-worth – this is very important.

People are stigmatised because of unconscious prejudices or attitudes from the past. Think back over the last two or three years and remember those cases where suburban communities have resisted the establishment of club houses or living accommodation for people with a mental illness. There is a very real fear of violence, in spite of the fact that research shows us the majority of people with a mental illness are timid and withdrawn and, in percentage terms, commit fewer violent crimes than the rest of the population. Many past attitudes were based on beliefs that schizophrenia was a split personality – like Dr Jekyll and Mr Hyde – or that it was some visitation from the devil.

These are complex issues and they begin at the top, at the seat of government where health dollars are distributed in inequitable ways.

In 1996, mental disorders in Australia accounted for nearly 30 per cent of the non fatal burden of disease. In 1997-98, only 6.5 per cent of the health budget was spent on mental health services. This inequitable and inadequate funding then translates into inequitable and inadequate services. Because mental health services were initially treated differently from other health services, and were not seen as the responsibility of the Commonwealth, this in itself was a form of stigmatisation, and although this is no longer the case, the catch-up hasn't properly been achieved in spite of the introduction of Australia's first national mental health strategy in 1993. The intentions were good. The outcomes have often been disappointing.

What follows relates mainly to psychotic illnesses, but there would be many parallels with other mental disorders: 75 per cent of people with a psychotic mental illness are missing out on valuable rehabilitation programs – over 90 per cent are never referred to rehabilitation programs by their psychiatrists. Even when it is now widely accepted that through rehabilitation people get learn to live

with their illness, learn to cope with their symptoms, find joy in life. Doctors would not dream of treating people with strokes or heart disease without arranging rehabilitation. What's the difference? Discrimination?

Of the 91 per cent of mentally ill people who are prescribed medication, two thirds are still on the older, toxic medications and in far higher doses than are required. These are the drugs that have severe side effects – ones that make people so visible in the streets, the shuffling walk, the rigidity of expression, the rigidity of limbs.

One in ten mentally ill people are homeless and three quarters of homeless people have some form of mental disorder. The percentage of homeless people living in city refuges and hostels has risen from 25 per cent to 75 per cent in last five years. We don't like to see homeless people in our streets, particularly if they look a bit strange, we try to move them on or out into the suburbs where most of them refuse to stay.

Real estate is also less pricey in the suburbs, and inner city property is too valuable to leave for the deros. For many years a middle aged man with schizophrenia lived in a drain pipe in Centennial Park. It must have been a large drain pipe, but health workers knew where to find him, the post office delivered his mail, and inside the drainpipe he had a neat and comfortable nest. He was moved to the suburbs to a huge block of apartments where, when he woke up in the morning, he saw a brick wall instead of the sky. He was also lonely. Instead of his mates, other itinerants, he had commuters rushing off to work, looking at him askance. He returned to the drain pipe.

I am not suggesting that a drain pipe is an ideal home, even a real estate agent might find it hard to pitch a sale, but it was what this man knew, and where he felt safe, and most importantly where he had the company of his friends. We need to help people where they are and not necessarily where we'd like them to be.

Then there's the issue of families. Mental illness places an almost unbearable burden on carers, yet family education and training are still not a part of standard treatment in Australia. Why? Research shows that if families of people with a mental illness are supported and trained, relapse rates are reduced by up to 50 per cent.

When Jonathan became ill some 15 years ago, my two younger children were also living at home. Their ages were 11 and 14. No one helped them, no one asked how they were coping, and when I tried to get someone from the mental health services to pay us a visit, I was told this sort of thing wasn't done.

Yet when someone in a family has a serious mental illness, everyone is involved. Everyone is plunged into confusion and unpredictability. I remember writing that it felt as if we were on a ship, engulfed in a terrible storm, no compass, sails ripping, ship sinking ...

the voices and visions, the disordered thinking and paranoia, Jonathan up all night padding around the house, talking and giggling, music full bore, Jonathan asleep all day. The grief at witnessing the disappearance of the child you loved, the fear at his sudden mood swings, his distress, his fear, his anger.

In a book called **The Skipping Stone** author Mona Wasow, an American academic whose son, David, has schizophrenia, says mental illness is like a large stone skipping across the water. “The ripple effect of mental illness on the entire family is enormous.” When I talked about this with the mother of a 20 year old living in Melbourne with a drug induced psychosis, she said pungently, “In our family, it’s more like a bloody tidal wave.” Yes, a lot has improved – there is less ignorance about mental illness, better informed health workers, better medications, community mental health services which range from excellent to poor, a strong growth in consumer advocacy, and some brilliant early intervention programs – working with young people when they first become ill and preventing any further relapses.

But – de institutionalisation has cost far more than was initially expected; warnings from the United States about the need to have adequate services in place were ignored; there has been too rapid a closure of psychiatric beds and a cloud cuckoo attitude from some health workers about mental illness – at times people do need sanctuary, they do need time to stabilise their illness, it’s essential they have follow up after discharge and often this is ignored, there are no long term beds, not enough supported accommodation, and a dire shortage of services in most rural areas.

It’s not popular to talk like this, because a lot of well meaning and highly skilled professionals – caring compassionate people – have undoubtedly put enormous efforts into changing the lot of people with a mental illness in the last few years. But it’s not always working – and like the emperor’s clothes – we’re reluctant to speak out. It’s time we did.

When I first became involved in this field, such reluctance was understandable. I’ve already talked about the prejudices. Neighbours who came and said of Jonathan, “Is he dangerous?” And huge ignorance.

Then there was the aftermath of the anti family, anti psychiatry movement, when families were blamed and described as toxic, noxious or poisonous. Mothers like me were described as, “the refrigerator mothers”. When I went to a symposium on psychotherapy and mental illness at Yale University, I heard Professor Theodore Lidz, the granddaddy of psychotherapy at the time, thundering from the lectern that he had never met the mother of a schizophrenic who wasn’t toxic. Later, he used the word, “noxious”.

I am not sure we need any more generalised inquiries to find out what's wrong. We know what's wrong. We have had research reports galore. And except for some specific avenues of enquiry – like the abysmal shortage of psychiatric services for prisoners in gaol or on remand, what we need is a concerted attempt to make things right.

I would begin by investigating why more progress hasn't been made. I would look at the allocation of funding, particularly in NSW where there are far too many black holes, and where some regional health services operate like fiefdoms and aren't sufficiently accountable. I would look at introducing the kind of comprehensive planning framework which Victoria has, one which requires every region to deliver a range of specified services so there aren't black holes – which might mean an end to the kind of situation which occurred recently in the Southern Highlands where because of inadequate resources a young man with schizophrenia ended up burning down the family home and is now receiving help. In gaol. I would do a complete audit of mental health education and training, and I would want to check all hospital protocols and if they're not being observed, find out why.

I reiterate that there has been improvement. But there are still far too many abandoned people, rattling round looking for help. We know what to do now – let's do it. The long term cost of neglect is enormous, both financially and in terms of lost lives and distress.

SPEAKING THE

UNSPOKEN

Clare Loewenthal

I would like to begin this evening by taking you back to 1979, a time when I was being treated for anorexia nervosa in the psychiatric unit of a Sydney hospital. One evening when my doctor was doing his rounds, I mentioned to him that a television reporter who had heard of my illness had contacted my mother. The reporter had asked Mum if I would be willing to be interviewed on air.

I remember him looking at me with abject horror and spluttering, “But Clare you can’t possibly consider talking about this. Don’t you understand, your father’s business associates might see that interview?” To which I replied, “My father’s business associates saw me walking down Pitt Street weighing less than five and a half stone. I think they know I have a problem.”

No doubt there are some of Dad’s contacts in the audience tonight, but here I am, speaking about a subject that well brought up North Shore girls are supposed to ignore, mental illness. And the reason I am speaking out is that unfortunately our view of mental illness has changed very little since my doctor’s comments two decades ago. Despite the fact that it affects one in five Australians, this is a darkness we turn away from, unless we are the unfortunate one in five.

For the last 20 years have I worked through several layers of shame about my anorexia.

Firstly, there is the generalised stigma attached to having a mental illness. I have watched many people respond to my difficulties, and I would like to pose the following questions: Do we feel guilty about having a broken leg, or a damaged organ? No. Do we blame people for developing cancer or heart disease, even if their lifestyles have contributed to their illness? No. Do we believe people should be able to cure themselves with determination and self-control? No. So why do we expect this of people whose problems stem from the most delicate and complex organ in the body?

There is a further hesitation to admit to an eating disorder because people’s response is often unsympathetic. I always feel that

people are thinking, “Yes, but if she really wants to get better, all she has to do is get her jaws moving! How hard can that be?” I imagine about as hard as it is for an alcoholic to refuse a drink or a drug addict to say no to fix.

Of course anorexia is ready made for media hysteria: talented young women, skeletal bodies, distraught families and a stubborn, senseless self-destruction. But let’s look past the dramatic images and consider the facts:

- Anorexia nervosa has the highest mortality rate of any functional psychiatric illness; with 20 per cent of patients dead in 20 year follow up studies.
- Amongst young women from developed societies, anorexia nervosa is the third most common chronic illness, after obesity and asthma.
- Anorexia has a chronic course with the average duration of illness being five years. Even those who “recover” are unlikely to return to fully normal health and persistent psychiatric morbidity is common.
- In NSW at least 400 new cases are diagnosed each year, and about 5,000 patients are affected by anorexia nervosa at any one time.

(Compiled by Chris Thornton, Director of Eating Disorder Day Programs, Wesley Private Hospital, Ashfield, NSW)

Because the disease appears to have such a simple solution, anorexics are stereotyped as frivolous, self absorbed and vain, a view that negates the very real pain so many sufferers experience. And it must be doubly difficult for the growing number of male sufferers to admit to their illness, when eating disorders are overwhelmingly viewed as female conditions.

In many ways I was a textbook case. All the ingredients were there – privileged background, high achiever, and absolute perfectionist. When I left school I went to Mitchell College in Bathurst and when things didn’t work out for me, my sense of self quickly disintegrated. My subsequent depression and feeling of failure manifested itself in a terrifyingly rapid weight loss.

My self-destructive behavior during the course of my illness was hideous. Every meal was a battlefield; every week brought further weight loss, every doctor’s appointment descended into another round of accusations and threats. I was distant, defensive and hateful to everyone trying to help me. As my weight dropped, so my ability to reason diminished, and the prospect of eating enough food to turn things around seemed insurmountable.

So I feel guilty about having developed a mental illness. An eating disorder is apparently an even worse crime. But perhaps it is the medical profession’s view of my difficulties that has led to my deepest

and most enduring shame. In that stark hospital ward, the very people charged with assisting my recovery fed me a constant diet of criticism and blame, along with the seven meals I was forced to eat every day.

Before I explain that statement, I need to acknowledge that the medical intervention I received avoided my almost certain death. At the time of hospitalisation, my physical condition was rapidly failing, so it was absolutely right that weight gain became the focus of my treatment. This does not, however, lessen the profound effect that my hospitalisation has had on my life.

I was placed on a program ironically named “positive reinforcement”. This worked on the premise that anorexics will do anything to avoid weight gain, so they need to be given a strong reason to do so. I was put in a bed and not allowed out of it, even to go to the bathroom. I was allowed no visitors or communication with my loved ones or other patients. Showers were forbidden, as were books and television. My jewellery and toiletries were confiscated. Basically the only thing I was allowed to do was eat seven meals a day and, as I gained weight, I was graciously given back particular “privileges”.

I know that many people who see me coping well today find it hard to understand why my months of treatment have had such a profound affect on my life, why I still feel guilty about my illness and why, in some ways, I continue to punish myself. But when all your support systems are taken away and you are stripped of your dignity, it is easy to feel ashamed. I can hear my professor’s words still, “Look what you have done to yourself Clare. Look what you have done to your family.”

So whilst the popular media would have you believe that all anorexics are proud of their thinness, I still wear mine like a badge of shame.

When I was fattened up to an acceptable level, my erstwhile professor pronounced me cured and I was discharged. But I left hospital still believing that my illness was something that was totally unacceptable and it took years before I even questioned that belief. After months of separation and trauma, the family made a unanimous decision to put my illness behind it and get on with life. In part this was a function of our family dynamics – to focus on the good not the bad. In part it was to do with my fear that others would discover my shameful secret and reject me because of it.

Once out of hospital, I had to completely rebuild my life and my identity, although it could be argued that I never had a strong identity, and this was the reason I became ill in the first place. I had no skills, no qualifications, no social network and, it must be said, very little personal belief that I could lead a normal life. But I battled on and over the next few years I acquired the skills needed to establish a challenging career in magazine publishing, all the while hiding my illness. Recovery

was a slow process but as my Dad says, “She’s a stubborn little bugger!”

In my quest for fulfillment I joined a creative writing group, which reawakened my desire to write. And not surprisingly the subject that seemed most compelling was anorexia. I started to write about my illness and month-by-month read it out to the group. This was enormously difficult because it meant admitting to my problems in the most revealing of ways. The group was very supportive and encouraged me to continue writing. After many months, I had a completed manuscript and had to decide whether the writing has been a cathartic experience that helped me work through my issues or whether it was a piece of work I wanted other people to read.

Those close to me advised caution. The prime motivator in my life for over sixteen years had been hiding my illness and now, suddenly, I was considering telling the world. But there was a small part of me, an intuitive, pre-anorexic part of me, that believed it was time to stop hiding. And so I published **The Substance From The Shadow**. The book was well received and surprise, surprise, no one said, “Oh My God, she’s a crazy person, I don’t want anything to do with her.” And I realised there are worse things to admit to than having a mental illness.

Many positive things came out of publishing the book. I became involved with the Eating Disorders Support Network (EDSN), which allowed me to see I had moved a long way down the road to recovery. I also became involved in MIEA (Mental Illness Education Australia), a group of people with first hand experience of one of the five major psychiatric diseases, who go into schools and talk about their illness. I began speaking to women’s groups and youth forums, where I realised that whilst few people reach the extremes I did, disordered eating is rampant and there is hardly a woman alive who is completely at ease with her body.

During my crisis years I had wonderful and supportive parents, but at the time I was so immersed in my own unhappiness that I didn’t have a sense of their suffering. In fact I didn’t really start thinking about the effect of my illness on my parents and sisters until I started writing. Looking back, I cannot conceive of going through what I experienced, without family support. Yet the sad fact is that my parent’s love could not help me any more than Anne’s love and devotion was able to lead her son, Jonathan, out of his maze of madness. Every parent shares the pain of their children’s struggles and anorexia is no different. And this is exacerbated by the fact that because nobody knows what causes an eating disorder, the medical profession looks for scapegoats. All too often, families become convenient targets.

Back in the late 1970s, eating disorders were still relatively rare and there were no support systems to help my family through the

trauma. And I suspect the strange nature of my difficulties made it hard for my family to share their pain, even with close friends. In many ways, my illness was a silent battle for us all.

The Substance From the Shadow brought me a certain level of notoriety within a small community, but there remained a clear delineation between “Clare the Anorexic” and “Clare The Business Person”. Work was a very safe place for me, where I believed I would be judged on my talent, hard work and persistence, not my dress size. By now my publishing business was thriving. **Dynamic Small Business** magazine was a well-established title and I had just launched a second magazine on venture capital. So when I was approached to write a book on Enterprise Publications, I was initially reluctant to include a chapter on my personal struggles. But the publisher insisted it would add a dimension to the story of my business, and I was faced with a difficult decision.

As with the first book, I decided to listen to my inner voice and it told me that whatever the personal risk, it was time to shed the last vestiges of my guilt and talk about my illness in the second book. My first book, **The Substance From The Shadow** was intensely personal. It was all about me, and in that a sense it was a continuation of the self-absorption of my illness. **Risky Business** gave me the opportunity to make a more political statement about what I consider to be the last remaining stigma of our society. I wanted to discuss my mental illness within the context of a successful career.

One of the difficulties for people who are suffering from an eating disorder is it is hard for them to identify role models who have beaten it. I am amazed that whenever I am speaking about my experiences, someone in the audience always says they didn't know you could recover. And this is the main reason I wrote about my illness in **Risky Business**. As I say in the book, “Ex-anorexics don't walk around with a banner saying, “I have taken the cure!” When they reach a certain point of recovery they just get on with their lives. The book goes on to say, “After I rebuilt my life to a point where I could be functional and run a business, I felt I should go out and let other anorexic people know that they are not alone – there is hope. And plenty of it.”

So, in summary, I would like to say this. An eating disorder is a last resort for people who have no voice. They are unable to express their profound unhappiness in any other way. I have regained my voice and will continue to use it to foster understanding and compassion for people with all forms of mental illness. The irony is that eating disorders affect our best and brightest. The very people with the most potential are often the ones who have their lives limited, and sometimes destroyed, by an obsession with food and weight. We should not be turning away from these people, we should be supporting them and loving them.

It is so important we learn to give dignity to people's individual struggles, and to give hope to those who feel they will never overcome their pain, and be healthy again.

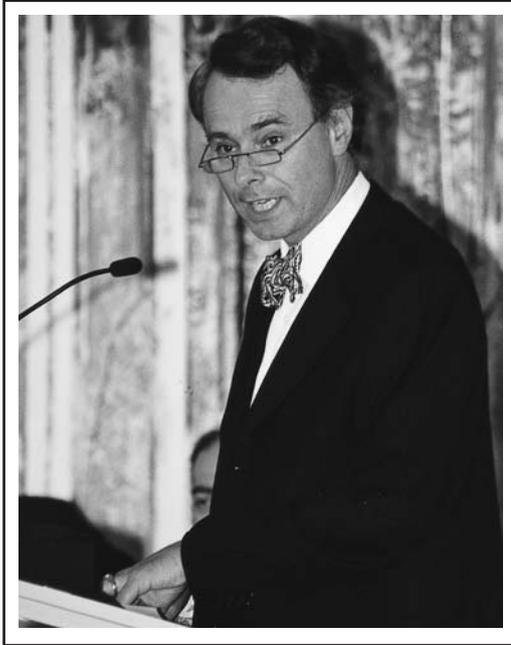


Photo – David Karonidis

Geoff Giudice

A century ago industrial relations was at the centre of the political and economic debate in Australia. One hundred years later, Australia's arbitration system has changed significantly – but the labour market remains a key issue. The role of the Industrial Relations Commission can be said to lie at the heart of industrial relations reform. To reflect on the importance of the Commission, on Tuesday, 12 February 2002, Justice Geoff Giudice, President of the Australian Industrial Relations Commission, addressed The Sydney Institute.

OUR INDUSTRIAL

RELATIONS SYSTEM – WHAT MAKES IT UNIQUE?

Justice Giudice

Thank you for the honour of inviting me to speak to you this evening. My purpose is to describe the essential features of our industrial relations system seen in a briefly sketched historical context, with some reference to the systems applying in other countries, and in doing so to tell you something of the work of the Commission.

It is customary for me to begin a public address with a warning that what you are about to hear has been carefully censored to ensure it contains no expression of view which might be thought politically provocative. While this might lead you to apprehend that you are about to endure a lecture entirely lacking in current interest, I hope that will not be the case. It is nevertheless necessary to make the point that members of the Commission, no less than judicial officers, in order to retain the confidence of the public, should do nothing to detract from the impartiality of the institution which they represent. The chances of public comment being construed by the public as an indication of predisposition to a particular point of view are possibly even greater for the President of the Commission than for judges because so much of our industrial dispute work is carried out in a politically sensitive environment. And of course all judicial officers are restrained by the desire to ensure that their public statements do not provide material for parties appearing before them to include in their submissions.

It may be useful to start with the origins of our system and a very brief description of it. When the first Conciliation and Arbitration Act was passed in 1904 it was the fulfilment of a policy objective which was developed during the 1890s as a result of a number of very serious industrial disputes particularly in the pastoral industry but in a number of other industries as well including maritime and coal mining. There was a broadly held view that there should be some form of federal regulation of industrial disputes, whether to restrain the worst excesses of employers, to protect the public from the effects of industrial disputation or for some other reason. A number of the States had systems based on wages boards or conciliation committees for the

fixation of wages and conditions in industry and around the turn of the century several States considered the introduction of an industrial commission with compulsory powers of arbitration. By 1900 compulsory arbitration bills had been introduced in all of the mainland Parliaments. Compulsory commission systems were introduced in New Zealand in 1894 and New South Wales in 1901.

The idea that the Commonwealth Parliament should have the power to make laws in relation to conciliation and arbitration was summarily rejected at the 1891 Constitution Convention. Henry Bournes Higgins reintroduced it at the Adelaide convention in 1897. Opponents thought that giving the federal parliament power in this respect would usurp the role of the states. Higgins and Kingston would have preferred to have the only the words “Conciliation and arbitration for the prevention and settlement of industrial disputes”, but to allay the concerns of those fearful of federal interference in local disputes added “extending beyond the limits of any one state”. The clause, as amended, was moved late in the debate, and was voted upon and defeated 22 to 12.

Higgins did not re-introduce the issue at the Sydney convention in 1897, waiting instead until the Melbourne convention in 1898. The same motion that had been voted on in Adelaide was then put forward. Symon, a South Australian delegate, said that the “insertion of this power in our Constitution is unnecessary, and will be absolutely mischievous”. William McMillan (a delegate from New South Wales) was concerned that local disputes would be purposely made to overflow into other states. Similarly, George Reid, the Premier of New South Wales, claimed that creating a new jurisdiction to settle disputes “will only lead to an extension of the evil” and that men might extend the areas of disputes in order to obtain the advantage of having them settled by the federal tribunal. Another fear was that inclusion of the sub-section would lead to compulsory conciliation and arbitration. Higgins countered this by advocating constitutional flexibility rather than attempted prediction of the effects of federal conciliation and arbitration:

The issue is not whether there is to be arbitration or not – the issue is not as to what kind of arbitration or conciliation there is to be – but the issue is whether the hands of Federal Parliament are to be tied, so that no matter how distinctly federal the dispute is, how widespread that dispute is throughout Australia, the Federal Parliament shall have no power to deal with it.

On this occasion the resolution was passed and this led in due course to s.51(xxxv) of the Constitution.

The first conciliation and arbitration bill was introduced into the new federal parliament in 1901, but it was to be more than three years, several governments and many amendments later before the bill

eventually became law. Its passage was not smooth, an early indication of the controversy which has been associated with industrial legislation ever since. The bill was interrupted by changes in government and bitter disputes on questions such as union preference, nothing much has changed there in 100 years, and whether the employees of the federating States should be within the jurisdiction of new court.

The central concept of the system was, although novel, and almost unique, simple enough. The social evils of the strike and lockout were to be replaced with compulsory, collective conciliation and arbitration. The system was to be under the jurisdiction of a court. The Court was to have jurisdiction in relation to industrial disputes extending beyond the limits of any one State. The economic significance of the creation of the Court was of course quite profound, not only because of the part the Court and its successors would play in establishing wages and conditions of employment for the nation's employees but also because of the economic effects of its decisions and its important relationship with industry protection policies which would endure until the closing decades of the century. The important features of the system included the fact that it was collective in nature in the sense that it provided legal recognition for trade unions which, once registered, had the capacity to act in industrial disputes in their own right on behalf of their members present and future; it had legal authority in that its awards had the force of Commonwealth law and prevailed over inconsistent State laws; and, it had a very strong egalitarian foundation. For example, the Court was required, so far as practicable, to provide for uniformity of wages and conditions throughout an industry. This principle was also evident in the requirement, not to reach its full expression until the late 1920s, that the Court should not make any award, either by arbitration or by consent, which it judged to be contrary to the public interest. Perhaps most important of all, the system was compulsory. Parties, unions and employers, were required to submit their disputes to the Court for settlement and strikes and lockouts were unlawful.

If we leave aside New Zealand, which had a similar system for most of the twentieth century, the combination of these elements was very unusual and despite the changes of the 1990s and recent developments in some of the newer African economies, remains so today. In the UK for example, while there was legislation for the establishment and protection of trade unions, there was very little regulation of industrial disputation and the application of the common law relating to contract and tort was a matter of great controversy in the early decades of the twentieth century. And in that country collective bargaining is still the predominant method of dealing with industrial claims. There are a number of important statutory rights relating to health and safety at the workplace, security of employment,

redundancy and unfair termination. There is no compulsory dispute resolution process. Voluntary conciliation and arbitration are available through a publicly funded authority.

Like Australia, the United States has a federal system and there are variations in the labour laws of the various states. As a generalisation, however, it is probably accurate to say that the primary concern of labour laws in the US, both at federal and state level, is the regulation of the bargaining process. The nature of the bargaining unit, which workers it represents, whether it was formed by a democratic process free of employer influence are all matters of importance. Then there are laws governing the way in which parties behave during the bargaining process which are frequently invoked. Generally there is very little emphasis on achieving outcomes. Of course parties frequently agree to engage a mediator and, not so frequently, jointly agree to submit their differences to arbitration. Compulsory arbitration does exist in some areas of public employment but usually only where, because of the nature of the employment, industrial action is prohibited. The Canadian system, which is also comprised of federal and state laws, is similar although there are statutory rights of action in relation to unfair termination of employment.

Of course developments in our system over the last 100 years, but particularly in the last decade, have moved our system closer to the systems of other developed economies. This can be seen in two areas of interest. The first is the way in which industrial action is treated. The second concerns the area of individual rights in relation to termination of employment.

In relation to the question of industrial action, since 1993 our federal system has permitted strikes and lockouts. Subject to the observance of certain prescribed procedures parties may now engage in strikes and lockouts without fear of civil liability provided the action is taken to support or advance claims for an enterprise agreement, and the action does not involve a secondary boycott, personal injury, wilful or reckless destruction of, or damage to, property or unlawful use of property. Many countries have enacted statutory protections for employees who wish to organize and bargain collectively and to withdraw their labour as part of that process. Recognition of what is colloquially referred to as the right to strike was a long time coming in Australia. This was because the rationale for our unique system was that the strike was to be replaced with conciliation and arbitration carried out under the auspices of a tribunal with a responsibility to protect the public interest. As many people have observed, since strikes were legitimised in Australia they have occurred less frequently. Some may think it curious that the incidence of industrial action should be less when strikes are lawful than when they were unlawful. It was recently suggested in an OECD publication that prior to 1993 a

frequent objective of strike action was to attract the jurisdiction of the Commission. That is one possible explanation. Other circumstances might also have played a part in the decline in industrial action – such as economic conditions in Australia and social attitudes towards unions. There has also been a decline in the incidence of strike action in most of the developed economies since the early 1990s.

The second area in which our Federal system has drawn closer to those applying in other countries is in the creation of statutory rights to protect individual employees from unfair or discriminatory termination of their employment. Most of the developed countries now have such statutory protections although the method of enforcement of those rights varies. In many European countries enforcement is through the ordinary courts. In the UK enforcement is through a specially constituted tribunal. In Australia all claims are required to go through a conciliation process. If that is unsuccessful and the applicant wishes to pursue the matter then, depending upon the grounds, there may be an arbitration before the Commission or the matter may go to the Federal Court to be heard. Last year just over 8,000 claims for a remedy in relation to termination of employment were lodged in the federal commission. Most such cases are settled by conciliation or abandoned but each year some 500 cases are decided by the Commission with an additional small number being determined by the Federal Court.

There are a number of important areas of jurisdiction, and of the Commission's work, however, which one still rarely finds replicated in other parts of the world. I would like to mention some of them. The first is that the Commission exists at all. It is rare to find a tribunal with compulsory powers to prevent and settle industrial disputes. And of course that is what the Commission has done for the best part of a century: dealing with notifications of industrial disputes by conciliation and by arbitration. This is the feature of our system which sets Australia apart from most of the developed economies.

Another point of individuality concerns the public interest and the effect of industrial disputes on persons other than the direct parties. Where industrial action taken in conjunction with bargaining is threatening the health or welfare of the population or threatening significant economic damage the Commission has the power to intervene to terminate the bargaining period in the public interest and, if further conciliation is unsuccessful, to settle the dispute by compulsory arbitration, by making an award which the parties are bound to accept. The governments of very few countries empower a tribunal to take that action. In North America, particularly in Canada, it is not uncommon for the legislature of a state or province to pass a specific law requiring that industrial action in relation to a particular industrial dispute should cease. There are also many countries which empower their labour courts to order a return to normal operations if

the economic effects of a dispute reach a certain level of gravity. But in most of these countries there is no procedure for resolving the underlying dispute which is left in the hands of the disputing parties. The special feature of the Australian system is that the Commission may make an award settling the dispute. Since 1996 this power has been exercised in relation to disputes in industries such as fire fighting, coal mining, school teaching and electricity generation. There have also been a number of awards made in various areas of the public and publicly funded health system.

We also have a unique approach in this country to the provision of basic conditions of employment for the workforce generally. The objects of Part VI of the **Workplace Relations Act 1996** are as follows:

The objects of this Part are to ensure that:

- (a) wages and conditions of employment are protected by a system of enforceable awards established and maintained by the Commission; and
- (b) awards act as a safety net of fair minimum wages and conditions of employment; and
- (c) awards are simplified and suited to the efficient performance of work according to the needs of particular workplaces or enterprises; and
- (d) the Commission's functions and powers in relation to making and varying awards are performed and exercised in a way that:
 - (i) encourages the making of agreements between employers and employees at the workplace or enterprise level; and
 - (ii) uses a case-by-case approach to protect the competitive position of young people in the labour market, to promote youth employment, youth skills and community standards and to assist in reducing youth unemployment. (See s.88A)

Included among these objects, it is apparent, are that conditions of employment should be protected by a system of enforceable awards established and maintained by the Commission and that awards act as a safety net of fair minimum wages and conditions of employment. For many years the Commission has conducted periodic reviews of wage rates usually on application by the trade unions. Since 1993 these reviews have taken the form of a review of minimum award wages viewed as a safety net. Alterations in minimum award rates are also reflected, where appropriate, in the level of allowances. There is of course a significant level of disagreement as to the appropriate level of the safety net, particularly the level at which minimum wages should be set. And at the political level there is some disagreement about the

kinds of working conditions which should be included in the safety net. In 1996 the legislature identified the matters which can be included in minimum rate awards. Parliament can expand or reduce that list as it sees fit. But the process we have adopted for fixation of basic conditions is indeed unusual in world terms. Many other countries have a safety net of working conditions of some kind but it is usually confined to one or more of: a minimum wage, working hours and some types of leave, such as annual leave and public holidays. Normally the safety net, such as it is, is established by direct legislation. In the United Kingdom and the United States, for example, the minimum wage is set by the legislature and its level is a matter for the political process. In the UK, it should be mentioned, in recent years a Low Pay Commission has been established to advise the government on the appropriate level of the minimum wage.

We also have a particular approach to the making of labour agreements. Parties are generally not free to contract as they wish but may only make agreements in the manner permitted by our legislation. The legislative requirements are designed to ensure that agreements do not disadvantage employees in relation to the award safety net, that they are not discriminatory, that they have been arrived at through a fair process and so on. Most agreements are required to be certified by the Commission in order to have the force of law. Over 7000 agreements were certified by the Commission last year. Every agreement was listed for hearing to give any interested party the opportunity to be heard. There is rarely any opposition to certification. Where the Commission detects an error of substance it may require the parties to give appropriate undertakings or simply refuse to certify the agreement.

For most of the last century the Commission's power to certify agreements was discretionary. That meant that the Commission could refuse to certify an agreement if it formed the view that the terms of the agreement were contrary to the public interest. In the days when most increases in wages and salaries were derived from an increase awarded centrally, the public interest test was applied to ensure that increases arrived at by agreement were consistent with levels permitted by the central system. The removal of the public interest requirement and the substitution of the no disadvantage test means that the Commission has no powers to disallow an agreement because the level of increase agreed might have the potential to flow on to other areas of employment or to jeopardise the level of employment. Perhaps one other thing should be emphasised: the Commission cannot refuse to certify an agreement because the employer has been induced to enter it by industrial action or threats of it. As we know under our legislation the use of economic power through strikes and lockouts is now permitted. If an employer concedes union demands because of fear of

industrial action that fact is not one which the Commission will take account of in the certification process.

It is difficult within a short period to do much more than trace in outline some of the characteristics of our system and the elements of it which are unique in world terms. I hope that my remarks have not been too general and that they have increased your appreciation of our system which, despite the controversy it attracts from time to time, has proved remarkably flexible and resilient.

THE SYDNEY INSTITUTE ANNUAL DINNER/LECTURE 2002

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THE RT HON PATRICIA HEWITT MP

FROM "BLAIR BABE" TO SENIOR CABINET MINISTER

Educated at Canberra Girls Grammar School and Newnham College (Cambridge University), Patricia Hewitt was Press and Broadcasting Officer (1983-89) and Policy Coordinator (1987-89) to the then Leader of the Opposition in the UK, Neil Kinnock. She served as Deputy Director of the Institute of Public Policy Research (1989-94) and Director of Research for Anderson Consulting (1994-97). In 1993, Patricia Hewitt wrote *About Time* – a book focusing on changes in work and family life. From 1992 to 1994, she was Deputy Chair of the Commission for Social Justice.

VENUE: Grand Harbour Ballroom,
Star City, Sydney

DATE: Monday 15 July 2002
TIME: 6.30 for 7.00pm

ENQUIRIES: The Sydney Institute,
41 Phillip St, Sydney,
NSW 2000

DRESS: BLACK TIE

PHONE: (02) 9252 3366

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Max Hughes

Ambassador Max Hughes, Australia's Ambassador in Vienna, is also currently Chair of the Board of the Governors of the International Atomic Energy (IAEA). In March 2002, the Board of Governors of the IAEA considered a series of proposals put forward by the IAEA's Director General Mr Elbaradei in November 2001. The proposals involved measures designed to counter the threat of nuclear radiological terrorism. In an address to The Sydney Institute on Thursday 14 February 2002, Max Hughes gave an overview of international nuclear networks and some perspectives on why they matter.

INTERNATIONAL

NUCLEAR ISSUES

Max Hughes

I hope today to give you some perspectives on the international nuclear framework, seen from my position as Australia's Permanent Representative to the international organisations in Vienna – the United Nations' centre for nuclear non-proliferation issues.

Vienna is host to both the International Atomic Energy Agency (IAEA) as well as the provisional secretariat of the Comprehensive Test Ban Treaty Organisation (CTBTO). In addition, the world's main suppliers of nuclear technology meet regularly in Vienna in two forums: the Zangger Committee and the Nuclear Suppliers Group. Nuclear issues therefore consume much of my time. This is particularly the case for the next eight months, as I had the honour of being elected Chairman of the IAEA Board of Governors in September 2001.

I should add that concerns about the proliferation of nuclear and other weapons of mass destruction have assumed greater international prominence in the wake of the terrible events of 11 September 2001 in New York city and Washington D.C. I shall make some comments later in my presentation about the spectre of nuclear or radiological terrorism, and what the IAEA is proposing should be done to meet this challenge.

Other factors have raised the international profile of nuclear energy issues over recent years. Future US energy forecasts, the relevance of which were underlined by the serious electricity shortages experienced in California in the northern winter a year ago, have given renewed prominence to nuclear as an energy source in that country. Particular issues include energy security (reducing dependence on hydrocarbon fuels) and long term pricing. Nuclear energy is also being given closer attention in the light of international environmental concerns about greenhouse gases. Thus, while recognising that in many countries, including Australia, there are significant sensitivities about nuclear issues, this should not be an impediment to serious minded attention to this subject among decision makers and opinion leaders as well as the wider community.

Australia has always been an active participant in the discourse between nations on nuclear issues. We became a member of the International Atomic Energy Agency at its foundation in 1957, and have been one of only 10 permanent members of its Board of Governors ever since.

Australia also has a particular connection with the CTBT, as we took the lead in rescuing the Treaty from deadlock in the Conference on Disarmament in 1996 and bringing it to the UN General Assembly where it was successfully adopted.

Australia's interests

It is perhaps worthwhile touching briefly on why Australia has taken such a close interest in the strength and well-being of the international nuclear framework.

First, Australia has long been aware that the relative strategic stability in our own region is underpinned by the absence of weapons of mass destruction – particularly the absence of nuclear weapons. This is something that we may take for granted, but is by no means an accident of history. The absence of nuclear weapons in all but a minority of states is the result of decades of painstaking diplomacy and difficult national compromise – a process in which Australia has been an active participant.

A second reason for our close interest in all things nuclear is that Australia is itself a major player in the nuclear industry. This position was made possible through a hard-won domestic political consensus that Australian participation in the nuclear industry – especially through our exports of uranium worth about \$367 million annually – is a responsible position. This position is, of course, contingent upon being able to assure ourselves that we are not unwittingly contributing to the spread of nuclear weapons and that the international nuclear industry is operated with due regard to the safety of people and the environment.

Underpinning Australia's confidence in the international nuclear framework is the fact that the overwhelming majority of states are full parties to the Treaty on the Non-Proliferation of Nuclear Weapons. The NPT – extended indefinitely in 1995 and universally reaffirmed during the 2000 Review Conference – is fundamental in providing the international legal and moral basis upon which states have foregone the right to possess nuclear weapons and have agreed to cooperate in peaceful nuclear applications. The next NPT review cycle will be initiated by a Preparatory Conference to be held in New York in April 2002.

International Atomic Energy Agency

The International Atomic Energy Agency represents a practical realisation of the commitment in the NPT to the non-proliferation of nuclear weapons and the peaceful use of nuclear technology for the betterment of mankind. Indeed the Final Document from the 2000 NPT Review Conference contains no less than 61 paragraphs referring directly to the role of the IAEA. The work of the IAEA is usually characterised as being based on “three pillars”:

- Verification that nuclear activities remain exclusively peaceful through a system of nuclear safeguards;
- Promotion of the peaceful uses of nuclear technology;
- and strengthening the global culture of nuclear safety.

For Australia, the IAEA’s most important task is in verifying that states do not develop nuclear weapons – a task made possible through its extensive network of safeguards agreements. The IAEA currently has in place more than 200 safeguards agreements with about 140 states. The Agency conducts about 2500 safeguards inspections per year, and its annual safeguards expenditure is around 90 million US dollars. The centrality of IAEA safeguards in preventing the spread of nuclear weapons was reaffirmed in the 2000 NPT review Conference Final Document. Importantly for Australia, the Review Conference also endorsed the IAEA’s move to a system of strengthened safeguards.

Strengthened safeguards reflect a fundamental shift in international approaches to safeguarding nuclear material from diversion to military uses – an approach prompted by the disclosure in 1990 that Iraq was well on its way to developing a nuclear weapons programme, despite having a traditional IAEA safeguards agreement in place. Under strengthened safeguards, the IAEA, instead of focusing primarily on whether declared material has been diverted, will particularly focus its efforts on determining whether any activities have, in fact, not been declared in the first place.

The IAEA’s strengthened safeguards system has many distinctive features. New measures include levels of access to international inspectors that would be thought intrusive by many governments if it were not so clearly warranted by the menace of nuclear weapons, and the employment of monitoring techniques that could be thought overzealous if they were not authorised by the consensus of the members of a major multilateral organisation.

Australia has a long record of active involvement in promoting and strengthening IAEA safeguards. For example, it can be justifiably proud of the active role it played in negotiating the Additional Protocol which sets out states obligations under strengthened safeguards. Moreover, Australia was the first state to ratify the Additional Protocol, and subsequently became the first state in which strengthened safeguards were being applied. It is worth noting too that John Carlson, the

Director General of the Australian Safeguards and Non-proliferation Office (ASNO), chairs the international group of experts that advises the IAEA Director General on safeguards issues (the Standing Advisory Group on Safeguards Implementation – SAGSI).

The IAEA has gained practical experience in Australia in implementing the new measures, such as unannounced inspections and complementary access visits, which will prove invaluable as strengthened safeguards are extended to other countries with more significant nuclear activities. Importantly, we hope that Australia's experience will also demonstrate to others that strengthened safeguards are not burdensome, but rather deliver benefits in terms of increased efficiency and effectiveness.

While Australia sees the IAEA's system of nuclear safeguards as underpinning the ability of states to benefit from nuclear cooperation, we also recognise the important role of the IAEA as an agent for the transfer of nuclear technology for peaceful uses. While not a country with nuclear power, Australia is both a major exporter of uranium and a regional centre of expertise in non-power nuclear applications. Australia has leading edge nuclear research and technology capability, centred at the Australian Nuclear Science and Technology Organisation (ANSTO), including in the use of radioisotopes in medicine, agriculture, marine science and industry, and is a significant exporter of radiopharmaceuticals. In this context we have a direct interest in the nuclear technology activities of the IAEA.

In particular, the IAEA has been recognised by successive NPT Review Conferences as the principal agent for nuclear technology transfer – an element of the NPT “bargain” of most importance to many developing countries. Australia is a major donor to the IAEA's Technical Cooperation Fund, and has been active in seeking a strengthening in the effectiveness of the Agency's development activities which, I should note, are overwhelmingly focused on the non-power applications of nuclear energy.

It is important to remember that international confidence in nuclear cooperation – including our own exports of uranium – depends not only on assurances that such cooperation will remain exclusively peaceful, but also on assurances that nuclear activities will be conducted safely. We therefore see the IAEA as having an essential role in establishing a global nuclear safety culture, including through establishing international safety standards and other guidance documents, and through providing expert safety review missions to help member states conduct their nuclear activities as safely as possible.

Australians have long been at the centre of IAEA efforts to strengthen nuclear safety internationally. For example, officials from ANSTO and the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) have recently chaired IAEA expert committees

working on codes of conduct on the safety and security of radiation sources and also on strengthening the safety regime for nuclear research reactors. We look forward to playing an active role this year when parties to the Convention on Nuclear safety gather in Vienna to undertake a peer review of each other's nuclear safety programs.

Nuclear terrorism

Since the tragic events of 11 September, Member States of the IAEA have been very much focused on the threat of nuclear terrorism. While it is important to keep the risks in perspective, the unprecedented nature and scale of the 11 September attacks has focused us on the possibility a terrorist attacks involving nuclear weapons – the casualties from which could potentially be of much higher orders of magnitude. Apart from the nightmare scenario of a terrorist attack involving an actual nuclear explosive device, two other forms of nuclear terrorism have been the subject of increasing concern to IAEA Member States: the misuse of radioactive materials and violent attacks against nuclear facilities in order to create radiological hazards.

- 1) The theft of a nuclear weapon by a sub-national terrorist organisation is widely assessed as unlikely, but it is a possibility that cannot be excluded, bearing in mind the potentially devastating consequences. It is important to highlight, however, that security of the nuclear arsenals of the five Nuclear Weapons States (United States, Russia, UK, France and China) and for that matter the three nuclear-capable states outside the NPT (Pakistan, India and Israel) is a responsibility for those individual states. Neither the IAEA, nor any other international organisation, has any role in ensuring that nuclear weapons in these states are kept secure, though these states have an obvious direct national interest in doing so.
- 2) a second form of nuclear terrorism could be the result of terrorist organisations manufacturing a nuclear device. The likelihood that a terrorist organisation, even a highly sophisticated one, having the wherewithal to manufacture and successfully detonate a nuclear explosive device is again considered to be low. The case of Iraq's unsuccessful attempt to develop a nuclear weapons program in the 1980s is instructive, in that it demonstrated that even where there is the unconstrained political and financial backing of a sovereign government, building a nuclear weapon is very difficult. But again the possibility cannot be discounted that a terrorist organisation would attempt to go down this path. In this regard, the uneven application of national protection measures is a concern to many in the international community. In recent years, states have reported to the IAEA some 175 cases of illicit trafficking involving nuclear materials. While only a few of

these cases involved significant amounts of nuclear material, they demonstrate that security is still inadequate in certain locations.

- 3) A third form of nuclear terrorism that the IAEA is concerned about is the creation of a radiological hazard through the misuse of radioactive material. By “radiological hazard” I do not mean a nuclear explosion based on a chain reaction of highly enriched uranium or plutonium, but rather the dispersion of radioactive material using other means, such as conventional explosives. A so-called “dirty bomb” could be created, for example, by attaching conventional explosives to a medical or industrial device containing Cobalt-60, and detonating it in a public space, with potential harmful effects to people, property and the environment. While the consequences of such a threat may be limited in comparison with an actual nuclear explosion, the common world-wide use of radioactive sources in agriculture, industry and medicine means that the possibility of this type of nuclear terrorist attack is greater. Recent media reports of Al Qaeda documents containing references to this type of terrorist attack is therefore of grave concern.
- 4) A final form of nuclear terrorism could involve a physical attack on a nuclear facility, such as a nuclear power plant or fuel fabrication facility, again for the purposes of creating a radiological hazard. Although nuclear facilities are generally very robust structures – particularly in comparison to other civil infrastructure – they are not normally hardened to withstand acts of extreme violence. The level of security and “defence in depth”, however, varies from facility to facility and country to country.

It is important to recognise that the primary responsibility for ensuring that nuclear materials and facilities do not become an instrument of international terrorism lies with individual states. Nonetheless, Australia believes that the IAEA – as the recognised world centre for international nuclear cooperation – has a legitimate role to play in enhancing the international community’s protection against the threat of nuclear terrorism, building on the work it is already doing in relation to nuclear safeguards, and security and physical protection of nuclear material and facilities. We see a particular Agency role in three key areas:

First, Australia considers the IAEA’s system of nuclear safeguards as a key ingredient in the international community’s protection against nuclear terrorism. They are the first line of defence against both nuclear proliferation by states, and nuclear terrorism by sub-national groups. The events of 11 September have confirmed in our minds that it is now more important than ever to widen the net of Additional Protocols to minimise the opportunities for terrorists to develop nuclear weapons.

Second, the IAEA's web of conventions, international standards, and other guidance documents relating to security of nuclear materials and facilities needs to be reviewed and strengthened in the light of the threat of nuclear terrorism. I should note that Australia was an active proponent of the strengthening of the key treaty in this regard – the Convention on the Physical Protection of Nuclear Material – well before the events of 11 September. Since then we have played a key role in convincing the wider membership to strengthen the treaty's provisions in relation to the domestic use, storage and transport of nuclear material.

Third, the Agency's mechanisms for delivering technical assistance to its member states – particularly those with inadequate systems of materials security and physical protection – need to be strengthened. Australia would like to see more International Physical Protection Advisory Service (IPPAS) missions conducted in Member States, particularly those with inadequate nuclear security infrastructure in place.

I would not wish to give the impression that there are not differences in the IAEA membership over how the international community should respond to the threat of nuclear terrorism. Differences do exist, including over the extent to which aspects of combating nuclear terrorism should be the preserve of national governments and which should be the preserve of the international community. Views also differ over the relative priority of nuclear terrorism activities compared, for example, to activities promoting sustainable development and, as always, over the issue of how to finance any new measures.

Many of these questions will be finalised during the next meeting of the IAEA Board of Governors in March, which I will Chair, and which will review a comprehensive package of proposals put forward by IAEA Director General ElBaradei. I do sense, however, that there is increasing recognition that the IAEA is the only international organisation capable of coordinating international action on nuclear terrorism. Moreover, in an environment where international security against acts of nuclear terrorism are dependant to a significant extent on the "weakest link" in the international nuclear community, the IAEA is being seen as an important partner in helping countries to ensure that they do not become that weakest link.

Nuclear testing

While a focus of my comments today has been nuclear terrorism, this is clearly not the only current challenge to the international nuclear framework. As I mentioned earlier, the issue of nuclear testing is high on the Australian Government's agenda in Vienna, through our work on the Comprehensive Test Ban Treaty (CTBT) – the Provisional

Secretariat of which is headquartered in Vienna. Australia's strong support for the CTBT is based on the practical view that a complete ban on all nuclear testing is in Australia's security interests, and the interests of all. We are therefore disappointed that CTBT has not yet entered into force. But with 165 signatories and 89 ratifications, there should be no doubt that the CTBT has firmly established a powerful international norm against nuclear testing.

The successful Article XIV Conference held in New York last year, to look at ways of accelerating entry into force of the CTBT, confirmed that the international community is determined to go on working until this goal is achieved. Australia will continue to be at the forefront of those countries working to this end. Australia is, however, realistic about the prospect of the Treaty entering into force in the immediate term. We have expressed our disappointment that several states whose ratification is required for the Treaty's entry into force – including the United States – have indicated that they are not in a position to ratify at this time.

As a friend and trusted ally, Australia is better placed than many to influence US thinking on the Treaty, and we are continuing to urge the US to join the international consensus on this issue. We are, of course, giving the same message other key states such as Pakistan, India and China. And until the Treaty enters into force, Australia expects existing moratoria on nuclear testing to be maintained. At a practical level, the provisional secretariat in Vienna has made significant progress toward building up the CTBT verification network, of 337 monitoring facilities, in some 90 states around the globe. Around a third of these facilities have now been completed, with another 90 well underway in construction. When completed, the network will be capable of registering vibrations underground, in the sea and in the air, as well as picking up radionuclides released into the atmosphere from any nuclear explosion, thus ensuring that the international community's prohibition on nuclear testing can be effectively and efficiently verified.

Nuclear disarmament

In addition to preventing the further spread of nuclear weapons and promoting the peaceful use of nuclear energy, a key issue on the international nuclear agenda is the commitment in the NPT to pursue nuclear disarmament. The current focus there is on follow up to announcements late last year by the United States and Russia of welcome major reductions to their strategic nuclear arsenals.

On the multilateral front, apart from achieving a successful NPT Prepcom in New York in April, another key priority for Australia this year in the Conference on Disarmament in Geneva will be the early commencement of negotiations for a Fissile Material Cut-Off Treaty (FMCT) – a move we consider to be the next logical step on the arms

control and disarmament agenda. Capping the amount of fissile material available for use in weapons – in effect turning off the nuclear-weapons “tap” – is essential to achieving irreversible nuclear disarmament. FMCT negotiations would also be a timely and welcome vote of confidence in multilateral approaches to arms control and disarmament.

Australia is meanwhile exploring with like-minded states the possibility of making informal progress toward an FMCT outside the Conference on Disarmament. By enabling progress on cut-off issues in the absence of formal negotiations, such informal work would pave the way for more rapid progress when formal negotiations in the Conference on Disarmament do begin. Pending the emergence of the FMCT Australia has urged all relevant states to join a moratorium on production of fissile material for nuclear weapons.

A related nuclear disarmament objective being pursued in Vienna is the finalisation of the so-called “Trilateral Initiative” – under which Russia and the United States are working with the IAEA to develop a system of verifying that excess nuclear weapons material is irreversibly disposed of, or converted to peaceful uses. The conclusion of the Trilateral Initiative was laid down as a milestone in the disarmament action plan agreed during the 2000 NPT Review Conference. We understand that there is a real prospect of the parties to the Initiative completing their work by the end of this year, and the possibility of verification commencing by 2004. Once this work is complete, Australia would expect other relevant states to similarly place excess weapons stock under IAEA verification.

Conclusion

I hope my comments today have gone some way to explaining Australian perspectives of the international nuclear framework, as seen from Vienna. While nuclear non-proliferation and nuclear disarmament have been on the international nuclear agenda for some time, the issues have largely concerned the behaviour of states. Differences have been dealt with through dialogue between governments. But since 11 September – and amid heightened international attention being paid to the threat of nuclear terrorism – governments like our own are being asked to step beyond traditional multilateral nuclear diplomacy and to respond to potential nuclear threats from non-state actors. This will be a particular challenge for me this year as Chairman of the IAEA Board of Governors, but I believe it is a challenge to which the international community will successfully rise.

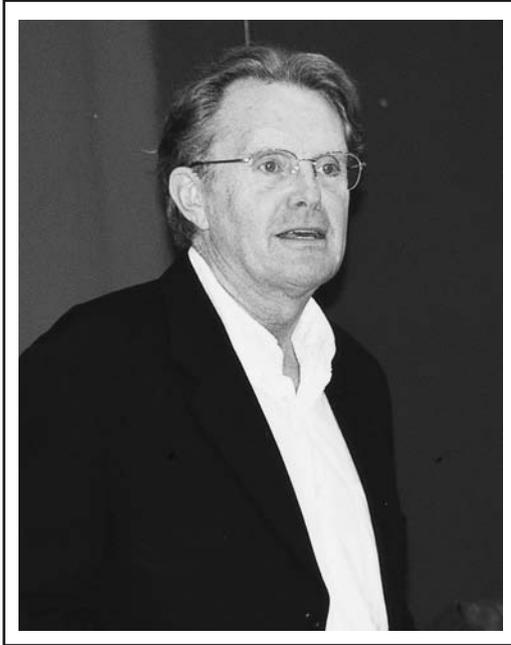


Photo – David Karonidis

Peter Thompson

Australian actors are winning at the box office and at the Oscars but Channel Nine's **Sunday** film reviewer Peter Thompson believes the Australian movie industry needs help. Reflecting on the creative decades of the 1960s and 1970s, Peter Thompson addressed The Sydney Institute on Tuesday 2 February 2002 and compared those years with the more pragmatic Australian consciousness of the local film industry today.

WHITHER THE

AUSTRALIAN FILM INDUSTRY?

Peter Thompson

My parents, Patricia and John Thompson, were modestly successful writers, pretty much forgotten now except by those closest to them. Both were long gone by the time John Howard was elected in 1996 but I think they would have been as disgusted as I was by one of his earliest initiatives: the pruning back of the hard-won PLR or Public Lending Right – a small thing but not without significance. The Public Lending Right is, as you know, a modest recompense paid to authors for the use of their books in the nation's libraries. After 1996, for living authors, the PLR was to be cut off after 50 years and it would not pass, as it had done, to their immediate heirs. The saving to the federal budget was to be between one and two million dollars. As you may remember, writers' organizations mounted a vigorous protest and the benefit was partially restored. But I, for one, would no longer receive the small payments that were a pleasant reminder of my parent's devotion to the world of ideas. It wasn't the money – I could earn more before breakfast than their modest legacy. It was what this pointless, spiteful decision said about where Australia was headed. In Howard's view, a lifetime devoted to the written word is of trivial value. If Mum and Dad had left me a bundle of BHP shares, or a cricket bat autographed by Don Bradman – well, that would have been a different ball game.

Is this a portrait in miniature of one side of the Australian character? Obviously, I think it is or I wouldn't waste your time with it. I think it captures something poisonous in the national spirit – a small-mindedness, a vindictiveness and an anti-intellectualism which co-exists with the impulse to generosity and optimism that manifests itself with comparable force in so much of our public life.

The revival of the Australian film industry a quarter of a century ago was fueled by that generosity and optimism. By "film industry" we mean, of course, a narrative feature film **production** industry. We say "revival" because there were periods in the first half of last century when filmmaking flourished. But without denigrating the people involved, pioneers like Raymond Longford and Lottie Lyell, Charles

and Elsa Chauvel, Ken Hall and many others, there was little or no feeling of continuity with them. In fact, the **discontinuity** was palpable. If you were there, the “revival” of the 1970s felt more like a total break with the past. That was certainly my personal experience and I had perhaps a stronger connection with the early days than many of my contemporaries. As a small boy in 1947, I visited the set of Ralph Smart’s **Bush Christmas** where a close family friend was acting as tutor to the children in the film. One of them, the Aboriginal boy Neza Saunders, visited our house and later, another close family friend, Bill Harney, spent several weeks in Sydney chaperoning Robert Tudawali during the making **Jedda**. One evening, I wandered unaccompanied into the film studio in Pagewood and, apparently to the amazement of the crew who regarded the Chauvels with appropriate awe, insisted on looking through their camera.

Through my family, I had many more close encounters of the third kind with Australian writers, filmmakers and actors during my childhood. But precious as those memories are, Australia was a radically different place 20 years later. I won’t dwell on the dramatic social, economic and cultural changes after 1945 but you know what they were. Growing up, I saw families all around me in which the children, Baby Boomers as we’re now called, were encouraged to gorge themselves on the fruits of victory. We were the chosen ones, expected to make the most of the opportunities our parents had created, golden days of peace and plenty denied them by history. This optimism survived even the scoundrel time of the 1950s when old sectarian rivalries blighted Australian politics and almost snuffed out the bright, egalitarian dreams of Curtin and Chifley and the others. But the growing affluence, the widening access to free education, the flood of non-English-speaking immigrants and the shrinking of the world through cheaper travel and better communications – all these were changing Australia forever.

Many of my contemporaries were destined to meet and even far exceed their parents’ expectations, entering previously inaccessible professional and creative areas. I felt somewhat distanced from them because, I now realise, I drew my sense of identity very strongly from my parents, especially from my father’s enthusiasm for the creative life and his love of Australian writing. But there were other things. George Miller has commented on the impact of the Sydney Film Festival on himself and his friends. As a boy of 13, I attended the first Festival in 1954 and, like George, I was electrified by what I saw. French, Italian, Central European, Japanese, Indian and independent English-language films flickered with dazzling new life on the temporary screens dotted around the Sydney University campus. A little later, I joined Hayes Gordon’s Ensemble Theatre and was thrilled by his revelations of contemporary American drama. It wasn’t just that I was growing up

and discovering the world and that what might have been mundane and old hat to someone else struck this young man as magical. No, there was an inescapable sense of renewal rippling through the whole community. To some it was unwelcome but to most it was delightful. We're talking about Australia before the Sydney Opera House was even thought of, a country with virtually no live theatre, no ballet, no opera, no film industry. It's difficult now, after all that's happened since, to appreciate the shock of something like Ray Lawler's **Summer of the Seventeenth Doll** in 1955. It highlighted the astonishing fact that professional actors in this country were virtually incapable of authentic Australian accents because most of them earned their living in radio where they had to cultivate bogus English or American speech.

The arrival of television in 1956, dismal as much of it was, triggered more dramatic changes. Happily, it also created lots of new jobs. Joining the rush, I started at the ABC in the mailroom, drove a delivery van for a while and within a couple of years was helping to edit documentaries and programs like **Four Corners** and **This Day Tonight**. At the same time, I scraped through an Arts degree at Sydney University and married a European exile from Nasser's Egypt. If I had bitten off more than I could chew, I barely noticed. I started making my own films and, in the late 1960s, was awarded a Churchill Fellowship to study film around the world (which is another story). But that endowment has always symbolized to me the deep vein of Australian generosity I mentioned earlier. I still feel humbled by it.

I don't want the picture to be too rosy and simplistic. I haven't had a charmed life but I'm well aware of my good fortune. Despite my shortcomings, I've been able to maintain a career as a filmmaker for some 40 years and, for half that time, I've enjoyed a parallel occupation as a commentator on film on the Channel Nine program **Sunday**. The dismay I feel with our present circumstances certainly doesn't stem from any sense that I've been personally hard done by. Quite the contrary. I've enjoyed, even squandered, some fantastic opportunities.

It's now the height of fashion in Australia's public forums to deride the 1960s and heap contempt on the Baby Boomers. No insult sounds too far-fetched: self-indulgent, superficial, self-obsessed, do-gooders, bleeding hearts. But the Sixties were no more and no less than was to be expected, given what had gone before. And the Boomers were like seeds germinating after a bushfire: all they needed was water to trigger an explosion of growth. It's instructive to observe that not all but most of the Australian directors who are pre-eminent to this day cut their teeth during the Sixties and Seventies: Peter Weir, Bruce Beresford, Gillian Armstrong, Phillip Noyce, Fred Schepisi, John Duigan – and many others. To borrow the title of Amanda Vaill's biography of Sara and Gerald Murphy and her wonderful evocation of Paris in the Twenties, "everybody was so young".

And there are some striking parallels between the 1920s and the 1960s. Just as so many artists after the First World War saw themselves wiping the slate clean and recreating literature, painting, music and film, so the young of the Sixties naively believed they could do anything, even radically change the world – of course, for the better. “Bliss was it in that time to be alive,/But to be young was very heaven.” And we were egged on, I repeat, by our parents. Evidence of change was everywhere: in the US, the civil rights struggle, the war in Vietnam, political assassinations, Woodstock; in Britain, new playwrights, Beatles and Stones, Carnaby Street. The Pill was shaking the foundations of the old sexual morality. And in cinema, there were significant technological advances and even more dynamic cultural changes: the Hollywood studio system was reconstituting itself and American films appeared to have renewed contemporary relevance. To take just one year, 1969, as an example, it produced **Easy Rider, Alice’s Restaurant, Midnight Cowboy, They Shoot Horses, Don’t They?, Bob & Carol & Ted & Alice** and **Medium Cool**. European cinema was increasing its profile in the English-speaking world. The French New Wave was enormously influential, no matter how superficial that influence might ultimately prove to be. And Bergman, Fellini, Visconti and Antonioni were at the height of their powers.

Please relax! I don’t intend to regurgitate my impressions of every one of the last 40 years. I’m dwelling on the Sixties to remind you of the nature of those times, the thrusting cultural assertiveness that made an Australian film industry sound like a perfectly natural, thoroughly desirable thing. Even politicians could be inspired by the rhetoric of the agitators, people like Barry Jones and Phillip Adams who spoke of dreaming our own dreams, seeing our own landscapes and hearing our own voices. People on both sides of the political divide shared the vision. John Gorton, Bob Ellicott and Margaret Guilfoyle had no trouble buying into it. Don Dunstan, famously, broke new ground. The miracle of the Australian film revival is that it was made possible by an extraordinary expression of public goodwill, channeled through government action. And the passion was shared by both ends of the political spectrum.

So what went wrong?

Why has so much of that energy been dissipated? Why have the high hopes and promises been forgotten? Why has the inspiring rhetoric of cultural rebirth become little more than political cant, repeated with dwindling conviction by anyone seeking or trying to hang onto public office? Why does talk of an authentic national voice now sound slightly embarrassing and old-fashioned?

The answers are not far to seek. My contention is that our film industry, as we like to call it, has lost its way. The past 25 years are littered with disappointments and lost opportunities. The river in

urgent flood 40 years ago has spread out across the arid vastnesses, evaporating in the heat and glare. If we are ever to regain the clear sense of direction, the vision of a job to be done, there has to be a massive re-think.

Now, I want to distance myself immediately from any inference that I am bagging local film makers or denigrating their work. Not at all. I hope I can make it clear that what I'm looking for is a different perspective on where we are. I shouldn't have to declare my support for those creatively engaged in Australian film but I will do so, anyway. At the same time, I think our tendency towards self-congratulation is becoming a hindrance. The best cricket team, the best football team, the best Olympics, the best little country on Earth. Was it Clive James, or it might have been Bob Hughes, who said that as you fly to Australia, you can hear the back-slapping from halfway across the Pacific?

But let's look at the recent crop of films. Last year there were three that performed particularly well at the box office: **Moulin Rouge**, **The Man Who Sued God** and **Lantana**. As well as making money, each is remarkable in its own way: **Moulin Rouge**, Baz Luhrmann's now internationally celebrated initiative to revive the screen musical in contemporary film language; **The Man Who Sued God**, a David and Goliath story about corporate skullduggery that uses smooth, accessible comic writing and star power (Judy Davis and Billy Connolly) to enhance its appeal to a wide audience; and **Lantana** which dissects several adult relationships with a remarkable degree of emotional honesty. To that trio we could add David Caesar's **Mullet** which was made on a very small budget and was justifiably endorsed by audiences for its maturity and insight.

But this was the strongest crop of films for some years and points need to be made. While Baz Luhrmann and his wonderfully talented team are Australian, **Moulin Rouge** was financed entirely by a Hollywood studio so while the scale of its achievement and success are laudable and exciting, it owes nothing to our local industry infrastructure. **Lantana** is being seen as something of a landmark and it is very much what **Moulin Rouge** isn't – a product of our local development and financing regime – but the previous film by director Ray Lawrence, **Bliss**, was made 16 years before. David Caesar could only survive the process of developing and making **Mullet** by subsidizing it with other work.

The reality is that it is still almost impossible to have a viable career as a film maker in this country. The directors of the films I've mentioned, Baz Luhrmann, Mark Joffe, Ray Lawrence and David Caesar don't support themselves making Australian feature films. It's true that they all get by one way or another, working for Hollywood, making commercials or doing television. Without getting

into an argument about who are the principal creative drivers of film production – directors, writers, producers or whoever – you have to wonder about an industry that can't support the people it depends on for its very existence. I often say half-seriously that we started out to create a film industry and ended up with a bureaucracy. We have film schools, federal bodies, an archive and state agencies employing hundreds of people, and even humble employees of those organizations earn more than many of the film makers who are their reason for being there in the first place! This isn't a whinge. I'm not crying foul. I'm simply saying that things are topsy-turvy. And I would argue that hidden in there is a bit of that old Australian poison that I mentioned right at the start, a feeling that creative people are somehow getting away with it, that they're ripping us off, that what they do isn't real work. We're used to the idea that the government, that is the Australian community, subsidizes the film industry but what's never said is that the film industry is also heavily subsidized by the people who come up with the ideas. The romantic idea of the artist starving in the garret is still with us.

I've suggested we misuse the word "revival", or you could say rebirth or renaissance, to describe what happened in the Sixties and Seventies. Another word that has got us into all sorts of trouble is "industry". It's a bit like the word "Hollywood" which we use as a sort of shorthand, catch-all name for corporate filmmaking in the U.S. We all know that talking about Hollywood as some kind of definable entity begs a million questions but we go on doing it anyway. Industry can be defined essentially as organized economic activity connected with the manufacture of a product and it's a bad fit with filmmaking. It suggests a certain predictability of outcomes that applies to movie production more by good luck than good management. Certainly, many aspects of film production, distribution and exhibition are industrial. And ask a makeup person or a grip or a third assistant on a film set and in all likelihood they'll tell you it often feels like a factory. They'll probably also tell you that they're freelancers, that their job security is zilch. Film does look a bit like a business and many people go into it to make money. But the word "industry" has bedeviled film making in Australia by making it look like something it isn't.

Part of the problem is that many see the measure of art as the degree to which it dresses in the clothes and speaks in the language of commerce. In reaction to this, John Hinde has made the distinction between a national cinema and a film industry. He describes a national cinema as one inspired by a community's anxieties, anxieties which it helps to reduce by, to put it simply, providing answers. That is, by redefining or redirecting its ideals and raising its expectations. In other words, a cinema rooted in the national subconscious. A film industry, on the other hand, operates like any other manufacturer, primarily to

make money by satisfying the most obvious, the least problematic appetites, but without that deeper link. Another way of putting it is to say that a national cinema leads and a film industry follows. It's a complex symbiosis in practice but perhaps we would have come further in the last twenty years if we had put more emphasis on the idea of a national cinema rather than that of a film industry. And it's illuminating to look back 20 years to the way we were back then. In 1982 there were nearly 50 feature films made. It was the first year that the new tax scheme, the now vilified 10BA, operated. The films included Peter Weir's **The Year of Living Dangerously**, Phillip Noyce's **Heatwave**, Gillian Armstrong's **Starstruck**, John Duigan's **Far East**, Igor Auzins's **We of the Never Never**, Carl Schultz's **Goodbye Paradise**, Ken Cameron's **Monkey Grip**, George Miller's (that's the **other** George Miller's) **The Man From Snowy River**, Scott Hicks's first film **Freedom**, Don Crombie's **Kitty and the Bagman**, Michael Pattinson's **Moving Out** and Paul Cox's **Lonely Hearts**.

Even now, that looks like a pretty interesting collection. But one of the things I want to emphasize is that, back then, it felt like a **beginning**. It was the **start** of something that was going to get even bigger, even better. Of course, the accepted wisdom is that it didn't get better, that 10BA set the industry on a self-destructive course from which it was rescued in 1989 by the formation of the AFFC, the Film Finance Corporation.

The demonizing of 10BA had political motives but the lasting impression is of people exploiting it with get-rich-quick schemes. Of course, overwhelmingly, the people who made money from 10BA were the people who always make money – the people who have it in the first place. It's easy to see now that 10BA, or any other system of subsidy, needs to be wisely regulated but regulation already had a bad name in 1989 because the Mad Hatter's tea party of economic rationalism was just warming up. The unfortunate thing was that the restructuring of film financing was carried out largely in economic, industrial rhetoric. With their backs to the wall, the film community had to promise that once their "industry" was on a sound economic footing, the need for subsidy would disappear. Ridiculous, of course, but as in **The Invasion of the Body Snatchers**, the population soon succumbed.

And just to put that shibboleth quickly to bed, the example of the American film industry is constantly put forward as demonstrating that genuine popular filmmaking needs no subsidy. The truth is that the American industry has always been subsidized, early on by money laundering schemes and later on by tax concessions. I'll add quickly in passing that, although I believe the Americans make the best films in the world, it is insane to try to emulate them. Learn from them by all

means, but for Heaven's sake, don't try to copy them. That way lies madness.

It's easy, perhaps convenient, to forget in these days of universal genuflection to the gods of the free market, that the film revival depended entirely on government regulation and support. One simple fact that's generally ignored is that, from 1961, all television commercials had to be produced in Australia. This led in time to a skilled, sophisticated commercial sector, an efficient infrastructure of laboratories, equipment providers and film crews, accustomed to the uncompromising demands of commercial clients. The slow development of Australian drama for television was answered with strong legislation in 1967 laying down standards for local content. These regulations, naturally resented by commercial television operators, have contributed directly to the present state of affairs in which local TV production across the whole range of programming earns an extraordinarily high level of viewer loyalty. All commercial television companies now exceed their Australian content requirements although there is growing concern that the reduction of budgets in the drama area is badly affecting the quality of its output. The same viewer loyalty is dramatically absent in our picture theatres. Even last year, a good year as I said, Australian films took only 8 per cent of the box office.

The tension between art and commerce isn't going to be resolved tonight. It's an eternal conundrum. One of my favourite anecdotes is the one about the corporate supremo who takes over a film studio and confronts the studio head for the first time. "How many films are we going to make this year?" he asks. "About 20," comes the reply. "And how many of those will make money?" Oh, about ten," says the studio boss. "Well," says the tycoon, "Why can't we just make those?"

The serious point is not the negative one that an Australian film industry can never be economically viable – even though that might well be the case – nor that filmmaking should be relieved of any pressure to be economically responsible. The point is that economic models should be treated with extreme care. They have pushed us in the wrong direction.

With the best will in the world, the FFC has tried to link investment to the marketplace by requiring producers to make deals with distributors. One of the consequences is that Australian films budgets are generally pegged at between \$3 and \$5 million or even less because that's said to be all that can be recouped from the local market. It's even been argued by some that the right and proper place for Australian films is on the film festival-art house circuit. You could argue this forever, it's all very complex, but these assumptions have direct consequences. For example, Australian feature films are generally shot in around eight weeks whereas comparable films in the

US are shot in twice that time. It's true that wonderful films can be shot very quickly, especially by highly experienced directors. In the old days, many B-pictures in Hollywood were shot in ten or twelve days, equivalent to schedules that prevail in television now. But eight weeks is rarely long enough for an inexperienced director to go beyond what is expected of a script or of him or herself. What I'm saying is that in this and many other ways, Australian film makers have had the bar set too low.

We've allowed ourselves to be bamboozled by econocrats and bureaucrats into thinking that if we get the financial model right, artistic rewards will follow. But as George Miller (that's the George Miller I mentioned first, the one who produced the **Mad Max** films and the **Babe** films), as George has said, art, or creativity, drives economies, not the other way round. The Sydney Opera House is the shining example: it **never** made any economic sense! The cost rocked governments and evoked rage among the philistines but how different it all looks now! It's a triumphant international symbol. The cost sounds trivial – what was it? \$100 million? Does anybody even remember, anymore? And God knows how much it has returned in terms of money alone, let alone what it has done for the Australian soul, for our belief in who we are and what we can do. Wasn't it Goethe who said, "Whatever you can do, or dream you can,/Begin it./Boldness has genius, power and magic in it?"

I'm fond of saying that humans are not rational animals. We are capable of rationality and it's a wonderful attribute but that doesn't make us rational creatures. We've been fooled into thinking that we have a film industry that operates, or can be made to operate if we just push hard enough, along rational lines. But there aren't any certainties at the creative end of filmmaking, no matter how many people are able to exploit it for fun and profit further down the track. Films are about dreams and boldness and magic – or they are about those things often enough to keep us interested, to make movies the pre-eminent art form of our time. We have another dramatic example of the bold gesture just across the Tasman. The extraordinary Peter Jackson has turned the film world on its ear with his **Lord of the Rings** trilogy, attracting half a billion dollars in investment for something that has never been attempted before: shooting three films back to back before the first one is released. What a risk! What courage! What a triumph!

I'm running out of time so I'll make my final points as quickly as I can. As I've said, we've lost sight of the ideals that inspired the creation of a national cinema 30 years ago. We've settled instead for a shriveled economic model that stifles creativity. What's needed is a massive re-think, a reassessment at the highest level which restates the vows we made back then. We need a bold new vision. We have to stop asking what the government can do for the film industry and ask what a

national cinema can do for the country. Government has to articulate the aims and challenge the film community to come up with long term goals and strategies, to look deep into our souls and our hearts for the questions. Art doesn't need to come up with the answers, necessarily, but it has to ask the right questions.

One of the greatest failures of the last 30 years has been the neglect of film culture. Every great city in the world has a cinémathèque. No Australian city does. A cinémathèque can be a focal point for an informed understanding of film in all its many facets, an understanding of film history, film language and film analysis. I'm not the first person to point out that the lack of vigorous, informed critical discourse is a major hindrance to both film makers and the community at large. The solutions offered so far have been piecemeal and funded to fail.

Frankly, I'm pessimistic about anything happening quickly. One of the tragedies is that the bipartisanship that existed in the Sixties has broken down. This might have been accelerated by the strong identification between the arts and Gough Whitlam in the Seventies. Certainly, John Howard has never forgiven the arts community for supporting Paul Keating so strongly in 1993 and again in 1996. The worst part of it is that the film industry – and that's very much what the government sees it as – is now regarded as just another special interest pressure group, whining and whingeing and begging for money. Sadly, the Liberal-Country Party coalition has successfully spooked the ALP into also distancing itself. When Kim Beazley proposed a substantial increase in arts spending in 1999, the ALP was immediately pilloried for funding its precious "elites". The elites bogey must be one of the most poisonous ideas ever inflicted on us. It strikes me that Australia often behaves like a mad dog, trying to eat its own tail. We salute sporting elites, as long as they're winning. We love it when Australians are nominated for Oscars. But when the shock jocks start growling about the chattering classes and the chardonnay socialists, everyone gets scared off. I think Leunig is right. Chattering classes can be fun and we should all attend them. Anne and Gerard please take note: Sydney Institute Chattering Classes starting this Spring!

But seriously, we've got to stop pretending that politicians take a national cinema seriously. Purely in financial terms, the federal government contributes around \$120 million annually to the sector, about what it costs to keep the doors of Parliament House in Canberra open for three months. And the support is badly skewed: the Australian Film Television and Radio School gets \$19 million for funding the future, the film and sound archive, now called Screensound, gets \$19 million for preserving the past but film production, via the FFC, gets only \$50 million. Where are all those budding filmmakers supposed to go? It's all a bit crazy. If we don't want a national cinema, and there are

probably lots of us who don't, let's have the courage just to close it down now and get back to John Howard's beloved 1950s when we were as free of culture as Ireland is of serpents.

Of course, that's not going to happen and probably Howard would be one of the first to deny that it's what we need. The reasons why film production is here to stay are many. More and more people are determined to be part of it – witness the incredible success of *Tropfest*, happening again this Sunday evening. We remain not only an attractive market for Hollywood but a useful production base for them. And every year, we make several films that keep the dream alive.

I don't want to end on a pessimistic note. There are, of course, plenty of reasons for optimism. I'll draw your attention to one with profound implications. Phillip Noyce's **Rabbit-Proof Fence** is just going into release. Here is a film maker who found his vocation in Australia, rose to the front rank of action directors in Hollywood and who came home to make a story at the cutting edge of our national search for identity and meaning. The film is wonderful and Phillip has brought honour to us all. And hope. The best we can hope for is that directors of his calibre will continue to regard Australia as their true spiritual home.

The fact is, Australians can do anything. There's no mystery about it – it's not because we're especially wonderful people. Another of my favourite maxims is; Never say I can't; say, I haven't learned to yet. We can grow and achieve and create things we haven't even thought of.

Perhaps we need to look to our poets for the kind of inspiration that can rekindle the passion. I'm indebted to my friend Storry Walton for pointing out a remarkable essay by Henry Lawson called "If I Could Paint", written early last century. Lawson was fascinated by moving pictures and, who knows? He might even have been thinking of them when he wrote these words. In any case, we should listen to them carefully:

"If I Could Paint" –

My ambition would be to paint Australia as it is, and as it changes: pictures that Australians could look through – and through a mist of tears, perhaps – back into their pasts; pictures that Australians could look through and onward to a brighter and nobler future. Pictures that the "careless" joker might stand in front of chuckling comfortably to himself, and feel less lonely and cynical in his heart than careless jokers are apt to feel. Pictures that might soften hard eyes and mouths, and so ease hard hearts. Pictures showing the best and noblest sides of human nature, so that the world might keep its faith in it, and love it, or, failing that, be more charitable and tolerant towards it. Pictures showing the worst side of humanity, the poverty, misery and squalid vice, that men might hate the greed and selfishness that cause it all. Pictures that would bring hot tears to the eyes and fires to the hearts of men. And pictures that would make men laugh and be cheerful in our time.



Photo – David Karonidis

Helen Coonan

The Hon Senator Helen Coonan is Minister for Revenue and Assistant Treasurer following the 2001 election. Helen Coonan, formerly a barrister, won her seat in parliament at the 1996 election. In her first major address since assuming her portfolio, Helen Coonan spoke for The Sydney Institute on Wednesday 27 February 2001. In her speech, the Senator outlined some of the major initiatives to be undertaken in the third term of the Howard Government – particularly in extending tax reform and in superannuation.

“SAFETY IN NUMBERS”

– TAX REFORM AND THE NATIONAL NEST EGG

Helen Coonan

I am delighted to speak at The Sydney Institute this evening. I want to share with you the nature of the challenges that confront my portfolio responsibilities as Minister for Revenue and Assistant Treasurer.

In the same way that the 11 September attack has shaken our feelings of physical security, the problems of Enron, HIH and the Independent Insurance Company in the UK have cast shadows over the system of financial and corporate management. It is essential to ensure and reinforce that in its areas of responsibility the government maintains a strong and healthy corporate world.

The areas I want to talk about tonight impact on the lives of every Australian. Taxation, superannuation and insurance lie at the heart of every Australian’s private and corporate well-being. These are the areas, which are shaping as important elements of the government’s agenda for its new term in office.

I am committed to maintaining a sound tax base, a safe super system and a functional insurance industry for all Australians. In setting priorities and directions for the portfolio, I want to start by acknowledging the economic achievements of the government to date. The reforms to the taxation and financial system have provided a launching pad for the work that lies ahead in continuing the momentum for reform.

Australia in a global environment

Within an uncertain global environment the Australian economy has demonstrated remarkable resilience and flexibility. Of the 15 developed countries covered by **The Economist’s** February survey, Australia is expected to lead the field in 2002 with growth of 3.3 per cent – with forecast growth in other countries not expected to exceed 2 per cent.

This is no fluke. With a steady hand at the wheel Australia has been guided through some of the most economically uncertain times since the great depression – firstly, by repairing the economic damage caused by 13 years of Labor in government, secondly by weathering the

1998 Asian economic crisis and thirdly, by continuing to grow the Australian economy in the face of global downturn. This sound economic management is delivering benefits that are having a positive impact on the lives of all Australians. For example –

- some 948,700 new jobs have been created since the Coalition came to office in 1996;
- interest rates are now at their lowest level in three decades with Australian families now paying \$370 per month less on a benchmark mortgage of \$100,000;
- we have delivered \$12 billion in personal income tax cuts;
- slashed the corporate tax rate from 36 per cent to 30 per cent – a highly competitive rate internationally;
- abolished FID and halved capital gains tax for individuals; and
- created a modern tax system.

These of course are just some of the highlights.

This list is not simply meant as a testament to the government's success, but rather a platform on which to build further reforms. Civilising globalisation is one of the great challenges of government. As the Prime Minister outlined a few weeks ago in New York at the World Economic Forum, it is important that governments continue to make the case for globalisation and do a better job of selling the benefits of free trade, economic, fiscal and tax reforms.

Experience has shown us that open markets, trade liberalisation and economic growth are boosting the living standards of the world's poor. During the twentieth century the poorest quarter of the world's population became almost three times richer. Over the past 30 years 70 per cent of the population of developing economies have experienced sufficiently fast growth in real per capita GDP to converge towards growth levels in developed economies.

But clearly globalisation does not lift all boats. Globalisation has also thrown up a number of challenges for nations around the world. Firstly, to ensure this wealth can be equitably shared, by lifting trade restrictions and giving poorer countries greater access to international markets. Paul Kelly made this point fairly starkly in **The Australian** (6 February 2002) recently, pointing out that the EU subsidises its cows at the cost of \$1 per day, which is the same income as the world's poor!

On the regulatory front we are faced with the realisation that significant changes in business practice, technology and communications present new challenges for government. The collapse of Enron has been described by some commentators as having a greater impact on the US economy than the events of 11 September. The apparent systematic concealment and subsequent failure of regulatory safeguards has thrown into question the fundamentals that underpin the regulatory systems in developed economies throughout the world.

It throws up lessons for Australia and, in particular, for the critical portfolio responsibilities I have for taxation, superannuation and prudential supervision. This is because the essence of the market driven system rests on successful corporations and entrepreneurial drive. Good corporate governance and in particular the system of accounting is fundamental for maintaining that confidence. It allows both superannuation funds and private investors to make investments that allow corporations to progress.

The collapse of Enron, HIH in this country and the Independent Insurance Company Limited in the UK have each demonstrated fragility in the system that will need to be addressed. The Royal Commission into HIH is in progress and it would be inappropriate for me to comment, to preempt its findings or to foreshadow changes that may follow from its recommendations.

Against this backdrop there is a particular edge to assuming responsibility for taxation, superannuation and prudential frameworks. This is because good governance, transparency, true and fair accounting, adherence to industry standards and an effective regulatory framework provide the infrastructure that underpins the efficiency and safety of taxation, superannuation and insurance.

Continuing the momentum

In announcing a dedicated Ministry for Revenue the Prime Minister identified the need to have a greater focus on tax administration – that the system has to be made to work effectively, consistently with taking into account privacy provisions and the statutory independence of the Commissioner. I see three dimensions to the challenge of keeping the tax system running – better!

- Ensuring that the tax reforms to date are effectively implemented and bedded down;
- Delivering on our other tax Election announcements; and
- Importantly, examining the way the tax system operates – including the tax design process its administration – and considering how it can best operate in the fairest way possible.

Implementing the government's announced portfolio policies will be my first priority. This includes continuing the momentum for business tax reform. As part of this program we will deliver on outstanding recommendations from the Ralph Review of business tax and revitalising the relationship between the ATO and taxpayers, particularly the business community who have risen to the challenges of The New Tax System with remarkable resilience.

Equally, the government has learnt some real lessons from this reform process. Part of my new role is to examine how we can better engage the business community in the development of policy and

legislation, and how we can strengthen business and community confidence in the taxation system.

Totally tax

The importance of maintaining a fair and efficient tax system can hardly be overstated. Taxpayers are entitled to a tax system in which they pay no more and no less than required by law, where their obligations are clear and the process is fair. In the past, logic and taxation have not always been closely aligned. This disconnect prompted Mark Twain to say that the only difference between a taxidermist and a tax collector is that a taxidermist only takes your skin!

My objective is to ensure we have a tax system suited to the twenty-first century, to create the settings for an internationally competitive economy, higher growth, more jobs and improved savings. The platform to create these settings is a sustainable revenue base that can deliver the services and infrastructure necessary to educate our children, build our businesses and to meet the emerging needs of an aging population, not only concentrated in the cities but in scattered populations across our vast continent.

The government's broad-ranging reforms to indirect, personal and now business taxation (which is a work in progress) and the announcement of a review of international tax continue the biggest tax reforms this country has seen. I acknowledge the role of the Prime Minister and Treasurer in delivering a generational change in the face of the Labor Party's relentless campaign against tax reform. Labor's cynical resistance has spanned much of the life of the Howard Government, without advancing an alternate policy or a plan or even a positive suggestion for reform of a ramshackle system.

My goal is to secure a tax administration system that is not only fair to all the stakeholders, but also sufficiently transparent to permit legitimate concerns to be aired. For this purpose, I have been given the task of making the institutional changes that will allow a new platform for taxpayers concerns to be addressed through the establishment of an Inspector General of Taxation.

Inspector General of Taxation

There are fine but important distinctions to be drawn in the roles and functions of the Minister for Revenue, the Inspector General and the Commissioner of Taxation. The statutory independence of the Commissioner of Taxation and the privacy provisions protect the Office and individual taxpayers from the potential for direct political interference. That is as it should be. It is an important safeguard.

However despite several points of review in the system, including the Courts, an Ombudsman largely engaged in individual dispute handling, a Board of Taxation charged with providing additional

business insight to the government, the Australian National Audit Office whose scrutiny provides a snapshot of the Australian Taxation Office's performance and even the scrutiny of parliament, there are complaints that the ATO is largely unaccountable for day to day administration and in its dealings with taxpayers. I believe the working relationship between the Tax Office and particularly the business community can be made stronger, more transparent and responsive. This will entail further consideration of the structures and governance practices of statutory authorities and office holders, with particular focus on those that impact on the business community.

In part, what is required to meet this need is an Inspector General who can identify the systemic problems in tax administration and deal with issues promptly as they emerge. The hallmark of the Inspector General should be responsiveness. The Inspector General may, for example, be charged with examining and reporting on difficulties in the self assessment system, the processing system, the Rulings system, audits, penalties and interest and impacts on classes of taxpayers to mention a few.

The powers and scope of the role of the Inspector General are still under consideration and will be subject to public consultation. The role and relationship of the Inspector General to the Board of Taxation and the Ombudsman will also need to be carefully defined. However an essential feature of the Inspector General must be the right to access taxpayer information in appropriate circumstances and inquisitorial powers to call for documents and to require the giving of information by the ATO.

The Inspector General will need to be a tough, independent watchdog – an advocate for the ordinary taxpayer – able to “cut to the chase” and engage in more effective conflict resolution, and to bring problems that need to be addressed to the attention of the responsible Minister. It is not the role of the Inspector General nor the Minister to be second-guessing every decision the Commissioner makes. That would be untenable. Rather the relationship between the Inspector General, the Commissioner and the Minister should be one of checks and balances that makes the ATO accountable in its dealings with taxpayers.

I envisage that the Inspector General will also perform a targeted role in more effectively addressing complaints and concerns of the business community, particularly between small business and the Tax Office. The timeframe for the implementation of the Office is a robust one this calendar year. I expect in the very near future to have a fully developed proposal to the Board of Taxation to undertake broad public consultation.

The legislative framework for the Office will be introduced into parliament in the spring sittings and, the Senate willing, passed in

sufficient time to allow the Inspector General to be installed as promised by the end of the year.

Role of ATO

But of course improving accountability and effective Ministerial oversight of the Australian Taxation Office is but one step in the process of creating a tax system for the twenty-first century. In fairness it must be acknowledged that the ATO has had to cope with large scale changes in a short time frame. This has placed considerable strain on its numerous systems. The upshot is that there is now both a need and opportunity to examine ways to make tax administration easier for business and more user friendly for taxpayers.

This week, for example, the Commissioner of Taxation announced a new in-house team to develop a co-design process to enable the ATO to gather community views and develop approaches for better designing the tax administration system. There are many issues to tackle. One of the concepts to explore with the business community and the ATO is how compliance can be made less onerous for low risk taxpayers. Should low risk taxpayers have to undertake the same level of compliance as those who pose high risk to the revenue? Can systems be developed that, for example, would eliminate the need for taxpayers to duplicate extensive records; are there cases where bank accounts would constitute sufficient records for tax purposes? Another pertinent question is what is the core business of the ATO? What changes can be made that would allow it to fulfil its main function of administering the tax system and collecting the revenue?

Having primary responsibility for the detailed design and development of legislation, administration and compliance systems may not be the best way for the Australian Taxation Office to meet its core obligations. Some commentators have argued that having the drafting function located in the Tax Office may prove a distraction from the ATO's primary task of collecting the revenue. While I have no settled view on the merits of shifting legislative responsibility from the ATO, the idea certainly deserves further consideration.

Moving ahead with business tax reforms

Continuing the fundamental reforms of the Australian business tax system is one of the key legislative priorities in my program. First cab off the rank in these initiatives is the Consolidation regime that I announced recently. This important measure is expected to deliver one billion in tax savings to businesses over the next three years. It will allow intra group transactions to be effectively ignored for tax reporting purposes and will facilitate business reorganisation involving asset transfers.

Significant though the substantive measure is, the early release of the exposure draft confirms my commitment to continuing the process of consultation that I propose to follow with all possible major tax initiatives. The concept is to ask business to co-design the legislation by releasing it in a draft format with a users guide and opportunities for businesses to participate in a “road test” before new laws are introduced into parliament. Co-design recognises the importance of giving users in an early and at the systems development phases rather than after the detail becomes embedded in the law.

Through effective consultation at an early stage, the tax laws will be more responsive to the needs of business. Importantly, I believe it represents a new step forward in the partnership between government, business and the community in having a workable tax framework. The government is also committed to continuing the program of business tax measures. To date we have delivered on our commitments to cut personal and company tax rates and halve capital gains tax. We have introduced a simplified tax system for small business, a uniform capital allowances system, thin capitalisation rules and a debt-equity test.

I will be making a further announcement about the rollout of the rest of the business tax measures in the near future.

Securing Australia’s prosperity

The government announced a number of important tax initiatives during the campaign aimed at enhancing Australia’s international competitiveness. The government will also undertake as a matter of priority a review of our current international tax regime.

An important part of the government’s ongoing consideration of business tax reform will be its review of international tax arrangements, particularly as they affect the decisions of business to locate in Australia and attract foreign capital. The goal of undertaking such a review is to make Australia a more internationally competitive place to do business and to attract investment. Can I say in undertaking these initiatives I am acutely aware of the efforts businesses and the community have made to date to meet the changes brought about by the New Tax System and the first tranche of business tax reform. We have learnt much from this process and are conscious of the need to avoid “reform fatigue”. However we must continue the reform process.

As part of the process I acknowledge the role of the Board of Taxation under the Chairmanship of Dick Warburton. The Board has currently under consideration the Tax Value Method and the treatment of trusts. Careful consideration will be given to the Board’s recommendations and there will be ample opportunity for consultation. The rollout of further measures will be done in partnership with business to ensure they have time to understand, to comment and to prepare for any change.

Simply super

Superannuation is a challenging responsibility. It provides me with the opportunity to make improvements to the system from a well-established and strong base. The super system plays a central role in the government's overall retirement income policy. The objective is to achieve a higher standard of living in retirement than would be possible from the aged pension alone.

Superannuation is one of Australia's growth industries, covering about 98 per cent of traditional employees, about two-thirds of self-employed people, and since this government came to office superannuation assets roughly doubled to \$502 billion in September 2001. After housing, superannuation is the most valuable asset owned by Australians. Superannuation is also an attractive tax effective way to save. Super contributions remain more concessionally treated than if they had been received as salary or wages and were taxed at the top marginal tax rate.

The safety of superannuation is an important focus with possible options for reform being examined by the Superannuation Working Group chaired by Don Mercer due to report to government by the end of March. Special features of superannuation savings such as compulsion and preservation rules oblige us to establish a robust regulatory framework. Obviously there will be a need to consult in respect of the recommendations, and I will be giving close consideration to changes that are practical and workable, so that the community can continue to have confidence in the security of superannuation savings.

The importance of superannuation to every Australian cannot be overstated. Stepping into the breach to grapple with tax policy for superannuation and administration presents particular challenges. A feature of any conversation about superannuation usually starts with "don't make any more changes", followed in the next breath with a long list of what should be changed!

Where to start? Well my immediate priorities are to develop the legislation to implement the raft of policies announced during the election to take effect from 1 July 2002. The exception is for splitting of superannuation which is due to be implemented by July 2003. The measures are designed to significantly enhance the overall attractiveness, accessibility and security of super.

Allowing couples to split future super contributions will be a major incentive to boost their retirement savings. Contributions will be able to be made by one spouse into a separate account in the other spouse's name. This commitment has the benefit of giving financial security in retirement to both parties to a marriage. It will allow a partner who might have taken time out of the workforce to raise

children or fulfil career duties to continue to maintain financial planning for retirement.

Reducing the superannuation surcharge from 15 per cent to 10.5 per cent over the next three years, increasing the tax deductible threshold for super contributions by the self employed and introducing a government co-contributions of up to \$1,000 per annum for personal contributions made by low income earners are designed to encourage greater saving for retirement. Super will be made more accessible by increasing the age up to which members can make personal contributions and by allowing the first child tax refund (the so-called baby bonus) to be contributed to super. One of the most imaginative policies in the package is the proposal to allow annual superannuation contributions on behalf of a child.

Apart from encouraging superannuation for life, this represents a very major decoupling of the link between superannuation and paid employment. Superannuation for life creates a culture that gives priority to planning ahead and achieving financial self-reliance. A society educated from a young age about the value of savings can only improve our superannuation system.

Although blocked by Labor and the Democrats in the Senate, the government remains committed to choice of funds and portability. More immediate competition between funds through choice and portability is the most effective way for consumers to make judgements about fees and charges and the performance of their super fund and where they want to place their savings.

There are great challenges to be faced over the next few years about how best to target super to meet the needs of future generations. The main impetus is to be found in the rapidly changing nature of the Australian workforce and our aging population, and also I think, of people's increasing expectations about their lifestyle upon retirement – in other words the adequacy of their super. The government is acutely aware of these issues, and the recent announcement of super measures will go a long way to providing further incentives to save for retirement through super. In recognition of recent developments in retirement income products, the government will examine the tax and social security treatment of certain market linked income streams including growth pensions.

Not surprisingly I have for many years been interested in the relationship women have with superannuation and their ability to save for their retirement. Women's increased workforce participation over the past decade means that many women will have better retirement incomes in the future. However, interrupted careers and fragmented work patterns inhibit women's capacity to save for retirement. I am proud to say that this government has a long history of policy and legislative reforms that have improved the opportunities that women

have in our society. Time does not permit a long recitation. However, I am committed to the implementation of a significant initiative that recognise the changing needs of women.

One of the hardest times financially for families comes with the birth of their first child. In recognition of the contribution made by women leaving the workforce to have and raise children, we will be introducing the First Child Tax Refund, or "baby bonus" as it is colloquially known, up to a maximum of \$2,500 per year over five years. Low income earners will not miss out with a minimum \$500 rebate for a parent earning less than \$25,000 in the assessment year. This proposal will repay a parent who acts as the primary carer after the birth of their first baby born after July 2001. Recipients of the bonus will be able to put the amount in a superannuation account.

We also want to use the "baby bonus" to promote a wider national savings culture, that allows the recipient of the bonus to make that contribution to her superannuation.

Safety first

I have already this evening touched briefly on the HIH Royal Commission and the Safety of Superannuation inquiry. The reports when available will require careful consideration and I will consult widely before implementing any recommendations. While the government is in the process of continuing to build and improve on the existing superannuation framework, the general insurance framework has also been updated by the General Insurance Reform Act 2001. The new framework will ensure the prudential regulation of general insurers is efficient and flexible while remaining safe and stable. Additionally the issue of the rising cost of premiums for public liability insurance is a matter of concern.

The Australian lifestyle is in such a large way defined by our community spirit. It is important that Saturday mornings spent watching your kids at little athletics, the local community dance and sausage sizzle, school fetes and sporting days are not driven out of existence by the cost of insurance cover. I think it is important that we have an open discussion about the drivers of public liability premiums and what can be done to ensure they remain accessible and affordable to the community and to small businesses. But let there be no doubt. The State governments have a clear and unambiguous responsibility in this area. The forthcoming Ministerial Meeting between the Commonwealth, States and Territories which I will chair will examine ways to address the affordability and accessibility of public liability insurance, and will examine the scope for a nationally consistent approach across jurisdictions.

Putting people first

As someone who has through most of my professional life been closely involved with and interested in social policy, I want to say a few words about caring for people. I know it is not something automatically associated with the political class but I think it is crucial. I am concerned that there are those who for various reasons feel that they have not been able to participate in Australia's prosperity, who do not feel confident about their future who worry about their security in old age or who worry about their children's education and their future employment.

It is often claimed that the program of economic and tax reform, this country had to have, is merely founded in the bedrock of economic rationalism – that the modern era of global integration is a threat rather than an opportunity and that faith in markets is misplaced. I want to challenge these assumptions but in doing so challenge business, industry leaders, community bodies and the government to do more to make the case for further reform. The great debate over reform is often conducted in the dry language of economics. But it is the job of leaders to place those arguments in a framework that the community understands and accepts.

The reforms we have undertaken have provided the foundation for us to pursue free but well regulated markets, to respect individual freedoms, to provide free but fair trade and give Australians greater economic certainty about how they invest for their retirement and about the choices they make for their children. As a new Minister in a proven team, I have to say that the central notion that will guide and inform what I will do is concern for the welfare of Australians. This awareness does not diminish or detract but rather reinforces my commitment to ongoing reforms that will see the tax system working better and provide greater security for Australians.

Conclusions

Despite Australia's standout economic performance we cannot afford to be complacent. There is always a tension between fiscal responsibility and the demand for greater spending. To borrow from US economist Arthur Okun, the challenge is how to put some "rationality into equality and some humanity into efficiency". I think it aptly sums up my challenge, especially as the Treasurer will no doubt remind me that I am the Minister for getting money in rather than the Minister for dishing it out!

I am looking forward to the challenges in the expanded portfolio of Revenue and Assistant Treasurer, and I thank each of you for sharing my vision for a vigorous and creative new Ministry.

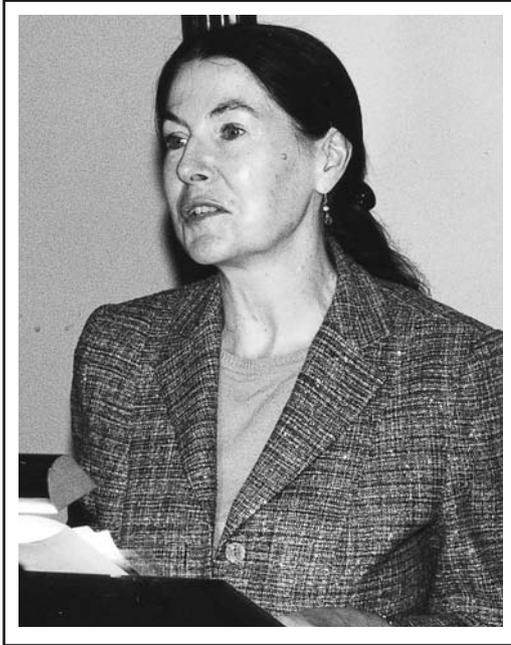


Photo – David Karonidis

Marian Simms

The 1901 election was the proving ground for Australian democracy. Yet the event has not received detailed study or attention over the years since. With the publication of **1901 The Forgotten Election** (UQP 2001) – sponsored by the National Council for the Centenary of Federation and edited by Marian Simms – a new light has been shed on Australia's first federal government. To discuss all this, Dr Marian Simms, Reader in Political Science at the Australian National University, addressed The Sydney Institute on Tuesday 5 March 2002.

THE LEGACIES OF

FEDERATION: THE CASE OF THE 1901 GENERAL ELECTION

Marian Simms

In a recent book **1901: The Forgotten Election** (University of Queensland Press, St Lucia, 2001) I outlined the reasons why the crucial events of the 1901 election had slipped from public consciousness. Overshadowed by the inauguration of the Commonwealth and the swearing of the “Interim” Ministry in Sydney in January, and the formal opening of the first Parliament in Melbourne in May, the general election had passed without fuss and was a testament to what Melbourne political scientist, A F Davies had famously called the “Australian talent for administration”. The 1901 election formalised the Barton government’s tenure in office. All incumbent Ministers were elected, and the Bartonite “team” gained a majority in the House of Representatives. The question of the precise political complexion of the first government, however, will be discussed below.

The main argument of my talk is that the details of the first election were “forgotten” and many of its potential legacies have been lost. However, in the first part of this talk, my focus will be on the more familiar elements of 1901, before moving on to the less.

Important continuities from 1901 include the tensions still present between state-based localism versus uniformity, and the unresolved (unresolvable?) financial relations between the states. The fundamentals of candidate selection, the “pledge” and campaigning methods and style had recognisably “modern” faces in 1901. To a large extent in 1901, with the exception of Queensland there was cross-partisan support for the White Australia Policy. This is one legacy of the 1901 election that is well known as such. Given the widespread awareness of the prevalence of contemporary support for the Policy, I will say no more, and focus on the forgotten history and lost legacies.

State differences were represented in the variety of electoral and voting systems. Australian voters went to the polls in 1901 very much as electors from the different states, under different laws, different ballot papers and on different days. NSW, Victoria, Tasmania and the

West voted on Friday 29 March and South Australia and Queensland, the following day.

The Commonwealth Constitution specified that each state would go to the elections using the system of the more “numerous” house. It also prohibited plural voting, still in existence in several states.

South Australia law, for example, required voters to mark boxes opposite candidates names; the other states required voters to strike out the names of candidates they did not want. In South Australia and Tasmania the states were undivided and went to the House elections as single electorates. The former had “first past the post” and the latter, the Hare-Clark system of proportional representation. The other states were divided into single-member constituencies, for the House. All were state-wide electorates for the Senate.

It was also striking that, well in advance of the United Kingdom and most US states, women voted in South Australia and Western Australia. In South Australia the enfranchisement of women in 1894 was largely a reflection of liberal, progressive values. In the West, while it was copied from South Australia, it was partly motivated by the wish to build a conservative bulwark against the radicalism of the Goldfields. Women also attended campaign meetings in those and in some other states. In New South Wales where votes for women had been a major issue throughout the 1890s, women were barred from some of Barton’s political meetings. In the Victorian campaign female suffrage became a litmus test issue that divided Protectionists, into liberals lead by Alfred Deakin and conservatives such as Melbourne mayor and wealthy ship owner Sir Malcolm McEacharn.

There were stark variations in the level of enthusiasm for the poll across the new nation. In 1901 enrolment and voting were still voluntary, and the average turnout was around 60 per cent, the West was a laggard at 30 per cent, whereas New South Wales was ahead of the pack. For example, the electorate of Newcastle had a voting rate of 97 per cent.

This high turnout is particularly curious in the light of New South Wales’ less than avid response to Federation. Whilst it is true that New South Wales provided heavyweight support at a leadership level, the first referendum on the Commonwealth Bill failed to gain sufficient support. Premier George Reid was criticised by pro-Federation forces and was labelled “Yes-No” Reid for his alleged equivocation. A kinder reading is that Reid was struggling for New South Wales’ interests on key questions such as interstate financial relations, and the Senate’s powers over money bills.

It was to be one of only two Federal elections with a Prime Minister and a Cabinet, who were appointed, not elected. The outlines as sketched above are well known. Sir William Lyne, the New South Wales Premier, was originally called upon by the Governor General,

Lord Hopetoun, to form a Ministry and was unable to do this. The Governor General then called on Edmund Barton, who constituted the first Commonwealth Cabinet. It was the first national example of the incumbency advantage. Ministers campaigned while going about their duties and local governments provided lavish receptions. All activities were extensively reported in the press. Kingston (Customs Minister) was competing against other candidates in South Australia's electorate at large but, according to the **Argus** (28/2/01), took time to campaign nationally for the Protectionist cause:

Sir P O Fysh opened his federal campaign tonight. Addressing a large meeting at Albert Hall (Launceston) he said he was full of sympathy for Mr Barn's policy. Mr Kingston also made a vigorous protectionist speech. Both were attentively listened to, but little enthusiasm was aroused. Mr Kingston was busy during the afternoon with Customs matters. He leaves for Melbourne to-morrow by the Pateens.

This is one example of how Ministers were able to campaign while going about their duties and on an official platform.

Barton, as Prime Minister, received civic receptions on his campaign travels. For example, in Brisbane, in late February, he was given a town hall reception, followed by a banquet for over 400 people sponsored by the Australian Natives Association (**Age** 28/2/01). The Attorney General, Deakin, whose own campaign was launched on 6 March in Ballarat, for instance, addressed an "enthusiastic" meeting at Stawell, according to the **Age's** equally enthusiastic tones. He presented the election as a referendum on the government when voters would have the "opportunity" of "accepting" or "rejecting" government policy. According to HB Higgins, running in North Melbourne, Deakin's Ballarat speech, even more than Barton's launch, "was the most important political utterance" of the period (**Argus** 12/3/01). J G Drake (Post-Master General) and Richard O'Connor (without portfolio) were both Senate candidates.¹

George Reid constituted himself as Opposition Leader, and many of his successors would sympathise with his battles with limited resources, especially transport and time and the cartoonists!

In 1901, however, in contrast to the present, the press provided something of a counter – veiling force to the government's incumbency advantage. The **Daily Telegraph**, the **Argus** and the **Sydney Morning Herald** were all pro-free trade and provided glowing accounts of Reid's "one man band" activities. The **Age** and the **Bulletin** were protectionist and the **Bulletin's** cartoonists had enormous fun at Reid's expense.

The campaigning, once it started, was intense. Candidates gave addresses at a variety of locations, and many kept up heavy schedules of daily meetings, mostly held in the evenings. These were reported in the local and metropolitan press. Candidates also engaged in slanging

matches, of claims, counter-claims and denials through the letters columns. Some of the worst were between candidates from the same side where the selection process had never been satisfactorily resolved. For instance in the Victorian rural seat of Wimmera, rival Free trade candidates H. Williams and W. Irvine argued for the duration, split the Free trade vote and allowed the Protectionist P. Phillips to be elected. Williams presented himself as the local man.

In the final instance as polling day approached much particularly in New South Wales and Victoria – sounds familiar; ranging from negative advertising and third party endorsements; the big tally board outside newspaper offices (only the location has changed); through to rosettes (freetrade, blue and protectionist, red – no record of Labour’s colours); party scrutineers present for the count; overlong Senate papers (NSW) and so on. With the exception of the lengthy ballot paper much of the remainder was rooted in colonial practice. East coast Australians had been running “freeish” and ‘fairish’ elections for over 50 years.

What Federation had provided was a massive catalyst for the formation of modern political parties. Alfred Deakin prophesied that the Senate would lead to great national parties. It did not quite turn out that way; but certainly Federation speeded up modern state-based parties.

The firming of party lines meant the loss of the cross-partisan activity and dialogue that had been a feature of the 1890s political scene, especially in New South Wales. To the modern eye endorsements on the free trade and protectionist sides seem untidy, as the free trade and protectionists parties both endorsed certain Labour candidates, and themselves issued multiple endorsements. Barton’s “how to vote” advice included one future Labour Prime Minister, J C (Chris) Watson and Reid’s opposition ticket, another! Labour had a “free vote” on the tariff in the first Parliament.

In 1901 personality factors, friendships and rivalries were very important and in New South Wales Reid and sections of Labor were close. In West Sydney, for example W M (Billy) Hughes (Labor) was endorsed by the Free trade “interest”. In Hume, Freetrader W C Goddard, running against Bartonite/Protectionist Premier Lyne, strongly sought the support of workers and the unemployed. Ideologies mattered, but they need to be interpreted in context. Reid presented free trade as a means of providing cheap food and consumer goods to workers. To those reared with knowledge of the English anti-corn law movement this made perfect sense.

Recent accounts have generally attempted to “neaten” the presentation of the 1901 results. This is related to a process whereby 1901 was seen as a victory for the forces of Protection, which meant that it became one of the Australian settlement’s trio of policies. With

multiple endorsements and the attractions of the incumbent Barton Ministry – outlined above – I have calculated that around 20 per cent of the support for Barton in the first parliament was “agnostic” on the matter of fiscal “faith”.

Whereas in New South Wales Labor was divided over free trade, in Victoria and South Australia it was largely subsumed inside the protectionist tent. In Victoria the tent was so broad that its edges were stretched. Genuine “free trade” liberals and old style conservatives were known as “Moderates” or “Revenue-Tariffists” in Victoria where explicit contradiction of the protectionist faith practically amounted to heresy.

One of the key interpreters of this period from the Great Depression era, G V Portus (**Australia: An Economic Interpretation**, Angus & Robertson, Sydney, 1933), understood the blurring of party lines over trade politics. However, he then focussed heavily on Labour’s tight discipline as creating the whole character of the Australian party system, rather than examining the reasons why a radical party would support a policy now often associated with an economic rationalist agenda.

To others, notably LF Crisp, the key achievement of the Federation period was the laying down of responsible government at the Commonwealth level and the inclusion of Labor as a player. To Crisp, the enemies were the men of substance, “states righters” and, above all, upper houses, especially the Senate. Whilst I agree with his reading of responsible government as requiring a strong party system, as against others who have presented parties as impediments to parliamentary government, his focus on lower house/party government blinded him to the richness of cross party activity and ideas outside of the Westminster mold. For example, what he termed “new fangled” ideas, such as annual parliaments, and “initiative, referendum, recall” were part of a long tradition with roots in the English Civil War period. Crisp’s work on the radical founding fathers, such as HB Higgins and A B Piddington, repays close reading as it recreates a political era when the reform agenda was broader and encompassed a lively interest in electoral methods and practices. Of course, Higgins’ major “sin” at the time was refusing to sign the pledge, which probably cost him a seat in the first Parliament. The minor one was his opposition to the Boer war.

There are interesting parallels between the emergence of tight party discipline since federation and the relative narrowness of much of the scholarly work on the politics of the period. Surely the scholarly products of the Centenary year, which has just concluded, should provide the basis for a serious re-examination of both.

Endnote

- 1 Drake was appointed after the death of fellow Queenslander Dickson in January. Fysh was appointed in April, to replace the Tasmanian Premier Lewis who had no wish to serve federally.

GUEST SPEAKERS AT THE SYDNEY INSTITUTE OCTOBER 2001 – MARCH 2002

Dr Jonathon Caulkins (Director, Rand Pittsburgh & Professor of Operations, Research and Public Policy, Carnegie Mellon University)

Dr Peter Cohen (Director, Centre for Drug Research, University of Amsterdam)
Drugs and Society – Australia, the Netherlands and the USA

Dr Michael McKernan (Author, **The War Never Ends** [Penguin 2001])

Diane Armstrong (Author, **The Voyage of Their Life** [Flamingo])
Trauma and Memory in Australian History

Dewi Anggraeni (Australian correspondent, **Tempo**)

Dr William Maley (Author, lawyer and Research Associate, Centre for Arabic & Islamic Studies, ANU)

Islam and the Afghanistan Crisis – Two Perspectives

Dr David Day (Author, **Chifley** [HarperCollins])

Remembering Ben Chifley

Professor James Jupp (Adjunct Professor, RMIT, & Editor, **The Australian People: An Encyclopedia of the Nation** [CUP 2001])

The Australian People

Pru Goward (Federal Sex Discrimination Commissioner & author, **A Business of Her Own** [Allen & Unwin])

The Success of Women in Small Business

The Rt Hon John Prescott (UK Deputy Prime Minister and First Secretary of State)
Britain and the Global Issues

Anna Lanyon (Author, **Malinche's Conquest** [Allen & Unwin] & winner of the NSW Premier's Award for History 2000)

Mexico's Art and Politics – from Malinche to Frida Kahlo

The Hon Ross Cameron MP (Parliamentary Secretary to the Minister for Family and Community Services)

A Conservative Reflection on Family, the State and Social Capital

Anne Deveson (Writer and co-founder of SANE & author, **Tell Me I'm Here** [Penguin])

Clare Loewenthal (Publisher, **Dynamic Small Business** & author, **The Substance from the Shadow** [Pen Skill])

Mental Illness – Speaking the Unspeakable

Justice G M Giudice (President, Australian Industrial Relations Commission)

Our Industrial Relations System – What Makes it Unique?

H E Max Hughes (Australian Ambassador in Vienna & Chair, International Atomic Energy Agency)

International Nuclear Issues – and Terrorism

Peter Thompson (Film Reviewer, Channel Nine **Sunday** program)

Whither The Australian Film Industry?

The Hon Senator Helen Coonan (Minister for Revenue and Assistant Treasurer)
"Safety in Numbers" – Tax reform and the National Nest Egg

Dr Marian Simms (Reader in Political Science, ANU & editor, **The Forgotten Election** [UQP])

1901 and The Australian Settlement

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