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Contributors

John Ralston Saul

Patricia Hewitt

Tariq Ali

Leah Purcell

David Malouf

Paul Gilding

June Duncan Owen

Jenny Macklin

Boaz Ganor

Bob Carr

Rita Hauser

John Brogden

Lindy Edwards

Chris Enright

Susanna de Vries

Wayne Swan

Judith Brett

Kenton Keith

Jeff Kildea

Don Watson

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The Sydney Institute

Executive Director

DR GERARD HENDERSON

Deputy Director

MS ANNE HENDERSON

*Personal Assistant to
the Executive Director*

MS LALITA MATHIAS

Subscriptions Managers

MS ESTELLE NOONAN

MS ASTRID CAMPBELL

Editorial Office:

41 Phillip Street, Sydney, NSW 2000
Australia.

Phone: (02) 9252 3366

Fax: (02) 9252 3360

Email: mail@thesydneyinstitute.com.au

Website: www.thesydneyinstitute.com.au

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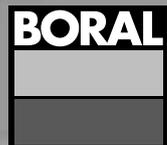
The Sydney Papers

Editor: Anne Henderson

Production Assistants: Lalita Mathias
Estelle Noonan

**The Sydney
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Australia**

BORAL



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Photo – David Karonidis

John Ralston Saul & David Malouf

In association with the Sydney Writers' Festival, The Sydney Institute hosted a dialogue between Canadian writer John Ralston Saul and Australia's David Malouf. The theme of the discussion was set around Canada and Australia's differences, although the two writers moved across many issues from cricket to indigenous culture. The conversation took place in the Bangarra Performance Theatre on Sunday, 2 June 2002 with Meredith Hellicar, Chairman of The Sydney Institute, as MC.

A CONVERSATION

– CANADA & AUSTRALIA

David Malouf & John Ralston Saul

Introduction – Meredith Hellicar

David Malouf addressed The Sydney Institute's Annual Lecture in August 1994. His topic was "*Identity as Lived Experience: Uniquely Australian*". David further developed his theme in his Boyer Lectures, entitled "A Spirit of Play, The Making of Australian Consciousness", which went to air on ABC Radio National in late 1998. John Ralston Saul addressed The Sydney Institute in September 1997 on "Power in the Modern State". He visited Australia along with Adrienne Clarkson, now Canada's Governor-General, following the publication of *The Unconscious Civilisation*, which grew out of his 1995 Massey Lectures. John's next work of non-fiction was published as *Reflections of the Siamese Twin – Canada at the End of the Twentieth Century*.

Here was a situation where one of Australia's finest writers was reflecting on what it meant to be Australian, and one of Canada's finest writers was reflecting on what it meant to be Canadian. So the Sydney Institute thought, why not put on a function which looked at two immigrant nations, both relatively small in population, but physically very large, with not dissimilar economies? We suggested a David Malouf – John Ralston Saul dialogue. However it was difficult to get the two writers in one sitting at the same time, in Sydney – but not in Ottawa. Greg Wood, who until recently was Australia's High Commissioner in Canada, lauded our Malouf-Saul proposal and asked the Institute if the dialogue could take place in Canada. Of course we said yes, and it did.

According to media and personal reports, the dialogue held in Ottawa was a tremendous success. The task remained, however, of how to duplicate the function in Sydney. So when The Sydney Writers' Festival invited John Ralston Saul to Sydney, on the occasion of the publication of his most recent book, *On Equilibrium*, The Sydney Institute jumped at the chance to co-host this function and complete the Malouf-Saul conversation on both sides of the Pacific – to round up the original idea.

So, welcome to David Malouf and John Ralston Saul.

JOHN RALSTON SAUL: I'm thrilled that this exercise has worked out in Sydney. I love being back here. It's like being in Canada, in front of a mirror. You love the things that are the same but also what's different, and they're all mixed up. You start thinking about yourself as well as the place you are in, in a way you don't in other countries.

There are very few countries that are essentially minority based and not majority based, much fewer than you would think. Australia and Canada are minority based. And we fool ourselves to think that we are like the Europeans or the Americans, who have a natural majority position. As well, Canada opened its doors from the 1960s to a wave of a new kind of immigration, and Australia changed its immigration policies at about the same time. People began to talk about multiculturalism.

But, in the Canadian case and in many ways in the Australian case, we were pretending what was there before was monolithic. In fact it was already confused, complicated, non-monolithic and minority based. Our countries have been multicultural from the nineteenth century on. We invented multiculturalism a couple of hundred years ago, not in the 1960s. This is just the latest chapter if you like. So if you think about the last 30 or 40 years as merely the last chapter of multiculturalism, then you see it in a completely different way. You don't see it as the arrival of a bunch of new groups. You suddenly see it as a continuation to what we have always done.

Let me quote you the opening lines of *Reflections of a Siamese Twin*. I'm going to insert the word Australia in place of Canada.

Australia, like other nation states, suffers from a contradiction between its public mythologies and its realities. Perhaps we suffer more than most. Perhaps the explanation is that while all countries are complex, the central characteristic of the Australian state is its complexity.

There aren't many countries where you could read that, change the name and it would work. If I put in the United States, people would be furious. If I said that in England or France, you can imagine what would happen. It simply wouldn't make sense in Germany, or Spain as you know. So it is a very unusual situation that we are in.

Canada is a country of minorities, a country which is a naturally poor country which has intellectually built itself into a rich country, like Australia. It is a profoundly anti-heroic country, which comes from not having a natural majority. Australia is, at least on the surface, aggressively more anti-heroic than Canada, but that's because we're more hypocritical. And we have to be hypocritical because of our large neighbour next to us. We are essentially a relatively metaphysical country, in that, unlike other Western democracies, we are much more oral than written. And we are remarkably animistic countries, which is to say that even though we don't believe it, and even though we spend a great deal of our time pretending that we're British, we're seen as

almost American, or in Canada's case almost French. In reality we're not any of those three things. If I were to ask myself which countries are more unlike Britain, America or France among the world's 20 Western democracies, I'd say Australia and Canada.

At the heart of it lies the eighteenth and nineteenth century idea of the monolithic nation state – a very particular idea. The later Middle Ages, the eighteenth and nineteenth centuries and most of the twentieth century were about wars and religion. For a nation there was only one religion; and you could pretend that you only had one race. You could say, "We believe in this one thing – the nation state is monolithic." The trap for Australians and Canadians, I believe, is that we listened to such nonsense. This was the story of terrible failure – remember the World Wars, the civil wars, the religious wars. We listened so much that we felt embarrassed about the fact that we didn't seem to be naturally monolithic. There isn't one Australia, there isn't one Canada. Just look at us, and look at where we come from, and look at where we live. We're not one.

So, in a sense, what is fascinating about these two countries (I'm not saying they're better, I'm just saying what we did) is that in the middle and late nineteenth century, Canada and Australia invented the postmodern nation-state. While all the others were so bitterly scrambling and struggling to put in place the eighteenth century Enlightenment idea of the monolithic nation-state, we turned our backs on it. We were too poor, too miserable, too stupid to know what we should do, too incapable of doing it because of the impossibility of geography. We set about instead being very bizarre nation-states, which are profoundly non-monolithic. And now you watch the Europeans struggling to do what we did about 150 to 100 years ago. What's more, in the context of the 20 or so Western cultures and nation states, there is really only one left that still believes absolutely in the nineteenth century idea of the monolithic nation state. Of course, the only one that can afford to.

DAVID MALOUF: There are a few ways in which Australia and Canada are alike, so we can get that out of the way and then talk about where we share problems or situations, but treat them differently. Following on directly from what John has said, is the fact that we are both countries which see ourselves as experiments. Places that have not yet made up our minds about what we are, and what we are doing here. We are still leaving ourselves open to what might happen. And that's a very useful way to be, it seems to me.

It used to be that if you asked Australians who were the most boring people in the world, they would say first New Zealanders and second Canadians. That was because we felt that we were too like one another and because we felt like poor relations together in a room. We'd all been introduced by the British, who were the hosts, and we

were all sitting around the table like poor relations. And, as with all people who feel at a loss, we tended to ignore one another and play up to the host. Later, we discovered, of course, that we actually had real interests in common. And there's been a great love affair between Australia and Canada over these last 20 years, especially I might say between Australian and Canadian writers. If you asked most Australian writers about their close friends out there in the world, most of those writing friends would be Canadians.

Australia and Canada were both colonies, but colonies of a particular kind. We were not colonies like India or the West Indies. We were colonies in that the British had transplanted and recreated the motherland there. And we were the only two that shared that situation. But it's been an extraordinarily useful situation to us, because it's allowed both of us to deal in the world as countries that can be trusted by other ex-colonial people. We've done a lot of things, like peacekeeping and arguing between sides, because we share a colonial background while never being colonies in the usual sense of the word. We understand something about the colonial experience that allows us to speak and we are trusted in this.

We also, of course, inherited the Westminster system, and then did what we needed to do with it. We've done some things differently. But what that system embodies – the separation of powers between judiciary and the executive – is rare enough in the world for us to point out that we actually have it. We also inherited the common law, and that always seems to me to be something that absolutely determines the way people think. The common law works by precedent and example, and is nearly always, in a pragmatic kind of way, dealing with what works rather than what should work. There is a huge difference between that and the style of countries whose law is based on code and principle. Our whole way of thinking, our whole way of acting, our whole education system is based on pragmatism and argument by example. We have a horror of the dead hand of principle. This is very different from the way Europeans think.

We also have behind us the example of English history. What I mean by that is the example of a place where the citizens chose to cut the head off the king, and declare themselves a republic, but who also saw, after that, the dangers of a country where the army has real political power. One of the rare things about our countries is that we have never been subject, at any time in our history, to a situation where a general could take over and run the country.

In Australia, and to a large extent in Canada, we decided very early on that social change would occur through negotiation. The working class in this country decided that they could get what they wanted best through negotiation rather than through revolution and violence. We have never had any serious example of revolution or

violence in that way. Now these are all ways in which countries like Canada and Australia differ hugely from most European countries and, certainly, from any country in Latin America. That point is worth making before we talk too much about the ways in which we diverge.

One matter in which we are very different though is that Canada is the only Commonwealth, or ex-Commonwealth country, that doesn't play cricket. This is not a frivolous point. Sport is another form of dialogue and one of the very important ways we have been able to deal with the world. It is another way of communicating. The fact that we play cricket with South Africa, and rugby with South Africa, meant we were in a powerful and useful position in changing things there. We are able to talk in a particular way to people in the West Indies, India or Pakistan, because we actually share that activity and the understanding and language that goes with that activity. I'm interested in the way in which Canada is the odd man out in this.

JRS: Cricket is a good example of geography. It seems to me, I never understood cricket, and I still don't – it certainly takes a long time. I have never understood why the English play cricket at all because their weather doesn't suit it. It's certainly an awful place to play cricket, with its the climate. The success story of cricket in the rest of the Commonwealth is that the British took it to places that suited cricket. But Canada isn't one of those places because summer is the shortest season of the year. We invented a game of our own – ice-hockey, real hockey. It suited our geography and our climate, but it also suited our characters.

This leads to an interesting question to ask Australians. If you decide you are going to be a relatively non-violent country, which our two countries are, how do you let out your anger? In Canada, apparently, it's done through incredibly violent political debates which, according to my European friends, give the impression that we are on the verge of civil war because of the way that we talk. But we talk that way in order *not* to do it. The other thing is that we have a national sport which allows us to use up any energy we have at all to be violent. On top of that, the referees allow you to be violent a good part of the time. Then you can go off the ice and behave civilly to people.

Australia and Canada can't fall into the trap of thinking they are just like the United States, or any other parent. With the internationalisation of political science, there is an assumption that this is what developed democracies do. Well it isn't. It's usually what developed democracies with large populations on small landmasses do. Both Canada and Australia occupy vast landmasses although, increasingly, more and more of their populations are living in cities. A lifestyle I love. But the reality is that Canada is 95 per cent uncontrolled, and forever uncontrollable and unusable in the normal terms of landmass. We still have that. In Australia it's pretty much the

same. So that idea of having a developed urban population nation state with an essentially wild, uncontrollable territory is a very important thing. If we pretend it isn't there, we're in deep trouble. But if we do accept that it is there, and that our cities have to be the cities of the whole, that we don't turn our backs on that wild territory, then we can do some extremely interesting things with the urban idea.

DM: In Canada, most of the original settlement was made on the east coast, and that's understandable because it faces Europe. But what Australians sometimes forget when looking at the world, especially on this side of Australia, is that there is a kind of Pacific lake. More and more we see ourselves as facing the west coast of America and China on the other side. I'm interested in the change over time that has seen Canadians move from east to west and to look more from the west into the Pacific, rather than back towards Europe.

JRS: Yes, Australia has both the enormous advantage, and disadvantage, of being a real island, and being far away from the people who said they invented you. In fact you invented yourselves. We are almost an island. We have an enormous coastline – to the east, north and west is all sea. But then we have this astonishing border, with “Rome” (USA). We're stuck there and isolated like you, very isolated. On the other hand this border is very interesting and complex to deal with. They're your friends whether you like it or not. Until the twentieth century, we had to figure out how to live in this poor place on our own. It was only once we started to become quite successful that we developed a colonial upper middle-class who, of course, decided to go back to London and Paris, and pretend to be European. At the end of the nineteenth century there was a kind of Soviet-like rewriting of our history in which the sense of Canadianess is white. A lot of the analysis says that everything good came from England and all the ideas came from France. It took another 50 or 60 years to start getting away from that, sometime around the 1950s or 1960s. Early on there was that kind of Pacific idea, because people set up colonies on the west coast. But this was overtaken by the late nineteenth century imperial view. Nowadays it's more and more a case of population drifting west.

DM: That's what I mean, rather than the way in which life, in a colonial sense, looked towards Europe. The fact that you are close to Europe on the east coast is very different from our distance from Europe in that way. And that has led us, in recent years, to look into the Pacific. All your movement in Canada has been from east to west – that's the way the railway lines went. All our movement, in Australia, has been from south to north.

When white settlers first came to the continent, they settled in a temperate place. We thought we were temperate climate people. Now we have more or less redefined ourselves, which we have had time to do. We have been bold enough to do that and, as a result, we have long

since defined ourselves as hot-weather people. It's now the north of the continent that we look to as being a place of real wealth and possible development.

JRS: Except that the trip west is surprisingly similar. Queensland is not unlike, in many ways Alberta or British Columbia. People got used to a reasonably temperate climate. But Alberta is not. Alberta's really rather extreme, and all of British Columbia except for the two cities is really very extreme. So, again, what people have done is moved away, except they've moved away from the old idea – of the European, urban society – and moved towards something more interesting. The most interesting conversations that happen in Canada happen in Vancouver. Maybe in both cases what we are doing is escaping out of the cocoons, even though Melbourne and Sydney and Toronto and Montreal are wonderful cities. You can feel a subconscious desire to talk about matters in a slightly different way by having other poles that are not in any way the creation of the colonial experience. Or maybe it's beaches.

DM: In Australia this shift has opened up serious possibilities. We left a large part of the continent more or less undeveloped, and unfilled, because we thought it was a place where we could not function. The fact that we now feel that we can function there opens up all that country, in an enormous way, to possibility. Unlike Canada, we have a continent which offers that extreme of cold and hot.

JRS: It does get up to 35 degrees in the summer months in parts of Canada, it's just a little shorter.

DM: I was going to pose another thought about geography. Clearly, Australia has always thought of itself as isolated down here in the right hand corner of the world. There is a kind of anxiety in us that people might forget about us altogether. And that has made Australians very eager to know about the rest of the world, and to go off and see the rest of the world. Canadians too?

JRS: Yes Canadians do travel a lot. I'm not sure of the figures though.

DM: We're also very willing to go off to wars in case history might happen without us.

JRS: Certainly we did it the first time because the political issues were not clear. The second time the political issues are only clear in hindsight. It is amazing the percentages of the population, New Zealand as well, that were sent. The figures for the dead from Australia and Canada in the First World war are astonishing. Was it the colonial longing, was it boredom? Was it that we were really tough? One just forgets how tough we were – it just seemed like a natural thing for some people to do.

And it wasn't so strange – this idea of leaving your country for quite a period of time – because after all we were all leaving our cities, at that point, to go outback, to the wilderness, the mining camps, trapping. Only now, when we have some of the most successful cities in

the world, you reach a point where all you can see is the city, that you can say maybe the outback's just a place to go on a holiday. In Canada, when you go on holiday, you actually move toward the north by about two hours, into cottage country and lakes and things. Australians actually move away from the interior because they move towards the beach. Right?

DM: Oh, more and more Australians turn to the interior. We are certainly more aware of the interior as a place that we expect interesting things to come out of. Once we used to refer to it as the Dead Heart. But the interior is no longer thought of as dead. We think of it as mysterious and full of possibilities and revelations.

JMR – Do you think that your average Sydney suburbanite feels that? By average, I mean in general.

DM: I think that there's increasingly a romance about the centre, which people are strongly influenced by.

JMR – To some extent we are still working on that tension – between the contrast and the equilibrium. But that tension is essential to making sense of what the two places really are and how they are interestingly different. Every wilderness area in Europe is a park, not wilderness. It's nature and it is controlled; it is literally allotments set aside.

DM: It is quite interesting that you say that. I think outback is a word that is beginning to be replaced by "centre" here. And that's a very interesting notion. Metaphorically people always thought of the dead centre in Australia. It's used that way by Patrick White as also referring to the dead center, the undeveloped centre of the Australian psyche. And our recent willingness to turn inward, in terms of the country, and not to be afraid of what might be nothingness, in a metaphorical way, people's willingness to develop inner lives. There's a real change in the Australian psyche in that way. People moving away from thinking and defining themselves only in terms of external action to thinking that there's an interior world to be explored. And in some ways that metaphorical relationship between psyche and continent is an important one.

JRS: In Canada it has happened slightly differently because it's not the centre; it's the north; it's about where you live. You have a geographical advantage in that sense because you're around it, in a way. Whereas there's a real tendency that Canadians can't go on holiday, in Canada, southward. Except to Florida and if we took our money out of there, the economy would collapse, because that's where many Canadians go in the winter. In any dream of withdrawing from the boredom of the office or factory to an inner-self, what physical form would it take? And it is anywhere from an hour to five hours north of the cities. There it is possible to have a house with few things in it that relate to the city. My wife and I have a little island with two acres, an allotment with no electricity, steel or running water, an out-house, and all we do is dream

of going there, and not being accessible by phone, and using the outhouse. You have to wash in the lake and that's all there is to it.

So there is this kind of dream which is still attached to the land. The problem is there's just so much more of it further north. And there are so few people that have ever been there. Not many Australians I've met have actually spent much time in the centre.

DM: Australians have been very fortunate in our distance from the rest of the world. Our distance from the United States, for example, means we can flirt with Americanisation in all sorts of ways. We've done that right from the beginning. In the middle of the nineteenth century we had a very long affair with the United States – without ever thinking we were going to be taken over entirely, because it's a long way away. Our relationship on the East Coast has always been with West Coast American cities, and not necessarily with Washington, New York or even Chicago. San Francisco is a twin city with Sydney. We've been able to do that because, as I've said, we are far enough away. Canada must feel that that kind of flirtation is much more dangerous.

JRS: Yes. And that's the understatement of the year. There's been an enormous debate over the last 20 years about trade relations and what the actual outcomes of economic integration would be. Some people say it's like Europe. Well how can it be like Europe? When I come to Australia, I admire the luck that you have. There's a real sense of, for example, freedom of debate here, that comes from that geographical distance. Even if there isn't time to have the debate, because of the geography, you feel you can. You are much less easily pegged by a sense of timeline than we are. On the other hand, perhaps it could deliver a false self-confidence. Because of that distance, you actually forget how big one is and how small the other is. You might think you're tough enough, but actually, you're just far away. Whereas Canadians, being so close to the superpower, have actually developed levels of hypocrisy and subterfuge unparalleled in history in order to actually remain an independent country. You know, the old strategy – if you are the smaller army, don't come out of the trees onto the plains.

DM: Moving around Canada, what I seem to see is a lot more of a hang-over of Englishness than there is here these days.

JRS: I would have said the opposite.

DM: Well I noticed, going round, an awful lot of the things that are available for tourists to buy in Canada, seem to be imported English things. We now make an enormous amount of stuff in every area that is local. And I wondered if that overt Englishness wasn't a protection against being too American.

JRS: Well, among the tourist goods to be bought to take elsewhere, there are an awful lot of Inuit seal pups made in Hong Kong. It is an international problem, I have to say. Productive methodology. Victoria,

on Vancouver Island, struggles with its Englishness, although it has become more and more true that there are sort of two Victorias.

In different domains we both still pretend that we have a link to English culture. I just don't think that there is anything there and I'm not sure there ever was anything important. We are not English countries at all. When I talk about what Canadians think is important, I see the French getting more and more uncomfortable because they'd prefer to think that we liked all these English things, but we don't really. We don't like their food, we don't like the way they dress, we don't like the way they debate.

DM: Both Australia and Canada are civil societies in places where there was and still is an indigenous population. We've gone about dealing with this in different ways although, as you would say, we've ended up with the same problems (which might say something about us). It's interesting, in Canada, that you have two quite different indigenous groups – the Inuit and the First Nations.

JRS: And there are major differences within the First Nations.

DM: And you've just managed to establish an Inuit state in Canada, an Inuit territory.

JRS: It's fascinating when you talk to High Court Judges and Supreme Court Judges in Canada, to find that Australia and Canada have alternately taken leadership of the indigenous issue. When Mabo happened, the Canadian Supreme Court was very influenced by it and then rushed ahead. What I hear is that the Australian High Court now looks to the Canadian courts. It's gone back and forth and will probably go back again. They're looking for models and they're not finding the models in Europe or the United States.

We are now working our way through a process which is endless, unfortunately, and we are dealing with it on a treaty basis. There are a series of major ones, the first big modern one, if you like, was the Quebec-Canada-Hydro Gateway treaty with the Cree and the Inuit about 30 years ago. The government gave \$30 million to the Inuit in Northern Quebec thinking they would waste it. Thirty years later, in the bank, they've got \$170 million. And they've spent hundreds of millions of dollars on building bridges and their education system. It's a big success story. The Inuit territories in the north is a small country with a small population but it's almost a province, and completely self-governed. But it's complicated. There are 30–40,000 people in a gigantic territory with no roads. And they're inventing a new form of government which we can learn from.

DM: One of the ways in which we are very different, say, from France or England, is that you can assume in those places that the way *we* do things – that is, our way of reading the world, our way of dealing with nature, the way we assume that what we are here to do is to make things, change things – that that is the *only* way of behaving which is

really human. If you live as Canadians do or Australians do, in a country where we see people working in a very different way with regard to nature, thinking in a different way, then at least we are made sceptical that our way of doing things is the only way.

JRS: Yesterday we went for a walk near the National Gallery to look at the Australian country and then to look at the Aboriginal collection and then at the art prizes. We worked out that about 20 per cent of the paintings done by non-Aboriginal Australians were clearly influenced by Aboriginal culture. That's an enormous progress, a form of integration.

DM: That would be reproduced in the way a lot of people think about the environment, and the way a lot of people think about, simply, daily living. There's been a huge change in Australia over the last 20-30 years.

JRS: The problem with European tradition, which the Americans are part of, is that it's actually about being rational and therefore we can do what we like. In Australian fiction, place is not a backdrop. It's different in the European tradition. In novels, like those of Graham Green, the place is a back-drop. Only someone like Conrad escapes from that, because he's not from anywhere. Whereas in our fiction, and in our plays, in our best movies, the place is a context in the fiction. And that's a great strength. You have to treat the Aboriginal populations as people who actually have things to contribute to us.

DM: Well, one of the things of value that we have come to recognize, and it's taken us a long time to do it, is that the Aboriginal world is extraordinarily complex, rich and layered. Whereas we have tended, till recently, to see it as simple. That was because of our inability to read it. But once we recognized the complexity of that, what we recognized was that these were things that we would never understand and would never know something about. But we also recognized a great deal of order. That's been a huge change here over the last 20 or 30 years.

We have always, from the beginning, been places that were meant to be experiments. Australia, very much, was founded as an experiment, and it was founded as an experiment in which those people who were doing it knew some things that they were not going to allow. For example, we often think of the fact that we were originally a convict colony as being a great slur on the beginning of the place. An alternative to that, actually, would have been to set up a colony in which the work was done by slaves. But the government who set up the colony of New South Wales was absolutely determined that it would be a colony in which the labour would never be done by slaves. And that was our response to what people in England, at that time, saw in America. So we actually began as an experiment which had very clear conditions. Then it was left to us to see what we would make of the experiment. Two hundred years of Australian history has seen the

building of a place that didn't exist anywhere else and for which there were no rules or laws. I mean, that's a positive way of seeing our history.

JRS: I think you were very lucky that a reasonable percentage of the convicts that were sent to you were not here for fraud. You got several hundred of our best people – political prisoners. That tradition was created quite early by the arrival of those people. Canada also took big chunks of, basically, religious minorities, political refugees and so on.

DM: Some of those were black.

JRS: Yes. We've got black, we've got Jews, we've got German religious minorities, we've got the Scots and the Irish who, of course, didn't trust the English. A whole range of people who actually felt more comfortable waiving what seemed to be the monolithic model of the nation-state. In 1956, when there was revolution in Hungary, we took as many of the revolutionary elite as we could. We have done incredibly well out of the stupidity of other regimes.

DM: We lost out very very badly in the 1920s and 1930s. At a time when the United States got a huge number of the most interesting Europeans we took almost none. I looked at records and between 1935 and 1939, Australia took some absurd number like 3250 migrants, at a time when people were pouring into America.

JRS: There's a period we're pretty ashamed of, when we actually closed our borders to Jews. We closed the borders to coloureds more or less. We had them but they weren't citizens. After the 1890s, we opened the doors and allowed in waves of Ukrainians and Swedes. We hadn't considered them white until then. It's hard to believe it now, but there you are. There's been a series of breakthroughs and I think we've actually reached a stage, provided we don't panic, where we've actually managed to remove, pretty well, all barriers.

RICHARD BUTLER AND THE WAR ON TERROR

Richard Butler is the former chairman of the United Nations Special Commission (UNSCOM) set up to find and dismantle Saddam Hussein's weapons of mass destruction at the end of the Gulf War. He has warned that Saddam Hussein is “addicted” to weapons of mass destruction and that biological weapons are his weapon of choice, but Butler argues that the US should go after Saddam only after UN Security Council approval.

SPEAKER:
RICHARD BUTLER AM
(Author & Commentator;
former Australian
Ambassador to the UN and
executive chairman UN
Special Commission on Iraqi
Disarmament - 1977-99)

DATE:
Tuesday 28 January 2003

TIME:
5.30 for 6.00 pm

VENUE:
Clayton Utz Seminar Room,
Level 35, 1 O'Connell Street,
Sydney

LIGHT REFRESHMENTS

RSVP: (02) 9252 3366



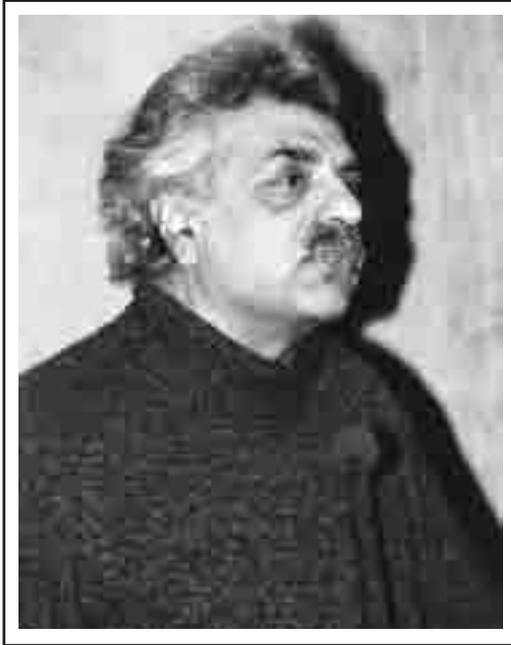


Photo – David Karonidis

Tariq Ali

Tariq Ali was born and educated in Pakistan and later studied at Oxford University. He was a special guest at the Sydney Writers' Festival 2002. A writer, playwright and film maker, Tariq Ali's latest work is *The Clash of Fundamentalisms* (Verso) is an analysis of Islam – from the Crusades to the present day. It goes a long way to explaining both the reaction to 11 September 2001 by anti-Americans world wide and the incredulity in democratic America that it could provoke such hatred. Tariq Ali addressed the Sydney Institute on Monday, 3 June 2002. The paper which follows is an edited transcript of this address.

THE CLASH OF

FUNDAMENTALISMS

Tariq Ali

Since 1990 I've been working on a group of novels set around the clashes between Western Christendom and Islamic civilisation. As a result, I have done a massive amount of research into the early history of Islam, in particular the first 600-700 years, much of which forms the themes of my novels. I've dug out documents and found quite an amazing history in early Islam. This has not been known in the West and, surprisingly, very little of it is actually known inside the Islamic world itself. So I had begun to write, long before 11 September, essentially a book-essay called *Mullahs and Heretics*. It was to be about the tradition of dissent, diversity, heresy and debate within Islam itself. I had nearly finished it when 11 September happened, and it then became impossible to leave it at that. So I decided to expand the book, and turned it into *The Clash of Fundamentalisms* – the clash between the USA, the largest, most powerful imperial power in the history of the world, and Islam radicalism.

The United States is no longer challenged by other empires. This is unlike the early twentieth century when there were a number of different empires jostling for colonies, jostling for trade, competing with one another. It's also totally different from the last years of the twentieth century when two different state systems confronted each other – the United States and its allies on the one hand, and the Soviet Union and its allies on the other. We are today, in that sense, in a unipolar world. And in this world the United States occupies the main place. It's not an empire like traditional empires – that rule directly and have pro-consuls. This is an empire which largely rules indirectly, has its relays in every continent. What some of you might find surprising are the statistics released by the Department of Defence just before 11 September. Of 189 countries which are member states of the United Nations, there is a US military presence now in 100 of these states. What this indicates is that the American empire (these days many Bush supporters and ideologues in the United States quite happily and openly talk about the empire) dominates the world militarily and

economically, imposing a set of neo-liberal economic policies through institutions like the World Trade Organisation, the International Monetary Fund and the World Bank. What you have now, all over the world, is a very similar pattern of economics.

This is the economic orthodoxy imposed on country after country, regardless of the needs of each particular country, or regardless of what its people want or may not want. This also ensures that local politicians, politics and political parties are extremely bland, so that the space between centre right and centre left has virtually ceased to exist. This has been happening for some time, of course, but it's has now reached horrendous proportions across the Western world.

The result is that protest votes, on left and right, are beginning to be counted. The most shocking development, in the sense that it was surprising, happened in France where the second candidate was Le Pen, a candidate from an openly far-right party. He so polarised the French election campaign that he came second. As a result the French left had to hold its nose and vote for Jacques Chirac. They did it, and Chirac was elected to power as President of France with a remarkable majority, one that doesn't reflect the reality. It reflects nothing more than a slightly weird electoral system.

In this situation, the notion that Islamic fundamentalism represents a serious threat, is laughable. And this is why, when 11 September happened, we were waiting to see what great words would emerge from the thinker-President in the White House. Instead what emerged was the phrase, "If you're not with us you're with the terrorists." This was irritating, because most of us who were critical of the United States were certainly not with the terrorists. In fact, people like myself had been arguing and fighting against Islamic fundamentalism for the last quarter of a century, had been denouncing the Taliban regime in Afghanistan, criticising the United States for backing it, criticising Unocal the American oil company in Afghanistan for saying that they didn't care about human rights and women's rights, that this was simply part of people's traditions, etc. Then, suddenly, we are told that to remain critical of the US is to support the terrorists.

This is what my book challenges frontally. It is a view which says we are certainly not with Islamic fundamentalism, and we are certainly not with acts of terror, but we are definitely not with George W Bush either. That is the message of the book. And the reason is simple. The choice was clear for the United States. There were two ways of treating this incident. One was to see it as an act of terror, carried out by groups of individuals who had to be tracked down, caught and arrested. Evidence would be found, they would be tried in a court of law and sentenced. Alternatively, 11 September could be treated as an act of war. The US chose the latter but that, in my view, is wrong. It wasn't an act of war. States wage war, not groups of individuals, however

horrific the acts of atrocity might be. It was pure luck that Timothy McVeigh who bombed the State Building in Oklahoma didn't kill more people. It was perfectly possible that the casualties from the State Building in Oklahoma could have reached several hundreds. Then what? That's an act of war as well? You go and bomb the Appalachians? Treating 11 September as an act of war was a big mistake, but a carefully considered one.

Some time after 11 September, the US decided to knock out the Taliban regime which, initially, wasn't part of the plan. When Donald Rumsfeld went to Saudi Arabia he said it was not planned to get rid of the regime; he said the US could work with sections of the Taliban. This was the truth, because the US had been working with them for some time before. But when the Al Qaeda leadership couldn't be found, the US decided to crack down on the Taliban. The Taliban regime, totally dependent on Pakistani military and air support and logistics support which it lost, collapsed as predicted.

In the first week of the bombing I wrote an article for *The Guardian* in England, predicting the Taliban would collapse within two and a half weeks, if that. In fact, there was less fighting on the ground between October and December 2001 than there had been in Afghanistan for the previous 25 years. The Taliban mainly disappeared – a small group went into the mountains and the rest shaved off their beards and crossed over into Pakistan. After long years of being wasted, the barber's shops in Afghanistan began to do a brisk trade. Photographs appeared in the Western press, if you recall, of barbers shaving off beards. One reason for the beards coming off was that they were going back to Pakistan, where they are now creating mayhem trying to destabilise the regime there. Some of them have gone into Kashmir with devastating results.

So, if we look at it coolly, what has been the effect of 11 September on the state of the world? Basically, it has made it an unsafer place. The United States hasn't caught any member of the Al Qaeda leadership in Afghanistan itself. After weeks and months of bombing, a small expeditionary force made its way to the Tora Bora Mountains and surprise, surprise, there was no one there. In the words of the thinker-President, overcome by cowboy rhetoric, the USA would "get Osama Bin Laden dead or alive". Those are the words Bush used, "dead or alive". But if you announce this in advance, the notion that the guy you said you want is going to be waiting there for you with a thermos-flask of warm tea when you arrive is just nonsense. The minute George Bush announced that, obviously, Bin Laden and the team went. No one knows where they are. The only person the US forces have managed to capture, and who is number three in the Al Qaeda hierarchy, they captured in a sleepy Pakistani town through traditional police methods. The FBI, working with the Pakistani

intelligence services, tracked him down, caught him and arrested him. He will now be tried. That is the way that the US will now have to get to the rest of the team, unless they wage wars on countries close to them. What if Osama Bin Laden is in Makkah in Saudi Arabia, where he has a family? Or what if some of the others have gone back to Egypt? It's obvious Saudi Arabia and Egypt can't be bombed. The only way you can capture the Al Qaeda leadership is through police methods.

More to the point, in Afghanistan over 4,000 civilians, innocent civilians, have been killed in the bombing. The United States said that they were going to be very careful. But we know what happens. Bombers from high up can't always be careful; it's just impossible. If they've killed Canadians accidentally you can imagine how many Afghans have died. The figure we now have is over 4000. A quick war of retribution and revenge to show the American people that if hit they could hit back, has now been carried out. Supporters of President Bush I talk to openly admit it. They say, "Yeah. So what – it was a war of revenge." Whereas, when you debate with defenders of the action who are more to the left than that, they go into convoluted arguments as to why it is necessary, etc. But President Bush's supporters are fairly open about it now – "This is what we did, we had to do it and we've done it." But it's not the only thing that has happened. The effect of the war on terror has also been to give the green light to the Israelis to go into Palestine, devastate those cities, knock out the Palestinians they didn't like, arrest large numbers of them, kill some, and lay waste to those camps and small towns which constitute the Palestinian entity today, all in the name of the War against Terror.

Prior to 11 September, a Belgian court was listening to an indictment against Ariel Sharon as a war criminal, for the crimes carried out in the Sabra and Shatila camps in Lebanon in the 1980s. Evidence was being found. One of the people involved with it, a Phalangist leader in Lebanon, was prepared to give evidence. One day he walked out of his office and was blown up. No one doubted that Mossad had done it, because he was the key witness. Then 11 September happened and it saved Ariel Sharon for the time being. He became one of the great fighters against terrorism and he said so very openly. The United States leadership went to Israel and encouraged them to do what they did. But the notion that the Israeli actions are going to reduce terrorism is a grotesque joke. The real problem is not the 2000 people who constitute the members of Al Qaeda. They can be found sooner or later and cracked down on. I have no doubt of that. If people are intent on doing so, they will be found. The real problem is the flow of recruits, those middle-class kids from Egypt and Saudi Arabia, educated, professionally trained, who go and join them.

That's the question which has to be asked – why do they join Al Qaeda? You cannot answer that question without looking at the state of

the Middle East. Central to the Middle East is the continuing sore of Palestine, something which has existed since 1948. It's a problem which the US and Israel have not been able to solve. All Israeli attempts to obliterate the collective memory of the Palestinians have failed – renaming old Palestinian towns and villages, destroying large numbers of villages, building Tel-Aviv University on the site of one such village. The discussions which have taken place over such matters have been remarkable. They were discussions classically colonial in character – what to do when you occupy a country and a people exist there? You wipe them out, that's one possibility. Drive them into the periphery, that's another possibility. Integrate them, another possibility. The Israelis discussed all these things quite openly and cold-bloodedly if you read the documentation of that period. And they decided that they were going to try to obliterate the memory of Palestine from the minds of Palestinians growing up. It didn't work. It didn't work for the Palestinians inside Israel, and it didn't work in the case of the refugees outside. So three wars have been fought, wars partially fought for oil and partially fought over Palestine, and they haven't resolved the question.

Then there have been rebellions waged spontaneously or started off spontaneously by Palestinian kids. These are the children of the stones, the children who throw stones at the tanks. And these go on, so the notion that there is an equivalence between the two sides is laughable. One is the largest military power in the region, with nuclear weapons, with chemical weapons to defend its sovereignty. The other is a people who have been driven off their lands and still the world has not recognised the grave injustice that was done. A grave injustice was done to the European Jews, a genocidal injustice, the Judaicide of the Second World War, which saw six million Jews exterminated by the Nazis. But that was not the fault of either the Palestinians or the Arabs.

Historically, relations between Jews and Arabs and Jews and Muslims have been rather good. From the time of Andalusia in Spain, when it was ruled by the Arabs for 600 years, there has hardly been a single case of pogroms against the Jews. In fact it was the happiest period in their history, from the year 800–1400. And Jewish historians acknowledge this. Jews lived in peace and relative harmony, walking with the Muslims in Andalusia. During the Crusades, when Jerusalem was first occupied by the Crusaders, Muslims and Jews fought together against the Crusaders. Both were wiped out when Jerusalem was first occupied. They fought together again in the Arab armies to take back Jerusalem in 1167. And they did it. Jerusalem then became an open city, open to all free religions. The Arab leader who took it said, "No revenge – you leave the churches as they are, enough blood has flowed." So, historically, relations between Jews and Muslims have been good – until the twentieth century.

What explains the Arab hostility to the Jews today is not the casual anti-Semitism, that undoubtedly exists, but the formation of Israel and the failure to recognise an injustice by the world. The State of Israel could not exist had it not been, initially, for the British and subsequently for the United States, who spent billions and billions of dollars subsidising it. It was a settlement imposed without dropping a single bomb.

It's true that the diaspora is often more hide-bound than people who live in the homelands. But unless there is a solution to the Palestinian problem there will be no peace, in that region or in the rest of the world. The notion that the war against terrorism is going to stop terrorism is, of course, not serious. It requires political solutions. When other countries have faced acts of terror they have acted. When the IRA tried to blow up the entire British cabinet, including Mrs Thatcher, and killed senior members of the government, wounded others, destroyed the Grand Hotel in Brighton, what was the response of a pretty shaken and traumatised government in Britain at the time? They were obviously angry, which is a mild way of expressing it, but not a single person in Britain or Ireland, not even the most extreme Protestant group called for the Catholic areas, from where these people had come, to be bombed. No one said that Boston and New York, which were supplying the IRA with funds, should be bombed. The notion was ridiculous. Instead, within six months of that action, secret negotiations started between the British government and the IRA leaders of Sinn Fein, to try and sort out the problem, That's what happened, and that's what happens in other parts of the world. The United States should have learned something from it.

The second problem that has to be solved politically, and not by war, is Iraq. For the last fifteen years British and American bombers have gone into Iraq every week and bombed parts of that country. They've dropped more bombs on Iraq than have been dropped on any other country since the Second World War. If the aim of this is to bring down the Saddam Hussein regime, it has failed. The sanctions which were imposed on Iraq, according to the United Nations figures themselves, and which I have quoted with footnotes citing the documents and sources in *The Clash of Fundamentalisms*, have led to the death of at least, at the most conservative estimate, 300,000 children denied medicines. Many of the uranium based weapons used in Iraq during the Gulf War have led to a phenomenal increase in cancer. So what is the aim of this? The way you get rid of governments is by building the strength of their people, not by destroying civil society in that country. Obviously Saddam Hussein is a brutal tyrant, though he has a history and a record of working for the West during the Cold War period, like Osama Bin Laden and like many of these groups, created, nurtured, aided, abetted, financed, funded by the West and used by the

West, particularly the United States, for their own purposes until they get out of control. To get rid of such a dictator as Hussein is not to go and invade Iraq. It is something opposed by every Arab country – Egypt, Saudi Arabia, even Kuwait. They're saying, don't invade Iraq for it will destabilise the whole region. And one reason it will destabilise the whole region is that people will say, "You do nothing when the Palestinians are being wiped out, but you're very eager to come and knock out another Arab country." That's the reality of the region. That's why the Saudis and the Egyptian government are on their knees before the United States saying "don't invade Iraq, because our governments might be toppled in the instability and chaos that will follow in the Middle East".

So both Iraq and Palestine, in my opinion, require political solutions, and these are the solutions which so far have not been attempted by the United States. Instead, it has declared a war against a nebulous enemy which can be defined and redefined and redefined at will, which is actually creating a dangerous world. Now there is fear of a situation between Pakistan and India, something quite paradoxical. Pakistan is the closest ally of the United States at the moment, once again. There's absolutely no doubt that Pakistani military intelligence is sending in armed infiltrators into Kashmir to create mayhem there, no doubt at all. One of these groups, probably out of control, bombed the Indian parliament. Why? To widen the war. The Indian response was to say, well if the United States can bomb Afghanistan in search of terrorists, change the government, occupy the country, why can't we do it in Pakistan? Of course the answer is, you can't do it because you're not an imperial power. But just look at the double standards which are then immediately created.

We have an increasingly unstable world. Obviously the Indians, one hopes, were just threatening because it would not be Afghanistan they would be attacking but another nuclear power. And the Pakistanis say that if they are attacked they will use nuclear weapons to defend their sovereignty and integrity. This is a crazy situation. But this fundamentalism, this imperial fundamentalism, of which I am extremely critical, is a fundamentalism which functions on many levels. And it's something one has to understand to criticise.

Within the Islamic world itself, if you ask how it is that Islamic fundamentalism has grown so strong, the answer is that these groups are relatively new. They became stronger and stronger in the 1980s, and they became politicised when they were used by the United States as a bulwark against the Cold War enemy and communism. Osama Bin Laden was trained by the United States. Most of the Al Qaeda people were trained in Arizona. They were trained in how to use stinger missiles, how to knock down helicopters and knock out tanks, how to blow up buildings. Then they went and did it in Afghanistan. Osama

Bin Laden's first act in Afghanistan, where he went as a so-called "freedom fighter" backed by the United States government, was to destroy an Afghan school where boys and girls were being educated together. He blew up a coeducational school and shot the head teacher. Robert Fisk, who was then working for *The Times* in London, tells us that when he tried to report this, he was stopped and told that the Western media had to report these people as freedom fighters. That's the sort of freedom they were fighting for.

Given this situation, Al Qaeda acquired an enormous position of power and influence in the 1980s and 1990s. After the Gulf War, their position declined. The Cold War was over, they were no longer needed. So they became independent. They were used for the last time by the United States in 1995, six years before September 2001. Recently, the Dutch government published a 600 page report of enquiry into the events at Srebrenica and Bosnia. It has revealed that the United States flew Al Qaeda members into Bosnia to fight shoulder-to-shoulder with them against the enemy in that region – that is to fight Milosovich. That's how long this has been going on. So when people say the Islamic world is to blame and is at fault, obviously it is to a certain extent. But it is not alone. And it wasn't helped by imperial policy at the time.

Now, how are we going to unravel that world of Islam? I argue that the only way the Islamic world can move forward is by abandoning some of its fundamentalism. This is a world which has become very static, where religion has become petrified. But it has to move. It has to reform, to break the links between the mosque and the state. This has happened in many of these countries. But when the West was fighting the Cold War, alternatives were destroyed. Not just the communist alternative – radical nationalism and secular politics in most of these countries were destroyed. The only doors that stayed open were the doors of the mosques. These then became the organising centres for the new opposition. The same happened in Iran. The West destroyed the secular opposition in Iran as early as the 1950s when Mossadeq was overthrown because he dared to nationalise his own company, the British oil company. There is a long history here, but it is a history in which the Muslim world has to learn. It can't go on in the same old way. Why should the people of Saudi Arabia be subjected to one particular family ruling them, simply because the British empire and then the American empire gave the franchise for that region to this family? Like a Mafia family – 10,000 people rule one country and it's run like a protection racket, a sort of kleptocracy, stealing the oil wealth and wasting it when the whole region could be modernised. Likewise the Gulf States. There's no democracy there, because people who've demanded it have been crushed and the West hasn't cared.

That's the tragedy of the Middle East where the oil underneath the sands hasn't been used to the benefit of its people. All oppositions have been wiped out. Kids then turn to the fundamentalists who at least articulate some of this anger. That's the situation we have to change. But it's not going to be changed by more wars being fought in the region. The United States gives billions in subsidies to the moth-eaten dictatorship that is Egypt. Why? Because they think that if free elections are allowed the Islamists will win. But the fundamentalists won't win. If there is a free media, if discussions take place, the Islamists themselves don't think they'll get more than 30 per cent of the vote. It is the fear of democracy which haunts those regimes and the United States – but one has to overwrite it, to move forward in these states and argue for a separation between mosque and state. Many people do argue for it, but they argue for it in whispers. When they've argued for it loudly they've been attacked by the clerics saying, "You're apostates!" There are millions of people in the world of Islam who are totally secular. I know that. I visit this world often enough. And I know what people think. But they have been intimidated and scared. The one interesting thing is that after 11 September some of them are now on the offensive.

But there is the other problem, which a visitor can discuss with intellectuals and politicians in that world. We now also have a neo-liberal hegemony which affects the whole world. Supremacy of consumption and speculation have become the central hub of economic activity. There is mass marketing of mutual and pension funds and how they are utilised in the system, public expenditure everywhere is diluted by private capital – hospitals, prisons, tax collection – all this has now been diluted. There is a fear that crises will hit and then what will happen? Take Argentina for example. The classic example of a tragic laboratory for neo-liberalism. The country is in a state of total collapse. These political and ideological problems are not going to be solved easily, certainly not by religious fundamentalism, because religious fundamentalists do not have any answers, either in the world of Islam or in the United States.

Presumably you are aware that there are probably more fundamentalists in positions of power in the United States today than ever before in the history of that country. George W Bush is a born-again Christian. John Ashcroft, his Attorney-General, starts the day in the office, which any Mullah would envy anywhere in the Islamic world, by holding hands and having prayer meetings. He composes hymns which he then sings to his bemused employees. Not to mention the Goddess of Justice, who had to have her breasts covered because Ashcroft finds them offensive. This is the United States. If we are talking about a world saturated with religion, this country is saturated with religion. Surveys show that 90 per cent of the citizens of the United States

confess regularly to a belief in the deity. Sixty per cent confess to a belief in angels. I wish it was the other way around, somehow, because belief in angels is somehow less threatening. So the Imperial State is also a state which is saturated with religion, and it's now combating other fundamentalisms. This is not a happy picture. The notion that one should be forced to take sides with one or the other I find completely unacceptable. And that's why I sat down and wrote my book.

WOMEN, POLITICS

AND THE PRINT MEDIA

Julia Baird is a columnist and the Opinion Page Editor at The Sydney Morning Herald. She has just completed her PhD on Women MPs and the print media.

Do women MPs suffer more than their male counterparts from attacks on them in the print media? If so, is this because of poor audience appreciation, lack of skill in a new field or just plain bad journalism where lazy journalists kick down? Hear Julia Baird who has some of the answers.

SPEAKER: DR JULIA BAIRD

TOPIC: *Women MPs And
The Print Media -
The Australian
Experience*

DATE: Tuesday
4 February 2003

TIME: 5.30 for 6.00 pm

VENUE: 41 Phillip Street,
Sydney

RSVP: 02) 9252 3366

LIGHT REFRESHMENTS





Photo – David Karonidis

Jenny Macklin

Elected a Shadow Minister in her first term in parliament after the 1996 federal election, Jenny Macklin was on a steep learning curve. She made her first parliamentary speech within two days. Such was her success at mastering parliamentary politics that, after the 2001 election, Jenny Macklin was elevated to Deputy Leader of the Federal Opposition and is currently Shadow Minister for Education. Jenny Macklin addressed The Sydney Institute on Wednesday, 12 June 2002.

WE'RE ALL IN IT

TOGETHER

Jenny Macklin

Last Thursday I flew home from Canberra in time to see my youngest child perform in his school concert. He plays the saxophone in the school band. Like school bands everywhere the young musicians were a colourful and very different bunch. Different backgrounds and different cultures – the inspirational product of a nation where one in four of our citizens are migrants and one in five are the children of migrants.

As I sat in this public school hall and listened, I saw that my son was learning much more than how to play the saxophone. He was learning one of the most important lessons in life – to get on with people and to make allowances for the differences. He and the rest of the band were musical proof of that timeless Australian value: “we’re all in it together”. In the case of the school band “all being in it together” guaranteed a harmonious outcome. It also acknowledged the value of difference.

It’s no different when it comes to harnessing energy and endeavour across a nation. When all Australians are convinced that “we’re all in it together”, all Australians will benefit. John Howard and his government think otherwise. They’ve created a Great Divide in the Australian social landscape that’s as forbidding as any mountain range. At every level the central message from this government is that “it’s everyone for themselves”. John Howard pits us against one another in the name of competition, individualism and choice. In many ways, the development of “gated communities” where fences and security systems quarantine residents from the outside world are symptomatic of what is happening under John Howard. Those who can afford it purchase safety and security just as they purchase education and health care. The disturbing aspects of life can be relegated to the other side of the fence. John Howard wants a “gated Australia” – an inward looking, insular nation intent on building barriers rather than bridges to the outside world.

In the past few days, the Howard Government has once again shown that it is not a government that will build on our national

strengths – rather it will play to our fears by redrawing the map of Australia for immigration purposes to bring our borders closer in. Superficially, this would appear to be confined to immigration policy but in my view they have critical social implications. It's a further example of government policies that diminish Australia and Australians.

In a late announcement last Friday, the Howard Government excised all islands off Australia's northern mainland from the nation's migration zone. Then on Sunday – claims from President Rene Harris of Nauru that the so-called Pacific Solution is nothing more than a Pacific Nightmare. According to the President of the tiny Pacific Island state, John Howard has failed to keep his side of the bargain in the election-driven deal to offload more than 1100 asylum seekers on Nauru. Despite the deadline of the 30 May passing about 700 asylum seekers remain on Nauru.

Rather than propping up the illusion of a long term "Pacific Solution" by further excisions and other stop-gap measures, the government should start work on a comprehensive long term plan to deal with refugee and asylum seeker issues, not knee jerk policies based on exploitation of poor countries. This is the task the Australian Labor Party has embarked upon. We have made it plain that we believe we can put forward compassionate policies while protecting our borders. Our policy review has published a framework for discussion of asylum seekers issues and some of our policy changes have already been announced. Labor has called for the release of all children from detention centres. In addition under our policy: 1) The government would take back control of the detention centres; and 2) Woomera would be mothballed.

And the great divide doesn't stop with asylum seekers, it also resonates through the Howard Government's health policies. A government that believed all Australians were in it together would not have short-changed our public hospitals while simultaneously blackmailing and cajoling millions of Australians into private health insurance. The government's policy rewards self-interest rather than the value of working together to strengthen public hospitals and Medicare.

The differences in policy approaches are clear. One side says that if you can pay, you deserve to jump the queue to get preferred treatment. The other says, when it comes to health care, it shouldn't matter who you are or how much you can pay. The Howard Government is not so blunt as to say – there is no such thing as society – the famous Margaret Thatcher quote – but look at the policies – \$2 billion on private health insurance subsidies and \$3 billion extra for private schools. Their policies speak for themselves. But it is in the area of education that the greatest damage can be done to our sense of togetherness, because it is our education system that strengthens and

invigorates Australia's values. Rather than strengthening our capacities to work together, the Federal Government's neglect of public education is laying down the foundations for greater divisions. Further proof of the Great Divide.

Our public education system is our greatest defence against concentrated disadvantage and entrenched prejudice. Sharing a public education, Australians from different backgrounds and beliefs come together, learn together, have fun together and develop a sense of shared social good. Australia must fiercely oppose attacks on our public education system. Arguments, such as those put forward by the Liberal Party Treasurer, Malcolm Turnbull, calling for public schools funding to be diverted to private schools would lead to the disintegration of our society into disparate communities of interest. It's a trap for different groups and communities; a device to divide them rather than to encourage people to work together for a cohesive society.

Under the ideological mantra of giving people choice, John Howard is taking Australia down a narrow and isolationist path. Labor takes a different approach. We believe at our core that we are in it together that we must strive for a common purpose.

Since becoming Deputy Leader I have met many people who are passionate about education. Among them, representatives of Catholic, Jewish, Muslim and Christian schools who are only too aware of the divisions that are emerging. And they are worried. One educator from a private religious school was strongly opposed to the concerted devaluing of our public education system. He told me that 'public schools are the "backbone of this country"'. This is a view shared by most Australians, who are looking to government for constructive policies in support of public education. Instead, we now have a Commonwealth government that has chosen to exacerbate the problem, not to reduce or resolve it. It has exacerbated the problem by its neglect of public schools.

The Budget gives nothing new to public schools except annual adjustments to cover cost increases. By contrast, the Budget papers show that the government is conservatively estimating that Commonwealth funding of non-government schools will exceed \$5 billion by 2005-06. This means that Commonwealth funding of non-government schools, since 1996, will have increased by over \$3 billion. That's an increase of almost 170 per cent.

Australian egalitarianism – our commitment to a fair go – should question government policy that puts billions of additional dollars towards private schools while effectively giving public schools a zero increase in constant prices. It is not a policy approach that embraces all Australians – especially the 2.2 million children and young people enrolled at public schools.

Policy review process

Labor is currently developing new policies that build on, rather than erode, Australians' sense of fairness. The policy review process is about responding to the complex and varied needs of a changing society. Our approach in the past has been very much a one size fits all model, forcing square pegs into round holes. What's overwhelmingly obvious now is that people are demanding options. Their situations, needs and ambitions vary. Families are different; work habits are different. We must have policies that reflect these changes. The following analysis by Hugh Mackay is illuminating. He says:

Thirty-year-olds typical approach to work can be summed up in one word: flexibility. By adopting a flexible approach to the kind of work done, to the number of hours worked, and to one's preparedness to switch jobs, people in this age-group have mastered the art of living with job insecurity. Now they come to regard flexibility in employment as a positive virtue.

Young people, particularly, are saying to me that they want to keep their options open. What they want from government is support to develop their own solutions rather than to sign up to a set plan. So the challenge in my portfolio area of education is to make sure all Australians have a strong general education, from which they can break out and learn new knowledge and skills, as they need to.

We also have to create a life long learning system that lives up to this challenge – that gives people the opportunities to mix and match. More and more I'm hearing that younger Australians are comfortable with constant change. That means rigid policies have little relevance to their lives. These people know that they will need to and want to switch jobs, over the course of their life. Our job is to give them the capacity to do this and to do it quickly. It requires a sea change in policy and attitude. We need to find new ways to offer access to entitlements that enable people to keep their options open.

Labor can do this without losing its traditional values. Values that begin with an abhorrence of inequality and a determination to improve the standard of living for low and middle income Australians. Values that recognise the responsibility of governments to use public institutions to strengthen society. These are the traditional tasks for any Labor government but finding new and modern ways to deliver these improvements is essential. Measures such as Simon Crean's commitment to exploring the benefits of tax credits for low income Australian families. His guarantee that every last cent of a worker's entitlements will be covered through an insurance scheme that will cost large companies only 0.1 per cent of payroll reflects our commitments to deliver to these Australians.

These policies reflect our understanding that more and more Australians are working in low paid, insecure jobs. This reality requires new policy approaches like tax credits for working families. Federal

Labor's policies will recognise families working arrangements – they will complement the realities of people's lives. With two incomes a necessity for most Australian families, it is Labor's view that it's time Australia caught up with the rest of the world and introduced paid maternity leave.

But we know it doesn't stop there. What parents need are real options and solutions for the first five years of their child's life. A five-year solution that gives them five years of reassurance and certainty in what is inevitably an unpredictable time. Family-work-options will require significant changes in policy and attitude. To become family-work-friendly we need to develop more responsive models of parental leave and income support and improve access to high quality, affordable childcare. Options like longer unpaid leave with guaranteed job security, part-time work, working from home, job sharing should also be thrown into the mix.

Again, it's about recognising the value of difference while working to develop policies that advance the common good. It's about giving people greater control over their lives and their local communities. The need to target our policies to communities; to go "local" is a common theme in Labor's policy review. People are turning local because that's one place where they think they can make a difference. Although they're turning off politics (and politicians) in droves, people still believe in their local communities. They connect through playgroups, book clubs, sporting clubs, school canteens and voluntary organisations.

The challenge then, for the Labor Party, is to convince them that, just as they make the wheels go round in their local schools and community groups, they can and should be an essential part of politics at every level. Simon Crean's push to modernise the Labor Party is about acknowledging that the way people work and live their lives has changed and that a modern political party must open itself more to community based groups, while still maintaining its traditional connection with the labour movement. By responding to the real problems that face many communities – crime, urban decay, poor school results – with policies like community safety zones, education priority zones and urban renewal, local communities will regain greater control.

The policy review is as much about engagement and reaching out to communities hearing from them about what matters to their lives. We will continue to do this throughout 2002 and submissions are welcome until 1 December 2002. In addition to taking written submissions, Shadow Ministers are holding policy forums around the country to discuss with people the issues that most concern them. The review process provides Labor with the opportunity to develop a deeper appreciation of the enormous changes that confront Australians – the gender revolution, the revolution in information and knowledge, the

internationalisation of our economy, the increasing polarization of work – to name just a few.

To explain these changes and to make sense of them in a way that reinforces not undermines the Australian way of life is critical to our task. Balancing the books will never be enough for Labor. It is our job to inspire people to believe that there is a better and fairer way to organise our economy and our society. Labor will always be committed to a strong economy – it is the basis of a prosperous and fair society. But like most Australians we believe government must do a lot more than manage the economy.

The society we confront now is a very different one from the 1980s and early 1990s when Labor was last in Federal government. Our policy solutions must therefore reflect and respond to these changes while staying true to our values – that is the challenge of the policy review.

ANNUAL DINNER - 2002



Photographer: David Karonidis



Photo – David Karonidis

Rita Hauser

Dr Rita Hauser is a senior figure in Republican circles in the United States. She is also a prominent New York philanthropist, President of the Hauser Foundation and Chair of the International Peace Academy. In a world witnessing a war on terrorism, what can the United Nations offer? And how much influence does the United States have among United Nations member states? Rita Hauser addressed The Sydney Institute on Monday, 17 June 2002.

THE UNITED NATIONS

- OVERSTRETCHED AND OUT OF DATE?

Rita Hauser

When I was invited to come here by the Foreign Minister it was really to talk about subjects of general interest concerning peacekeeping, in particular, the role of the UN and the unfolding changes in the peacekeeping scene. I thought I'd have a nice quiet visit, although a busy one. But I was parachuted into the middle of a debate you've just had on the International Criminal Court – a very worthy institution in the making. I am delighted to see that you have resolved the issue in the affirmative.

I was asked to address the question of whether there is a role for the United States in the UN? The answer could be very simply that this is self-evident. There is no possibility for the United States not to be a significant player in the United Nations. So we should start the analysis from that perspective. If anything, you can say that the United States is a very big gorilla, or elephant, or whatever animal you would like to use. It dominates the United Nations. Some might say for the good, others might say for the bad, but that is a fact of life. When the United States wishes something to happen in the UN, it happens. The United States doesn't always like what other countries do, and sometimes expresses its pique in ways which are unworthy. We started in the early 1980s withholding payments to the United Nations, both the specialized agencies and then in the General Assembly and in normal and peacekeeping assessments, as a way of expressing our displeasure or as a prod to get reform. That's not the correct way – it's certainly a treaty violation. However, we are past that now, and in a moment I'll describe how we have resolved that particular problem.

The United States is a dominant player by virtue of its size, by virtue of its monetary contribution when it pays, by virtue of the fact that the UN is situated in the United States. We are the major, global military power and therefore must take a major role in the maintenance of the peace. We are a major player in all of the organs that belong to the United Nations. So it's a given, as I said, that we are there. As far as the general American public goes, every poll that has been taken

since the United Nations began, right down to today, shows widespread and deep support among the general public in the United States for the United Nations. The support is highest when asked questions about the humanitarian work of the United Nations; from refugees, to human rights, to children, to health, and it begins to get a little less in scale when talking about peacekeeping, but it never has dropped below 60-65 per cent support among the public in general.

So then you have to ask – where does the disgruntlement arise? What we have found is something of an anomaly. The disgruntlement is most manifest in the US Congress and particularly with certain elements within the US Congress. Polls and surveys continually seek to determine if Congressmen are reflecting the views of their constituents. The general answer is no. They don't get very much mail; they don't get very much pressure from their own constituents about the workings of the United Nations. There is, however, a more extreme element that is very antithetical to all multi-national organizations. One group you can put into the one category of bizarre believes the UN runs the world and has black helicopters floating up there – that doesn't merit analysis. There are others who are more inclined to the sovereignty arguments – “the United States is the greatest power, therefore we should be free to determine what is major and significant to us in our own national interest and proceed accordingly”. That view is very strongly reflected in certain quarters of the current Bush Administration. Being the largest power in the world, we have the burden of keeping the peace and therefore we should be free from the restraints of what other nations may think if we determine that it is in our national interest to proceed accordingly. But even if you peel back that argument, you will find that the United States has never gone forward in any kind of an operation in recent periods, if ever, without full backing and support by the vast majority of nations within the United Nations. It takes some effort. If you have to do it, you have to sell the case.

Perhaps the best example of what was done, in this regard, was by the first President George Bush. He certainly built a very strong coalition at the time of the Gulf War. It was one of the supreme acts of building strength and support for our position. We went forward with very broad support in that effort and it remained all the way through.

In the current war on terrorism, once we had the September 2001 attack, the United States went forward within a week with a full omnibus resolution, which was overwhelmingly passed by the vast majority of nations. It is such a broad-scale and in-depth resolution that you could argue that it substitutes for a treaty. It covers virtually every aspect dealing with terrorism, from a financial regime set up to monitor transactions of a dubious nature, to reporting on all of them. It calls on cooperation, participation and policing, intelligence in all activities relating to “the war on terrorism” (as it's been called), and it was

passed by an overwhelming majority. The United States, when it goes forward and to make a case that is well-grounded, almost invariably prevails in its view. Now there are countries, obviously, that don't like that fact, but it's a fact of life.

The Security Council today in the post-Cold War era is dominated by the Big Five, the P5, and for some period, even up to today, in most issues the P5 are working closely together. They see the issues fairly similarly, although they do have differences that are emerging now – these are Iraq and preemptive action doctrines. But basically they have worked together, the veto has rarely been used in this period, just one or two instances relating essentially to the Arab-Israeli conflict. The problem, in fact, has been that the P5 have been so harmonious in this period that they are determining the agenda almost to the exclusion of the other members of the Security Council. The other members have not liked this development, and have sought to get a greater role in the consultations. This has now produced an opening whereby the countries that do give peacekeeping contributions – men and material – have been invited into the discussions concerning peacekeeping.

The agenda of the Security Council, while it remains essentially its function under the charter – “peace and security” – has had a very broad reinterpretation as to what constitutes a threat to “peace and security”. Peace and security today is deemed to be threats, for example, from massive refugee overflows as a result of internal conflicts, The Security Council has seen fit to adopt Chapter Seven resolutions dealing with threats to the peace, that have resulted from purely internal conflicts as they have spilled over in these human dimensions, particularly large refugee flows. Resolutions dealing with peace and security or the sending of peacekeeping forces, have generally tended now to have very broad missions. The missions are not merely to bring about peace and maintain the peace, but to bring about a respect for human rights, to make sure there are civilian regimes established in a post-peacekeeping period, and to make certain that when the peacekeeping forces are withdrawn at the end of the conflict, that there is in place a civilian administration that can function effectively. The charge that is being given in peacekeeping is very broad. The agenda of the Security Council as a consequence is much larger in concept than it was in prior days, and again, in all of these areas the United States has a very significant role.

The United States tends to think of ourselves today, in peacekeeping concepts, as being, if I can put it somewhat crudely, “fighters”. We see ourselves essentially as carrying the military role. Other countries carry the role after the military battle is over. It hasn't quite worked out that way. We are still in Bosnia despite the comments that we would be out a long time ago. We are in Kosovo, and my best

guess is we will be in Afghanistan for a considerable period of time. In the post-conflict era, the necessity is to create a situation that will prevent the ground circumstances reverting to what it was prior. This is a very tall order, so the United States is deeply involved in all of those activities.

We have been a very active player in every one of the other organs of the United Nations. We will continue to do so for as long as there is a United Nations. That doesn't mean you're not going to hear a lot of rhetoric from politicians, as I think you heard in your own debate here on the International Criminal Court. There will be arguments about sovereignty being impinged upon, that we want to be free to do what we want. But in reality the United States operates in a multilateral environment. In Professor Joseph Nye's recent book, *The Paradox of American Power*, it is made quite clear that it is impossible for the US to go it alone. It is not just that it should not – it cannot. It is impossible to carry out our burdens as the major keeper of the peace, without having a multilateral framework. Anybody who is working in our foreign policy establishment understands that very fully, whether you're talking about the war on narcotics, dealing with refugee flows or problems in all kinds of humanitarian considerations, there is no other recourse but a multilateral recourse. The same is true of trade; the same is true of all aspects of our foreign policy.

We are leaving to ourselves, as the major world power, the right – some would argue a duty, rather than a right – to step into situations, even if we have to do it by ourselves (that's at least our doctrine) where we feel there is a threat to vital interests. In my opinion, it will never work out that way in reality. I cannot conceive of a situation in which the United States would act in a military fashion on a unilateral basis against any aggressive nation that one could name. It will always seek to find support and allies, some of it for practical reasons. For example, should there be any activity in Iraq, we need bases, we need areas of staging, we need the support of neighboring countries. But we need more than that. We need support on a political basis, and we need support on a legal basis for a rationale for intervention in any particular case. So it's a somewhat fatuous argument that some make that the United States "will go it alone". It is not possible for the United States to go it alone. The vast majority in our Congress and in the body politic don't wish to see the United States go it alone.

In each of the conflicts in which we have been engaged in recent times, there have been very interesting divisions of labour. There have been divisions of labour, first, in the fighting. And there have been forces of these coalitions, out together in the various and sundry military interventions, that have carried out their particular areas of activity. There has certainly been a great deal of multilateralism in the post-conflict period in the building of rehabilitated countries after the

conflict is over. So the United States will continue to take a very major role in that.

Then, of course, the United States has a general weight among the countries that see the world similarly to us, as Australia certainly does. We work very closely with a country like Australia in intelligence gathering, in policing, in fighting. You have a certain number of men in Afghanistan who have carried out very specific tasks, unique to their talents. There have been the same arrangements with the British, the French and with the NATO countries. So we certainly have been working together in all of those activities and in all those realms. There is a great future for the US and the UN. Public support will always go up or down, depending on circumstances and depending on the heat of the moment. But there has never been a period when the body politic of the United States and the general public has not been broadly supportive of the United Nations in all of its activities and in all its aspects. That is the single most important message that I want to leave with you this evening.

In terms of the evolution of peacekeeping, which we have all been talking about, it's going through a very interesting transformation, a transmography, even. Peacekeeping now is what we call second generation peacekeeping, that is, sending in peacekeepers who are willing to enforce a peace. They come in when there is not yet a peace. The first generation of the Blue Helmets was there only after some sort of a tentative peace had been agreed upon, and they were put in to separate the parties so that the peace could take hold. They were neutral. By definition, they were unarmed. They had a very limited function. For example in a place like Cyprus (to give you the classic case), they have been there now for almost 28 years, maintaining a separation of two parties. Every time the Secretary General (whoever he may be) tries to get them out, both sides say that if they withdraw they will go back to fighting again. That's a classic Generation One peacekeeping.

Generation Two is much more complex. In Bosnia, where there was no peace to keep, UN peacekeepers were sent in an effort to forge a peace. It didn't work terribly well and we learned a great deal from what went wrong in that peacekeeping. In Kosovo we moved to a situation where it was a NATO operation rather than a UN operation. The reason for that was that there was clear knowledge that should a resolution have been brought in this Security Council that both Russia and China would have vetoed. Therefore we moved into an Article 51 self-defence rationale and went forward with NATO. You are going to see a whole variety of different configurations. East Timor came up very quickly. Resolutions were passed that handed over the bulk of the military work to the Australians, aided and abetted by others. But

Australia carried the major share of the work there as one that stepped forward in willingness to do so.

So each of these operations has taken on different contours and different shapes. I suspect that will continue to be the situation going forward. It's the same in Afghanistan. Some of them will operate under Security Council resolutions. I would hope all of them would be under Security Council resolutions. But if there is a sharp division in the P5 where the threat of veto exists, the United States will go forward on its own, outside the Security Council, if it feels it is in its vital national interest to do so. That is not to say that it is not going to get other countries to come and aid and assist and give a broad basis of support.

The United States also has continued to seek support in the existing embargo regimes that we see, particularly the Iraq embargo. Other countries are seeing this embargo somewhat differently from the US, but we worked out an arrangement where we moved, as you know, from a very broad sanctions regime to a much narrower, smart sanctions regime, to alleviate the humanitarian conditions within Iraq. And the United States did that with the great support of other countries.

The Security Council, in my opinion, is destined to remain as long as one can see, within the control of the P5 and the veto will remain. Every attempt to reform the Security Council, and there have been scores of them, has failed. The enlargement of the Security Council to have a broader base of nations always flounders on the same two issues – who will represent what regions? If you are going to expand, to have more permanent members beyond the P5, the Indians will say “we are the biggest power now, outside of China – which is on the Security Council – it has to be us”. Others will not agree, particularly the Chinese. If you go to Latin-America the Brazilians say “it has to be us” and then the Argentinians won't agree. This is the way it has gone. We have not been able to get any kind of consensus on adding other permanent members. The other question, of course, is that if you add other permanent members, would they have the right of veto? Looked at conversely, could you conceive of a reform where the current five would give up their veto? Almost impossible. Even discussions, for example, include why France and England – both members of the European Union – should have two vetoes when it makes sense to have one European Union veto. Try to sell that to France. So, it simply is a non-starter, and everybody realistically understands that.

The pressing issue has been Germany and Japan, as the two defeated nations after World War Two who are now very sizeable powers in terms of financial contributions to the UN. Both of them are now constitutionally capable of engaging in peacekeeping and both of them have been actively involved – the Japanese more gingerly – in

peacekeeping with the broad support of their body politic and of their nations. Germany is a member of NATO. I don't see this issue being resolved either. They are not going to be permanent members. There is some discussion afoot of a formula that would see that they would get continually elected on a rotating basis – but it's hard to sell that to the other nations that are there.

The UN has its defects, very strong defects, that have emerged over time. The greatest defect, for which there is no answer, is that the UN basically operates on a regional basis. The countries group in their regions, they pick their candidates for whatever particular openings there are, and that becomes the decision, so that you do get anomalies – real anomalies. Countries are on the Security Council, the organ which is intended to keep the peace, who are hardly apt – small countries that barely have an army and maybe 350,000 in population. At some point East Timor will get elected to the Security Council as they rotate it. To a lot of people the election of a country like Syria, which is now on the Security Council, is an affront. But the decision of the regional grouping is generally deemed to be definitive, and no one will challenge from one group to the next group. This is a defect and it is very hard to see how to get around it because we now have close on 200 members of the UN. That's a very big number.

A second substantial defect is the way in which the General Assembly operates. It is an unwieldy body; it is therefore one nation one-vote. It is dominated by the smaller, less representative nations. They often pass resolutions that impose all kinds of financial obligations on the UN and they are the countries that don't pay for it. There is a strong resistance from among the countries that do pay for all the things that are voted in the General Assembly. There has got to be some more rational way of dealing with those kinds of issues. We have certainly produced a great deal of reform within the Secretariat. It is a ponderous body, the UN, but it has gotten a little bit more streamlined and a little bit more efficient in its operations.

In conclusion, we're stuck with the organization and the way it was created. It's very hard to change the charter and not likely that it will be changed in any major way. Instead you find informal arrangements that have emerged to get around the constrictions of the charter. In the end, a great deal depends upon leadership and whether you have the right Secretary General. I've known quite a number of them very well and personally, I would say that the current Secretary General is one of the best since Dag Hammarskjold, both by his personal qualities, which are extraordinary; his humanity, his decency and the unruffled demeanor that he maintains. Kofi Annan gives us all reason to hope.



Photo – David Karonidis

Boaz Ganor

Counter terrorism is now a growth industry as Western governments increasingly commit funds and personnel to tracking down the proponents of planned suicide bombings and biological attack in major urban centres. Boaz Ganor, Executive Director of the International Policy Institute for Counter Terrorism in Israel, is an expert in his field. To address some of the issues and evaluate some of the answers in the war against terrorism, Boaz Ganor addressed The Sydney Institute on Wednesday, 19 June 2002.

THE CHANGING

THREAT OF INTERNATIONAL TERRORISM

Boaz Ganor

Since September 2001, the world has awakened to a new danger. Terrorism after the September attacks is a totally different phenomenon from that which existed before the attacks in the United States. This is not merely due to the scale of the atrocities, but also because these actions took place on American soil. The message conveyed was that no place is safe; not even a superpower is immune.

The 11 September attacks represented a crossing of the Rubicon for international terrorism. This of course was partly due to the scale of the attacks – 3000 people killed in one day. But terrorism also passed a point of no return, in my view, in another regard, not specifically to do with the attacks on the World Trade Center and the Pentagon, but with what came after. I refer to the anthrax-laced letters sent through the US postal system. Although most of my colleagues see no connection between the anthrax attacks and the 9/11 attacks, I personally feel that there may in fact be some link between them. I admit that I have no proof that this is the case. And yet, there was that as yet unexplained trip by Mohammed Atta to Czechoslovakia to meet with an Iraqi agent. It seems too much of a coincidence: the timing of these anthrax letters and the fact that the first letter was sent from the neighborhood where Mohammed Atta, the leader of an Islamic radical network in the United States had formerly resided. Could Atta have served as a conduit for the transfer of Anthrax powder from some foreign power into the hands of an amateur terrorist in the United States? Could there be a connection to Iraq in these anthrax attacks in the United States?

This is the first fatal incidence of bio-terrorism, and the first non-conventional attack in many years. The only other bio-attack was not the infamous sarin gas attack in the Tokyo subway (which was a chemical attack), but a biological attack perpetrated by the Aum Shinrikyo a year before they released sarin in Tokyo. In this small scale precursor to a much more ambitious attack, the Japanese cult attempted

to spread botulinum in cities in Japan but they didn't succeed in causing any damage.

I believe that the international community, in the wake of the 11 September attacks, finds itself in unprecedented peril. The danger is based on a combination of three main factors inherent in modern international terrorism: the very extreme ideology inherent in the Islamic radical worldview, the deadly methods used, and the possibility that these radicals will turn to non-conventional means. This is a scale of danger that humanity has not been accustomed to facing on a daily basis, and with which we do not yet have the tools to deal adequately. True, there were some dangerous terrorist networks operating in the 1970s and 1980s. But these networks were not on the same scale of those we face today; they were nothing like as extreme in their ideology. The terrorist of the 1970s and 1980s did not believe that in blowing up innocent civilians, he was doing God's work; nor did he see terrorism as a holy duty. The modern Islamist terrorist does believe this, and this, plus his desire to die in the carrying out of his mission, places him in a category beyond the kind of terrorism we've seen in the past.

These days, we can all agree that modern international terrorism represents a serious threat. But what makes it so? How did it all start? To understand the origins of the movement that now threatens, literally, most of the civilized world, we need to go back to the Afghan War. The Islamic Jihad against the West actually started with the invasion of Afghanistan by Soviet forces at the end of the 1970s. The invasion was meant to support the communist agenda, and was the last great standoff between the USSR and the USA. The Soviet forces were met with fierce resistance by the Afghan "mujehideen," or Islamic warriors. One faction of these fighters would eventually become the Taliban. The mujehideen called upon Muslims from all over the world to come and join them in their fight against the USSR. And thousands answered the call. From all over the Muslim world, young men flocked to Afghanistan to fight off the Soviet invasion. What's more, they won! A ragtag army of Islamic warriors drove back the army of a superpower. This victory made a powerful impression on the consciousness of the Muslim world; it was seen as an expression of God's will.

Now, flushed with victory, the mujehideen had three choices: to return to their countries of origin and get on with their lives; to go back to their countries and start radical movements to bring the "true Islam" to their homelands; or to go on to fight for Islamist causes in other lands. Many did indeed return home after the war, only to find that the only profession they had – that of holy warrior – was not at all welcome to their totalitarian governments. And so, the Afghan Veterans, as they came to be called, became involved in terrorist groups in Muslim countries from Egypt to Malaysia.

Others attempted to return to their homelands but were refused entry. Their governments knew better than to allow these young firebrands into their territory to make trouble. Refused admission to their countries of origin, many of the Afghan Veterans sought political asylum in Western society, especially in the United States. We should not be surprised to find that the United States granted these requests; after all, the United States had supported the mujehideen. These mercenaries had fought the USSR, and now the US had to pay the price—a green card and political asylum. Islamic radical mercenaries were granted political asylum not only in the United States, but in Germany, Britain, Switzerland and a host of other Western countries.

Yet a third group of mercenaries stayed on in Afghanistan. Many were recruited by Osama bin Laden into his newborn Al Qaeda organization. Thus, the end of the Afghan war saw the emergence of a totally new kind of international terrorism; a terrorism that could draw upon hundreds of thousands of Islamic activists, sharing a common extremist ideology, and common goals. What's more, these people were veterans with a decade of fighting experience behind them; they knew warfare in all its aspects. And, perhaps more important than anything else, they knew each other: they had fought together in the trenches of Afghanistan; they knew one another's minds and they shared a common bond of experience. It was these battle-hardened fanatics, now spread all over the world who formed the nucleus of modern Islamist terrorism.

It is this network of Islamist radicals that now threatens the Western world, as well as the moderate Muslim regimes of the Arab world. The question then becomes, what did this network hope to achieve in the 11 September attacks against the Americans – what did bin Laden hope to gain? I believe the answer lies in a three-stage global strategy adopted by bin Laden to achieve his ultimate goal. What is this goal? Although bin Laden has declared his intentions countless times, it still seems unbelievable, like something from an imaginative novel. Put simply, bin Laden wants to conquer the world – to spread his version of radical Islam to every region of the globe, so that there will be no place not ruled by Islamic religious law. This notion is based in the distinction in fundamentalist Islam between “Dar el-Harb” (the realm of the Sword) and “Dar el-Islam” (the realm of Islam). The realm of Islam – that part of the world ruled by Islamic law – stands forever opposed to the realm of the Sword – the regions not yet under Islamic control. In this war of radical Islam there is no grey area – either you are an Islamic radical or you are an enemy.

I should, at this point, differentiate between Islamism – Islamic radicalism – and Islam as a religion. The Islamic religion is not necessarily more or less violent than any other religion, whether it be Judaism, Hinduism, or Christianity. The problem for the vast majority

of moderate Muslims is the emerging misconception of Islam. This misconception is that Islamic radicalism and Islam are one and the same. Islamic radicals hold Jihad to be the supreme religious duty, over and above all other values of traditional Islam. In fact, the Islamists view moderate Muslims as their enemies no less than the Jews and the Christians. Perhaps, even more, since the moderate Muslims are seen as heretics. Islamic radicals see their first task as the conquest of the moderate Muslim countries, and the establishment of fundamentalist Muslim regimes.

This is the background of the worldwide network that has declared war on the Western world, and of Osama bin Laden himself. Bin Laden wears two hats: he is the leader of Al Qaeda, his own terrorist organization, but he also heads another organization, which is somewhat less familiar to the world at large. In 1998, bin Laden created a global movement, called the World Islamic Front for Jihad against the Jews and the Crusaders. This World Islamic Front serves as an umbrella organization, to which more than a dozen Islamic radical terrorist organizations belong. Among these are *Abu Sayyaf* in the Philippines, *Jaish-e-Muhammad* in Pakistan, the jihad groups in Egypt, the *GIA* in Algeria, and other, less-known organizations. Moreover, this is not just a political organization. When we analyze the attacks Bin Laden has executed in the past, such as the attack on American warships, on the American embassies in Africa, we find that each of these attacks was executed by activists from a different nationality and a different terrorist organization. This is important to bear in mind when we talk of the “culture of terrorism.”

As mentioned, bin Laden has adopted a three-stage strategy toward the ultimate goal of spreading Islamic radicalism all over the world. The first stage is to spread his version of Islam to Muslim countries in central Asia and the Middle East. Why these countries specifically? Because they are already home to Islamic radical organizations, some of which have large numbers of supporters. Among the countries with Islamic movements which could serve as the nucleus of radicalism are Afghanistan, Pakistan, Egypt, Israel, the Palestinian Authority and Jordan. Once this first stage is achieved, these “Islamized” countries can serve as the staging ground for the second stage—the spread of radical Islam to countries with large Muslim minorities: Kosovo, Bosnia, Germany, and the former Islamic republics of the USSR. Later, more countries will be added to the circle of radical Islam: China – especially to Xinjiang – the Philippines, Indonesia, Malaysia and finally north of Africa. Only upon the completion of this stage, will Islamic radicalism be ready for the final stage – the ultimate battle to spread their rule to the rest of Western society.

So, if I'm right, why should Bin Laden attack the United States now? The United States, after all, belongs to the third stage, not the first stage. I would argue that Bin Laden recognized, or at least believed, that in order to achieve the first stage he must keep the Americans from interfering with his plans for the moderate Muslim regimes. He must force Americans to withdraw their military forces and their influence from Arab soil – from Saudi Arabia, Kuwait, and so on. In effect, the spread of radical Islam to these moderate states cannot be accomplished unless the United States can be forced into isolationism.

Bin Laden had a plan to accomplish this – a campaign of terrorism against American interests, combined with a propaganda blitz designed to reinforce his message. The terrorist campaign was exemplified by the horrific attacks in New York and Washington, in September 2001. But these attacks in themselves would not be sufficient to make the Americans isolationists; it must be accompanied by the appropriate propaganda. Thus, bin Laden launched a campaign to sell his message to the American audience, via videotapes and speeches aimed to reinforce the message: “Only withdraw from Arab lands – stop trying to spread your values in our region; stop supporting the Israeli democracy and the moderate Muslim regimes – and you will be safe.” But the American media didn't fall for it. They refused to broadcast or transmit these tapes in America. So the media campaign failed. Moreover, Americans were not terrorized by the horrific attacks. They were afraid, but their reaction was a wave of patriotism – the very opposite of what Bin Laden wanted to achieve.

So, this was Bin Laden's strategy. However, if all this is true, then we face the further possibility of horrific attacks perpetrated by a worldwide web of Islamic radical terrorism. How can we counter this? I believe that the world has changed since 9/11, and even more since the US-led campaign in Afghanistan. I also believe that the next atrocity is not a matter of “if” but a matter of “when”.

In order to clarify this, consider the basic format of terrorism. Put simply, terrorism is a combination of two factors – motivation to attack and the operational capability to do so. Only when terrorists, whether a group of individuals or an organization, have both the motivation and the ability to act on it, will a terrorist attack occur. If one of these factors is missing – say, an organization is highly motivated but lacks operational capability, or is capable of inflicting damage but has no reason to do so – then there will be no campaign of terrorism. In order to judge the effectiveness of the American-led campaign in Afghanistan, we should ask ourselves how this campaign affected these two factors?

Well, I think we can say with certainty that the Western campaign in Afghanistan did not exactly decrease the motivation of the Islamists to execute attacks on Western governments. It would not be jumping to conclusions to say that the motivation is even higher than it was before.

What about their operational capabilities? Even if we've increased their anger at us, if we've decreased their ability to do anything about it, then we're safe. I was surprised at how successful the military campaign in Afghanistan was. It actually did quite a lot to destroy Al Qaeda's military capabilities in Afghanistan and pretty much demolished the organization's infrastructure there. However, this does not mean that the war is over; Al Qaeda was not destroyed, but only scattered. We are not talking about a single organization, or a single individual leader; we are talking about a global network. And this web was not affected by the destruction of Al Qaeda's home base in Afghanistan. The groups that make up bin Laden's network were unaffected by the war in Afghanistan—the *Abu Sayyaf* the *Jaiish-e-Muhammed*, the jihad groups, the *GLA*, and the Palestinian radical groups are all still there. Not only is their operational capability unaffected, but their motivation to attack is now higher than ever. So it is only a question of where and when the next attack will come.

So how should we meet this danger of radical Islamist terrorism? I suggest a comprehensive international campaign comprised of four phases of attack. The first phase, the military campaign against Al Qaeda, has already been launched and successfully completed. The second phase should be a campaign against all other Islamic radical terrorist organizations in the Arab and Muslim world. This is not a task to be undertaken by the Americans or by other Western countries. Rather, it falls to the moderate Muslim governments to combat the Islamic radicals in their own countries, in their own territory. Western society can only offer support in this battle.

The military campaign alone is not enough. Those countries facing the threat of a radical Islamist takeover must also think of the future. Thus, the military campaign must be accompanied by an educational campaign. Over the past decade or two, Islamic radical movements have infiltrated the masses in the Muslim world, and their influence is especially directed at the young. Consider the situation. In Egypt for example, families may have as many as 20 children. Few can provide the basic needs, food and shelter for such large numbers. Evidently the central government does not have ample resources to provide for these people. So other movements backed by the resources collected from supporters in the West and in wealthy Arab states, have moved in to fill the void. It is they who provide food, shelter and education – but it is education of their own variety – to these youngsters from childhood. By the time these kids are grown, they have been totally brainwashed. The task of combating this phenomenon falls to moderate Islam more than to anybody else, though with the backing of the West.

On 11 September 2001, I was in the United States. That same day I was interviewed on public radio and asked who could be

responsible for this attack. I said that I thought it was bin Laden and explained the difference between the Islamic radicals and the rest of the Muslim world. There was a phone-caller, a Muslim man, who complimented me for differentiating between moderate Islam and the kind of Islamic radicals capable of carrying out such an attack. "I'm a Muslim, an Arab and an American citizen," he said, "and I condemn these atrocities on the United States." This man is to be praised for having the courage to say that; it was important to say it in English, on national radio. But, even more important is it for those who feel this way to say it in Arabic on Al-Jazeera. This is the main task for moderate Islam today – to contradict the Islamists' claim that theirs is the only true Islam; to fight them and their influence all over the Muslim world. Unfortunately, many are reluctant to do this. Perhaps they are afraid; perhaps they believe the issue is someone else's problem. And yet they are a majority, albeit a quiet one.

The third phase in the battle against radical Islamic terrorism is a campaign against the state sponsors of terror. In order to achieve success in this, two fundamental laws must be adopted. The first of these is revolutionary, but in my view, very pragmatic: we must, once and for all, reach a definition of what constitutes terrorism. Others may disagree in this, but I believe that only when we can all agree on exactly who the enemy is, can we effectively join together to do battle. Thus an objective and internationally accepted definition of terrorism is a necessary step toward international cooperation in the fight against terrorism.

In counter terrorism there are two schools of thought: one says that terrorism is a criminal act, and what is needed to deal with it is criminal legislation. The other school, with which I agree, says that terrorism is not a criminal act but an act of war. Thus, the relevant legislation is that dealing with the rules of warfare. This legislation has already been codified in the Geneva and the Hague Conventions. These laws differentiate between the two types of people engaged in violent acts of war – soldiers who fight enemy soldiers on the battlefield, whose actions can be said to be legitimate within the framework of the war; and soldiers who deliberately attack civilians. These latter are viewed as war criminals, and those who send them on these missions are war criminals as well.

What I propose is that this legislation, which today applies only to states, be extended to apply to sub-state entities and organizations. Thus we could differentiate between two kinds of violence used by an organization against a state to achieve a political goal. If the organization wages its battles against the soldiers of the state, we would call it guerilla warfare. However, if the organization deliberately targets civilians, then this would constitute terrorism, and would be viewed as a war crime. To sum up, terrorism is the deliberate use of violence

against civilians in order to achieve political aims, while guerilla warfare would be the deliberate use of violence against military personnel in order to achieve political aims. It is important to note that in both cases, the political aims may be identical; what distinguishes guerilla warfare from terrorism is not the use of violence, but rather the choice of target.

Now, we often hear that one man's terrorist is another man's freedom fighter. On the face of it, this sounds quite reasonable. What it says is that everything in life is subjective: anyone who fights against me is a terrorist and anyone who fights against my enemy is a freedom fighter. However, this is a misconception. The proposed definition would draw a clear line between freedom fighter and terrorist, while marking a distinction between the aims of a conflict, and the means used to achieve that aim. Let's take the Israeli-Palestinian conflict as an example. Many people identify with the Palestinian cause, and see all Palestinian militants as freedom fighters. For the sake of argument, let's agree that the Palestinians are freedom fighters. As freedom-fighters (and I believe that anyone who fights for his freedom is fighting for a holy aim) one may use violence to achieve this aim. However, there is one particular type of violence that should always be forbidden, no matter how righteous one's cause: violence specifically and deliberately directed against civilians, that is, terrorism. Regardless of who you are and what your aims, even if in your own eyes you are a freedom fighter; if you choose people eating in restaurants, or working in office buildings, or commuting to work as your primary targets, then as far as I'm concerned, you are a terrorist, pure and simple.

At the risk of seeming naive, I really do believe that if the international community adopts these definitions, we can arrive at international legislation and international conventions, and even an international criminal court that will be able to deal objectively with terrorism.

Though I am an Israeli, I must point out that my campaign for an internationally accepted definition of terrorism is not a reflection of the official Israeli point of view. Most Israelis prefer the American definition of terrorism, which defines terrorism as the deliberate use of violence against non-combatants – not civilians, but non-combatants – in order to achieve political aims. According to the American definition, the attack against the American warship *USS Cole*, in Yemen, was guerilla warfare, rather than a terror attack. Likewise, the attack on the Khobar Towers apartments housing US military personnel in Dhahran, Saudi Arabia was a guerilla attack, rather than a terror attack. However, the September attacks were not guerilla warfare, but terrorism.

This applies not only to American forces, but also to Israeli soldiers who come under attack – whether on the battlefield or

hitchhiking to their bases, or eating in restaurants. Any attack on military personnel, whether combatants or not, would be defined as guerilla warfare rather than terrorism.

Everyone agrees that fighting terrorism is in the interest of civilized states. The problem is that counter terrorism ranks very low in the hierarchy of state interests, coming a long way behind economic and political interests. Every year, the American State Department publishes its list of state sponsors of terrorism, and they have their own legislation that applies to such states. However, the American list would not be accepted by other nations in the international community. This is because each country has its own interests, and they see the American list as representing American interests more than any others. For example, the French attitude toward state sponsors of terrorism is different from that of the American government. In the case of Iran and Syria, the French will argue that it's important to tighten economic, diplomatic, political and cultural ties in order to persuade them to stop sponsoring international terrorist organizations. However, this policy is really merely window-dressing for the French government's desire for good economic ties with these states. In my mind there is no place for such an approach; terrorism has become too great a danger to the international community for the economic interests of any country to have priority over the fight against state-sponsored terrorism.

So we have discussed military action against terrorism, education to counter radical propaganda, and international legislation against terrorism. The last phase of the proposed international campaign against Islamic radical terrorist organizations is the campaign against the sleeper groups that have already infiltrated the West's backyard – in the United States, Germany and Britain. This is a matter for each individual nation to counter, and is likely to give rise to considerable tension between the need to combat the terrorist threat while still remaining true to liberal democratic values. But the ultimate aim is to demolish the frontline platform that Islamic Radical groups have built inside Western society.

It is important that all four phases of the international campaign be launched simultaneously. We cannot do it piece-meal, dealing first with Al Qaeda in Afghanistan, and only afterwards with the organizations and state sponsors of terrorism – it must be a simultaneous campaign. Nor should we attempt to downplay the importance of this campaign, for the price of failure is too great. If we cannot lessen the capabilities of the terrorist networks to strike against us, then the next atrocity is only a matter of time.



Photo – David Karonidis

Paul Gilding

Paul Gilding, a former Executive Director of Greenpeace International, is now Chairman of Ecos Corporation and engaged with companies world wide on issues of climate change. Businesses are increasingly involved in energy management because they recognise the risk involved with resisting change. To explain something of this phenomenon, Paul Gilding addressed the Sydney Institute on Tuesday, 25 June 2002. The paper which follows was the basis for Paul Gilding's talk at the Sydney Institute. It is an edited version of a paper published by Ecos Corporation, authored by Paul Gilding, Murray Hogarth and Don Reed, CFA. The paper is available on request or from www.ecoscorporation.com

SINGLE BOTTOM

LINE SUSTAINABILITY

Paul Gilding

This discussion paper argues for a shift in how sustainability is integrated into business. The shift is necessary for sustainability to move from the margins into mainstream business strategy. It argues that a central focus on “value creation” is now a more effective way of creating business action on sustainability than a primary focus on the “moral imperative”. More sustainability will be delivered faster by business if the profit motive becomes the dominant driver and framework for analysis rather than “corporate social responsibility” in its various manifestations.

It may seem odd that when even the President of the United States is talking corporate ethics and responsibility, we are arguing for a focus on value. The massive accounting frauds perpetrated by Enron, WorldCom and others have actually reinforced our view that sustainability should be considered and approached from a value perspective. There can be no greater value loss than your whole company going under. The fear this could happen is therefore the ideal motivator to address sustainability.

Whatever they claimed, Enron and WorldCom clearly did not have strong ethics and values integrated into the culture of their businesses. If they had, their fraudulent reporting would have been confronted internally before it ever reached the outside world. In this way, the integration of values and ethics into business operations builds the critical foundation for sustainability. Only from this foundation, which is really a foundation of integrity, can companies build long-term, sustainable shareholder value (rather than the ephemeral variety recently witnessed).

Ecos Corporation has worked for many years with major corporations that are seeking to adopt, or “operationalize” sustainability. We do this work based on two simple assumptions:

- The problem. Our economy is not currently sustainable; in fact, its trajectory poses serious threats to the stability of our society and global eco-system. So we need to act – urgently, globally and

dramatically – to transform the economy. And, we need to mobilize this global transformation in a world without effective global governance.

- The solution. We believe the only way to achieve the scale of transformation needed, at the speed required, is to mobilize global market forces. If we are to mobilize them, then the pursuit of sustainability must be aligned with the pursuit of growth, profit and competitive advantage. Nothing else will work quickly enough.

When investors and corporate boards believe action on sustainability will lead to the creation of value – not in a generic sense, but in a definable and measurable way, sector-by-sector and company-by-company – then the case for corporate action on sustainability will be unstoppable. That is our objective.

Value – the central organizing basis for corporate sustainability

Creating value drives change in business. Innovators with passion are the sparks, but real change led by business doesn't happen until an idea helps a company succeed. Microsoft changed the world not because Bill Gates had the best computer operating system, but because he built a hugely successful business that served the needs of many customers and created enormous value for its shareholders. Sam Walton did not change the competitive landscape of retailing in the USA because he thought of offering lower cost goods to customers distant from urban centres, but because he made the formula succeed and built Wal-Mart into the world's dominant retailer.

Market forces are driven by the pursuit of profit and growth. When an idea is commercially successful, market forces divert ever-greater resources to replicate it and trigger a self-reinforcing cycle. Creating value – and reporting it at the financial bottom line using accepted accounting and reporting approaches – drives change in business further and faster than anything else. Crucially, in the sustainability context, this change can happen at a speed and a scale that quickly impacts the whole global economy and society. Enron, WorldCom and all those dot.coms that crashed and burned before them serve as a powerful reminder that value creation must be both genuine and sustainable, or the change is likely to implode and disappear even more quickly than it took shape.

So value drives change, but does sustainability create value? The case that there is value at stake for most companies in most industries in their performance and positioning on environmental and societal issues is strong, measured and consistent with intuition. So the logic is clear – value is at stake in sustainability and therefore successful strategies to manage sustainability will create value.

Despite this logic, many advocates of sustainability – even many of those at the helm of major corporations – do not generally argue for sustainability on the grounds that it creates value. Sustainability is generally positioned as a moral imperative and obligation – a kind of modern corporate version of the medieval *noblesse oblige*. In fact it is often presented as contrary to the pursuit of profit. Many argue that companies should not just be focused on the “ruthless pursuit of profit”, but should pursue other things as well. That effectively says those other things aren’t profitable, and therefore positions sustainability against value.

Applying the moral imperative approach

The king and queen of ideas within “the moral imperative” framework are Corporate Social Responsibility and the Triple Bottom Line. The crown prince of both, and heir to the throne, is Sustainability Reporting. All three have been genuinely valuable in the corporate sustainability debate. They are simple ideas that are easily picked up and communicated and have provoked widespread discussion and innovation, though often within limited areas of the businesses concerned.

Corporate Social Responsibility immediately implies obligation to do things that are against what business wants to do. In other words, to do things that are against the flow or natural state. Business wants to create value, not incidentally or by surprise, but actively pursue it as the central focus of business strategy. That is the nature of the beast. So anything that is not in harmony with the pursuit of value and growth will soon be relegated to a second or third tier priority for business. This is not where sustainability needs to be.

The concept of the Triple Bottom Line (TBL), developed and popularized by one of the world’s leading and most successful sustainability advocates, John Elkington of SustainAbility, delivered very significant benefits as an agent of change. TBL is easy to communicate and to understand as a high level concept. It provides a useful framework for reporting performance in areas beyond company financials, and it challenges a sometimes obsessive focus on short-term profits that can be imposed by the Wall Street-led custom of quarterly financial reporting. TBL provoked new thinking and challenged the isolationist and narrow mindset of many in business. As an agent provocateur for sustainability, it has had few equals.

But now we need a revolution. Sustainability needs to move to centre stage for business decision-making and the TBL has fundamental weaknesses if companies try to use it as a framework for business strategy. The two key ones are:

- The self-reinforcing feedback loop for financial value creation is overwhelmingly powerful and fast, whereas the feedback loops for social and environmental performance are weak and slow. Thus

the bias will overwhelmingly swing back to the traditional financial bottom line, making a TBL focus a slow change agent.

- The application of the idea tends to encourage a separation of environmental, social and economic performance, with the unspoken (and unintended) message to business being “we don’t mind if you make money as long as you add social and environmental value while you’re doing so”.

What’s needed is a concept that integrates, not separates. It needs to clearly and simply say: “If you create more social, and environmental value the right way, you’ll create more financial value as a direct and measurable result.”

Sustainability performance reporting is not business strategy

Amidst all the confusion on what do about sustainability, many have gravitated to social and environmental reporting and, more recently, sustainability reporting. This is hardly surprising, as reporting is a practical and specific action that brings significant benefits compared to the costs of doing it. Reporting teaches companies more about their own business, and thus often identifies opportunities for savings. It also sometimes opens up the company to new ideas and relationships. So reporting is a good starting point, but that is all it is.

Certainly if there was more consistency in reporting standards, and reporting was more widespread, it would be more useful. Projects like the Global Reporting Initiative (GRI) are seeking to make this so, and that is to be welcomed. However, it will still not drive large-scale change for the reasons cited above regarding feedback loops.

Too many companies now seem to view reporting as their strategy on sustainability, rather than as a starting point and a tool for self-awareness and education, both internally and externally. They seek out ways to show that what they’re doing creates social and environmental benefits so they can tell the world about them. Reporting, however, rarely drives companies to aggressively seek new activities that create social and environmental value. Therefore reporting is predominantly a communications strategy – an important and effective one. But it is not business strategy and it won’t drive change quickly.

The moral imperative approach to sustainability drove progress on sustainability to this point. In the absence of a clear understanding of how sustainability could create value, and in the face of overwhelming evidence of the social and environmental challenges for society, the moral imperative provided a powerful base on which to build momentum for change. It is also the basis on which most sustainability advocates, inside and outside corporations, are personally motivated (including the authors of this paper).

But it's time for the sustainability debate to move on to the next stage. It's time for corporate sustainability to go mainstream. Business is, at its core, motivated by the creation of value and the pursuit of growth. The financial value on offer and at risk through sustainability is now crystal clear. Thus there is no longer any need to base the argument for business action primarily on the moral imperative. It's time to move the argument to the belly of the beast.

Value-focused sustainability – the next stage

Know your objective: The shift towards sustainability we believe is most urgently required is of a quite “industrial” nature, and is needed quickly and globally. We refer here to the need for new houses, new types of cars, more wealth for the poor, new materials, new energy sources, more food in the right places, more clean water, clean industrial processes, and many other basic changes in the way we live our lives. These changes might not make the world perfect, but they would be a good start.

This is the objective for which a focus on value is proposed as the best strategy. That's because this is what the market, in the pursuit of value, does particularly well – marrying innovation with the investment support it requires to rapidly expand the application of a technology or an idea across the global economy.

What we are advocating: We understand most sustainability advocates are already well informed about how value can be created through action on sustainability and how corporate responsibility is “good for business”. This area is well studied and the knowledge widely applied. This typically takes the form of “sustainability has a positive impact on business success” and “companies have value at stake across social, environmental and economic dimensions”. These are both true.

What we are arguing, however, is this is still not sufficient because the argument is put in the wrong order – “focus on sustainability and you will then create value”. We argue that: *A primary focus on the creation of value in advocating, designing and implementing corporate strategies on sustainability is a more effective way to encourage action by business than a focus on the “moral imperative” or social responsibility.*

Put simply, we believe a focus on value drives change more effectively and therefore drives more change. The logic of this has three key elements:

1. If a business focuses on value creation when undertaking actions and initiatives in the name of sustainability, it is far more likely to create value.
2. If companies consistently create, measure and report value from sustainability, then financial markets are far more likely to recognize it and reward the company.

3. If investor recognition occurs, it will create a positive, self-perpetuating loop encouraging more business action on sustainability, in turn making it more likely that corporate sustainability itself will succeed in the long term.

Using a value creation focus makes sustainability central to the mission of the organization. This is because:

- It is familiar and builds on systems already in place.
- It integrates sustainability with other issues the business is dealing with by allowing use of the same processes to measure and monitor performance.
- It focuses on the same motivation that enabled businesses to develop dramatic, world-changing innovations in other arenas.
- It broadens the potential support base for sustainability within the business to include those motivated by financial value creation.
- It draws on the historical strengths of business thus allowing it to approach the challenges of sustainability from a position of confidence.
- It creates alignment within the broader business system, including financial stakeholders.

What a focus on value will not achieve

Several reviewers of an earlier draft of this paper expressed the concern that not all actions in sustainability would in fact create value, so a focus on value had the downside that it could provide justification to companies for not acting on sustainability. This concern has been raised with us often, since we began advocating a value focus. So it is an important concern to respond to in this paper – what will a focus on value not achieve and what are the risks in such an approach?

In the desire for strong advocacy and in the well-intentioned search for win-wins, sustainability advocates often miss a key unpleasant reality. It is not always profitable or appropriate for a particular company to do the “right thing” with regard to sustainability. It could be the market conditions, the capital stock, customer preferences, the regulatory framework or any number of factors resulting in that conclusion.

A focus on value will not address this problem. But it will not exacerbate it, either. In this sense, it is no worse than a morally-inspired focus on social responsibility, which will not cause a company to pursue a strategy that is against its commercial interests either – at least not for long.

In these cases – where doing “the right thing” is unprofitable – what will drive change is primarily outside the control of the corporate sector. For example, shifts in regulation or in long-term consumer preferences can change market conditions. This type of change, though, is more within the scope of governments and activists, and is

an area where the moral imperative can be a useful tool. (This is not to downplay the potential for corporations to be involved in shaping markets in this way, but they will not be the primary driver.)

The value focus raises the issue of the comparative financial performance of companies identified as sustainability leaders. This is a kind of sacred cow in the sustainability community that very few talk about publicly.

It is well accepted by an increasing number of business analysts that sustainability describes a very useful framework for management to think about their business and their marketplace. It is also increasingly clear that strong performance in sustainability, on average, is associated with stronger financial performance. However that does not mean a company focused on, or identified as a leader in sustainability will therefore do better financially. Sustainability is not a business strategy by itself. It is an addition to and perhaps an indicator of, but never a replacement for, high-quality leadership and management.

A company needs to understand and integrate sustainability themes and drivers where appropriate but also must know what the limits are to doing so in its market and business context. There have been several examples of so-called sustainability leadership companies damaging their basic business. In that context, their focus on sustainability may have in fact contributed to their failure by distracting them from running their business. Ironically, their enthusiasm for sustainability undermined the very cause they were advocating.

We would argue that a focus on value is the best way to avoid this risk of a potential disconnect between sustainability leadership and good basic business management. If creating value is the uniting principle, then it provides a framework for decision-making that can keep the business on track while it is pursuing sustainability.

Is this sustainability without a soul?

We are not arguing that a focus on value in a “values-free zone” will achieve sustainability. The recent spate of accounting frauds among public companies laid bare the disastrous consequences of abandoning values in the pursuit of pumping up share prices. The outcome of that is neither sustainability nor lasting shareholder value. We are arguing that if a business decides to pursue sustainability (regardless of whether it is led to that decision by values or value), then it should use value as a framework for determining what to do and how to do it.

The foundations of the moral imperative argument – the values of the company (e.g. purpose, ethics, business principles, core beliefs) and the sustainability needs of society – are still central to both the reasons for acting and the way to act. They provide increased credibility and trust, guidance towards opportunity, a principle-based context for decision-making, a basis on which to forge value-adding partnerships

with other parties and a great motivation to individuals (internal and external) to want the company to succeed.

Conclusion

There is no doubt sustainability frames a set of drivers that can create and destroy value for corporations. This is not new. The challenge is how to approach sustainability in ways that create the most value and therefore encourage the most active uptake of these ideas by the business community. At the risk of stating the obvious, starting with a focus on value is an effective technique for value creation. That's why business does it as a matter of course and there is no reason to quarantine sustainability from normal business practice.

The sustainability challenge continues to increase in scale and urgency. Society needs to move quickly to begin the process of transforming our economy. Time is slipping away and the power of market forces is our best hope for rapid, dramatic and global change.

As a result, it's time to move beyond the moral imperative models – Corporate Social Responsibility, the Triple Bottom Line and sustainability performance disclosure – as the primary vehicles to drive change in business. The moral imperative driver will continue to be an important part of the puzzle, but it will never be the sweeping transformational agent we need. It will drive modest change, but will continue to leave many business leaders and investors confused and less than fully committed.

The basis of the moral imperative argument – the values of the company (e.g. ethics, business principles, core beliefs, purpose) and the sustainability needs of society – are still central to both the reasons for acting and the way to act under a value-driven approach. They provide:

- Increased credibility and trust (for example, with investors and customers in the face of recent examples of unethical and fraudulent corporate behavior),
- Guidance towards opportunity,
- A principle-based context for decision-making,
- The basis for (value-adding) partnerships with other parties, and
- A great motivation to individuals (internal and external) to want the company to succeed.

It is worth repeating we are not arguing that a focus on value will achieve sustainability. What we are arguing is if a business decides to pursue sustainability, then using value as a framework is the most effective method to determine what to do and how to do it. A value focus will also speak clearly to financial markets, which have the power to accelerate change. This approach will simply work better and as a result will drive more positive change faster.

ANNUAL DINNER - 2002



Photographer: David Karonidis



Photo – David Karonidis

Kenton Keith

From November 2001 to January 2002, Kenton Keith, Senior Vice President, Meridian International Centre, was the US Department of State's Special Envoy to Islamabad in charge of the Coalition Information Centre in Pakistan and spokesperson on Coalition activity in Afghanistan. This included briefing world media on developments in the military, political and humanitarian objectives of Coalition nations in the conflict against international terrorism following the attacks on the US on 11 September 2001. Kenton Keith addressed The Sydney Institute on Monday, 1 July 2002.

EXPLAINING THE WAR

ON TERRORISM: A VIEW FROM ISLAMABAD

Kenton W. Keith

Let me begin by telling you how very much I've enjoyed getting acquainted – however briefly and superficially – with this lovely country. I nearly got here in the early 1960s when I was patrolling the South China Sea aboard the *U.S.S. Midway*. In fact, we were scheduled to come to Australia to take part in the Coral Sea celebration. Instead, the *U.S.S. Coral Sea* was actually ordered here to have that pleasure, for reasons that seemed to make sense at the time. In retrospect, the Navy probably wished *Midway*, in every way a more disciplined ship, had come here as scheduled. As it turned out, when *Coral Sea* shipped out of Australia, she did so with the highest AWOL record in the history of the fleet. It appears they found the natives exceedingly friendly.

I've been asked to talk to you about the experience of handling the Coalition spokesman role during the initial phases of the current war on international terrorism.

I must start by setting the record straight with regard to my own role in the period that followed the attacks against the US in September 2001. Last week, at the AMIC conference in Perth, I was announced as spokesman for the Bush Administration during the war in Afghanistan. Strictly speaking, that was only partially true. I was the *Coalition* spokesman, and that is an important distinction. The coordination of our media effort was a Coalition activity. Nationalities on our team in Islamabad included American, British, Dutch and Egyptian. We coordinated closely with the Pakistani government, and we consulted with the diplomatic representatives of many Coalition members, including, incidentally, both the Australian Ambassador and an elected official of Australia. Indeed, I sought a greater role for representatives of Australia and the other Pacific nations, for the simple reason that we in Islamabad – though we had plenty of expertise in South Asia and the Arab world – had little professional expertise in Australia, New Zealand and the East Asian nations. This became particularly important in the early days of the Afghan war, as our enemies had succeeded to some

extent in putting forth the claim that our war was not against international terrorism, but against Islam itself. And of course, with half the world's Islamic community living in this area, it was important to know half the world's Islamic community living in this area, it was important to know how this distorted message was resonating in Indonesia, the Philippines, Malaysia, Singapore and elsewhere.

I will focus on the period following the campaign that began with US bombing in Afghanistan in early October 2001. I think this period is significant for two reasons. First, the events on the ground drew the world's close attention and were followed by the world's media as closely as any conflict in history. Second, it was in this period that a second struggle emerged: that for the hearts and minds of Muslims throughout the world. These two contests were closely linked, I will argue. It is my view that we have succeeded to a great extent in the first effort. Not in the second.

On 11 September, the world was shocked, and the outpouring of support, the expressions of solidarity with the US were genuine, including those that came from the Islamic world. The media showed what was purported to be Palestinians celebrating, but we now know that some of the footage shown that day was stock footage. Very few of us actually saw the pro-US demonstrations that took place in the West Bank – and even in Iran. And here, I hold the US media particularly to blame. Indeed, better coverage of the sympathy ordinary Muslims throughout the world felt for America could have attenuated the anti-Muslim backlash that surged in the US during those mid-September days.

In fact, that solidarity held pretty well until the military campaign began in Afghanistan in early October. Reaction to our bombing was extremely negative throughout the Islamic world. The Coalition was believed to be acting without authority, without proof, and especially without the proper regard for innocent life.

It has to be said that from 7 October to mid-November, a critical period in the formation of attitudes toward Coalition action against Al Qaeda and the Taliban government, the ball was in the enemy's court. You will recall the Taliban ambassador, Abdelsalam Zaef, holding court daily in the Afghan embassy, solemnly giving out the number of innocent Afghan civilians being killed by allied "carpet bombing," the running tally of US B-52s shot down by Taliban gunners, the number of Coalition body bags being shipped back to Pakistan. Indeed, how the battle between the Western Crusaders and the Muslim faithful was going.

The Coalition and the Northern Alliance forces achieved truly spectacular gains on the ground, and it is worth drawing some attention to them. We haven't found Osama and some of his senior henchmen, but we have routed both the Taliban and Al Qaeda as political and

military forces within Afghanistan. Politically we've established a strong case for Al Qaeda's culpability in the 11 September attacks, and we have paved the way – through the Bonn process — for a new political future in Afghanistan. Moreover, thanks to the Coalition and to the heroic work of dozens of NGOs and some nameless truck drivers we will never meet, the dire prediction of famine and up to a million Afghans dead of starvation and cold in the winter of 2001-2002, turned out to be a human tragedy that simply didn't happen. By December we were delivering 104,000 tons of food to Afghanistan and disaster was avoided.

Nonetheless, as our prosecution of the war proceeded, and as the Taliban and the Al Qaeda forces were being routed, the Islamic press remained skeptical and hostile.

Let's look at the overall media coverage of events leading up to the military collapse of the Taliban in December. Specifically, let's look at the major themes that found resonance in the Muslim world.

Charge: The Taliban were the people's choice and their protection of Osama bin Laden and Al Qaeda was consistent with normal Muslim customs.

Unquestionably, for me, this was the most frustrating assertion and one the press, especially the Islamic press, gave too little investigation. Indeed, I would have given much to have every Arab editor or television producer in Kandahar for Eid. Or for that matter, where was the press in covering the relief at the village level, where 15 minutes after the Taliban and their Al Qaeda allies decamped there was not only joy, but a spontaneous return to the kind of civil society that existed before the Taliban imposed its medieval ways on the country.

Charge: The Coalition stood by and watched the Northern Alliance systematically commit atrocities against captured Taliban and Al Qaeda fighters. The Northern Alliance and the Coalition massacred hundreds in a prison near Mazar e Sharif.

Well it wouldn't have surprised many observers of Afghanistan over the years had there been widespread atrocities. The Taliban managed to murder 5,000 around Mazar e Sharif alone a few years ago. But, in fact, the Northern Alliance was remarkably well-disciplined and restrained, perhaps because of the presence of Western Coalition observers. As for the so called prison massacre, the Red Cross representatives who were present never called it that, and the story was reported with precision and balance by the Western press. For the Islamic press and its readers, however, it was – and continues to be – a massacre.

Charge: American bombers used indiscriminate carpet bombing in the war, bringing unnecessary harm to innocent civilians.

Innocent civilians did get killed in the bombing. I would argue that more should have been done, perhaps by NGOs with our help, to

disclose the best estimates of those non-combatants who were killed or wounded. The message from the Islamic media was that vast numbers of innocent Muslims were killed, and that the Americans would have been more careful against non-Islamic targets. In fact, this was the most precise air war campaign, with the most restrictive targeting requirements in history. Taliban and Al Qaeda tanks and other weaponry were spared when they were sheltered in mosques or in population centers, a tactic they used frequently.

Clearly we have a situation in which many in the Islamic world are prepared to believe some of the most errant nonsense, some fed by conspiracy theorists in the West and elsewhere, but groundless all the same. You hear that Jews were not present in the World Trade Center on 11 September – utter nonsense – or that this was all a plot cooked up by some right wing conspiracy. No doubt Hollywood, with its doomsday movies, fuels this kind of thinking. But the reasons Muslims are so ready to believe this rubbish are all too real and understandable.

Al Qaeda and its terrorist ilk represent the extreme end of the political spectrum in the Middle East and South Asia, but Al Qaeda draws strength from perceptions shared by most Muslims. Elements that feed this are:

- Humiliation
- The galling defeats in the Middle East wars;
- The daily image of Palestinian suffering;
- The presence of non-Muslim military forces in the country of Mecca and Medina
- Poverty in the midst of great wealth
- Western support to non-democratic Islamic regimes
- The plight of Muslim minorities in Europe, Asia and Africa

These are the principal factors that may shape the world view of a young Saudi or Egyptian or Yemeni, and cause him or her to follow a life of struggle, of perpetual Jihad. And these are the well-springs of Al Qaeda.

By November, it was clear that attitudes were shifting in a way we found distressing. We were still reeling from 11 September, and now we were beginning to be portrayed as the aggressors. Americans were stunned by the reaction – even among some of our friends – and began to ask a question that I dealt with by the hour: “Why do they all hate us?”

First, they don’t *all* hate us. But once we started military action in Afghanistan, Muslims were alarmingly quick to accept some of the most outrageous claims of atrocities, lack of concern for civilian casualties, indifference to Northern Alliance massacres of Taliban and Al Qaeda prisoners. Why were they so prepared to believe the worst? I’m going to offer you a very unscientific construct of the Islamic world.

It is one shared by many of my foreign service colleagues who have spent most of their careers in the Arab world.

Let me suggest that perhaps 60 per cent of the population would be practising Muslims, people who define their lives in terms of Islamic principles that we might consider main stream. Another 38 per cent would be what we might call cultural Muslims. They identify culturally with the Islamic world, but are primarily secular. In other words, people whose religious tradition does little to shape daily activity except – hopefully – in terms of broad ethical imperatives. Then there are the two per cent who are the extremist fringe. As I say, this is unscientific in the extreme, but I'm convinced that it is a reasonable construct.

Now, these people have different attitudes about the West in general and the United States in particular. Some are very positive about the United States, and many accept US cultural references in their lives with ease. Millions watched the academy awards along with the rest of us. Many sacrifice to send their children to study in the US. Thousands travel to America and make their homes there. On the other hand, many believe or suspect that the US and Western societies in general are inherently anti-Muslim. They hear right wing religious figures and others characterize Muslims as war-like and prone to acts of terror. They see Muslims portrayed in popular films as both blood-thirsty and ignorant. Of course they also see the President at the Islamic Center in Washington and this registers. And they know our society well enough to realize that we have our own extremist fringes.

But most are united by one issue: Virtually every man, woman or child I know in the Middle East is opposed to what they see as Western, and particularly American, bias and double standards with regard to the Israeli-Palestinian dispute. That is not to say there is overwhelming support for current leaders or organizations such as Hamas or any other political entity in Palestine. Obviously, there is virtually no support for Israel. This is the core issue.

But let's not deceive ourselves. Even if the Middle East situation were solved tomorrow, would there still be an Al Qaeda problem? Yes, and here's why.

We know that there are still cells of devoted Al Qaeda operatives around the world, including in the U.S. And there are many fellow-travelers, as I have said. In Pakistan there was – and there still exists – a good deal of sympathy for the Taliban because of ethnic links, family ties and a history of military cooperation. Elsewhere, the Taliban is not held in such esteem by Muslims, but there *is* sympathy for Al Qaeda by those who still believe that Islam is under attack. The roots of their world view – humiliation, poverty, despair, disenfranchisement – go deep, and do not all stem from the Arab-Israeli conflict.

I'll end these remarks with four conclusions I have drawn from this experience, and which I continue to press within my own government.

First, we must broaden and deepen the dialogue between Americans and Muslims around the world. The Administration should seek and Congress should fund an Islamic world exchange initiative, which would put a lot more emphasis on youth exchange than we ever have in the past. Islam is the fastest growing religion in the United States, especially among African-Americans. In America, Islam thrives in an atmosphere of tolerance and freedom which would come as something of a surprise to many in the Islamic world.

Second, we must seek and embrace "coalition". There are excellent military and political reasons why our war against terrorism should be conducted as part of a coalition. First, the US is vulnerable to the charge of unilateralism, and this hurts us in our efforts in international organizations and even with our closest allies. It also hurts us in the court of public opinion throughout the world. Many who have supported the US in the war against terrorism now fear the US is ready to use this legitimate campaign as an excuse to pursue regimes we oppose. And here we must be careful: As a nation we must accept that our power alone cannot achieve our anti-terrorist goals. We absolutely have to have intelligence cooperation, law enforcement cooperation and – yes – even military cooperation. Furthermore, on the public diplomacy front, we just don't have the resources to get the job done. We have systematically dismantled the civilian capacity for public diplomacy – with the demise of the US Information Agency, with cuts in exchanges and public broadcasting and the other tools of public diplomacy. In Islamabad, had it not been for the personnel and financial support of several countries, we simply wouldn't have had the resources to get the job done.

Third, we in the West must use our development assistance to help rebuild basic education in Pakistan and elsewhere. It is wrong to conclude, as some have, that the *madrassas* in Pakistan are all breeding centers for terrorists. Some are, but many others simply offer a religious education and food and shelter. The problem is that the state education offers no alternative. Our resources must help Pakistan in this critical area.

Fourth, we have a continuing obligation to support free and independent media, even when they make us or our close allies uncomfortable. We have much to learn from the Al-Jazeera phenomenon. Yes, Al-Jazeera has an agenda, and they push it with skill. They know how to package a talk show to give the slant they prefer. But there is no question that this little station represents a revolution in the Arab world, and one we should encourage. We should understand that Al-Jazeera and the other emerging modern and relatively free networks

offer a means for us to communicate with audiences our own media don't reach. Meanwhile, our resources should continue to be channelled to training programs designed to encourage the media protection of universal values.



Photo – David Karonidis

Wayne Swan

According to Wayne Swan, Member for Lilley and Shadow Minister for Family and Community Services, “All politics is local – it is about families, it is about streets, it is about schools and it is about towns. People are yearning for bottom-up politics. They do want politics to be family centred and they want it to be in their community.” To discuss all this and more, Wayne Swan addressed The Sydney Institute on Tuesday, 2 July 2002.

IS THE AUSTRALIAN

FAMILY AN ENDANGERED SPECIES?

Wayne Swan

I want to talk to you tonight about real family values. Political correctness over the years has got us to a point where those of us on the centre left of politics feel we can't talk about "family values". But if we don't talk about family values – real family values, not simply the conservative's longing for the past – then we vacate one of the most important political debates and hand it lock, stock, and barrel to our opponents.

On occasions our opponents come to our aid in this endeavour. In recent months Tony Abbott has suggested that mothers withdraw from the workforce as a solution to work and family pressures. And yesterday, that employees working for bad bosses should lump it – drawing an extraordinary parallel with bad fathers! Tony Abbott's comments jarred with the community because they illustrate a set of values that are 50 years out of date.

I want to do a few things tonight. Firstly I want to demonstrate why we need an urgent debate about real family values – that is supporting Australian parents in the most important social and economic task we have – raising our next generation. It is time we had a full public debate about the Howard Government's neglect of families – about the fact that it always puts market values ahead of family values. That debate must include the long-term consequences of our current direction – the downward spiral towards baby bust, which imperils our nation both socially and economically.

Tonight I want to outline a five-point approach to family policy that answers the urgent call from families for governments to stand up for them – not stand over them. That is:

- Rewarding families through the tax system for the hard work they do;
- Tailoring payments to families to increase their financial security;
- Improving services so that their children get the best start in life;
- Giving them more time with their children; and,

- Adopting a style of Government that involves families at the street and neighborhood level.

These approaches must become the modern equivalent of Labor's light on the hill; a fair go for families so they can give their kids a better life than they themselves have had. Labor's new deal is an agenda based on our belief that the nation's cultural and economic future depends on healthy, well-adjusted, well-educated young people. If we own this agenda, John Howard's game playing of directing people's insecurities towards external threats and away from his government's anti-family agenda will be exposed.

Family values

New millennium Australian families bear little resemblance to those of the baby boom of the 1940s, 1950s and 1960s. The most striking difference is that in a relatively short space of time we have moved from baby boom towards baby bust. When you open your Sunday newspaper, as I did recently, to find an article about a new adults only housing development offering a "childfree lifestyle" you begin to appreciate that as a society we are becoming hostile to family life.

The nuclear family of today has less permanence, is less able to withstand the hostility of social and economic forces and is smaller and more isolated from the traditional supports of relatives, friends and community. Today the single word that describes modern families is insecurity.

In years gone by, the family represented a shelter from the outside world. It was a place of daily renewal and regeneration – a place of readiness from which to emerge to do daily joust in the market or civic arena. Morals were reinforced and formed in the family. Family values were wholesome, reverent, promoted order. And they were different to the values in the marketplace.

Steadily, the rules of the market economy have encroached on family life. In the market people learned self-interest. They learned individualism, competitiveness and aggression. They learned to focus all on growth at all costs. In the economy there are different sorts of responsibilities, it's laissez-faire – no obligations, no limits, just rights – sound familiar?

How often do we hear people say that the trouble with kids today is that they have no values? The thing is, they do. But more often than not, they have the values of the market economy. Little wonder that it takes just a few short years for a toddler to unlearn the innocent first rule of play and social interaction: how to share! The very political conservatives who talk about family values have radical economic policies, which only push the market further into family lives.

In the last six years family policy gains have been lost. Dramatic funding cuts to health, education and social services, radical

deregulation of the industrial framework, combined with family payments designed to meet the family circumstances of John Howard's childhood rather than modern families, have conspired against Australian families.

Despite his rhetoric to the contrary, the failure to support average families is the huge weakness in the Prime Minister's political program. And in the longer term, his failure to stand up for families during his Prime Ministership is the single greatest threat to his political legacy. It is precisely for this reason John Howard has begun to make noises about work and family policy. Families should be able to expect both a fair share of the economic good times *and* a good family life. Government policy should be directed at achieving these twin goals.

The role of government

Past Labor governments – under Whitlam, Hawke and Keating – understood the profound changes affecting families. They saw that the globalising world allied with social change placed a positive obligation on government to cushion families from the harshest aspects of change. In a new book that seeks to chart possible world futures, Phillip Bobbit describes such a course as consistent with the nineteenth and twentieth century definitions of what “nation states” are all about.¹ He argues that the emergence of “nation states” was to promote the welfare of their people and to defend them against external threats – the reason the “nation state” concept is also often called the “welfare state”.

However, Bobbit argues that the defeat of communism has not seen a strengthening of democratic nationhoods, but rather the emergence of what he calls the “market state”. He points out that democratic “nation states” are abandoning the goal of attempting to provide for the welfare of all their citizens. As governments do less, they are seeking to define themselves in symbolic ways as a means of maintaining their mandate. That is precisely my analysis of the Howard Government. It is a conservative outfit, committed to a reduced role for the State, fewer social supports for individuals and families, and the redistribution of income from low and middle-income earners to those at the top.

But in a country where the average earnings for families are around \$40,000 a year, it's not a wildly popular agenda. It's an agenda – in fact – in defiance of electoral logic. Unless, that is, you can change the electoral logic; that is to elevate non-material issues above the material ones as the government did in the last election; convince people that what matters is not how they and their families are faring, but whether a few leaky wooden boats reach our shores or not. This is why we have seen the government seek to define itself in terms of border protection. This is not traditional “nation state” style defence of

the realm but a symbolic defence against a few old wooden boatloads of desperate folk.

While it may seem illogical that our government is trying to reduce our borders in order to protect them against an external threat, this is entirely consistent with the “market state” notion. You won’t provide families with financial security, so you offer them something symbolic. You convince the people you are hurting the most to ignore their pain and vote on the basis of their fears.

That is why you can have on the one hand, social research from people like Hugh Mackay who points to a growing class of Australians who feel abandoned and under threat financially which he calls the “sinking middle”² while at the same time an electoral majority forged on the votes of that same groups insecurity about perceived threats to the nation. Amongst this middle grouping of Australians who are slowly sinking under the weight of financial pressures and government inaction are a group of families who live on modest incomes or incomes made modest by their childrearing responsibilities.

I refer to this group of families as the “missing middle”, a term used by US social policy expert Theda Skocpol.³ They are the victims of the Howard Government’s harsh domestic agenda but also its failure to respond to the massive social change that has seen women become more than wives and mothers. For this reason governments cannot continue to justify their inaction by resorting to traditional family values. For example, our Deputy Prime Minister’s recent contribution which sought to locate the blame for the decline of the family at the feet of what he calls a “permissive society” born in the 1960s. But our current problems aren’t the result of too much sex drugs and rock’n’roll but rather the dead weight of market forces bearing down on average families.

We can’t go back. But we can stand up and admit that the market ideal where government retreats completely is deeply corrosive of family life. The economic ideal is a single unencumbered individual unit able to move flexibly in response to market changes. For too many Australians the human consequences of the dominance of market forces are unsociable work hours in employment stripped of long-term security.

We live in a 24-hour economy, where children too often are seen as lead weights in the saddlebags of the modern worker. It is an environment that makes the cost of having children prohibitive. It is an environment that threatens our economic and social cohesiveness. Rather than recognising and responding to the growing pressure on missing middle families, the Howard Government has stood by waving the market on into the lives of average families. The little they do provide is hopelessly out of date – policies consistent with a 1950s

vision where every man worked and every woman withdrew to raise a family full time.

Australia's missing middle isn't ready for the unfettered market state. They don't care about ideology. They want solutions. They want a better balance between their working week and their domestic week so they can spend more time raising their children. It is time for us in politics to recognise that delivering for families is also in Australia's long-term interests. It is important to understand just how dramatically family life in Australia has shifted from the late 1950s to appreciate why we need a modern set of family values and policies to match.

Marriage

For starters, people are marrying less, marrying later and not marrying for life. The proportion of females aged 15 and over who are married (including de facto relationships) declined from 57.1 per cent in 1976 to 52.2 per cent in 1996. The proportion of those never married increased from 24.4 per cent to 27.1 per cent. Between 1976 and 1996 the proportion of people who have divorced or separated increased from 7.9 per cent to 10.6 per cent.⁴ This means family formation is delayed and on balance is less permanent than it once was.

Workforce trends

Around three-quarters of families with dependent children are couple families, the remaining quarter lone parent families. Most parents work; only around one-third of dependent children in couple families and half of those in lone-parent families now have a "stay at home" parent.⁵ When the youngest child is 1–2 years, 57 per cent of mothers are in the paid workforce. This rises to 68 per cent when the youngest child is aged 3–4 years. About two-thirds of employed mothers whose youngest child is aged 0–4 years worked part-time in 2000.⁶ Increasing "flexible" working hours actually means people are working longer and more non-standard hours.

For example up to two thirds of fathers are working more than 41 hours a week. Almost 40 per cent of working mothers with children under twelve have no paid holiday or sick leave. This despite the fact that a recent ABS survey found that among parents with children under twelve, mothers were twice as likely as fathers to be absent from work due to "family reasons," and they were less likely to be on paid leave. For many families, both partners must work to earn a living wage, and increasingly that includes unsociable working hours or unpaid overtime. That means not seeing a child after school, not helping them with their homework or not seeing them every day.⁷

Household size and multi-family households

The recent release of 2001 census data confirmed that Australian families are shrinking in size. In 1911 the average household comprised 4.5 people, in 1960 it was around 3.5 people and in 2000 just 2.6. One of the reasons for the shrinkage in the size of households is that modern Australian families live without the support of relatives. Just one per cent of Australian family households include a grandparent or other relative. And where extended family households do occur they are disproportionately ageing parents living with adult children or recent migrant families.

Australian Institute of Family Studies research suggests that relatives play a critical role in supporting families:

- 35% of adults receive financial assistance from relatives;
- 82% received help with babysitting and childcare; and
- 69% receive emotional support in a crisis.⁸

Financial pressure

Just a week ago we saw new Reserve Bank of Australia figures on monthly household credit card debt. The average family is exposed the tune of \$2,150 a month in credit card debt – exposure which guarantees a painful landing if one family member loses their job, is hurt; or external market conditions change.⁹

Income data can give a misleading impression of a family's situation. The cost of raising children can place a burden on an average family earning \$40,000 per annum¹⁰. You could imagine then the struggle that one in four families with children face trying to survive on gross incomes of less than \$26,000 per annum¹¹. It should be seen as a national crisis that there are more than 700,000 Australian children living in desperately poor households¹². ABS household expenditure data suggest that for a large pool of Australian families even modest discretionary spending such a meal out once a month, or a trip to the movies is not possible.¹³

The consequences of the revolution – a low birthrate

Why is it so urgent that governments reorder their values and address the marginalisation of missing middle families? Because they are raising our next generation. And to put it bluntly they are bringing up the workers of tomorrow, our taxpayers and the people who will bring inspiration and creativity to the challenges of this century. The problem we face as a nation is that market state values and traditional family values are a recipe for a childless society.

The latest census raises the alarm. It confirms the baby boom to baby bust transition in Australia. In 1961 the average number of children per couple was 3.5. Today it is 1.75 and falling. Today, there

is one Australian of retirement age for about every five Australians of working age. Assuming current levels of net migration continue in the future, in the year 2021, there will be one for about every 3.5. And by 2051, the ratio will be one for every 2.5.

The Federal Government has drawn attention to the problem of an ageing society but has failed to locate the cause – a failure to address Australia's declining birth-rate. And things will only get worse while we stand by, rather than stand up for families. The emergence of low fertility in the Western world is in large part the result of deferred first births. Contrary to the intuitive reasoning that increased educational attainment is solely responsible for the decline in birthrate, it is not.

In Australia between 1986 and 1996 the fall in the birthrate for cohorts was greater in absolute terms for women with low education than it was for those with a university degree.¹⁴ What this means in layman's terms is that the well educated and wealthier families still have the choice to have children. They can afford childcare and the rest, whereas the poor cannot. What every Western country should be worried about and some now face is very low fertility.

Low fertility and very low fertility cannot be blamed on women's increased economic participation. In fact the real insight from the international research is that countries with traditional family values – where women are forced to stay at home with the children and discouraged from remaining in touch with the world of work – birthrates are heading south quickly.

In countries like Italy women are putting off having a first child or subsequent children because of an absence of family friendly policies that allow them to combine jobs and caring responsibilities. It is simply no longer possible to think of family careers and work careers as separate tracks for women or men. Family life and the world of work are now inextricably intertwined. I believe passionately that if as a nation we do not rethink our own old fashioned family policies, we are headed for an Italian-style baby strike.

The delay of the first birth is obviously a primary cause of the birthrate decline – both here and overseas. In Australia women are now on average having their first child much later. In 1979 the median age of first childbearing was 26.5 years. It was 29.8 years by 2000.¹⁵ For many women, delaying their first child becomes a permanent deferral. Some decide never to have a child while others find it difficult once they try to conceive because of their age.

Countries like Spain and Italy also face declining rates of recuperation. That is, in these countries, women are waiting longer before having each subsequent child. This is decisive in terms of the birthrate and an issue Australia now must face. For example the birthrate falls from 1.9 children per family to 1.3 if 60 per cent of couples decide to have one fewer child. Over 100 years this is the

difference between an 18 per cent decline in population and a 75 per cent decline¹⁶.

What does this mean for Australia? Quite simply a country a century along from now with a population of less than 10 million people. What we could face is not just the slow fade-out of the Australian family but also the slow fade-out of our nation, as we know it. This is why in countries such as France governments have offered financial rewards and additional services to families who have more than one child.

I want to be clear that while I passionately believe we must address the declining birthrate – including the forces that conspire against parents having a second or third child – I am no advocate for forcing children on people. It's silly and it's old-fashioned – and it simply doesn't work. The real policy task is of a far different nature, but no less challenging for that. The fundamental reasons for people delaying or forgoing having children are economic. That is there are people who would have a child or another child who don't because of the constraints placed upon them. Likewise, the solutions to a declining birth rate must also be economic – better support for families; a real policy engagement to help people balance work and family life.

There are some who argue that addressing the birthrate is too hard. Many of these people contend that immigration is the answer. It is not. Australia's foremost demographer, Peter McDonald argues that while replacement migration and increases in labour force participation rates combined, can be successful strategies to avoid hyper-ageing and population decline they only work if the birthrate remains in the range of 1.6–2 births per family. What we presently face in Australia without intervention in support of families is very low birthrates – less than 1.6 – a problem migration, in the numbers we have grown accustomed to, cannot solve.

If Governments won't defend families in the face of the global economy they won't survive. If current trends continue, the number of couple families with children will fall by half a million by 2021. Put simply the birthrate issue is a ticking time bomb that we need to address now or face the economic and social consequences of an ageing population and a childless society – a withered nation. Which is why our family values must change.

The current policy settings – a recipe for a childless society

The trouble is our current policy settings are nothing short of a sure fire recipe for a childless society. The Hawke and Keating Governments developed a system of family payments to bridge the financial gap faced by families in the middle. This recognised the strain and stress of

stretching the fortnightly pay cheque to meet the endless expenses attached to raising kids – school uniforms, soccer fees, medicines and books. Under the Howard Government these payments have been twisted into something that forces lower middle income families into a yearly lottery that saw one in three families issued with debts last time round.

While families do their budgeting weekly or monthly around the kitchen table, looking backwards at credit card and other debts already incurred, the Howard Government asks them to estimate their income twelve months in advance. And if they are out by a dollar a week or if their working hours change – they can incur substantial debts. How could any government looking to secure its family policy credentials impose such a hostile regime on average families? The government's new Baby Bonus is even more seriously deficient. Its recent Intergenerational Report was used to counsel us all about the unsustainability of much of our current social spending. If this document had been truly free of politics it would have also argued for the early termination of the government's Baby Bonus. This is a policy that is destined to encourage a decline in our birthrate, not solve it.

The baby bonus sends the message that the government places a value on only the first child a family has. It also offers more to those earning more. And as any demographer will tell you, a payment based on a proportion of earned income only encourages women to delay having a child longer, increasing the likelihood they will have fewer children. It also pays the most money to women who stay at home for the longest – ignoring all the research, which tells us, most women want to return to some form of part-time work after the first year or two.

On the industrial front, the story is no better. Our government has so abused the notion of the state becoming involved in the industrial relations process to protect the common good – that it is politically unable to step in to help families balance work and childrearing. The Howard Government argues that its Workplace Relations Act would enable workers to reconcile work and family responsibilities but few enterprise agreements – and even fewer AWAs – contain work-family provisions.

A recent paper by the Australian Institute of Family Studies which compared Australian and British family workforce patterns found many fathers expressing concern at not seeing their children every day and mothers stressed because their increasingly unsociable working hours were taking them from their children at critical points in the day – namely after school and into the evening.

The right to paid maternity leave is not being achieved through enterprise bargaining. According to research by Deborah Brennan, the 14 weeks recommended by the ILO is available in just three of 1866 federal awards. Increasing casualisation of the workforce is also a

significant burden on both families and would be parents. Without access to leave and other entitlements, casual workers find the work and family balance the most difficult.

Over the long run, the absence of industrial reforms including paid maternity leave; the flawed design of the baby bonus; and the inherent disincentives in our family payment system for dual income families will operate to stall first births and reduce the number of children families have.

The need for a new social order: A modern Labor agenda

The task facing future governments in rescuing the family and the social and economic stability it brings to society should not be underestimated. If we want to change our destiny we must ensure low fertility in Australia is not a staging post on the road to a childless society. Yet to turn things around we need nothing less than a new deal for Australian families.

Let me now talk about some other values, which matter to families, and how each of these will drive the shopping list of policies I will be developing along with my colleagues ahead of the next election. We need to avoid being trapped in a debate that starts and ends with lament about the decline in the marriage rate. Governments cannot engage in social engineering but they can make a difference on a host of other fronts to make family life less of a struggle.

Firstly, families believe in rewarding hard work. This is why Labor has proposed tax credits. Under John Howard and Peter Costello, we've got the highest taxing government of all time. Families are paying more tax than ever. Before the GST, the average Australian was paying \$10,239 per year in tax; in the last financial year it had increased to \$11,026. That's almost \$800 per person more per year, or nearly \$3,200 for the average family. So we need to relieve the additional burden.

Labor wants to give working families an income boost that won't cost them other benefits they need. Until now these types of policies have been called tax credits. Labor prefers to think of them as a real pay rise for working families and a new plan to create jobs. This extra assistance could be made at the start of the school year. This could make it easier for every family to meet the rising costs of educating children.

Secondly, families want to be free of financial pressures so they can provide for their children day to day. This is why Labor is embarking on a review of family payments. In an increasingly insecure world, we need to have in mind a system that provides regular family payments – that families count on not to turn into a debt at year's end.

This may mean monthly or quarterly reconciliation of payments against actual income – a process not dissimilar to the way most families currently engage in budgeting.

We also need to offer families better than the current linear array of payments that are blind to the lumpy expenditure that comes with an unexpected illness or injury or the extra cost of a child learning an instrument or an extension that allows a teenage child more privacy. Put simply payments must be flexible enough to be able to provide security or assistance at each point in the family lifecycle – for example when children start high school. Paid maternity leave and maternity allowances recognise the initial cost of children, it's time we thought about the whole family lifecycle.

Thirdly, families believe in giving kids the best possible start in life. This is why Labor has proposed an early assistance package to give families the help when they really need it – when their children are first born. We need to rejoin families with their local communities. We need to recognise the reciprocal caring that takes place between nuclear families and their relatives. This form of interaction whether it be child care or elder care, can and should be recognised in our social security arrangements.

Where extended family contact is not possible we must seek to replicate those attachments so that families have local supporters to assist when they need a hand. Last year Labor proposed a program where home visiting to young families could be supplemented by enlisting the support of senior Australians. This is just one way of strengthening the ties within local communities and supporting families.

The Australian Institute of Criminology estimates that crime rates are lower in local areas with higher levels of participation in community oriented activities.

They argue that a doubling in the rate of membership in community organisations for example can reduce the rate of violent crime by between one-fifth and one-third; and property crime between one twentieth and one tenth.¹⁷

The research is unequivocal. Every dollar invested in early assistance to young children saves many more down the track in lower crime rates, unemployment and health problems. Yet as a nation we have failed to develop a comprehensive set of early childhood services that provide support to both young children and their parents. This includes ensuring our childcare system is linked properly to other services for children and is of sufficient quality.

We also need to respond sensibly to couples' decisions to delay having a child. We need to educate would-be parents that declining probability of conception accompanies a decision to have children later in life. We owe it to people who want to start a family to inform them

that successful conception and eventual family size are related to the age at which they start trying.

Fourthly, and perhaps most important of all in this new market-driven approach, families want more time together so they can pass on decent values to their kids, and just enjoy being there for them when they are young. This is why Labor has such a strong commitment to policies to balance work and family life. This is not about a pitched battle between employers and unions on the streets but a battle to reunite working parents with their children – at least for the most important parts of each day.

Think about it this way: there are 2.8 million working parents with kids in Australia. If we could give each one of them just one more hour a week with their kids, that would be 2.8 million parents times 1 hour times 52 weeks equals nearly 150 million hours a year invested in happier kids; stronger families; better values. What a great investment in the future of our nation!

Recently a national firm, Walter Constructions, negotiated a five-day working week with the unions. The results were stunning; workers changed their behaviour and started spending time with their children at Saturday sporting events, and the company's productivity increased by 10–15 per cent with a 30–60 per cent reduction in sick leave. Workers need to get back the millions of hours families have lost in the last few years. Walter Construction has found it is good for families and good for business. We want to give people the real choices to earn a living, but also to have time with the people who they care for.

Labor has already made a commitment to paid maternity leave. This is an important first step along the road to ensuring families are supported in the task of raising children. But if you look across to Europe you begin to see that paid maternity leave is just the first plank of support that is required. In the countries that have successfully halted low fertility there are a range of industrial mechanisms that have afforded families greater flexibility without compromising productivity in the workplace.

The Netherlands, Norway, Sweden, France and Switzerland have all used work and family policies to prevent very low fertility. The countries who have not – Spain, Italy, Austria, Belgium and Germany – are in trouble. In most countries a combination of paid and unpaid leave can provide up to three years for a parent to be with a young child. In some countries, the first eight years are a time in which parents have a statutory entitlement to work part time.

If we are to properly recognise the task of raising children, we need to explore both how we make the transition to parenthood easier and help parents to manage significant events in the early lives of their children. We must recognise that working parents are contributing to

both our current productivity as well as securing our future productivity.

Finally, we need to try to replicate the inherent values of families into the way we govern. Family values are the values of cooperation and of a hand up. We need greater cooperation in public life if we are to solve the problems facing families. Families are places where trust is a commodity that retains some value. Politicians have lost the community's trust because we have not delivered solutions. This requires more transparency, both in the parliament and the community. It requires attention to bottom up politics – that is listening to communities and acting on their concerns. It is a different style of operating to the “business as usual approach” – one modelled on the values that make families the most successful unit of organisation in our society.

But I'm also here to say that unless we radically rethink our concepts of governing, we will never achieve the policy balance that is so essential for families. What do I mean? I mean the fact that families too often are subjected to the conflicts of politics: fights in question time in the parliament; fights on the political talk shows; endless buck passing between state, federal, and local government. Worst of all, the “I know best” attitude of too many in government.

It's time for those of us who care about families to change all this — to recognise that families are sick of ideologies being thrown down upon them from the top; they want politics and policy to be rebuilt from the bottom; to be rebuilt from values they can recognise, care about, and live each day. All politics is local. It's about families, streets, schools and towns. Families want bottom up politics. They want politics to be family-centred and they want their politicians to deliver family friendly policies – not just talk about it.

Conclusion

In the long term, Australia must dramatically rethink its approach to supporting families. It is no longer possible to think of family careers and work careers as separate tracks for women or men. Family life and the world of work are now inextricably intertwined. We must assist families to manage the conflicts that come from trying to combine work and parenting responsibilities. If families are forced to choose between either work or family, our birth-rate will continue to decline to a point where our future economic capacity as a nation will be put at risk.

This requires a dramatic change in our approach to family policy – a new deal. Australia is a proud and resourceful nation. In the past we have faced crises with creative and innovative solutions and we can do so again. However, we cannot allow the difficulties facing families to fall off the political agenda as it has under the Howard Government.

Because in the end this is the biggest threat to our future security and our nationhood.

Endnotes

1. This argument is derived from a review of Philip Bobbit's new book *The Shield of Achilles: War, Peace and the course of History* (Allen Lane) by David Runciman (6 June 2002) *London Review of Books*. "The Garden, the Park and the Meadow."
2. Hugh Mackay (2001) *The Mackay Report: Mind and Mood*, p17
3. Theda Skocpol (2000) *The Missing Middle: Working Families and the Future of American Social Policy*.
4. Tesfaghiorghis (2000) Unpublished Family and Community Services Working Paper
5. John Buchanan and Louise Thornthwaite (2001) *Paid Work and Parenting: charting a New Course for Australian Families*
6. Peter McDonald (2001) *Work-family policies are the right approach to the prevention of very low fertility*
7. The majority of figures quoted in this section aside from those ascribed elsewhere are from an article by Christine Millward in the journal *Family Matters* (Autumn 2002) titled "Work rich, family poor: Non-standard working hours and family life."
8. AIFS (1997) Australian Family Profiles
9. Reserve Bank of Australia (2002) <http://www.rba.gov.au>
10. ABS 6310.0
11. ABS 6423.0
12. NATSEM (2000)
13. ACTU (2001) Submission to the Living Wage Case. <http://www.actu.net.au>
14. Peter McDonald (2002) *Low Fertility: unifying the theory and the demography*
15. Pamela Kinnear (2002) *New Families for Changing Times*
16. Peter McDonald (2002) *Low Fertility: unifying the theory and demography*
17. Carlos Carcach & Cathie Huntley (2002) *Australian Institute of Criminology Trends and Issues: Community Participation and Regional Crime*

ANNUAL DINNER - 2002



Photographer: David Karonidis



Photo – David Karonidis

Leah Purcell

In the third of the “Re-engage Series” for 2002, actress and writer Leah Purcell was special guest at the GPO Martin Place, Sydney, on Thursday, 4 July 2002. This followed the successful release of Leah Purcell’s book *Black Chicks Talking* (Hodder 2002) in which Leah conducts conversations with nine successful, young indigenous Australian women about their careers, lives growing up and feelings about being indigenous Australians. The book was made into a documentary, directed by Leah Purcell. It premiered at the Tribeca Film Festival in New York and was a feature of the 2002 Sydney Film Festival. The paper which follows is an edited transcript of Leah’s talk for the Re-engage Series.

BLACK CHICKS

TALKING
Leah Purcell

I could get up this evening and talk about anything and everything, but on my mind tonight is my new book *Black Chicks Talking*, and in that book I cover just about everything.

I'm an actor and some of you may know me from *Box the Pony*. I did that in 1997 for the Festival of the Dreaming, leading up to the Olympics. The program was supposed to last for the six shows and then die a death. Three years later it was still around with a sellout season in London. The Pony's still grazing, we haven't turned it out to pasture – it has life and kick in it yet.

What was different for the audience when they watched that show was that the performance was just me. I played fifteen different characters surrounding a young girl who grew up on an Aboriginal Mission in remote, rural Queensland; black mums, white dads. The story of the girl's life unfolds against the backdrop of issues such as alcohol, domestic violence, teenage suicide and teenage pregnancy. It wasn't until I read an education supplement on the play that I realised this was what the play was about. But it was also, I guess, about my life – a semi-autobiographical piece. It was a reaction.

The play opened at the Opera House to a full house and it was my first big performance in Sydney. I thought I was mad – you have three voices in your head, one telling you that you're silly for doing something like this, the other one telling you to be brave and the other one telling you to concentrate on your lines and your actions. But it was the reaction from the audience – I got called back four times for a standing ovation and they wouldn't leave the theatre. I thought, wow, why do these people like this? Then, over the three-year span of the play's life, a lot of people felt comfortable approaching me to ask questions about Aboriginal issues that perhaps they couldn't get their hands on. With many Aboriginal issues, there's often a one-sided political debate or a stereotypical viewpoint in the media. So, through *Box the Pony* and with the reaction from audiences, I realised that people were hanging onto it; they grabbed it, they claimed it and they

called it their own. Then my publishers at Hodder Headline approached me and suggested I find another nine “Box the Ponies” – nine women with similar backgrounds and success stories – hence *Black Chicks Talking*.

I told Hodder that I didn’t want the women in the book to be considered successful just because of their careers. Everyone is successful in their own right, whether they’re a mum with six kids living in an Aboriginal community or a career woman. And one of the “chicks” is twenty-four and will be a barrister in a couple of months. She’s the youngest practising barrister in Queensland. So I wanted it to range, purely out of interest to me. I wanted people to surprise me with their stories. I didn’t want to be bored with success, professional lives and heaps of money. I wanted to hear from all sorts of women.

There are nine women in the book. I interviewed the women individually – they have their own chapters. I’d like to talk a bit about those interviews. I’ve never studied anywhere and I just like to get out and have a yarn with people. Even when I perform I look at it as having a yarn, as if I’m saying, “I’m just being Leah Purcell, doing a movie, and I’m lucky to have been thrown a few hooks, a few opportunities to push my career and go further with that”. From the nine women, I tried to represent the whole of Australia. Among the first lineup of girls, ladies, chicks, two pulled out because they couldn’t commit to the time that was required. So, when all else failed, I ran home to Queensland and grabbed a few relies and said “Hey – do you want to be in a book?” and they said, “Yeah, cool.” They added, “Oh, you must love us.” I said, “Course I do.” I didn’t tell them I was desperate; I said “You were first on the list, I just couldn’t find your number.”

So there are about five Queenslanders and that’s a bit Queensland top-heavy. But there’s also a woman from Tasmania. We’ve got Nyoongar (from Western Australia), though in the west Kimberleys they call themselves “blackies” because there are too many tribes to pinpoint one of them. We’ve got Koori, from New South Wales; we’ve got a woman from the Alice Springs area, and a Nunga from South Australia. Some of these women I didn’t know from a bar of soap. Cilla Malone and I had been mates for fourteen years – our parents come from the same Aboriginal community. There were some nice surprises when I went to do my interviews.

When you’ve been interviewed to death it gets boring, so you try to make it as exciting as possible. I wanted to make it exciting for the women, and also for myself, the interviewer. My only question was, “Out of the five senses, what sense do you relate to most?” From there, the next suggestion was – “Close your eyes and think back to the first pleasurable memory of that sense.” The girls loved it and I loved it. I was amazed at some of the answers they conjured up. The imagery and the visions that they articulated, were amazing. There’s hardly any

creative writing, it all came from the women. That was awesome. Once I was in, the girls revealed a fantastic trust. It was full of emotion. We ranged deep and dirty. I was really stunned by how honest and open they were – trusting me with their stories.

With personal stories, everyone draws a line in the sand. I understood that from my experience, and from my experience with *Box the Pony* when I wrote about my family stories. My production company, Bungaburra Productions, which I run with my partner in life and business, Bain Stewart, is where we deal with our Indigenous brothers and sisters – because it's an oral giving, and we give things orally out into the public domain for everyone and anyone. We've had to keep the women really involved right up until the very last minute.

Now I'm sort of shackled to these nine women. It was a big collaboration. I have to pay my respects to them as well. There were nights where I'd be writing on my computer and crying or I'd be very angry and have to ring them up and talk to them. They would calm me down. And there were also times where I thought, "How dare I, as a person who was challenged to write this book – push, probe, pull." Some of the stories of these women were phenomenal. They left me saying, "I don't want to do this." But it was the support of these women that got me back up. "No, this needs to be told," they were saying, and we trust you with the stories, that you will do the right thing by them and we trust that you will keep our family and us in mind as you go through this process." Which I did.

A lot of us suffer from negativity, with regards to blacks and the like. We're trying to turn it around and make ourselves feel stronger. Only then can we help our families and communities; only then can we help wider Australia in an understanding. That's basically what this book is all about; it's not going to solve the world's problems, it's not going to solve Aboriginal issues. But it is an insight into nine women's lives that have dealt with racism, their own self-inflicted abuse of alcohol, domestic violence, drug abuse, denial of their Aboriginality – in some cases because of their parents and the time in which they were raised when they were under the government policy of the Protection Act. In those days, to practise traditional culture and speak the language was not allowed. And the punishments were severe. It is a natural parental instinct to protect the child, so they became silent on these issues. But now the women have talked about it, how they have tried to reconnect, how they found the struggle within themselves. By doing the book they've had an opportunity to share with other women their age (we are all under 35) each other's experiences.

Someone asked why we were all under 35. And I said, "Well, if some of the yarns in here were told to an aunt or an elder they'd probably clip me over the ears." I wanted to go with the girlfriends, so we could have some fun and talk serious. We're at the age where we

still have connections to great-aunts or great grandparents, or were brought up in harder times. We're young enough to still be looked upon as the next generation, or the people behind the next generation, to push and give support and to empower.

The only way I passed English at school was to turn everything into a performance. I was a C-average chick. I went to school for sports and theatrical programs and I took time out whenever I felt I might need a break. I wanted this book to be a simple read. I wanted people to be able to feel the interaction, to turn the page, a nice simple read where they could relate to the text of the book. Reading is such a visual thing. I wanted to make it easy for the reader, especially when you've got the interviewer and the interviewee speaking. There's a lot of banter in there as well. We got sidetracked a little; went on and talked about netball, how to find a man in a remote community where you're related to everybody, whether they had black boyfriends or white boyfriends, or from multicultural races. We talked about pregnancy. I let the book do that. As I said, I didn't want a plan. I just let it happen. That actually enhanced the book. So, when I'm speaking or having my two-cents-worth, I use italics, with the other girls in normal print. At times the text is quite poetic, in a blackfella poetic way. There's some bits where you just go "shit!" But if it's a joke just laugh anyway and you'll feel you're part of the in crowd.

The book is about identity. I was writing for the understanding. There are a couple of political women in the book – Rachel Perkins and Tammy Williams, a lawyer who has worked for the UN. We talk a lot about spirituality, as well as identity. One was Miss Australia in 1999. She was the last picked to be crowned and sashed. I was Miss Murgon in 1987. So I thought we could talk about holding cups of tea and sitting with great posture and all that sort of stuff. Sharon Finnan played for the Australian World Cup Netball Champion Team and I'm a netball tragic. When I lived in Queensland and was a single mum, I played seven nights a week. So I wanted to meet her and talk about training and what she ate. She actually turned my dictaphone around to me and said, "Okay Purcell, I've got some questions for you." That was really nice.

Rosanna Angus is our traditional woman, our Mother Earth of the book. She was literally the icing on the cake as a lot of us are urban women and haven't grown up in the traditional sense. She came down and there was a feeling that we could ask questions about our Aboriginality. She sort of walked us through the process. She said to us, "There is stuff that you will never know about where my people have come from, the people from north west Kimberley, and there's stuff from your community that I will never know." But she told me how there is a common understanding, not only for Aboriginal people but for everyone in Australia who calls Australia home, to have that

connection, to be proud of the culture, to respect it. We touched on what culture is and what being black is all about in 2002.

I'll perform now, with my actor's hat on as I read to you. This is just a little bit from the book, which I think really sums it up:

We are women, hear us roar... about love, children, humanity, mother-earth, weight, time, our fellow brothers and lovers, our mothers, fathers, past-friends, future gains, positivity, life, "ly'rhn" and sisters, Michael Jackson, guardian angels, rodeo-riders, dancing, netball, identity, the senses, culture, needs, wants, our past, present and futures – all summed up in a good old yarn. We still have a long, long way to go, but we...we are women.

When girls talk they always mention mums. I tried to keep it even and keep the dads involved – and the brothers and uncles and step-dads – as often as I could. Liza is a Murri girl who comes from Woorabinda near Rockhampton, and she's our millennium woman. She's a woman you'd want to push to the future. If you wanted to say, "Show me a black woman, come." And she's just out there. If you didn't know it was an Aboriginal book and you read it, you'd think she was just a middle-class white girl. She's out there doing her thing, working nine-to-five. What I love about *Black Chicks Talking*, (I'm a bit biased) is that not everyone is from "struggle-street". We're not all elite athletes and we can have lives as boring as other nine-to-five people out there – people trying to make a living and get on with life. Liza is one of those. But she's a little go-getter, and she's actually produced the first Aboriginal women's swimwear calendar and started a modeling agency. In typical blackfella style, she just wanted to help her sister out – and on the black grapevine word got out. Now she's got a stable of about sixteen young girls and they're all gorgeous. This is from the book – Liza talks about her dad:

Leah: Describe your father for me.

Liza: Well, Dad's 51 years old. His name is Angus Gooda. He's a strong black and handsome Murri man. He works for Aboriginal Housing in Rockhampton. He writes his own music, he plays the guitar, and when I was growing up I thought that my dad was the best guitar player in the world. As I grew up and heard about Tommy Emmanuel and other guitarists, I got very disappointed that there were other guitarists out there. I just love being around my dad, and my stepdad, Reg Little, as well – he loves his country and western too, but my stepdad also sings and plays the guitar. Sometimes my two dads would have a jam. Country and western is in my soul.

At present my dad is a bachelor and I think he likes it that way. He can catch them women, true. I've asked him on many occasions, "How do you get all these women, Dad?" God, he's goin' to kill me for this! And he says, "I'm a musician, they love that guitar." He's got a complex about growing old. Like I can go out nightclubbing and there're my father dancing up. He says to me, "It's not how old you are, it's how you feel." But it just doesn't

stop there. I asked my dad what's his secret for looking so good. He reckons, "It's the facial exercises and the 'Oil of Ulan', bub."

And this is something from Sharon Finnan's piece:

[Sharon] So, Leah, when did you first pick up netball?

[Leah] Hang on, I thought I was interviewing you?

[Sharon] Well, I want to know about you! I've heard of you and all the work you do, not only professionally but for the community as well, and I've always praised you from afar.

I played all sports at school, but netball was...I loved it because it was a team sport. I did athletics and all those sort of things, and I just didn't like being out there on my own. I liked having my friends around me, so I chose netball. I suppose it was what I was really good at out of everything. I was nine years old.

[Leah] I used to play basketball, I was in Grade Five when I first started basketball. By Grade Seven I wasn't satisfied with basketball; the girls that I was playing with were so good that it was hard to crack the team for a full game. So one day we were playing a game of basketball and I was off, I started to watch the netball game that was being played about a hundred metres from where we were and I thought to myself, "Now, that's art. That sport has discipline." They looked really good playing, it was like it was neat and tidy. There was a certain style about it; whereas in basketball it's a bit all in, if you know what I mean. There is a discipline and style to basketball but netball has...space and placement, I just think it's a great sport and I happened to be better at netball than basketball. I played goal defence, GD, from the word go, but I have also enjoyed playing centre because I was usually the fittest on the teams I played for. I also loved playing shooter or goal attack but that's for indoor netball. But my favourite position is GD. I never contact – I am a clean, hard, fast player. I have a great lean and a great defence zone play, I never contact or play dirty.

[Sharon] Neither do I! Actually you have similar views as I do as a defender. I always say, "I'm one of the cleanest defenders in the league."... I don't smash people.

[Leah] Nup, no need to if you know what you're doing.

[Sharon] ...I always try and pull out of things...

[Leah] Exactly.

[Sharon] ...I'm not rough...

[Leah] You know, you could be as dirty as the next person, but it is the art...

[Sharon] Yep.

As I said before, we were using the senses, and a lot of woman actually said the sense sort of figured in their career. A lot of them chose touch. Kathryn Hay said, "Touch is so universal – you can put someone at ease with a good strong handshake or a pat on the shoulder." But I love what Cilla Malone said. Cilla Malone is our "mum" of the group.

She has six children, number seven is on the way and it's all good. She only went to Grade Ten, was pregnant at 15 with her first child. She was put into a dormitory when she was six months old and she stayed there for five years. And then Cilla's mum collected her and she grew up on an Aboriginal Mission, founded by the government in 1905. When all the people were removed, they were taken to this place called Cherbourg and it was used, literally, as a dumping ground. What's beautiful about Cilla is the rawness and the honesty of her chapter. She does talk openly about her drug and alcohol abuse, and her domestic violence.

This is something from Cilla:

[Cilla] I touch. I just like to feel. I close my eyes and when I think back my earliest memory of a pleasurable touch would be mainly from my children. My life before that, there was not – if any – any touch that I would remember as pleasurable.

My first-born – I couldn't stop touching him when he was born. I was fifteen when I fell pregnant, sixteen when I had him and I just couldn't believe I did that and I just...I couldn't stop holding him, that moment of bonding. I would trace over his face with my fingertip; I couldn't believe my eyes, I did that! On my own; I didn't have the father there...

[Leah] If you had to lose a sense, out of the five, which one would it be?

[Cilla] If I had to lose a sense I suppose it would be sight. But even when I'm intimate with a man, when we're kissing I always touch the face, always, I love it, it's my pleasure. I would still be able to feel and touch everything.

[Leah] You said your favourite sense out of the five is touch. What touch don't you like?

[Cilla] Rough touch. Hidings. What sort of touch is that? Violent. Being bashed, that's not touching to me. All my relationships have been brutal in some way or another, not all the time, but it's present, mentally. The bruises heal quicker than the mind, that's what really fucks you up.

All around my head, jumped all over my back. Black eyes. Cut lips. Sore ribs. I limp. Broken jaw. Just laid into me. I suffer from headaches, the base of my skull there's a constant fluid dripping from somewhere in my brain, I hear it. I just say, the first hit you get from a man, even if it's just a slap, leave him because it always gets worse. Just gets worse. I'll do everything in my...everything in my power not to let that happen to my daughters.

The grog's the main instigator in the relationships at home. The drink fuels the fire in their bellies...it could be anything...it explodes from this to their fists. It's not right, we have to put a stop to domestic violence through some sort of intimidation, but first they have to admit they are doing wrong. It's been going on for so long...it's accepted. And some of the hidings that have been happening lately are terrible. But we do have men's groups now out here working toward goals to help stop it.

I hardly did any work on that bit from Cilla. It was extraordinary when I got her to close her eyes. She's so deep, I got lost in her thought

processes. I put my actor hat on and said, “This is amazing energy that I’m witnessing, listening to Cilla tell her story.” And although it’s not the lightest bit to read, I just loved the rhythm that she came up with all on her own.

Then there is Rosanna Angus, from One Arm Point in the north west Kimberleys. Rosanna is still very connected to the culture and the tradition. She talks about spirituality and, with Aboriginal spirituality, we’re trying to bring it back to life. We’re looking at it like a religion so that we can believe in something that’s been around since time began and so we feel stronger. A lot of our young people are in prisons, a lot of them are on struggle-street and they’re lost because they don’t have a connection to tradition.

One thing this book has taught me is to shut-up and listen. It could be called “Black Chick Listening”. It may be the Leo in me or, some say, I must be Irish. Because I’ve got the gift of the gab. And it was nice to be able to shut up and listen to the women. They said, yes, tradition does die, but culture doesn’t, it evolves. Some traditional things will die and they will go but we’re here today and we’re here now. We can take an essence of our culture and it will evolve into what we are today. Rosanna said, “I’m a traditional, contemporary woman. I still work. I live off my land. I work for the land. I still attend very ancient traditional ceremonies.” And she also drives a land cruiser around and loves shopping. I think there’s a bit of Irish in there too. Rosanna has a connection with spirituality. She actually nearly died while I was in the process of writing the book. She rang me up while I was in Melbourne, working on a play, and told me a story. My first thought was “wow, grab the book”. I didn’t. But later she gave me permission to use it. This is Rosanna’s story:

[Rosanna] Recently, I was coming back from fishing and the motor cut, ran out of petrol. The tides were high and there were actual whirlpools in the water. We have the highest and most dangerous tides up here, but if you are a proper Bardi fisherman or woman you know how to work the tides.

Anyway, the motor cut out and we started drifting back with the current to one of the big whirlpools and the driver panicked and told me to throw the anchor over and I argued that that was not right, but in the panic I did it.

Well, while I was doing that he got the motor started and didn’t realise the anchor was still over and at that stage it got caught on the rocks below. He just kept going with the boat, causing the rope to be reeled off at a speed. The boat, it was going for it, and the rope started to wrap around my leg before I realized what was happening. When the rope ran out it pulled me over, there was nothing I could do and I knew that I was gone, going to die.

There is no way of surviving those waters, even if you were Dawn Fraser.

I had hit my head on the side of the boat, knocked myself out. My family filled me in on the rest.

I was under for four minutes and drifted about ten metres away from where they were looking for me and when I did surface my arms were outstretched above my head, as if someone had pushed me up from underneath. I know someone did. I had this feeling. That's when I came to. Then I realized I was in the water and the boat was a long way off and the rip was behind me and if I'd got caught in that I was gone again.

I tried to kick my legs but the pain was too great – I had broken my ankle and there was blood. Then I remembered, on the way to our fishing spot, we had seen sharks here chasing tuna, “Oh god,” I thought, “I'm live bait.” So I just started swimming with my arms. They brought the boat back and pulled me in.

It wasn't until I got back in the boat that I panicked and then I went into shock and cried all the way back.

When I got home and into bed my grandparents came to see me. My grandmother told me the night before she had had a dream I was supposed to die. She saw the accident happen and I was dead in the dream. I was in a great deal of pain and my grandfather, being a healer, pulled some magic from his stomach and laid his hands on my pain and I went to sleep.

Before I drifted off to sleep I whispered to my grandfather that I thought my brother, who passed away a couple of months before, saved me. That night my brother's spirit came to my grandfather and told him that he saved me: it wasn't my time. The spirit of my dead brother saved me, that's how strong our belief is, and thank goodness, otherwise I wouldn't be here. My grandfather told me this.

The book actually finishes with a dinner; that's the final chapter. I realized I would have to sum the book up in some way. And so I thought it would be great to get the girls together and have a night out on the town. It would be a great way to have a dinner, to sit down, have a yarn and discuss the issues I had discussed with them individually, and see what the reaction was of the women to one another. And it wasn't all sister-sister, love-love. There were a few debates. It was good to see that there were individual thoughts being aired. We weren't all thinking the same thing.

In my own life, I have had three crossroads. When I was ten I was looking after my mum who had turned to the drink for her solace, to drown her troubled life. I was looking after my mum and my crippled grandmother, who suffered from Parkinson's disease and arthritis. I was making family decisions and only a ten-year-old. Later I went to high school in Murgon, near Gympie in Queensland. Murgon has the Aboriginal settlement of Cherbourg just out of town. Black and white kids went to the same school. Only then I asked my mum, “What am I?” She said, “You can be whatever you want to be.” A teacher had actually come up to me and said, “I don't like you and I don't want you in my class.” That made me take a look at myself, because I didn't like where I was heading. And my third crossroad was when my child was about six months old. I attempted suicide and pulled out at the last

minute. And here I am. You've sort of got to do it for yourself. It is a sad thing that Aboriginal children are making the decisions shown in the Redfern documentary. I don't look at anything in my life as being wrong or bad. If that hadn't happened, I wouldn't be here today.

RE-ENGAGE WITH LEAH PURCELL



Photographer: David Karonidis



Photo – David Karonidis

Bob Carr

New South Wales Premier Bob Carr has made many appearances at The Sydney Institute. As Australia's longest serving State Premier, Bob Carr again addressed The Sydney Institute on Tuesday, 9 July 2002 to reflect on his government's achievements and to expand a little on some of the issues central to policy reforms either in place or being implemented. With a State election due in early 2003, the Premier made clear it was no time for complacency.

A NEW AGENDA FOR

GOVERNMENT

Bob Carr

Reform *is* government. In education, in NSW, we've implemented first-class literacy and numeracy programs, and as result, an OECD study released last December shows our literacy rates for 15 year olds are the best in the world, along with Finland and New Zealand.

We've restored the rigour and credibility of the HSC and School Certificate and broadened opportunities for vocational studies. We've reformed health planning and funding, correcting historic inequities between regions. That means by March 2003, all of the State's 17 Area Health Services should come within two per cent of their fair share of funding. In environment and planning, we've reformed coastal planning, banned canal estates, created 280 new national parks and put forestry on a sustainable basis. We're introducing ten year water sharing and catchment management plans to save our degraded rivers. We've entrenched Neville Wran's legacy of anti-discrimination and equal opportunity laws by:

- specifically outlawing sexual harassment;
- banning discrimination against transgender people and discrimination on the basis of carers' responsibilities;
- enacting property rights for same-sex couples; and
- supporting equal pay for work of equal value.

Another major commitment has been – and remains – microeconomic reform. It's an unfortunate term. We don't hear much about it these days. Microeconomic reform is seen as harsh, uncaring, dogmatic. In its worst moments it's been all these things. But understood correctly, it's something in which every family and business has an interest.

The economic reforms of the past two decades gave Australia in the 1990s GDP and productivity growth superior to that of the United States. Productivity rose by an average of 2.8 per cent a year over the decade March 1992 to March 2002. The average for the previous decade was half that – 1.4 per cent. The 1990s is the only decade since the 1960s in which our real annual average GDP growth outstripped the OECD average (3.4 per cent compared with 2.5 per cent).

In NSW, real Gross State Product per head of population rose by 27.7 per cent between 1992/93 and 2000/01. That's three per cent above the national average. Most importantly, economic reform has given us rising real incomes.

My old friend Paul Keating told me recently that real wages in Australia increased by 16 per cent over the period 1991 to 2001, the largest increase for any decade since World War II. Over the period 1992/93 to 2000/01, real household income per head rose by 22.2 per cent in NSW, 1.6 per cent higher than the national rate. All this helped us weather the Asian crisis. It helped us through the post 11 September recession in the US. Our success was driven by reform, secured by reform. So I want a give snapshot of three areas: 1) our achievements in microeconomic reform; 2) some of the important, but unseen things we're doing in the NSW public sector; 3) the bulk of my talk – the latest phase of microeconomic reform in NSW, reform of the legal and insurance systems. That's large-scale change – in a world where the need for reform never ends – by reining in the insurance crisis that has been building for years because of over-litigation and that now represents a crippling burden, worsened by 11 September and the HIH collapse.

They're reforms aimed at cutting legal costs for families and business and reducing the harm to business confidence engendered by the fear of litigation.

Microeconomic reform in the NSW utilities sector

First, an account of our microeconomic achievements in utilities. The story begins in July 1991 when Bob Hawke and the State Premiers agreed at a Special Premiers' Conference to establish a National Electricity Market. I'm proud to say that I supported this process. In fact, yesterday I pulled out an old press release of mine from August 1992 where I called for a stronger Trade Practices Commission to enforce competition and help lower prices. I also called for the merger of the Trade Practices Commission and the Prices Surveillance Authority. That, of course, eventually occurred with the creation of the ACCC and what a successful body that has proven to be. The Hilmer Report came out in August 1993 and most of the burden of implementing it in NSW fell to my government:

- the break-up of Pacific Power into three generating companies and the corporatisation of NSW electricity distributors in 1996;
- corporatisation of the NSW rail entities in 1996;
- establishment of an interim gas regime, also in 1996;
- the introduction of a transparent rail access regime again in 1996;
- the National Electricity Market in 1998; and
- full retail contestability in gas and electricity from January, 2002.

This has been comprehensive. And it's paid off. It's led to labour productivity in electricity, water and public transport growing by 69 per cent from 1994/95 to 2000/01. It's seen overall NSW government charges for electricity, water, freight rail, ports and other services falling by 6.7 per cent in real terms since we came to office in 1995. (NSW Treasury, *Government Charges Index*)

In the 2000/01 financial year, we still managed to bring the Index down slightly – by 0.2 per cent in real terms – despite the introduction of the 10 per cent GST. The savings to business are immense, largely because we've unwound subsidies of household consumers by business. We've cut water costs by 40 per cent. At a conference on 5 July, I told the story of a Circular Quay shop-owner whose water bills were so high, that though his sole water use was a toilet, it was literally cheaper to flush with French champagne. In the last few days he contacted the *Sydney Morning Herald* and told them his water bill has fallen from \$32,000 before our reforms to \$8,000 in the last year!

In that same spirit we've cut freight rail charges by 41 per cent and electricity by nine per cent. NSW business electricity prices are now lower than any State except Tasmania, with its unique hydro-electric industry. Gas network prices – a privately-owned sector – fell by 58 per cent between 1995/96 and 2001/02 (including the GST) under our rigorous pricing and regulatory regime.

For household consumers, IPART figures show the composite cost of utilities to the average household fell by three per cent in real terms between 1992/93 and 2001/02. Exclude the federal government's new tax system and that figure becomes a seven per cent reduction *in real terms*. A stunning success by any measure. That's no abstract economic theory. It is microeconomic reform in action, providing real gains for families and for business: feeding into their living standards, and feeding into national economic performance.

Reform in the NSW public sector

Microeconomic reform hasn't been restricted to the utilities and corporatised bodies. The traditional Budget sector of government has been considerably streamlined: not by slashing jobs as Greiner did, devastating DOCS and the teaching service – but by seeking out better ways of doing business.

It's good housekeeping, the bread and butter reform of the public sector that comes from a confident government with the experience to manage this \$33 billion a year enterprise. Look at some of our achievements:

- \$90 million a year saved by cutting the Senior and Chief Executive Services;
- cumulative savings of \$341 million since 1996 through our reforms to government leasing;

- period contracts run by the State Contracts Control Board saving around \$400 million each year;
- \$150 million being saved over five years due to our new government cleaning contracts;
- \$49 million saved over the three financial years 1998/99 to 2000/01 under our new Occupational Health and Safety plan;
- \$95 million a year saved under our new health goods and telecommunications contracts.

We're also looking forward, finding even more ways to save public money. Two examples:

- we'll save up to \$250 million a year under our new plan for shared and streamlined corporate services; and
- save an estimated \$400 million every year through our new *Smarter Buying for Government* procurement plan (although there may be some elements common to both strategies).

These sorts of reforms mean we are able to offer the people of NSW a trifecta:

- lower state taxes and charges;
- budget surpluses; and
- higher public spending.

We've been able to cut State taxes by a cumulative \$1.4 billion a year – including the abolition of debits tax as of January 1, a measure announced in last year's State Budget. We're the only state to do so. That \$1.4 billion doesn't include taxes abolished with the introduction of the GST:

- bed tax;
- FID taxes;
- share duty.

The recent State Budget included further cuts:

- abolishing payroll tax for apprentices; and
- halving stamp duty on general insurance, making our rate five per cent against Victoria's ten.

We've done all this while achieving a predicted surplus this financial year of \$168 million and surpluses in each of the following three years. No state government ever managed more than one surplus. In fact, there's only been two since 1962. We've had six – plus another on the way this financial year.

This fiscal discipline means lower state debt and liabilities. We've cut debt and liabilities in the general government sector by \$9 billion. Our debt reduction effort, along with the other States, is one of the reasons we've been able to run consistently low interest rates in Australia for the past decade.

But good economic management is not an end in itself. Our careful stewardship means we've been able to invest more in social

spending. Around \$730 million a year alone, saved in interest payments, that now goes to social spending and tax cuts.

These achievements defy the prediction made in the Allan Report on expenditure commissioned by the Unsworth Government in 1987. It predicted expenditure would be severely constrained as the pressure bore down on state revenues and demands on public services increased.

Take education. The Allan Report predicted spending on education would be forced to remain constant. In fact, since 1987 funding per student has increased in *real terms* by 56 per cent in primary schooling and 40 per cent in secondary schooling. The increase to the overall education budget since 1995 has been 47.5 per cent. That gives the lie to any suggestion school funding has fallen behind. Likewise, spending in the major portfolios has increased substantially since 1995:

- in health by 58 per cent;
- transport by 50 per cent;
- public order and safety by 61 per cent; and
- community services, ageing and disability by 95 per cent.

It also means we're able to run the biggest capital program of any government in the nation's history: \$26 billion over the next four years. In the spirit of our reforms, higher government spending doesn't just mean more of the same. It means new investments such as our \$117.5 million *Families First* program, providing home visits, nursing care and mentoring to every newborn baby whose mother wants it.

It means a \$176 million increase – around 50 per cent – on drug programs, including new medical treatments, new treatment beds in gaols, a massive expansion of methadone and innovative trials like the Adult and Youth Drug Courts. I could easily list those achievements all night but they simply prove the point: economic reform has a vivid social purpose.

Legal and insurance reform

Coming into our second term, it was clear that while no-one was talking microeconomic reform, another huge agenda pressed upon us – the legal and insurance system.

The price of green slips was causing concern in the community. The WorkCover scheme was headed for crisis. And around the corner, unknown at the time, lay the collapse of HIH, 11 September and the collapse of UMP, provoking the crisis in public liability that strikes at the heart of our nation's way of life. Add to that an American-style culture of litigation taking hold. To use the words of American scholar Lawrence Friedman, a "total justice" mentality emerged in which: "If a person feels wronged or injured, she feels that there must be a remedy, somewhere in the system". (*Total Justice*, 1985, p76)

And for “remedy” read a cash payment. Of course, that’s simply not true. There is not, nor can there be, a legal remedy for every human ill or misfortune. And human beings must accept that some activities in life, however carefully planned, are inherently risky. So, since 1999, we’ve embarked on an ambitious plan of legal and insurance reform, the first – and only – government in Australia to do it on this scale. As a result, NSW is on the cutting edge of microeconomic reform.

Green slips

We started with third party motor accident cover – green slips. Before our legislation went through parliament in 1999, the average green slip cost \$441 (Sydney Metro). It’s now \$345. That figure is derived from taking the number of policies sold in the 12 months to 30 June this year (1,711,580) and dividing it by the premiums collected (\$591,013,304).

Importantly, the new system means injured people don’t have to drag insurance companies through the courts to obtain a settlement. They can appeal to an independent umpire, the Medical Assessment Service, to get an objective indication of the veracity of their claim. And when negotiating a final settlement with an insurer, a claimant can appeal to another independent umpire – the Claim Assessment and Resolution Service. Its findings are binding on an insurer and represent a fair, low-cost alternative to litigation. That means legal fees form just six per cent of the average cost of a third party insurance claim, one-sixth to one-eighth of the legal costs in public liability cases.

WorkCover

I turn now to WorkCover – a test of the relationship between the political and industrial wings of the labour movement. With a deficit nearing \$3 billion, WorkCover was set on a course of implosion. How easy it would have been for my government to hide behind our union affiliation and let the WorkCover scheme slide. We could have left a Coalition government to clean it up. But we took a hard decision that will pay off for thousands of workers who can now make their claims quickly and fairly, and in cases of serious injury, have their payouts increased.

For example, we’ve increased the maximum benefit for permanent impairment and pain and suffering from \$171,000 to \$250,000, while retaining medical and rehabilitation costs for life, if necessary. Compensation is capped at \$1300 per week, maximum. As at 31 December last year, the WorkCover actuary calculated the deficit would have been \$757 million greater had we not streamlined the system. Stabilisation is taking hold after a decade of uncertainty.

Medical indemnity

I turn now to medical indemnity. Our *Health Care Liability Act*, passed last year, provides certainty in medical negligence awards and caps payouts. One major aim is to redistribute money from people claiming non-economic loss to people with serious injuries causing ongoing impairment and disability. For example, the scheme capped lost earnings and general damages at the motor accidents rates of \$2834 per week and \$309,000 respectively. Future medical negligence claims will now come under our *Civil Liability Act*. General damages will not be available unless the patient has incurred injuries equal to at least 15 per cent of the worst-case situation.

Our reforms mean overall future savings to medical defence organisations and insurers of around 30 per cent, according to Health Department actuaries. Incidentally, our plan also provided Visiting Medical Officers in NSW hospitals with a 10 per cent pay rise and indemnity cover for all public patients they treat in public hospitals.

Unfair dismissals

We're also reforming the industrial jurisdiction by putting the unfair dismissals system on a more sustainable basis. Our two key strategies are:

1. to exclude highly paid executives earning more than \$200,000 a year from gaining access to the system; and
2. to restore reinstatement – not compensation – as the fundamental means of resolving unfair dismissal cases.

The message again: recourse to the courts to secure a cash payout is not the way to go. The legislation on reinstatement will be introduced in the Spring Session of Parliament in September.

Public liability stage one

The greatest challenge is, of course, public liability. On 7 June, the NSW Parliament passed the *Civil Liability Act*. We passed that law against the backdrop of increasing litigation, higher payouts and large parts of those payouts going not to injured people but their lawyers. Litigation absorbs too much of our wealth and talent. Look at some of the indicators:

As we saw recently from the NRMA report, legal costs can consume from 30 to 50 per cent of a public liability payout. ABS figures show that for barristers, personal injury law is their biggest single source of income. District Court records suggest new personal injury matters have doubled over the past five years. The average claim size, according to Insurance Statistics Australia data, has grown from \$5000 in 1991 to \$17,500 in 2000. Public liability premiums were 0.08 per cent of GDP in 1977/78. They've since doubled to about 0.2 per cent of GDP.

Claim payments tripled over the same period, from 0.03 to 0.1 per cent of GDP. The highest brain injury payout in 1980 was worth \$1.16 million in today's dollars. The highest payout for a similar case in 2000 was almost 10 times that, \$10.7 million. And out of all this, ABS figures show at least \$1.2 billion a year is pocketed by lawyers in personal injury cases. (*ABS Legal Services Industry Report*, August 2000)

A key element of our Stage One reforms is a cap on non-economic loss payments – that is, payments for “pain and suffering”. These payments are capped at \$350,000. Moreover, nobody can gain access to such payments unless they can show their injuries are at least 15 per cent of the worst possible case. Another key feature is that lawyers’ costs are capped for awards under \$100,000.

Our actuarial advice shows these reforms could reduce the cost of personal injury claims by 17.5 per cent. Since personal injury makes up about 80 per cent of all public liability claims, that should be highly significant in moderating premiums. Our advice is that premiums could fall by 12 per cent, on average. But that will work properly only if the Federal Government ensures its regulatory authorities are firmly on the case to ensure savings are passed on in the form of lower premiums. That’s all good, but not enough.

Public liability stage two

We also have to prevent what Friedman calls the “total justice” mentality from Americanising our legal system. In other words, we need to restore personal responsibility and diminish the culture of blame. That means a fundamental re-think of the law of negligence, a complex task of legislative drafting. There is no precedent for what we are doing, either in health care or motor accident law, or in the legislation of other States and Territories. We are changing a body of law that has taken the courts 70 years to develop. That means this Bill cannot be produced overnight as some seem to be suggesting. It will take time to get it right.

Here are some of the principal changes we will introduce in parliament in September. We will:

- restate what is reasonably foreseeable in the law of negligence;
- protect good Samaritans who help in emergencies;
- ensure that a warning of risk is a good defence for risky entertainment or sporting activities; and
- move to protect public authorities from *unrealistic* standards imposed with hindsight by a court. For example, a court should not hold a small rural council liable for damage due to a pothole when that pothole was going to be repaired under a reasonable maintenance program.

- we will also change the professional negligence test to one of peer acceptance. A professional who acts consistently with a respectable view within their profession should not be held to be negligent.
- we will abolish reliance by plaintiffs on their own intoxication. If someone carries out an activity when they are drunk or drugged, they should not get any special consideration; and
- we will prevent people from making public liability claims where their injury arises in the course of committing a crime.

The message in all of this is clear: personal responsibility is back. We will not go any further down the American path.

Defamation

Last, I'm pleased to announce tonight we will also introduce further reforms to the law of defamation. It's another area of law where people turn to have their problems solved by a writ or a cheque. That's not always wise, not always possible. The complexity of defamation law, and the often high stakes involved in the protection of individual reputation, results in long and expensive litigation. And too often damages awards for loss of reputation – non-economic loss – are excessive.

In the Spring Session, we'll introduce reforms that will, among other things make greater provision for the resolution of disputes without litigation. At present, there is insufficient incentive for parties, particularly publishers, to use corrections and apologies to avoid litigation. Under the government's proposals, more onerous costs penalties will be provided against parties who unreasonably fail to resolve matters by these means. We'll ensure cases not brought on by plaintiffs within 12 months of publication will be struck out. The current period is six years.

We will provide that compensation for non-economic loss will not exceed payouts in personal injury cases – that is, \$350,000. And the government will bar corporations and statutory bodies from bringing actions – because we believe defamation should be about loss of individual reputation. Further details will be announced in the near future. Let me simply make this comment. We'll bring the same commonsense approach to defamation that we've brought to all these other areas of law.

Conclusion

The four years to 2003 will have seen a major period of legal reform in NSW. They're reforms which lower business costs and increase business confidence, give more money and greater certainty to injured

people, and claw our legal system back from the precipice of Americanisation.

Those changes deserve to sit alongside the changes in electricity, gas, water and telecommunications as significant microeconomic reforms. They represent good governance.

Similar reforms need to be enacted in the other States and Territories, and we need the Federal Government to act, especially on insurance regulation and tort law reform. In the end, micro-economic reform is based on nothing more than this: inefficiency and lack of competition redistributes money out of the pockets of individuals and small businesses and into the hands of lazy big business and lazy government authorities.

It's that world of complacency we've striven hard to bring to an end over the past two decades, replacing it with prosperity and growth. And if we aspire to the level of wealth enjoyed by the United States, let's ensure we do it without the social and legal pathologies that so conspicuously mar the American achievement.

ANNUAL DINNER - 2002



Photographer: David Karonidis



Photo – David Karonidis

Patricia Hewitt

Sponsored by Australia Post, The Sydney Institute's Annual Dinner was again a packed out occasion held in the Grand Harbour Ballroom at Star City on 15 July 2002. The Annual Larry Adler Lecture was delivered on the night by the Rt Hon Patricia Hewitt MP, born and educated in Australia and now Britain's Secretary of State for Trade and Industry and Minister for Women and E-Minister. Patricia Hewitt was introduced by Meredith Hellicar, Chairman of The Sydney Institute and the Vote of Thanks was given by David Mortimer, Deputy Chairman, Australia Post

ONCE AN AUSTRALIAN:

REFLECTIONS OF A BRITISH CABINET MINISTER

Patricia Hewitt

It's an enormous pleasure to be back here, back home, following such a long and distinguished line of lecturers here at The Sydney Institute and facing such a wonderful audience this evening.

The Sydney Institute has asked me to say something about how a nice girl from Canberra ended up in the British Cabinet. I have to say, the question might also have puzzled the British Security Services. When I became a Cabinet Minister a year ago, they took much longer to vet me for clearance for looking at secret Cabinet papers than they did with the other newcomers. I had to explain that I had two nationalities and two passports. In the end, it was decided that I wasn't really subversive and I could have access to the papers. But I suspect the reason was not so much the fact that I'm Australian as well as British, but the fact that in the ten years I spent running the National Council for Civil Liberties in Britain, I discovered that the Secret Services were keeping files on myself and a colleague, Harriet Harman, who is now the government's Solicitor General. We took the Security Services to the European Human Rights Court and we won. That week's delay in my vetting was perhaps a small revenge for having put them, for the first time ever, on a statutory basis.

Of course, a large part of the answer as to why an Australian might end up in the British Cabinet is very simple. It lies in Australia's relationship with Britain and the way in which the British Commonwealth and, before that, the legacy of the British Empire – for good and for ill – have shaped relationships and identities around the world. I want to talk about some of those identities and some of the issues they raise for governments, and indeed for businesses, across the global economy.

As you know, I was born and grew up in Canberra. That was Canberra in the 1950s. I recently got into trouble with the *Canberra Times* and sections of the Australian press for being rude about the national capital, so I shall not say anything else about Canberra in the 1950s, except to observe that lots of people loved it. My mother,

indeed, has lived there for 76 years. I left as soon as I could possibly get away. And instead of moving here to Sydney, which would have been a great deal easier for my parents, I escaped all the way to Britain. I wasn't alone; lots of students, lots of young people, were heading to Britain in those days. Looking back on my childhood, I realize how utterly unsurprising that was. In so many ways, I grew up British in Australia. My mother was teaching English Literature at the ANU. I had English children's books. We sang English Christmas carols. I had an English grandmother with a very English garden, games of monopoly that meant that the streets of London, when I got there, were far more familiar to me than the streets of Sydney or Melbourne ever were to me as a child.

Then there were my father's stories of his Scottish grandmother. Many of you will remember my father, Len Hewitt. When I was growing up, one of his many nicknames was Dr No – not because he was a bit restrictive on the pocket money, although he certainly was (a treasury civil servant you understand) – but because he'd become notorious as a young public servant querying Bob Menzies' expenses. And it was a brave young public servant who queried Bob Menzies' expenses. My father is now 85 and as formidable as ever.

Last October, he and I decided to visit the birthplace of his Scottish grandmother, Margaret Helen Simpson. Off we went to the remote, tiny, windswept island of Isla, just off the west coast of Scotland. The first thing we discovered, was that his Scottish grandmother wasn't actually born in Scotland at all, she was born in Sydney. This makes me, not a third generation Australian as I grew up believing, but a fourth generation Australian. It wasn't Margaret Helen who made that long sea-journey from Isla to Australia, as my father grew up believing, it was her father John Simpson, who was himself the eldest of thirteen children and born around the beginning of the nineteenth century. The next thing we discovered was that assisted migration wasn't invented in the 1950s or the 1960s with those "ten-pound pom" passengers. Assisted migration was alive and well in the 1830s, when Scottish landlords, desperate to rationalize their landholdings and get rid of their surplus population, shipped people off to the new colonies. They organized subsidised mass-migrant boatloads to New South Wales.

John Simpson came out with his brothers in 1837. They were very lucky; they had enough money to buy cattle. When they got to Sydney, they drove the cattle into Victoria and settled on what must have been an enormous patch of land, in what became Charlotte Plains. They became, we discovered, incredibly rich and built a mansion called Simpson House. But one of the brothers, sadly, died young. In true Victorian style, his sons gambled and drank the entire fortune away in just ten years. Meanwhile my great, great grandfather John settled in

Melbourne, and his daughter, Margaret Helen, later married an American migrant who was one of the partners in Cobb & Co. My father's names are a microcosm of all of those journeys – Cyrus after his American grandfather, who loved travelling so much that when he got bored with Melbourne he abandoned his wife and the two boys and went off to South Africa where he promptly died of a fever; Lenox after the Massachusetts town where Cyrus had come from and where Cyrus Wheeler Hewitt's family could trace their roots as far back as the pilgrim fathers; and Simpson, of course, for the Scottish family.

That one little journey to Isla left me feeling more Australian (fourth generation not third), more Scottish and, paradoxically, more British as well. In Britain, there's quite a debate about what it means to be British. Unlike Australia and the United States, the United Kingdom doesn't think of itself as a country of migrants. I guess 1066 is too far back for that. Perhaps because of that, we've never been good at welcoming new British citizens. Australia, of course, has always welcomed new Australians with proper new Australian Citizenship ceremonies. When one of my constituents applies for British citizenship they fill out the forms, they wait and then they just get a certificate in the post. So I was delighted when David Blunkett, our new Home Secretary, announced last year that he would introduce citizenship ceremonies for new British citizens. Citizenship and migration are very hot topics in Britain at the moment. Indeed, to read some of our right-wing newspapers, you'd think that migration was something other people inflicted upon Britain, instead of something that, of course, Britain has been doing to the rest of the world for centuries.

I'm very lucky; I am one of the three Members of Parliament for one of Britain's most multi-racial cities – Leicester, 97 miles north of London, in the Midlands, right in the heart of the country. It's a great place, by the way, if you're looking for a logistics headquarters. My husband was born there – and we've got a large extended family there. Indeed, when I was out canvassing for the election campaign last year I discovered a very long-lost great aunt on my electoral register, just as my daughter and I were knocking on her door. Leicester will be the first city in the United Kingdom where half of our population is African-Caribbean or Asian/British, and with our under-25s we're already there.

I don't know if any of you saw the interview in *Good Weekend* with the Indian-born writer, Rohinton Mistry. Reading it, I thought how nothing could be further away from my Canberra childhood than his Parsi upbringing in Bombay. But there he was, talking about how he'd read Enid Blyton and *Just William* and Agatha Christie, had studied Shakespeare and Dickens and grown up with an idealized vision of a Britain that, of course, never really existed. Like Mistry, thousands of my constituents grew up British in India, Pakistan and East Africa, or

in other parts of the world that were once coloured pink on the map. Constituents are very clear indeed about their Britishness. As one elderly Sikh gentleman was saying to me the other day, "We are British. My father worked for the British in Kenya and we had British passports when we were born." So it's not surprising that I feel so close to people who, as it were, also have a foot in two camps, roots in two countries and two continents, or in the case of my Indian British constituents who came from East Africa, a foot in three. Their history and their identity are part of our modern British identity.

It's also not surprising that so many of us who grew up British abroad, became campaigners for change in Britain. Mistry talks about growing up with this idea of an ideal country – the yearning, he says, for something unattainable that came from what they'd read. When my generation – young, impatient, radical – arrived in Britain from various parts of the former colonies, we soon set about telling the mother country where she'd done wrong. There was Germaine Greer, who was an already established and terrifying figure when I arrived as a student in Cambridge. There was Des Wilson, the New Zealander who founded "Shelter", the British national campaign for the homeless. There was Peter Hain, the anti-apartheid campaigner from South Africa, who is now one of my colleagues in government as, perhaps ironically, Minister for Europe. Peter Hain's predecessor as Minister for Europe was my parliamentary next-door neighbour in another Leicester constituency, Keith Vaz, who was born in Aden, to an Indian, Goanese, Roman Catholic family.

All these stories of migration, and there are so many others, remind us that globalization is really nothing new. But it certainly wears a different face at the beginning of the twenty-first century. The atrocity of 11 September reminded us, if anybody needed reminding, that in this world – so much smaller and so much more crowded than it used to be – no man is an island and no country can cut itself off. That's true of Australia, and it's true of Britain, even though both our economies have performed much better than anybody would have predicted through this very difficult period of recession in America, recession in Japan and downturn in the rest of the European Union.

All of us here this evening know in our own lives, and in the many businesses represented here, the huge opportunities and the many benefits of globalization. But what we should never forget, is that globalization also creates new sources of insecurity and inequality. Globalization is threatening traditional identities and traditional jobs in communities all over the world. It is massively destabilizing to people's sense of themselves and their identity. That means huge challenges to government, to businesses, to our societies. The challenge above all, as Kofi Annan has said, of making globalization work for the many not the few; creating globalization with a human face.

For us, in the new Labor government in Britain, the challenge is first of all international. It's a challenge to us to use our unique place in the world – as a leading member of the European Union, as a central member of the Commonwealth, as a country with a very close and longstanding alliance with the United States – as a force for good. It means that we need to help create a new capacity to respond multinationally to failed states, to the chaos and repression and poverty from which millions of people are fleeing. We need to respond to the needs of refugees. But we also need to enable refugees to return to their homelands and start rebuilding. We helped to do that in Kosovo, where we defended a Muslim minority and brought Milosevic to justice, enabling refugees from all over Europe, including the United Kingdom, to return. We are helping to do the same thing in Afghanistan; pursuing Al Qaeda and helping topple the Taliban, which has paved the way for the reconstruction of Afghanistan – a reconstruction in which an earlier tradition of education and leadership amongst Afghanistan's women is being reasserted by the inclusion of women, first in the Loya Jirga and now in the new administration. It is early days, but already a million refugees have returned to help start rebuilding Afghanistan. Most of those refugees, of course, come from Pakistan and from the other neighboring countries, but others will come from Europe.

It also means, for Britain, securing European and indeed international action against people smugglers. A new global business has arisen out of the misery of people fleeing from these failed states. Five years ago, in my Advice Surgeries in my constituency, I would have the occasional asylum-seeker, usually from some part of India. Now, every week in my Advice Surgeries I will have three or four asylum-seekers. I ask them how they came to Britain and what the rate was. The going rate out of Iraq, via Turkey, in a lorry across Europe and into Britain, is about \$10,000. And if you're lucky, you get two-for-the-price-of-one – a husband and wife. It is a wicked trade, and it's one that only international action will deal with. But we need, too, international action to create prosperity where there is now poverty, misery and chaos. For us, the first priority was enlargement of the European Union, so that we can embrace, within our huge single market, the countries of Central and Eastern Europe. But it also means a new partnership for Africa – Tony Blair's personal initiative with the countries of the G8. It means, for all of us, making the Doha Development Round a reality so that we create the rules that will enable free and fair world trade.

In Britain, as in Australia, we are very clear that it is through trade, much more than through aid, that we can enable the poorest people in the poorest countries of our world, to start that journey of modernization, of economic reform – a pathway out of poverty and into prosperity. We're also very clear about the challenges that creates for

the developed world. In the European Union, with more agricultural subsidies than anywhere else in the world, it's a challenge to reform the Common Agricultural Policy. The United Kingdom government, of course, will go on working very closely with Australia and with other members of the Cairns Group to keep our European partners up-to-the mark on reform of the CAP – in particular, to deal with the wicked export subsidies. We, as you know, not only lock farmers from so many of the developing countries out of our own markets, we then, effectively, lock them out of their own markets by putting our hugely subsidized agricultural produce into their domestic markets. It also means working with all our allies in the developed and in the developing countries, first of all to secure the launch of the Doha Round, but now, above all, in those very tough negotiations, to make the promises of the Round a reality. It also means telling our very close ally America when we think they have got it wrong, as they have got it wrong on the tariffs that they've introduced on steel imports.

There are huge challenges internationally: military, diplomatic, political and economic. But there are also huge challenges at home as we seek to respond to the insecurities that are being created by an unprecedented speed of technological change, and by global trade and communications. I see it very vividly in my own constituency. A hundred years ago, Leicester was not just the richest city in United Kingdom, it was the richest city in Europe. That wealth was founded almost entirely upon textiles and clothing. It was the clothing and textiles industry that attracted so many of those British and Asian migrants in the 1960s and the early 1970s. But decades of underinvestment, technological change and, above all, competition from abroad, has meant a very fast dwindling of our textile and clothing sector, and indeed of many other traditional manufacturing industries.

In my next-door county, Nottingham, I see it with the demise of our old coal industry, and the closure of most of the pits. In these communities and on our public housing estates, where two generations ago everybody could look forward to a job, people have been left behind by change. In some of the neighborhoods I represent, young men and women grow up in families with second, sometimes third-generation unemployment, with no aspirations for an education because they can't see any purpose to which that education is going to be put, and of course, with all the family breakdown and crime and drug-taking and everything that goes with being economically stranded.

Our response to that insecurity has to be opportunity, as we rebuild communities from the bottom-up, as we painstakingly create opportunities in which people can gain confidence and new skills and then move into work. We have harnessed a large part of the business community in that endeavor, because we know we can't do it on our own. Just last week, a couple of days before I left to come down here, I

was talking to the Chief Executive of Lattice, formerly part of British Gas. He was talking about how that company had created its own school for truants; for kids who simply turn their back on school because they believe society has turned its back on them. What that Chief Executive was describing was an extraordinary piece of social experimentation. They are doing it to solve a very urgent business problem, which is that they simply cannot get enough young people coming into apprenticeships and training, in particular, as gas-fitters and plumbers. And since the starting rate for a qualified gas-fitter is around £21,000 a year, they say cheerfully – “That ought to be enough to keep the kids out of crime and drugs.” Indeed, it is. Now that’s on a larger scale than some of the business involvement that we’ve got, but in all of these partnerships where we’re engaging, not just the public services, but the private sector and above all the community in leading these programs, we are seeing over and over again, young people, and often older people as well, who’ve never had much in the way of qualifications and prospects, discovering talents and abilities that they never knew they had.

It’s not only low-income, white working-class communities and those of the neighborhoods I was describing in my own constituency, who are missing out. It is also, above all, the African-Caribbean and the Asian working-class communities. Indeed, we know in Britain that at every level of education and qualification right up to graduate and post-graduate levels, our black and Asian-British do less well than their white counterparts with the same level of education and qualification. But the issue is acute, for our Pakistani and Bangladeshi working-class Muslim community, where a combination of prejudice and racial and religious discrimination and a failure, in some cases, to learn English, the seclusion of many women from the labor-market, have all combined to trap many families in poverty, and then to create huge difficulties for the next generation. The British-born, growing up with the same aspirations as their white-British counterparts, find the doors of opportunity locked to them. So again, our response to that insecurity, that inequality, that clash of cultures, has to be opportunity. And that means valuing diversity.

I have no doubt at all that the growing diversity of a city like Leicester, the growing diversity of the United Kingdom, is a huge benefit to Britain, to our culture, and to our economy. We have perhaps woken up rather late to the competitive advantage that diversity gives in the global economy. The second-generation of Asian and African-Caribbean British-born business professionals I see growing up all around me are not only an asset in themselves, but they have ties of family, language, culture and religion with the Indian subcontinent, with Africa, with the Caribbean, with many other parts of the world. That’s a huge business advantage to them and to us. We

are hosting the Commonwealth Games in Manchester next month. I shall be there and I hope to see several of you there. One of the many things that we've learnt from colleagues in Australia, was the success of the Sydney Olympics in 2000, and also the success of the Business Club that you organized for the Sydney Olympics. We're doing the same thing at Manchester. There are huge benefits from diversity, economic and social, and a huge challenge to employers as well. I was visiting one of our major car plants recently. The Chief Executive there was saying that until very recently his workforce had been 90 per cent white men. But he said: "We're not recruiting from a workforce of 90 per cent white men. We've got to change ourselves if we're going to be able to recruit and retain and promote the best people for our industry. The only way we're going to make the best cars is to make sure that we've got the best people."

In this increasingly diverse society, certainly for us, there is another challenge – to move beyond multiculturalism. Multiculturalism was hugely important to us in the 1960s and the 1970s, when large-scale Asian migration and African-Caribbean migration was new and racism was overt. Beginning to understand and to honour and value all the different communities and traditions and religions was very important. But it's not enough. What we've learned is that multiculturalism, all too often, traps people in single identities. Peter Hain, Des Wilson and myself could all be seen as British when we arrived in Britain, frankly, because we're white. But our African-Caribbean and Asian friends and counterparts, they were seen first and foremost as Asian or as African-Caribbean. They found it much harder to step into the individual as well as community roles that they wanted to play.

What we need to do, as we mature as a diverse, multi-racial country, is also to define and to assert a common British identity and some common British values. Particularly when it comes to the position of women, that can mean a real tension with some of our minority communities and their predominately male community leaders. As I said earlier, David Blunkett has announced that in future we are going to have a citizenship ceremony to welcome our new citizens. As part of that citizenship process, we are also going to do something that Australia has been doing for decades – we are going to require a minimum level of competence in the English language, with some discussion around British values and laws.

It has been astonishing, certainly for me, coming from Australia, what a furore those common-sense proposals created. The objection from some of the minority-community leaders and from some white people committed to multiculturalism, was that to require some basic English was somehow racist. That, I think, is an indication of having become rather muddled about the nature of multiculturalism. Because,

as we become increasingly diverse as a community and as we become increasingly exposed to these new global insecurities, it's not only important to value and recognize traditional and different communities, and to understand why that community identity is so important to people who have left their own countries of origin, it is also essential that we assert and strengthen what we have in common as a country and as a community. None of this is easy. You have your debates here, as I well know. I'm certainly not going to comment on those! It's not easy in the United Kingdom either. But what a prize there is to be won. Before I flew out last Thursday evening I was at a meeting with Tony Blair and a group of young Asian women. Wonderful young women, all of them seeking education and careers. All of them, in their different ways, negotiating some very difficult issues with families, community and religion. Tony Blair was saying: "Look, this is the way the world is going; people are travelling far more, they are doing business together, they are marrying across the community. And the countries that do become successfully multiracial, multicultural and multi-faith within that framework of common values, those are the countries that have history and progress on their side."

We do indeed live in what the Chinese would call interesting times. Globalisation makes local identity and national identity not less but more important. In a world where identities are often multiple and sometimes very confused and confusing, I feel hugely fortunate to be a citizen not just of one, but of two great countries; each with its own unique position in the world, each with an extraordinary set of economic, social, political and cultural relationships. I look forward very much indeed, as Secretary of State for Trade and Industry and whatever else I may do in the future, to continuing to strengthen the ties that bind our two countries together.



Photo – David Karonidis

John Brogden

Elected as NSW Opposition leader in March 2002, John Brogden let it be known that he saw the task of leading his Coalition to government as no easy path. John Brogden entered State politics in May 1996. One of the younger Liberal MPs, as he took control of the opposition leadership position, John Brogden pledged new energy, a new approach and engagement with the community. In one of his first major speeches after becoming leader, John Brogden addressed The Sydney Institute on Tuesday 23 July 2002.

NEW SOUTH WALES:

PLANNING FOR THE FUTURE

John Brodgen

If I walk into the Premier's office in eight months time and ask to see the "plan for NSW", there will be a deathly silence. There is no integrated, coordinated government strategy for land use management, transport and infrastructure planning in NSW. There is no plan for the economic development of the State. If I were the incoming Chief Executive of a business, there would be a business plan they could show me. Yet for this massive \$30 billion enterprise called New South Wales, there is nothing. And indeed there is no body within government which is charged with coming up with a plan.

That will change when we come to government.

Tonight I want to talk to you about why planning for growth and economic activity is crucial to maintaining NSW's pre-eminent role in Australia. And to tell you how a Brodgen Government will tackle the challenge of planning for the state's growth.

The importance of planning

To govern a state like New South Wales is a great privilege. And with it comes great responsibility. A responsibility to leave the state in a better shape than when we arrived. A responsibility to think hard about how to make the state, and its government, work better. A responsibility, in other words, to plan for the future. For that reason, a Brodgen Government would regard planning as one of our key responsibilities. And when I say planning, I refer to two things.

The first is the planning of physical infrastructure. This is well recognised as a key responsibility of state government. Doing this better will be a major focus for a Brodgen Government. The second kind of planning I am referring to is the critical role of planning for the future. In other words, as well as determining the infrastructure that the state needs – and how to go about providing it – there is the job of determining how we can best plan for the social and economic needs of the future.

Physical infrastructure

Let me spend a moment discussing the planning of physical infrastructure. The Warren Centre at the University of Sydney recently released a report which proposed an integrated transport and planning strategy for Sydney. It was an excellent contribution to the debate about the future of NSW. It made the point that we need to link up the planning of transport corridors with the release of land for housing, for example. But the current premier seems to have a “head in the sand” approach.

Bob Carr has said again in recent weeks that “Sydney is full”. He has called on the Commonwealth Government to meet the challenges of Sydney’s growth with an unworkable simplistic plan to move migrants to country NSW. He has abdicated his responsibility to govern in the face of the reality of Sydney’s growth. On the State Government’s own figures Sydney will grow by 2 million people over the next 50 years. Carr is right when he identifies the challenges to Sydney faced by population growth. And he’s right when he identifies the need to maintain and increase population in rural centres and towns across the state, particularly west of the divide. But the sum total of his plan is to cynically attempt to shift the responsibility to the Commonwealth and call for mortgage breaks to encourage migrants to go west. What’s the use of a cheap home loan without a job?

Like most of this government’s approach to governing, this grabs a headline for a day but leaves the underlying long term challenge unsolved. If he was genuine about his plan he would have advocated mortgage incentives to *all* residents of Sydney to move to rural NSW. Real leadership is needed to focus resources on the challenges of growth in NSW. The challenge for rural and regional NSW – putting aside the present devastating drought conditions – is to maintain and improve the infrastructure necessary to support existing employment and create new jobs.

The challenge for Sydney is to sustain our unique environment, maintain neighbourhood character, provide for sustainable and appropriate urban consolidation balanced with urban growth, whilst at the same time significantly improving our infrastructure to plug the gap and prepare for the future. In essence, the challenge facing both city and country is the need for coordinated, integrated infrastructure planning. Yet this role is simply not reflected in our current structure of government. This government has tried, but failed, to fill the role.

The Infrastructure Unit of some seven staff in the Premier’s Department is a woefully inadequate response. After more than seven years in government, Labor lacks the political will to face the challenge with the necessary reform of the bureaucracy to implement an integrated, whole-of-government plan for the state’s future. After seven years in government Labor is tired. They are coasting on the back of

the state's economic performance – thanks mainly to the Howard Government's policies. They are in government for the sake of being in government. The consequences of Labor's failures are real:

- housing is becoming more unaffordable;
- public transport usage is dropping (with train passenger numbers falling 3.5 per cent in the five months to March this year);
- our road network is congested in the city and under stress in the country; and
- our education and health infrastructure is run down.

In contrast, the Liberal-National Coalition will reform the way government plans for the State's future. We will:

1. Appoint a Minister for Infrastructure and Major Projects – a champion at the Cabinet table to see major projects through the processes of government.
2. Establish a Ministry of Infrastructure Planning and Major Projects. A new central agency of government, with co-ordinating powers to integrate government's approach to land use management, transport planning and infrastructure; *and* to deliver major projects
3. Commission an Infrastructure Audit. The audit will determine the capacity and life of existing infrastructure, and determine the required investment necessary to cap any backlog.
4. And I will appoint a Commission of experts and community representatives to develop a State Plan for NSW.

I will return to this later.

Economic planning

I have talked about the need for government to play a role in infrastructure planning. Let me now turn to the role of state government in economic planning. There seems to be a lazy assumption that economic planning is the job of the Federal Government. Let them worry about, for example, tax rates; or competition policy; or deregulation of airlines or telecommunications or banking. In fact, state governments have a key role to play in economic planning. Many of the important policy levers, under our federal constitution, have been left in the hands of the states. State taxes are one very important policy lever. I have already announced that a Brogden-Souris Government will commission a review of all state taxes.

The lazy approach of the Carr Government – why bother to do anything, the revenue is rolling in, everything is fine – will be thrown out the window as soon as we're on the job. But another very important policy lever is what might broadly be called 'state planning' policy. In other words, we need a long term, integrated approach which asks and answers questions such as:

- How can we best attract investment to NSW?
- What skills will our people need to ensure our workforce is equipped for the industries of the future?
- Which parts of the state are likely to grow in the future?
- And at what rates?
- How will the state's demographic profile change, and how will that impact on the demand for various services?
- What physical requirements will there be for land and buildings?
- What infrastructure support – transport, communications and the like – will we need in the future?
- Put simply – how do we best coordinate our infrastructure, education, planning and tax systems, for example, in order to promote growth, jobs, investment, and the delivery of services, not just now, but into the future?

Where the Carr Government has avoided tackling the issues, we will confront them. And if you look at other states in Australia, the position is very different. Victoria is thrusting ahead in information technology – after the Kennett Government drove to create a climate of innovation. Western Australia is a world leader in resources – and the Court Government ran hard to capitalise on that state's advantages. Queensland has had win after win in aviation, with the Australian headquarters of Boeing and Virgin Blue, and the Aviation Centre Of Excellence with nearly 900 jobs. But in New South Wales, we've done nothing since the Olympics. Unfortunately, the Carr Government has failed to capitalise on this major economic stimulus for New South Wales. In my view, we are at risk of losing our pre-eminence.

Over the past seven years, Victoria, Queensland and the Northern Territory have all grown faster than NSW. And over the past seven years employment growth in NSW has lagged behind the national average. A recent study by the State Chamber of Commerce into the planning and approval of major construction projects in New South Wales showed that the average time to plan and approve an infrastructure project in New South Wales is 3.1 years – seven months longer than in Victoria and 12 months longer than in Queensland. The fact is, under the Carr Government there is no plan for New South Wales and no strategy to ensure that we do not slip behind.

As I mentioned earlier, the Liberal-National Coalition has developed a number of key policy initiatives to meet this challenge. These are:

- An audit of the state's infrastructure;
- The development of a comprehensive State Plan; and
- The creation of a new ministry which brings together infrastructure planning and major projects.

State Plan

A Liberal-National Government will develop a State Plan for New South Wales. It will be a plan which draws on expertise and counsel from government, academia, business, and the community. The State Plan in NSW will guide government decision making. And because plans are never static, it will be reviewed every five years and updated to take account of emerging and new demands.

I have no doubt that the Department of Health would have a longer term plan that addresses some of these issues. Likewise the Department of Transport. But these plan are not co-ordinated across the whole of government.

Now I don't intend to be doctrinaire about this. After all, in 1952 no one could have told you what NSW would look like today. And it follows that I can't tell you today what NSW will look like in 50 years, which is how far out I think the State Plan ought to look. We can, however, probably make some broader generalisations. For example, the average age of the population will probably be higher, and there is therefore likely to be more demand for health services relative to education than there is today. Of course, we can be a lot clearer about the coming five and ten years, particularly when it comes to the provision of infrastructure. And given that the State Plan will inform the private sector of our identified priorities, it will enable the private sector to pitch ideas to government with more confidence.

To prepare the State Plan we will draw heavily on a wide range of sources, including the results of the Infrastructure Audit; priorities and aspirations identified by regional communities; the latest census; the Federal Treasurer's intergenerational report; and input from a range of private sector and policy groups. Delivering the State Plan will require a bold new approach that breaks down the barriers between traditional government department and structures. This will reflect my very clear view about how I want to operate in government. We will seek to do what responsible companies do, and what responsible governments do – develop a long term plan which identifies what kind of state we want to live in and what the arms of state government, together with business and the community, should be doing to get there.

Now I do not want to pre-empt the Plan. But it's worthwhile to spend a little bit of time talking about why having such a plan is so important for New South Wales. I think there are some important reasons. The first is that the complacent approach of the Carr Government currently exposes New South Wales to the risk of losing our economic pre-eminence in Australia. Pre-eminence cannot be taken for granted. Thirty years ago, for example, Sydney was not the financial capital of Australia. Melbourne was.

The fact is, the Carr Government has become lazy about stimulating growth and investment in New South Wales. This attitude is

what I call “the Sydney disease”. The expectation that business will automatically come to Sydney. It’s not out of the question to consider Brisbane making an aggressive bid to topple Sydney’s pre-eminence over the next 50 years. History is replete with examples of regions that have risen and regions that have fallen. Look at the extraordinary rise of California. It is now by far the largest state economy in the US, based on industries like defence, high-tech, entertainment – but in 1900 it was tiny compared to the powerful east coast.

In New South Wales today we face a similar challenge. We are the equivalent of the US north east in 1900 – but will we slip back while Queensland takes the lead? Can I make one additional point about the rise and fall of cities and regions which struck me very forcefully on my recent visit to New York? It is that social policies – such as the priority we attach to making people feel safe on streets and in their homes – can have very important economic benefits.

New York City was in economic decline in the 1980s and early 1990s. And an important contributor to that decline was the rise of crime. People simply did not feel safe in New York. Mayor Rudolph Giuliani came to power in the early 1990s and decided to do something about that. He introduced a very effective new policing strategy, which focused on people committing small crimes: the Squeegee Guys and people jumping the turnstiles on the subway. It is known as the “broken window” theory of policing – and it worked. New York has made dramatic progress over the last decade in fighting crime. I learned from my visit (courtesy of the Liberal Party – not the taxpayer!) how better policing and other measures can greatly improve safety and hence boost quality of life and economic outcomes in a city.

I have said that one of the key priorities for a Brogden Government is making people feel safe again. That is clearly a critically important goal in its own right. But – as the experience of New York City shows – it is also an important part of a strategy to maximise the full potential of Sydney.

Ministry of infrastructure planning and major projects

The real challenge for government is not only to develop our State Plan – but to implement it. We will not achieve this with the present machinery of government. That machinery, frankly, is rusty. Unlike Victoria, NSW does not have an integrated, co-ordinated approach to infrastructure planning and major projects. Planning NSW – the government’s land use planning department – is unable to co-ordinate infrastructure priorities across government. It lacks the authority within the bureaucracy to hold the line against larger, big spending departments and agencies.

But we can learn from the success of the Olympics in Sydney. The Olympic Coordination Authority worked. It got things done. It reached across departmental lines, and had the power to crack heads and get things moving. You need to merely look at the infrastructure built because of the Olympics to judge its success. The OCA delivered the largest major project in NSW since the Snowy Mountains Scheme. The OCA worked because it had both the policy responsibility and the powers to get the job done. The Government recognised that the structure was simply incapable of delivering such a major project on time.

The closure of the OCA was the abandonment of an effective whole-of-government approach to the planing and delivery of a major project including both public and private involvement. In government we will bring infrastructure planning and major projects together in a senior portfolio – a new central coordinating agency of government in the true sense – responsible for the development and implementation of the State Plan and the delivery of major projects. The Ministry will bring together planning expertise from across state agencies into one central agency. The best planners and projects managers from the public sector will be combined to deliver a co-ordinated approach to land use management, transport and planning.

We will also attract planners and project managers from the private sector to work in government. I want to combine the best of the public and private sectors in the essential task of planning for the state's future and delivering major projects. Being a central co-ordinating agency it will rise above departmental differences and rivalries. The Ministry will have at its fingertips the knowledge of priorities across all portfolios. So when an agency expresses a need to build a particular piece of infrastructure, there will be centralised knowledge of other needs that can be packaged into that opportunity – and provide better value for taxpayers.

If, for example, a State Plan concluded that a new roadway across the mountains to the west, or an upgraded high speed rail network, was a priority for the next New South Wales Government, the new Ministry could well be cutting its teeth not just on a road or rail project, but on a complete infrastructure solution that might also bring together road and rail, energy distribution networks and information technology links. The present approach to infrastructure development, by contrast, would simply not allow this sort of project to go ahead. Such an approach will not just mean financial saving – it will mean that in some cases infrastructure that might be ten years down the track for one agency could be realised much earlier in combination with another department's agenda. It will mean the people who need services across a number of agencies will have a better chance of having those services provided more conveniently and effectively than ever before. As well as

operating as a central co-ordinating agency for the provision of infrastructure, the new Ministry will have an important major projects role.

In the mid the 1990s the Kennett Government established an Office of Major Projects. The Victorian experience – which was implemented by Kennett and continued under Bracks – was that the greatest impediment to major projects was not the consultation process with the community or the requirements of the proponent, but turf wars between government agencies. These bureaucratic turf wars must not be allowed to get in way of delivering investment and jobs. And our new Ministry will ensure that they don't.

Just as importantly, the Ministry will operate in a transparent fashion. Our broad priorities will be identified in the State Plan. There will be a minimum threshold value for a “major project”. When a decision to give a project “major project status” is made, the reasons for making that decision will be published. And if a wholly private sector initiative, say an aircraft factory, was to be given major project status, the benefits to NSW in terms of jobs and investment would also be placed on the record. After all, transparency and certainty of process are not just essential in encouraging greater private sector involvement in the provision of infrastructure; but they are also an essential element of good government.

The State Plan will inform the private sector of our identified priorities, and we will be open to the ideas of the private sector on innovative ways to meet those needs. The Ministry of Infrastructure Planning and Major Projects will also be the place where unsolicited infrastructure proposals are assessed. Ironically, the Carr Government's stagnation on PPPs and infrastructure renewal means we have a chance to learn from the well developed experience in the United Kingdom under Labour and other places, and do it even better.

The Carr Government has made very little use of public-private partnerships to drive infrastructure improvements. I've previously said that this is a clear difference between us and Labor, and to underline the point I have appointed a Shadow Minister with responsibility for this area. We will look very closely at the Partnerships UK model as a way of capturing the very best public and private sector expertise to design and deliver finance models for infrastructure. This Ministry is unashamedly designed to get things done – and send a message to traditional agencies that territorial turf preservation is not on the agenda of a Brogden Government. And if it needs a new Act to achieve this, then we will give it one.

Don't just take my word that we need to renew and reform the system. Here's what Labor's then Planning Minister Craig Knowles had to say in the Sydney Morning Herald in 1997:

It had taken three government departments, four Acts of parliament and 20 regulations to agree on a 28 km cycleway around Sydney Harbour, but a year later it was no nearer starting ... No one is to blame because no one is responsible. Everyone agrees the cycleway is a good idea, yet they just can't seem to get it together. Each agency is performing to its own agenda and needs. The community interest is submerged in bureaucracy. Now if we can't build a cycleway, how can we aspire to manage...competing developments. (*SMH*, 14 March 1997.)

So Labor agrees with us on the diagnosis of the problem. The difference is that in seven years in government, they've done nothing about it. We will. Our new Ministry will have the authority to drive infrastructure planning and economic development in New South Wales. And it will have the policy capability to analyse and deploy the right policy tools to help the government do its work.

Conclusion

My purpose today has been to demonstrate to you that a Brogden Government will take a very different approach to the Carr Government when it comes to planning the future of this State. We will plan for the future growth of New South Wales. And we will establish an effective new Ministry with the resources and the authority to drive this planning – and to turn the plans into action. It promises to be an exciting journey for the State of New South Wales. I look forward to the challenge of putting our plan into action in government.



Photo – David Karonidis

Don Watson

Don Watson became Prime Minister Paul Keating's speechwriter in January 1992, less than a month after Paul Keating became Prime Minister. He became a close adviser and friend to the PM. Through the four turbulent and exhausting years Don Watson worked as the PM's speechwriter, he kept notes of politics behind the scenes – the personalities, the triumphs, the failures. From these notes, Don Watson the historian has written *Recollections of a Bleeding Heart* (Knoff), a runaway best seller and described as “a frank, revealing and engrossing portrait” and “a unique reflection on modern politics, government and Australia itself”. Don Watson addressed The Sydney Institute on Wednesday 31 July 2002.

AFTER WRITING

ABOUT PAUL KEATING

Don Watson

My fellow aspirationals. Members of the mass affluent. Non-members please identify themselves. Thank you for coming. It is no small gesture to give up the Commonwealth Games on TV. It's the 60kg clean and jerk tonight I think, and the backstroke.

I have been talking about this book for weeks. Large numbers have turned up, most of them disaffected, wanting something better than what is presently offered. Wanting Paul Keating, or at least some part of him, back. So I thought I'd talk at a bit of an angle to the book rather than to the book itself.

A couple of months ago I was taking my coffee on the street outside my coffee shop – as one does. A latte, double shot – as one does. Skim milk. And two people in their early twenties, dressed like gypsies but lacking something of a gypsy's provenance, with enough metal in their faces to make an anti-personnel bomb, walked by. The girl led the way – by a considerable margin I would say.

She was saying – I was in there yesterday with Kyle (I think it was Kyle. It might have been Job, with an "e"). She had a rising inflection of course.

She said – someone had stolen his bag.

And he said something in reply, but I didn't catch it because he had a piece of metal in his septum that might have been a bored out bath plug or the wheel of a wheelbarrow.

She said, anyway – he was sorta out of it. And they didn't like the energy. And they kicked us out.

And he said (I'm pretty sure) – sounds fucked.

And she said – what?

And he said – sounds fucked.

And she said – it WAS fucked.

And they moved on down the street.

And my question to Tony Abbott and Mark Latham and Simon Crean and John Howard is – elite or aspirational Australians? Battlers or chatterers? Are they the sort of people we want in this country?

If they were in a boat in the Timor Sea, would we pick them up or let them sink? If the First Fleet were in the Timor Sea would we pick them up, or send them to New Zealand? If ever there was bunch of “illegals”, after all, it was our founding fathers and mothers.

Political categories are always inadequate. They cannot define multitudes – interesting, overlapping multitudes. But this is no reason to put up with them. Not if we want to resist the tendency to define democracy in terms no broader than the political interests of the governing party – and, as long as that tendency appears politically felicitous, the perceived interests of the Opposition too.

In the United States they call it “hunting where the ducks are” – which is to say where the votes that are believed to count are. And to hell with the rest of them. And if we are content to follow them in this as in so much else, then we can expect to end up in the same Florida swamp, watching as the two leaders of all but identical parties beg their way around all but identical suburbs to see who can get eighteen of the last thirty-four aspirational voters in the land. Switching from baseball cap to yarmulke depending on the voter profile.

Joan Didion noticed it in the first Clinton victory. What seemed novel about the use of focus groups, she said, “was the increasingly narrow part of the population to which either party was interested in listening, and the extent to which this extreme selectivity had transformed the governing of the country, for most of its citizens, into a series of signals meant for someone else”.

Political terms are sometimes attempts to rob groups of political legitimacy (not to say, any human quality). Elite, intellectuals, chattering classes, basket weavers, trade unionists – lawyers, economists, bleeding hearts. But others, coming mainly from focus groups – like aspirational and battler – have a more positive spin. At other times, battlers might have been called losers; and aspirationals might have been avaricious, social-climbing, nouveau, pathetic wannabes. Philistines. But these people were discovered by scientific means to *count* politically – and they were *good*. Because they are the real people.

With these terms there always goes a suggestion of political wisdom – they are buzz words, and buzz words buzz because they reflect some insight into things.

But there is something wrong with political wisdom. It’s almost an oxymoron. It has much in common with military wisdom, in so far as only one side can be right in the end; and even then, despite what the triumphant side will say, luck is just as likely to have determined the result.

To be wise in politics is, often as not, to be wise after the event. The most perfect simile for political history was Ronaldo’s goal in the World Cup final. Brazil celebrated like a political party on election

night, as if it was a masterstroke of strategic planning or genius. In fact it was pure chance – the ball landed on the German’s thigh at the perfect angle to roll it clear and into the path of the Brazilian’s foot.

For weeks a novel by Ian McEwen called *Atonement* has been on the top of the best seller lists, a regular section in the newspapers I have recently taken to reading. I read *Atonement*. I do not see why people engaged in politics should not read novels. They used to. They used to read Keynes as well. Of course, they also read or were informed by Michels and Schumpeter and Weber and Mill and many others: but for the past 20 years they have only read Milton Friedman and his derivatives and the reports of focus groups – and the marginalized ones have read John Raulston Saul.

Atonement describes the way in which the slightest shift in mood, an impulse, a mild psychosis, a failure of perception, something unanticipated like a war or a letter that falls into the wrong hands can change the course of a life, or of all history. Good novels do tend to work on this theme. They get at truth through *provisional* observations and sentences; they recognize instinctively the second law of thermodynamics – all matter tends towards disorder. This is also what people who write political history need to do sometimes. And if *they* must, why should people who practise politics ignore it?

It’s a dysfunction isn’t it? In politics all the pressure is towards the absolute – yes or no? Did you or did you not say? No wonder the discipline invents muck: non words, catchalls – “that’s a *hypothetical* question, Michelle”. “We are committed to this, yes, at this point in time, I would say, absolutely, Laurie – but at the end of the day...” “What we are seeking are outcomes for all Australians.”

The provisional is not acceptable as news. The language pays the main price.

Politics demands wrestling with the inchoate, and we prize those who can best make sense of it and direct it for us. The game encourages players to strive harder to make the game plan all encompassing and foolproof, to repel the Philistines with mockery and insults. But once the rules – or strategies – are made ineffable, the reality is soon defined to match it, and then there is no reality save that of the ruling group. Think Robespierre if you like, but you don’t have to go that far to be suspicious about people whose instinct is to stamp out, as if it were deviant, everything bearing a trace of life’s mysteries or contradictions. As if democracy can be reduced to something homogenous, conformist, predictable – as if to say we are all the same, and those of us who aren’t don’t count.

I think this is what John Button is concerned about – that the Labor Party (and he might as well be talking about the others) is now so thoroughly in the hands of people schooled in this way of thinking and little else. As if the principles of Duntroon, Sandhurst or Fort

Bragg had been applied and it might be said of the Australian Labor Party what *Punch* once said of the British Army: that “it would be very dreary indeed if officers were ever thrown back upon their conversation”.

The mistake is to think that intimate knowledge of the focus group is equivalent to knowledge of the people and the country such as good leaders often have. The kind of *historical* knowledge described by Vico as, not like understanding how to ride a bicycle or read statistics or even trends; but “more like knowing what it is to be poor, to belong to a nation, to be converted, to fall in love, to be seized by nameless terror, to be delighted by a work of art”.

Call it if you like a “liberal humanist” understanding – it’s how we make sense of people, and therefore it’s useful to history and politics alike. But as with governments, bureaucracies, corporations and defence forces – wherever careers are carved out – politics is prey to fashion. And fashion does not respect values, liberal humanist ones included. Its practitioners are prone to believe in new words and phrases that indicate to them an advance in human understanding and render most knowledge hitherto outmoded or extinct.

Political and corporate thinking merge in this. The fashion is for strategies and what are now called “outcomes” – a modern portmanteau to hold such words as result, consequence, upshot, product, effect, event, incident, happenstance; phenomenon which are all subtly different and don’t suggest as “outcome” does that everything in the world is or can be governed by strategies. Without outcomes you can’t have accountability – or transparency for that matter – and if you don’t have these things pretty soon you’ll be putting a lot of things down to bad luck. And where will that leave the litigation industry?

Where will it leave the nineteenth century novel? Or Western culture in its entirety? But what’s culture or history got to do with politics? Nothing, if it doesn’t have a measurable outcome. If there is no accountability and no transparency, who will oversight the outcome?

We have left the age of enlightenment – no bad thing some would say, when you think of some of the monsters it conceived. But the age of entitlement which has replaced it promises to be as bad in different ways. From a few hundred examples consider that word “aspirational”. I daresay every single person in this room has aspired to something sometime – perhaps some still do. But I doubt if the word in its present political meaning describes anyone here. Aspirationalists want better lives for themselves and their children, we are told. I’ve not met anyone, outside an asylum or monastery, who wanted a worse life – ever.

Aspirationalists, apparently, are distinguished by their desire to have things, and to climb to a higher social rung – as if our generation and the one preceding it did not. And a cocktail of three parts good luck and one part good-will made it possible for many of us. The Labor

Party has had this aspiration since it was founded – so have the conservative parties with the possible exception of the Queensland Country Party and elements of the Victorian Liberals.

So how are the aspirations of the aspirationalists different? I can only think it is because they're entitlements. They are not, as they were in the liberal consensus, things earned by and relative to the pursuit of the general good or the good society. The good society is assumed and now a class emerges that reckons it has a right to the spoils. And for want of any alternative zeitgeist in the land – anything of the nation or community building kind for instance, anything reminiscent of enlightenment or liberal aspirations, or Vico's conception of historical knowledge – why wouldn't they? They've had two decades of the free market economy, six years of an unfettered ideology to match. The spirit of entitlement is registering big on the party screens and the parties are running with it. Both of them.

Just where it will take them is not all that clear. Catering to this aspirational impulse is usually the thing banks do; but in the new economy banks have had to take on the old role of governments and concern themselves with things like social welfare, the community and regional development. So parties aspiring to govern must make themselves more like banks used to be and dedicate themselves to the gratification of individual wishes. It is the end of ideology to accompany the end of enlightenment, socialism, liberalism and all the other good intentions that Oscar Wilde defined as useless attempts to meddle with the laws of nature. Of course political parties can't help turning the end of ideology into something that sounds like ideology: so we have made the national goal the creation of "the greatest shareholding democracy on earth". Thus will those in whom "aspirationalism" inheres define our national aspiration.

But it still boils down to something much more like unvarnished self-interest than the various liberal, national or communitarian ideals those of us over forty were raised on – whether we were followers of Menzies or of Labor.

And I think there may be a connection between the new prevailing sense of entitlement – formerly noticed only in the arts but now, as I say, more general – and that notion that everything can be managed into an agreeable outcome, indeed a "managed" outcome. And if it is not, someone must be made "accountable". A medical scientist said to me recently that the biggest change in medicine in the past 200 years was the belief now widespread that there are no accidents. Mistakes, misjudgments, inadequacies of various kinds are not an ordinary part of existence – someone is to blame and must be held accountable. The most dramatic manifestation of this view is the news that in some parts of the US parents have taken action against their gynecologists when their school age children turn out to have lower than hoped for IQs.

Perhaps it's not the ideology, or the end of history, but just another perverse reading of liberalism. It wouldn't be the first time the enlightenment conception of freedom has been turned into its opposite. It's not totalitarianism in this case: instead it's soggy narcissistic aggressive hedonism, indulged in by rich and poor alike; the rich as vulgar self-congratulation, the poor as vulgar compensation. Perhaps it's the narcissistic wound we baby boomers fear we have inflicted on our children: you know the story – we got so absorbed in our own lives and our great causes we left them forever seeking compensation, demanding rights, blaming us, confusing privilege with freedom and rights. If you do nothing else before you die, that would-be boomer Phillip Roth says in one of his recent novels, tell your children that you won't listen any more, it's not your fault.

Or as someone else said, we boomers *are* at last paying a price for our good fortune – our parents won't die and our children won't grow up.

Where does this leave a party of reform? The party of good intentions. A party that does not want to alienate itself from the trends in society, yet harbours a belief that society needs changing? What is it to do? Go on whistling in the dark, while meanwhile through a combination of stupendously well-aligned stars and the absence of any competing image, John Howard goes from garden gnome to talismanic leader in his Zen hat, icon of our national pragmatism? Talking, walking embodiment of the end of ideology, the world's first post-modern man?

And to think some people thought Paul Keating was. But Keating, it turns out, was the last liberal. If that sounds a little weird, he was also the last hope for an Australian settlement. Not the one that came asunder roughly in unison with the collapse of the Soviet empire – but a new one to replace the old. We might call it Keatingite New Liberalism. And if the Labor Party wants to be less like a creature looking under rocks to find itself, and more like a party people want to join and vote for (as they always have whenever it was more or less credible, they could do worse than look back to the Keating government.

It's been a no-go zone for six years and no one has to tell old Keatingites why. It was a monster loss in 1996, and there can be no doubt that for good reason or bad the matter of Paul Keating had something to do with it. Not everything: if interest rates had been as low as any preceding government had a right to expect after four years of low inflation growth; if unemployment had fallen as any preceding government had a right to expect; if asset prices had risen as they always had in a prolonged recovery – if some of the circumstances enjoyed by John Howard had been enjoyed by the man, the government and the party largely responsible for them, a lot of the

debate about the style of Paul Keating's leadership might be tending to the academic.

Not for a moment should Labor contemplate imitation. Not everything Keating attempted need be revisited, but it might have to stop treating the Keating government in much the same way that Gore treated Clinton in the last US election. Almost certainly it cost Gore the presidency. Purging all signs of Keating might have cost Labor the core of its own belief, ancient and modern – and, the conservatives having abandoned them, with this will go the liberal traditions of a century.

Paul Keating said it often enough: in the 1980s the economy was transformed; in the 1990s the nation and society would be reshaped. He meant, though the term did not fall easily from his lips, reshaped along social democratic lines. He was not voted out for saying this or for giving it substance with investment in public education, training and labour market programs; maintaining a fair public health system; a social wage; national superannuation; or for a more measured and less brutal approach to labour market reform – or for APEC or Mabo for that matter. Such elements of the old settlement as he retained, and those he invented to shape a new social contract, did not cost Labor government. Having ideas for the nation did not cost him. Failing to explain his thinking adequately, perhaps; failing to address large parts of Australia that felt abandoned and misunderstood, certainly – and much else no doubt. But his idea of an open, liberal social democratic Australia – an idea no more or less radical than the Liberal/Labor first decade of the Commonwealth – did not bring him down.

If the paradigm has shifted from the liberal to the neo-liberal, or the European to the American, it is principally because the Howard Government has shifted it. Labor needn't fear it is resisting history – or the end of it – by resisting this change in Australia's direction. And it needn't prove it's grasped the new reality by chasing idiotic categories like aspirational.



Chris Enright



Lindy Edwards

Photo – David Karonidis

The language of professions such as the law and economics can often appear as technobabble to the uninitiated and discussion about how to simplify or make more accessible legal and economic prose has increased with the advent of the media and telecommunications age. Lindy Edwards, author of *How to Argue with an Economist* (CUP) and Chris Enright, author, *Legal Technique* (Federation Press) think they have some of the solutions. They put their respective cases for improvement at The Sydney Institute on Tuesday 6 August 2002.

GETTING THE

MESSAGE ACROSS: HOW TO ARGUE WITH ECONOMISTS

Lindy Edwards

It is ten years since Michael Pusey's *Economic Rationalism in Canberra* was published and six years since Pauline Hanson burst onto the political scene declaring proponents of economic rationalism to be treacherous self seekers. And still, a discussion of how to argue with an economist generates passionate debate. The Australian public has been in revolt over economic rationalism for over a decade, and yet it remains as powerful as ever.

The economic rationalist revolt has become a defining feature of the Australian political landscape, but it is not a conflict between political parties. The conflict is between the electorate and our expert policy makers in the bureaucracy. Politicians are caught in the cross tide. On the one hand they know that the electorate will not tolerate further free market reform. But on the other, all of their expert advisers are telling them that there is no other way forward. Both sides of politics are flailing around in the dark trying to work where to go next. So what is the reason for this political schism? Why are the community and our policy makers so at odds? What is the wall between them that is so impenetrable?

Jargon

Jargon has erected an impenetrable barrier between the community and their policy makers. It has made dialogue, debate and constructive solutions almost impossible. Jargon's role is playing out at two levels. The first is how it excludes the uninitiated from debate.

We know how language excludes people from participating in discussion. How it is intimidating. How professions use it to demarcate their boundaries. And how it makes engaging discourse across worldviews almost impossible. It leads to insiders and outsiders throwing rocks at each other from a distance. Critics attack economic rationalists accusing them of being heartless bastards, and the economic rationalists retort by dismissing their critics as not being

educated enough to understand. Little connection made. Few ideas get thought through. And nothing is resolved.

The second problem with jargon is that it doesn't just befuddle outsiders. It also befuddles the experts. The jargon makes it much harder to spot the flaws. The most common comment I have had on my recent book on this subject has been that it sounds so obvious and straight forward. How could anybody have missed these gaping holes in the economic approach? And yet, I am very conscious of how easy they are to miss.

I used to work in the Department of Prime Minister and Cabinet. In the beginning I was drenched in the economic rationalist worldview and was convinced by its internal logic. I was doling out economic rationalist policy advice along with the best of them. But there was a niggling feeling in the pit of my stomach that there were things we weren't taking into account. Issues would come up that I would think were important, but I couldn't work out how to integrate them into our daily analytical framework. Time pressures would mount, and invariably the issues ended up being tossed to one side for a lack of a way to deal with them. Eventually the niggling reached a roar, and I had to do something about it. The economist Paul Krugman put his finger on the problem I was experiencing when he wrote:

The strategic omissions in building a model almost always involve throwing away some real information ... and yet once you have a model it is almost impossible to avoid seeing the world in terms of that model – which means focusing on the forces and effects your model can represent and ignoring or giving short shrift to those it cannot. The result is that a successful model has the effect of destroying knowledge as well as creating it. A successful model enhances our vision, but it also creates blindspots.

There are things that economists immersed in their models systematically overlook. There are issues that economists ignore that the wider community sees clearly. The lack of crossover in the language makes these blindspots difficult to expose and debate. Jargon hides those blindspots and shelter economists from scrutiny. The answer to both of these problems is to debate economics in plain English.

Plain English version of economics

In setting up this dialogue, my approach has been to take on economics at its strongest point. My goal was to latch onto economics most powerful ideas, and distil them to their essence. When translated into plain English, microeconomics' central tenet is that the market operates as a democracy of consumption. The idea is that the world has finite pot of resources. The economic challenge is to work out how to use those resources so as to deliver the greatest possible level of human wellbeing. Economic theory argues the market solves this dilemma spontaneously.

There are two parts to this remarkable dynamic. Firstly, when you and I go out into the market place we buy the things we value most. We are prepared to pay higher prices for the things we value highly, and less for the things that are a lower priority. Secondly, on the other side of the equation, businesses will head into the market place wanting to make the products that deliver the most profit. They will direct their business activities to producing the things that get a high price, but are cheap to make. That is, they will target the community's resources at producing the things that are highly valued and use minimum resources. As a result, the competitive market, with all of its self seeking behaviour, will result in our resources being targeted at the things we value most.

When we go out there and make purchases, we are effectively casting our vote about how the community's resources should be used. We are an active player in the grand democracy of consumption. Fierce advocates of the free market believe the democracy of consumption works almost perfectly. It is almost a pre-ordained natural order. They insist that if government steps in it will just make things worse. They argue that the right of consumers to cast their votes as they please is paramount, and it is more than to just unhelpful, it is downright unjust for the government to step in and disrupt this natural democracy. As a result, debating economic rationalists is about debating whether the market lives up to this democracy of consumption ideal. Does it really give us all a vote? And does it deliver the best possible level of human well-being?

There are a number of reasons why people are sceptical of the market's democratic credentials and why they think the market will fail to deliver the things that really matter. But for now it is useful to focus on one. The most striking flaw in the democracy of consumption is that it is a democracy on a sliding income scale. Those with a lot of money have a big vote, and the poor are almost silenced.

It seems self evident doesn't it? Yet, to many a professional economist, it is not at all self evident. The reason is that it falls into one of the economic models' blindspots. The models do not have the facility to look at how different socio-economic groups fare in the democracy of consumption. When you look at the models and use the key tools of economics you cannot immediately see how effective different groups might be at getting their voices heard. This blind spot arises due to the shortcomings of the modelling tools of demand and supply. References to these mathematical abstractions have become so widespread that even the non-economists are likely to feel like they are familiar.

But to clarify, demand for funky baby blue moccasins is just the total number of pairs of baby blue moccasins people are prepared to pay for. Toss everyone in together and count them up. Similarly with

supply. Throw in all the baby blue moccasins that businesses are prepared to make and add them up and you have supply of moccasins.

Economists then charge along on their merry way to complete their analyses – “An increase in the tax on blue sheep will reduce the number of moccasins businesses are prepared to supply at a given market price...” Demand and supply are the most commonly used tools in economics. They are its staple.

But once you’ve thrown everybody in together, the analysis can’t break them out again. Purchasers of blue moccasins, versus pink ones, might be concentrated in particular genders. Some blue moccasin wearers might be of particular socio-economic background, others might be of particular ethnicity, and others still might be of particular age group. But once they are all thrown in together, the analysis has no way of looking at individuals or different groups. As a result, the individual differences become economics’ blind-spot. The demand and supply models obscure that different people would be differently affected by the tax change and that the costs would be concentrated in particular socio-economic groups.

There are bandaid solutions on offer. The rule of thumb is to organize things on the basis of everyone lumped in together (an approach that implicitly assumes everyone has an equal vote) and then go back afterwards and give a bit of extra money to the people who got really hammered. But it is a pretty unsophisticated solution. It acknowledges the problem, but fails to seriously engage with the different voices people have in the democracy of consumption.

The failure to make how different people fare in the democracy of consumption an integral part of economic analysis means it is often overlooked. It creates the bizarre scenario where the casual observer sees these issues more clearly than the expert economists who are looking at the world through a demand and supply lens. As a result, using plain English isn’t just about being gracious and empowering the wider community to participate in a conversation. Plain English is also a reality check. It is about forcing the experts out of their abstracted worlds to check that what they are doing translates into something meaningful.

Debating economics in plain English is essential to reconnecting our policy makers to their community. Economics is a very useful discipline with some powerful insights into how human societies work. But left unchecked and unchallenged it can be a menace. Its values and priorities are entrenched deep into its models. If decisions are made unscrutinized we risk introducing modelling errors into public policy. But even more importantly, when economics oversights embody value judgements, democratic political debate is railroaded and philosophical agendas are implemented by stealth.

LEGAL WRITING:

SURPASSING ALL UNDERSTANDING

Chris Enright

Legal writing encompasses writing for making or using three sources of law – primary, secondary and tertiary. Primary sources are the law itself – statutes (including delegated legislation) and cases that decide questions of law. Secondary sources consist of second hand accounts of law, as there are in textbooks and articles in journals. Tertiary sources of law are documents generated in the process of using law. Examples are judgments deciding questions of fact, opinions and written contracts. Describing these as a source of law is more convenient than logical, but it provides a useful and consonant label for legal writing that is not covered by the other two categories.

Legal writing has a problem, which is visible to the naked eye. It is often hard to read, and at times it is plain incomprehensible. So, my paper discusses this problem, first explaining what cause it then showing how to solve it.

Lawyers do not lack knowledge, commitment or intellect. Why, therefore, do many have so much trouble writing clearly? The answer lies with technique, and can be explained by an illustration. Take ten surgeons and ask them separately how they perform a particular type of operation, for example, removal of an appendix. Their answers would be coherent – you could follow what they were saying. Their answers would also be congruent – they would all say much the same thing. Now take ten appellate judges and ask them to explain the process of legal interpretation. Based on the things that judges say about interpretation, both on and off the bench, their answers would emphatically not be coherent or congruent.

That lawyers cannot explain what they are doing is the key to understanding why they do not do it well. This understanding rests on the distinction between implicit and explicit knowledge of a technique. A person who knows a technique explicitly is aware of what it is, whereas, if their knowledge is implicit, they are not aware.

Two major consequences flow from this distinction. First, when a person knows a technique explicitly they can improve it. Technique can

be written down and made accessible to everyone. Others can then test it. They can test it in theory as they read the written account of it and see how logically the parts fit together to make an orderly whole. They can test it in practice, as they use a technique to do a task. Over time, this scrutiny and analysis in both theory and practice will expose any flaws in the technique and ensure that they are corrected. In consequence, the ensuing explanation of how to do the relevant task will be coherent.

Second, those who know a technique explicitly can explain to another person what they are doing and how they are doing it. By contrast, if they know a technique only implicitly they cannot explain it. Thus, knowing technique explicitly rather than implicitly is an essential condition for training members of an occupational group. Training members in this way will mean that accounts of how to do the relevant tasks will be coherent because it is clear how to do it, and congruent, because each will see it and say it in much the same way.

In the light of this, it is simple to explain the nature and cause of the problem. To date, lawyers have not devised techniques for working with law that are both effective and explicit. Without such techniques, the quality of legal work is severely constrained. Furthermore, this problem is professionally transmitted to the next generation. Not understanding techniques for working with law, academics cannot teach explicit techniques, so students learn only implicit techniques, and do so by osmosis.

These problems with technique affect all tasks involved in working with law. They affect making, interpreting, researching, using and reading law. Not surprisingly then, they affect the problem which concerns us, writing law. Presently, under the regimen of learning by osmosis, law students learn legal writing by using badly written legal texts as a model.

Solving the problem of lack of technique is simple: devise and articulate techniques for working with law. Here, these techniques are described by models – the model for structuring law, the model for forming (ie making and interpreting) law, the model for using law and the model for writing law. Because the model for legal writing incorporates the other models, I will describe it first.

Before this, an explanation. These models designate some items by the letter “n”. This invokes the standard mathematical meaning, ie however many items there are on any particular occasion. To illustrate, items in a list are labelled Item 1, Item 2 ... Item n, and the whole list is designated Items 1–n.

Good writing is clear writing and the key to clear writing is to structure it. Consequently, the centre of the model for legal writing is about the structure of a text. It has different levels – set out as follows in their natural order and their ascending order of importance (lowest

first, highest last): get the words right; write proper sentences; link sentences properly to ensure that each sentence flows from the one before it; form paragraphs; gather sentences into paragraphs; link paragraphs to ensure that each paragraph flows from the one before it; get the overall structure right. All paragraphs must be joined to create an overall structure for the text so that the text flows coherently.

While each of these levels is important, generally the higher the level the more important an item is; conversely a mistake at a higher level is a bigger problem than a mistake at a lower level. For example, a poor overall structure usually creates much more of a difficulty for a reader than a poor choice of a word. For this reason later discussion focuses on overall structure.

Legal writing is distinguished from other writing by two things. One concerns the specialised vocabulary, the technical terms needed for law. The other is the overall structure of legal writing, which is the most distinctively “legal” part of legal writing. Overall structures uses, in various combinations, one or more of the other models for working with law – the model for structuring law, the model for forming law and the model for using law. Therefore, to write law properly it is necessary to understand these models.

Structuring a specific law or rule entails breaking it into two parts, a check list of elements, and the consequences that apply when each of those elements is satisfied by the facts in a particular case. This can conveniently be set out as follows: Law – Element 1; Element 2; *Element n*; Consequences

In the model there are Elements 1–*n*, ie elements labelled Element 1, Element 2, and Element *n*. Each element delineates a type or category of fact which must be established to satisfy the element. Such a fact is called a material fact, a relevant fact or an essential fact. In litigation, a fact is established by evidence. In transactions, facts are established by carrying out processes. To obtain the legal consequences designated by the rule, a person must satisfy each element of it. Thus, for the law to apply to a set of facts, the facts in the set must contain facts which satisfy each of these elements. If they fail to do this, even on just one element, the law does not apply.

An element can be divided into various levels called sub-elements, sub-sub-elements and so on. Strictly it is necessary to add the prefix “sub-” for each new level of subdivision, but this is clumsy, and is avoided in either of two ways. First, we can use “sub-element” as a generic term for all these divisions and subdivisions of an element. Second, where elements and their subdivisions are numbered, as they are in the illustration below, refer to them just as “elements” because their number indicates their level. For example, Sub-sub-subelement 1.5.1.1 can be referred to just as Element 1.5.1.1.

To bring sub-elements into the model, keep dividing a legal rule into categories of sub-elements until all the provisions of the rule are covered. In abstract form, the result of this operation can be illustrated by the following hypothetical structure:

Element 1; Element 1.1; Element 1.2; Element 1.2.1; Element 1.2.2;
Element 1.2.3; Element 1.3; Element 1.4; Element 1.5; Element 1.5.1;
Element 1.5.1.1; Element 1.5.1.2; Element 1.5.2; Element 1.6;

Element 2; Element 2.1; Element 2.1.1; Element 2.1.1.1; Element 2.1.1.2;
Element 2.1.2; Element 2.1.3; Element 2.2; Element 2.3; Element 2.4

Element 3; Element 3.1; Element 3.2; Consequences

To explain how the hierarchy works, start with the divisions of Element 2. When Element 2.1.1.1 and Element 2.1.1.2 are satisfied, the consequence is that Element 2.1.1 is satisfied. When Element 2.1.1, Element 2.1.2 and Element 2.1.3 are satisfied, Element 2.1 is satisfied. When Element 2.1, Element 2.2, Element 2.3 and Element 2.4 are satisfied, the consequence is that Element 2 is satisfied. When Elements 1, 2 and 3 are satisfied the consequences of the rule, whatever they may be, apply to the parties involved.

When each element of a legal rule is satisfied by the appropriate facts it brings consequences to the parties involved. In civil law, typical consequences are that the defendant is guilty, and liable to the plaintiff for some remedy, most obviously damages. In criminal law the consequences are that the accused is guilty of a crime and is liable to punishment, eg a fine or a prison sentence.

Law has to be made or formed. Legislatures make statute law and courts make common law. Courts also make law, but in a restricted way, when they interpret law. However, since interpreting rather than making law is the main task of lawyers, ensuing discussion will focus more on interpreting than making law.

Forming law is analysed by a model for making law and a model for interpreting law. Since interpreting law is a special case of making law these models are very similar and can be brought together in a single model for forming law. This model has three components:

- (1) The options facing a legislature or court about to make law, or a court about to interpret law.
- (2) The reasoning process that legislators and courts invoke to choose between the options.
- (3) The decision to choose one of the options.

Options facing a court about to interpret law have two parts. Most obviously, they consist of the meanings of an ambiguous provision in statute or common law that a court has to interpret. In addition, they consist of the effect that each meaning will cause if it is chosen as the

legally correct meaning of the ambiguous provision. These options can be set out in a table:

<i>Meanings</i>	<i>Effect</i>
Meaning 1	Effect 1
Meaning 2	Effect 2
Meaning n	Effect n

In the left hand column are the possible meanings of the ambiguous provision, designated as Meanings 1–n. The court may choose one or more of these meanings, in the range Meanings 1–n, as the correct legal meaning(s) of the ambiguous provision. In the right hand column are the effects which each meaning will cause if the court chooses it as the correct legal meaning. These effects are Effects 1–n, to correspond with Meanings 1–n, so that Meaning 1 causes Effect 1, Meaning 2 causes Effect 2 and so on.

The second step of the model for forming law is the reasoning process which legislators and courts utilise in order to choose between the options. This process has three parts – formulating reasons, weighing reasons and displacing reasons.

There are three main sources of reasons – policy, principle and precedent (although precedent is used only for interpreting law not making law).

Policy: When a court uses policy as a means of reasoning it does two things. First, it looks down the list of effects, Effect 1–n, and chooses the effect which it believes is the best one, ie is the most desirable outcome. For example, a court interpreting law might choose Effect 2 as the best effect. Second, the court will then choose the meaning that brings this about. As the table above shows, the meaning which causes Effect 2 is Meaning 2.

Principle: Principle is similar to policy in that a court first chooses the effect that it wants implemented, then chooses the meaning that will bring this about. Principle differs from policy in the manner of choice. Principle operates where one effect is absolutely (or inherently) right, and the rest are absolutely wrong, regardless of other considerations. Thus, if a court interpreting law regards Effect 1 as the absolutely right outcome and all others as wrong, it will choose Meaning 1 as the correct interpretation of the provision and not change it.

Precedent: Precedent consists of two decisions or rules. The first is the prior decision, the decision in the earlier case which is a precedent. When interpreting law this decision says that one meaning (eg Meaning 2) rather than any other meaning (in the list Meaning 1–n) is the correct legal meaning of an ambiguous provision. (When making common law, the decision says that there is now a new law.) This decision is called the ratio decidendi of the case, or just ratio. (Ratio

decidendi means the reason for the decision, ie the legal rule that caused the court to decide a case one way rather than another.)

The second decision is the decision to apply or follow this prior decision in a later case, and apply the same rule or meaning in the later case as in the earlier case. This decision is incorporated into the doctrines that underlie precedent, *stare decisis*. (This means to stand by what has been already decided.) Both of these decisions will be based on either policy or precedent so that there are two possibilities:

- (1) Both rules are based on policy. First, the rule that is the precedent, being the rule established by the case (the *ratio decidendi*), is based on policy. When this rule was first made there was no precedent so the court had to use something else. It used policy. Second, the rules of *stare decisis* requiring a court to follow the case that is the precedent are based on two policy considerations. (a) *Stare decisis* shores up and preserves the original policy decision. In retaining the original rule, *stare decisis* retains the policy behind it. Precedent is therefore a preservative. (b) *Stare decisis* brings the benefits of continuity.
- (2) The other possibility is that both rules are based on principle. First, the rule that is the precedent, being the rule established by the case (the *ratio decidendi*), is based on principle. Second, since this rule is a principle that is inviolable, the rules of *stare decisis* must require a court to give unswerving fidelity to the earlier decision creating the rule. Courts must always follow and apply it. Only if they do this will the first decision be inviolable. In this way, the rules of *stare decisis* are also based on principle.

It is possible that not all reasons point towards the one decision. For example, one reason favours one meaning of a provision and a second reason favours another meaning. In these cases it is necessary for a court (or a legislature) to weigh the competing reasons to see which should prevail.

A decision to make a law, or to interpret a law, is not always made by reference to reason. It can also be made irrationally. Hence, to understand the process it is necessary to understand how irrationality can influence a decision and displace reasons, either in whole or in part. One illustration is where a judge is biased. Others are provided by views of decision making taken by several schools of legal theory, eg the economic determinism of neo-Marxist theory, the cultural determinism of FK von Savigny and Sir Henry Maine, and the postmodernist denial of the possibility of rational argument (except, of course, for post modernism itself).

The third step in the model is the decision to choose one or more of the options. For a court that is interpreting law, the final decision entails interpreting the ambiguous provision by deciding that one of the meanings (eg Meaning 2) is the correct legal meaning (or by deciding

that two or more meanings are correct). This decision becomes a precedent. It is the *ratio decidendi* that will bind future courts.

The model for using law explains the two types of legal matters, transactions and litigation. It therefore includes two similar models, the model for litigation and the model for transactions.

This is how they work. A lawyer has to prove the right facts, and does so with evidence, or creates facts by following processes. Then, the right facts satisfy the elements of the cause of action. When all of this happens, the legal consequences determined by the rule apply to the parties involved. This is represented by the model in the following way:

Law	Facts	Evidence/Process
Element 1	Fact 1	Evidence 1/Process 1
Element 2	Fact 2	Evidence 2/Process 2
<u>Element n</u>	Fact n	Evidence n/Process n
Consequences		

This simple version of the model explains the basic principles that underlie using law:

- (1) To obtain the desired legal consequences, a person must establish each element of the legal rule. In the model the elements are Element 1, Element 2, and Element n. For the law to apply, therefore, the person must satisfy each of these elements. If they fail to do this, even on just one element, the law does not apply.
- (2) How do they satisfy the elements? By facts. They satisfy Element 1, Element 2, and Element n by establishing Fact 1, Fact 2 and Fact n.
- (3) How do they establish facts? Facts are proved by evidence or created by processes, so that Fact 1, Fact 2 and Fact n are established by Evidence 1 or Process 1, Evidence 2 or Process 2, and Evidence n or Process n.

With the models explained, it is possible to see how law should be written: legal writing should be structured by these models – in whole, in part or in combination. Two illustrations will make the point.

Writing a legal textbook should be guided mainly by the model for structuring law. For example, a textbook on criminal law would start describing each criminal offence by stating its elements. Then it would discuss each element in turn. Just as the overall discussion is ruled by the elements, the discussion of each element should be ruled by the sub-elements. Further, where the law is ambiguous, discussion should be ruled by the model for forming law, analysing it in terms of options, reasons and decision. Where a judge has to write a judgment involving a dispute of facts, they should be guided by the model for litigation. Where the judgment involves deciding a question of law, the judge should be guided by the model for interpreting law.

Woody Allen said that sex is dirty only if you go about it in the right way. Well, law is complicated only if you go about it in the wrong

way. That, unfortunately, is how lawyers now do it. Until this changes, legal writing will remain difficult to read.

ANNUAL DINNER - 2002



Photographer: David Karonidis



Photo – David Karonidis

Susanna de Vries

Joice Loch was an extraordinary Australian. She had the inspired courage that saved hundreds of Jews and Poles in World War II, the compassion that made her a self-trained doctor to tens of thousands of refugees and incredible grit that took her close to death in many places around the world. Venerated in Greece, where she lived and died, she has been all but forgotten in her native Australia. To review something of Joice Loch's remarkable story, Susanna de Vries, author of *Blue Ribbons, Bitter Bread* (Hale & Iremonger), addressed the Sydney Institute on Tuesday 13 August 2002

HEROINE IN THE

SHADOWS

Susanna de Vries

I first heard the name of Joice NanKivell Loch in the summer of 1997 when I was on a book promotion tour for Volume 1 of *Great Australian Women*. I had told the audience I was doing a second volume and Joice Loch's god-daughter suggested I write a chapter on her god-mother, who had been her mother's best friend.

What do *you* think is really significant about Joice Loch, I asked her. She replied that Joice NanKivell (Joice insisted on keeping her own name after marriage to Sydney Loch) had been awarded *eleven* medals, had saved a Greek village from starvation and a thousand Polish and Jewish refugees from Nazi death camps. The British had used her as a secret agent to smuggle money into Hungary in order to bribe the pro-Nazi jailor to release a Jewish nuclear scientist from prison. Joice NanKivell sounded amazing, a cross between Weary Dunlop and Nancy Wake. She sounded like an entire book, not just a chapter. But one thing puzzled me. As Joice was a third-generation Australian and an *heroic* figure to Greeks and refugee Poles, then why had none of us heard her name before?

We decided that since Joice NanKivell left Australia in 1918 and spent the rest of her life overseas in the pre-TV era, "the tyranny of distance" meant she still remained unknown in the country of her birth. Six of her eight books were published in London or New York. Lacking a publicist and dying in a remote Greek village were bad career moves, not that Joice sought publicity for herself, all she ever wanted was to raise money to help Polish and Greek refugees establish new lives.

In the Queensland State Archives I found a birth certificate stating "Joice NanKivell, eldest daughter of George and Edith NanKivell, of Farnham Plantation in the district of Ingham was born on 7 January, 1887". In Canberra's National Library, I read the manuscript version of her published memoirs. From Melbourne I obtained a copy of Joice's marriage certificate. I learned that she had married a fellow writer three years younger than herself, because her husband's family

feared she would be too old to have children, she had lopped three years off her age.

Joice was born in Ingham during a cyclone, which prevented her mother leaving the NanKivell's isolated sugar plantation to bear her first child in a Brisbane hospital. So Joice was delivered by a "Kanaka" girl who, when her mother fell sick, became her nursemaid and whom she adored. Joice soon discovered that Daisy, her midwife-turned nursemaid had been "blackbirded" or kidnapped from her Pacific Island home by slave traders and Daisy's sad history meant that, from an early age, Joice's sympathies lay with the poor and the disadvantaged.

The leases on the NanKivell's sugar plantations of *Farnham* and *Gairloch* were owned not by Joice's father but by a family shipping company named Fanning, NanKivell, controlled by Joice's wealthy but miserly grandfather. He had taken out large bank loans to finance the company's expansion into sugar plantations in Queensland. Little Joice NanKivell had been born with a silver spoon in her mouth but that spoon soon tarnished.

Joice's secure childhood ended when Fanning NanKivell went bankrupt. There were two reasons for this. A virus known as rust savaged the Queensland cane harvest and "blackbirding" or kidnapping of Pacific Islanders by avaricious sea captains was outlawed by the Queensland Government who insisted all Pacific islanders must be returned to their islanders once their three year indentures were up. By law, replacement of South Sea Islander labour became impossible.

In the 1890s Australia suffered a downturn after the financial boom of the 1880s. Fanning NanKivell advertised in Sydney and Melbourne for cane cutters but got no takers due to newspapers publicity that rats in the cane carried a fatal disease called leptospirosis. The NanKivell's cane rotted in the fields and Fanning NanKivell could not repay its loans to the banks, which foreclosed on the loans and even sold off the NanKivell's furniture and Joice's Shetland pony. Joice and her parents walked away from their plantation homestead owning only a few clothes and some books.

Joice's grandfather saved himself by placing his assets in his wife's name but refused to help his son and grandchildren. Joice and her brother, Geoff, grew up in grinding rural poverty on a derelict sheep station in Gippsland, where Joice's father had taken on the thankless job of manager. So Joice and Geoff grew up in a bark-roofed hut with a dirt floor, situated 50 miles from the nearest doctor or school. There was no money to send Joice and Geoff away to school so their mother taught them to read. Reading and writing children's stories became the little girl's consolation and she wrote them by candlelight on the kitchen table.

The NanKivells eventually bought a lease on a mixed fruit and sheep farm near Morwell. Like many bush girls of the era, Joice grew

up to be a good horsewoman, stockman and farmhand. She rounded up stray sheep on horseback, cooked for shearers, nursed her ailing mother, picked fruit from their apple orchard and packed it into boxes.

Joice dreamed of a career in medicine as by now, in 1900, women were being admitted to Melbourne's Medical School. But her father had no money to pay university fees and could not even afford veterinary treatments for his farm animals so Joice became the family vet. A doctor uncle gave Joice his old medical books and taught her the rudiments of anatomy. Unfazed by blood and gore, she stitched up wounded cows and sheep, delivered calves and had two children's books published in Melbourne, much to her father's disgust as he disapproved of writers.

Joice was tall, blonde and attractive and her parents hoped she would get out of rural poverty by making a "good" marriage. However she shocked them by rejecting a proposal from a wealthy but snobbish and pompous Tasmanian pastoralist, insisting she would marry for love. During World War I, Joice suffered a cruel blow when her adored brother enlisted and was killed on the Somme. Without a male heir to inherit the fruit farm, her father decided to sell up and leave. For Joice the move meant escape from rural drudgery. She moved to Melbourne, found part-time work as personal assistant to the Professor of Classics at Melbourne University, attended lectures on Greek history and literature and was invited to review books for Melbourne newspapers.

After reviewing a book on Gallipoli, Joice met its author. The writer, Sydney Loch, had fought at Gallipoli with the 2nd Battalion and been wounded there and invalided out of the Army. Sydney was tall and good looking and as devoted to writing as Joice. He had sold up a small sheep property in Gippsland and intended to write full-time once the war was over. Friendship slowly turned to love between the two authors. As soon as the Armistice was declared they married and sailed for London, centre of the publishing world.

The newly-weds received a contract from a leading London literary publisher named John Murray to write a book on Ireland's War of Independence. In Dublin they unwittingly lodged in an IRA "safe" house where their landlady kept guns under the bed for the IRA. The Black and Tans raided the house and Sydney was arrested by the British. With the aid of a lawyer, Joice got him out of jail but the Lochs were warned that the IRA believed they were British spies and had vowed vengeance on them. They should get as far away from Dublin and London as possible.

The Lochs were not religious but, although they never became Quakers themselves, went to work for Quaker Famine Relief. They aimed to write another book about Poland and Lenin's Russia and so became unpaid aid workers in a refugee camp in war-torn Poland. Thousands of starving Poles were returning from the Russian labour

camps in Siberia only to find their villages burned to the ground by Lenin's troops. Quaker funded refugee camps were trying desperately to feed huge numbers of homeless Poles. The aid workers lived on the same meagre diet as the refugees and as a result Joice lost a much wanted baby. At night hungry Polish children would beat on her door and Joice would cry bitter tears because she had no food to give them.

As the camp was desperately short of doctors, Joice worked in the medical centre as an orderly which added to her store of medical knowledge. The Lochs learned to speak Polish and made many Polish friends but as Joice loved warm climates they hoped to find somewhere warm, set up house and write books.

But fate decided otherwise. In October 1922, 200,000 Greeks were massacred by Turks at Smyrna by the forces of Kemal Ataturk, who had led the Turks at Gallipoli. The Quakers urgently needed more aid workers as over a million Greek victims of ethnic cleansing were fleeing to Greece. Joice had studied Greek history and literature at Melbourne University and had always yearned to visit Greece so she and Sydney volunteered to go there. In 1923 they arrived at a huge refugee camp outside Thessaloniki where they worked for two years.

Sydney taught refugee children and Joice worked in the camp's medical centre until all the refugees were safely housed in new refugee villages. In recognition of the Loch's years of unpaid work they were awarded medals by the King of Greece. The mayor of the village of Ouranoupolis granted them a lease at a peppercorn rent on a Byzantine stone tower by the sea, which seemed an idyllic place to write books. Friends helped them whitewash the walls and install a generator to provide electricity. A home of their own at last.

Ouranoupolis had no road and would only be reached by boat and the Lochs found the refugees were living in poverty, with elderly refugees dying of malnutrition, the village well was polluted causing epidemics of typhoid and Joice wrote that the villagers did not have "a bandage or an aspirin between them". Sydney had received a publisher's contract to write a history of Mount Athos and while he did this, Joice established a free medical clinic in her tower home using medicines kindly provided by Quaker Famine Relief.

In 1932, the twin villages of Ouranoupolis and Ierissos were devastated by an earthquake. There was no doctor within a hundred miles so Joice had to operate without anesthetic on men and women with broken bones and gaping flesh wounds. She saved hundreds of lives for which she received medals from the Greek and British governments. To bring money to refugees who in Turkey had been rug weavers, Joice designed hand-woven rugs with Byzantine rather than Muslim designs as no self-respecting Greek would buy a Muslim-influenced rug. Joice named the village weaving cooperative, Pargos Rugs (*Pargos* means *Tower* in Greek).

From the modest income of her writing Joice paid the village carpenter to make looms for the weavers and promoted Pirgos Rugs. Eventually the village of Ouranoupolis prospered. The Lochs were celebrating at a traditional Greek village wedding when the BBC Foreign Service announced that Hitler had invaded Poland. Convinced that Hitler would not invade Greece, the Lochs volunteered to help Polish refugees.

Quaker War Relief sent them to Bucharest, capital of what was then the neutral Kingdom of Romania to set up a refugee centre for refugee Poles. But Romania soon came under pressure from Hitler and it was apparent the Nazis would invade and send Polish and Jewish refugees to concentration camps. So Sydney spent the last of their funds on hiring a large boat in which he took the male Polish refugees down the Danube and across the Black Sea to Istanbul and on to British-run Cyprus.

Joice remained in Bucharest with almost a thousand Polish women and children and no money to help them escape as the Nazis advanced on the city. Resourceful and determined as ever, Joice persuaded a Jewish banker to fund the escape of "her" refugees. The banker made one stipulation. She must take with them his daughter and niece and deliver them to British-controlled Haifa.

Romania was now under the control of the pro-Nazi Iron Guard so to dupe them Joice pretended she was only organising a day trip to the beach at Constanza and by limiting their luggage to beach bags and buckets and spades managed to fool the Iron Guard. At Constanza they took over an entire ferry and crossed the Black Sea to Constantinople and took a second boat to Cyprus where they met up with Sydney and his all-male party.

The British code-named the Loch's rescue Operation Pied Piper and gave them a British warship to take the party to Haifa. The ship was bombed by the Germans and they narrowly escaped death. They eventually reached Haifa where Joice delivered the Jewish banker's daughter and niece to their relatives. She persuaded the British Army to set up a refugee camp for Polish and Jewish orphans which she and Sydney ran until the war ended in 1945.

The Lochs returned to their tower by the sea to find Greece tearing itself apart in civil war. Madame Sophia, their White Russian housekeeper had been murdered by Communist guerrillas, known as the *andartes*, who had used the Loch's tower home as a torture chamber. Its living room walls were caked with dried blood, their books destroyed, most of Joice's medals melted down for their gold. Undaunted they cleaned up the tower and Joice re-started Pirgos Rugs and her free medical clinics. Just as the village was getting on its feet economically Sydney, whose heart had been weakened during his time at Gallipoli, suffered a severe heart attack and died.

When widowed, Joice remained in her tower home in Ouranoupolis, convinced this was where she was needed. Children were still dying of typhoid and the village still had no resident doctor. To pay for a supply of piped water to the village, Joice wrote *Tales of Christophilos*, a book for children about a little Greek boy and his donkey based on the doings of her housekeeper's son, Nikko. The book was widely praised in the *New York Times* and became a best seller. Joice unselfishly donated all the royalties from the book to pipe fresh water from the mountains to Ouranoupolis and help to construct a sealed road from Thessaloniki. She continued promoting Pirgos Rugs and ran her free medical clinics until the Greek government could afford to employ a doctor.

In 1954 Joice returned to Australia bringing with her a range of Pirgos Rugs, exhibiting them at the David Jones Galleries in Sydney and in private galleries in Adelaide and Melbourne. She also donated six rugs to the people of Australia which were lost for many years but have surfaced in the basement of the Australia Council and it is hoped to hold an exhibition of them to benefit refugees under the auspices of Austcare.

"Kindness is what counts," wrote Joice, when asked what motivated her. Having gone from riches to rags herself she was keenly aware of the problems of those with no access to education. Today thanks to Joice, the children of Ouranoupolis have a free medical clinic and a proper school and no longer die from typhoid. She was determined to educate village children so they would have better lives than their parents. She ended her life with virtually no money in the bank but cared for devotedly by Fani Metropolou and honoured by the entire village.

In her 80th year Joice suffered a bad fall when a verandah rail collapsed: she was rushed to hospital in Thessaloniki where doctors feared she might die or be left paralysed. The villagers of Ouranoupolis and the monks on Athos prayed for her recovery. Once again courage and determination pulled her through: eventually Joice was able to walk and talk again and to finish writing her memoirs with the aid of a typist.

Loved and cared for by Fani Metropolou, Joice NanKivell Loch died in her tower home in Ouranoupolis just before her ninetieth birthday. By now, the once starving refugee village had become a thriving port serving the monasteries of the Republic of Mount Athos. Her funeral took place in Ouranoupolis, and was attended by the Ambassadors of Britain, America, Australia and Poland as well as by hundreds of Greeks. The Greek bishop of Oxford who officiated called Joice "one of the most outstanding women of the twentieth century".

After spending a summer staying with her former housekeeper Fani Metropolou in Ouranoupolis where my husband took superb photographs of the tower and the village for the book, I was able to

finish writing Joice's biography. But what to call it? We decided on the title *Blue Ribbons, Bitter Bread*. "Blue ribbons" being a synonym for the eleven medals she was awarded by various governments while "bitter bread" refers to famine bread containing acorns, the type of bread refugees were given in the refugee camps where Joice worked. A film synopsis has been written and hopefully someone like Gillian Armstrong or George Miller might be tempted to produce it with someone like Cate Blanchett, who looks curiously like the young Joice NanKivell, playing the lead.

But all that is in the future.

What *has* happened is that the Greek government has restored the exterior of Joice's tower but there was no money to restore the interior. However, books can move mountains. After reading a copy of *Blue Ribbons, Bitter Bread*, the Greek-born wife of an American banker felt so strongly about Joice that she donated the money to restore the interior of the *pirgos* or Byzantine watch tower. A special Joice Loch room is being planned to be a fitting memorial to Australia's most decorated female humanitarian.



Jeff Kildea



Judith Brett

Photo – David Karonidis

In contemporary Australia, social harmony is the norm and sectarian division around religion hard to visualize. Yet, as writer and barrister Jeff Kildea, author of *Tearing the Fabric*, and Judith Brett, Reader in Politics at La Trobe University, recognize, sectarianism in Australia before the 1960s was alive and well. Jeff Kildea and Judith Brett addressed The Sydney Institute on Wednesday 21 August 2002. Judith Brett's *Australian Liberals and the Moral Middle Class*, a further discussion of the place of Catholics in Australian politics, will be published in 2003

SECTARIANISM,

POLITICS AND AUSTRALIA'S CATHOLICS

Jeff Kildea

Someone recently suggested that my book *Tearing the Fabric* might have become a best-seller had I used the word “sects” rather than “sectarianism” in the sub-title so that it would have read: *Tearing the Fabric: Sects in Australia 1910-1925*. People, on hearing the name, would have bought it in their thousands believing it to be a bodice ripping yarn or a study of sexual behaviour last century. But, given the actual content of the book, such a title as *Tearing the Fabric: Sects in Australia* would have been misleading, for sectarianism in its Australian historical context has little to do with sects – or sex for that matter.

Sectarianism is a word whose meaning many Australians living today would understand from personal experience, but if you were to look it up in the dictionary you would be surprised to find it is not defined in quite the way you understood. This is because in the Australian historical context the word sectarianism is pregnant with meaning that dictionary definitions fail to capture. It has little to do with sects and it derives its distinctive meaning – the one with which many would be familiar – from the fact that religious affiliation was generally identified with the three main national or ethnic groups that constituted European society in Australia: the English, the Irish and the Scots. Competition between religions in nineteenth and twentieth-century Australia reflected not only theological differences but also complex ethnic rivalries, particularly those between Irish Catholics, on the one hand, and English Anglicans and Scots-Irish Presbyterians on the other.

In this sense, sectarianism in Australia reached its zenith – or perhaps more accurately its nadir – during the period 1910 to 1925. It was a period when Australian society comprised two distinct communities: one was British in origin and Protestant in faith, the other Irish and Catholic. It was a time when Catholics were mostly Irish by birth or descent, the Irish were mostly Catholics, and Irish Catholics were mostly on the lowest rungs of the socio-economic ladder – though this last conventionally accepted generalisation may

need to be revised in the light of Judith Brett's recent article in the *Australian Journal of Political Science*.¹ At a functional level these two communities generally co-existed and co-operated peacefully and effectively, but viscerally they were quite distinct and often in a state of tension.

Although I remember as a child in the 1950s having a vague idea that the world was divided into Catholics and Publics, I can claim no direct experience of the bitter sectarianism about which I write in *Tearing the Fabric*. By the time I was conscious of the wider world, sectarianism of the kind I describe in the book was pretty much a spent force. Nevertheless, sectarianism did continue, albeit in a less extreme form, into the 1960s; some claim it exists even today. As an adolescent I heard stories that some businesses and government departments would not employ Catholics and I recall being told that I was the first Catholic to be employed by the firm of solicitors with whom I commenced articles of clerkship in 1972. I do not know if that is true or not, but even the fact that someone thought it worthy of comment is significant in itself.

Thus, for me, researching the thesis upon which the book is based was somewhat of a revelation. Night after night for many months I would go to the State Library after finishing in chambers and read the newspapers of the period. In that way I became immersed in the times and often I found the atmosphere of that era quite disturbing. A passage on page 170 of the book captures the way I sometimes felt. The passage refers to a meeting of the Victorian Protestant Federation in November 1917 called "to protest the disloyal utterances of Dr Mannix and others":

Some Catholic anti-conscriptionists in the hall heckled during the speeches and the meeting became quite rowdy. However, a change came over the gathering when Chaplain Colonel Crookston, a Presbyterian, spoke. He told the audience of his experiences in the trenches where religious difference had no meaning and said:

"I can hardly realise, coming from there, what all this noise is about. I think it is very pitiable that at such a time there should be anything like disunity among a free people of this fair land. ... I was wondering what our boys would think if they could be transplanted, with the mud and blood of the trenches on them, to this meeting tonight. Can you imagine your own brothers and sons not caring much, and not even inquiring what religion their chaplain is?"

Given the recent media coverage of the deaths of Alec Campbell and Jack Lockett, two of the last remaining veterans of the First World War, it is well to remember that while men such as they were fighting side by side in the trenches of France – Catholic and Protestant alike – their co-religionists on the home front were warring with each other in a bitter and scandalous sectarian conflict.

Thankfully, the extreme sectarianism of those times is a thing of the past. Although many older Australians living today can no doubt recount from personal experience how it affected them, not since the 1920s was sectarianism fought out so publicly and so bitterly as to threaten to tear the social fabric of the nation.

I am reminded of a debate I attended in the 1990s at Waverley College, a Christian Brothers' school, where my sons were educated. The topic was "That Guy Fawkes was right" and the opposing school was Knox Grammar. Given that Guy Fawkes was part of a Catholic plot in 1605 to blow up the Protestant King and parliament, I thought this could be a very interesting debate indeed. But not one speaker mentioned the sectarian issue. Though disappointed that the debate was lacking in passion and ended up being a somewhat pedestrian argument about means versus ends, I was nevertheless pleased to think that the boys were either unaware of the topic's implication or were too sensitive to the feelings of the other side to raise it.

One of the ironies of the period covered in *Tearing the Fabric* is that Irish Catholics did not want to be distinctive – they wanted to be accepted as part of the Australian community. Unlike their cousins in America, they had not formed physical ghettos, but nevertheless they stood out. And what particularly marked them out was their adherence to the Catholic religion. This had the effect of making them both exclusive and excluded: exclusive because one of the characteristics of Irish Catholicism as practised in Australia, in the words of Ed Campion, was "to separate out Australian Catholics from their fellow Australians: they were not to join the same Benefit societies, they were not to 'marry out', they were to get their schooling only with Catholics";² and they were often excluded because of feelings of hostility toward them by reason of their racial origin and their Papist religion – at the time despised and feared by many Protestants.

Thus, despite the absence in Australia of a physical ghetto and despite the desire of the Irish to be accepted, the large body of Irish Catholics came to be, and to be seen to be, separate from the majority of the Australian community. In Patrick O'Farrell's pithy phrase, "The Irish banded together to defend themselves against the charge that they tend to band together."³ But it was this refusal to accept them with their distinctive ethnic background and their distrusted religion that led the Irish in the newly federated nation to demand "a definition of Australia and of being Australian which was broad and flexible enough to include them as they were".⁴

The issue that chronically and most clearly divided the two communities concerned the financing of education. Originating in the 1870s, the struggle between the Catholic Church and the NSW government over the withdrawal of state funding for denominational

schools had by 1910 endured far longer than either side initially contemplated and had in fact assumed a de facto stability.

The Catholic Church regarded the restriction of government assistance to state-run schools as imposing an unjust burden on Catholic parents who in good conscience could not send their children to state schools. Protestants and secularists, on the other hand, regarded Catholic insistence on conducting their own schools with suspicion and hostility. According to the weekly newspaper the *Methodist*, the Catholic Church “seeks to segregate its young people, and to bring them up under influences which imbue their minds with the narrowest and most bigoted notions, separating them in the most sacred relations of life from the rest of the citizenship of the State.”⁵ In 1910 another Protestant weekly, the *Australian Christian World*, opined:

There is a strong feeling that the Roman Catholics teach their young people doctrines that are subversive of the harmony of the country. The separated teaching on religion on which the Romanists insist as a sine qua non of education is alone a matter for deepest regret, and there is very widespread conviction that the loyalty of Roman Catholics to the British crown is of the thinnest quality and may in time prove the undoing of Australia.⁶

With the election in 1910 of an avowedly non-sectarian Labor government, the Catholic Church sensed an opportunity to re-open the education issue. At first, Catholic Archbishops of Sydney, the scholarly patrician Cardinal Patrick Francis Moran, and his successor, the rotund and pious Michael Kelly, endeavoured to do so by a strategy of constructive engagement with the new government. However, Labor's opposition to sectarianism and the strong representation of Catholics in the Labor caucus did not translate into the party's sympathy for the Church's claims. A number of factors in the party's collective approach to the issue combined to dash the Church's hopes for a re-negotiation of the education settlement. These factors included: political realism in the context of a predominantly Protestant electorate that remained fearful of Catholic intentions; support for the existing education system that taught both secular subjects and non-dogmatic religion; and an anti-sectarianism that, far from promoting freedom of denominational choice in education, rejected the separateness considered to be inherent in such a system.

The lack of success of the archbishops' strategy and the mounting pressure from clergy and laity alike for Catholics to become organised in order to force the issue, resulted in increased Catholic militancy. At about this time the following ingredients were added to the brew:

- increasing radicalisation of the working class disillusioned by the failure of Labor governments to deliver the workers' paradise;
- dislocation of normal life during the Great War;
- the Easter Rising of 1916 followed by British repression followed by the Irish War of Independence;

- the conscription referendums;
- the demagoguery of Archbishop Mannix and Father Maurice O'Reilly; and
- the repeated calling into question of Irish Catholic loyalty during and after the war.

All contributed to a recipe of deep division and social conflict.

Tearing the Fabric tells the story of those troubled times from the Irish Catholic perspective by tracing the history of the Catholic Federation of NSW, which from 1913 to 1924 advocated and articulated the interests of the Catholic Church in the State. It was a mass organisation that was part of a worldwide movement, with branches in four states: NSW, Victoria, South Australia and Tasmania. At its peak it claimed a membership in NSW of 100,000 out of the State's 400,000 Catholics. Though largely forgotten today, in its time it was well known – notorious even. It commanded the attention of the major newspapers often for days on end by reason of its involvement in the significant controversies of the day:

- the state aid debate;
- the 1913 election campaign with its “votes for sale” hullabaloo, when Father Maurice O'Reilly with the backing of the Catholic Federation campaigned against the Labor premier, W A Holman;
- the internment and deportation of Father Charles Jerger, when the Catholic Federation organised a monster meeting in Moore Park that attracted a crowd of over 100,000 people;
- the Sister Liguori affair in which a nun walked out of her convent at Wagga Wagga and placed herself under the protection of the Orange Lodge, later suing her bishop in a sensational trial in the Supreme Court where she claimed damages for his having had her arrested as being insane – the Federation orchestrated and funded the Catholic side of the contest;
- the 1920 and 1922 NSW election campaigns when the Catholic Federation fielded its own candidates under the banner of the Democratic Party, having one of its number elected to parliament in 1922.

In addition, the Federation was involved in many less spectacular, but nevertheless socially important, activities: it provided aid to Catholics in need such as immigrants, the unemployed and those requiring emergency housing; it was a major campaigner against what it regarded as immoral literature and films, often in cooperation with other denominations; and in many suburban and rural parishes it was a focus of social activities, including dances, euchre nights, debating clubs and, in some towns, it even fielded sporting teams in local competitions.

For more than eleven years the Catholic Federation was the principal promoter and defender, apart from the bishops themselves, of Catholic interests in New South Wales. But by 1924 the Catholic

Federation had outlived its usefulness. Much of its social work had been taken over by more specialised agencies. It had also become a source of embarrassment to the Church and to Catholics in the labour movement because of its confrontationalist state aid campaign against the Labor Party, a party in which, ironically, Catholics by 1920 comprised almost 60 per cent of the caucus and 40 per cent of the cabinet. The heightened sectarianism of the immediate post-war years and fears of Roman domination of the Labor Party resulted in a Protestant backlash that saw the election of an avowedly anti-Catholic Nationalist Government in 1922 that attempted to legislate against Catholic marriage laws as contained in the decree *Ne Temere*.

Once it was realised that Catholic interests were best served through collaboration with the Labor Party rather than confrontation – even given the party's anti State Aid platform – the Catholic Federation was disbanded and the embarrassing social memory of its strained relations with Labor was erased, so that today very few Australians – let alone Catholics – have even heard of it.

Yet, in its day the Catholic Federation was, and was seen to be, a significant organisation. Accounts in the historical literature of the controversies to which I have referred sometimes, though not always, mention the Federation, but until *Tearing the Fabric* there has not been a synoptic account which enables its significance to be assessed.

In some ways the book adopts what Geoffrey Blainey has chosen to call the “black armband” view of Australian history, in that it portrays Australians not always in the best light – particularly those who, motivated by religious conviction, often acted in a most un-Christian manner toward their fellow Australians. But, thankfully, the conflict in Australia never descended to the violent sectarian warfare that has occurred in the north of Ireland – though, for much of the period, the parties affected to mimic their cousins in that troubled land and to fight the Irish War of Independence vicariously until the Anglo-Irish Treaty of 1921 and the Civil War of 1922 deprived Australians of that particular brick-bat which they used regularly hurl at each other.

Thomas Hardy once wrote, “War makes rattling good history; but Peace is poor reading.”⁷ I think that points to one of the problems Australian history faces in attracting interest among the general public. We have been such a peaceful country, thank God, that you often hear it said that Australian history is boring. Our complacency has been challenged in recent times, of course, by the discovery that the European conquest of this land may not have been as peaceful as we learnt at school. And, although in the period covered in *Tearing the Fabric*, Australians did not resort to arms to settle their differences, it was nevertheless a time of intense conflict with all the human drama that, in my opinion, makes “rattling good history” – despite the absence of sex.

Endnotes:

1. Judith Brett, "Class, Religion and the Foundation of the Australian Party System: A Revisionist Interpretation", *Australian Journal of Political Science*, Vol 37, 2002, pp. 39-56.
2. Edmund Campion, "Irish Religion in Australia", *Australasian Catholic Record*, Volume 55, 1978, pp. 4-16 at p. 15.
3. Patrick O'Farrell, *The Irish in Australia*, New South Wales University Press, Kensington, 1993, pp. 8-9.
4. O'Farrell, *The Irish in Australia*, p. 9.
5. *Methodist* 21 January 1911, p. 1.
6. *Australian Christian World* 23 December 1910, p. 2.
7. Thomas Hardy, *The Dynasts* (1904).

THE SECTARIAN

FOUNDATIONS OF AUSTRALIAN LIBERALISM

Judith Brett

We've known for a long time that the Australian party system has a religious dimension, with an affinity between Protestantism and the Australian Liberal Party and its predecessors and between Roman Catholicism and the Labor Party.¹ This pattern was clearly evident in electoral support by the 1910 election when the two party system of labour versus non-labour solidified.² And it was still visible when full scale voting and public opinion studies began after the second world war. In Gallup Poll samples between 1946 and 1954 about 70 per cent of Catholics intended to vote for the ALP, compared with 40 per cent of other denominations.³ The religious affiliations of parliamentary representatives presents an even starker picture. Until comparatively recently there were virtually no Roman Catholics amongst the MPs representing urban non labour electorates, although there were some Country Party representatives. If you were a Roman Catholic with political ambitions, and you lived in the city, then you joined the Labor Party. For the period 1901-1980 36 per cent of Labor parliamentarians were Catholic, well above the Catholic proportion of the population – 20 to 25 per cent. And if you did join the Liberal Party you were dogged with suspicion – as John Cramer has so vividly recorded. When Cramer won preselection for a winnable Liberal Party seat in 1949, he felt something of a freak. And he was asked by one member of the selection committee whether he owed allegiance to the Pope or the King. And after winning the seat he still felt branded. Whenever he entered the room Menzies would remark “be careful boys, here comes the Papist ... For some reason I cannot understand it, always seemed uppermost in his mind that I was Catholic and therefore in some way different from the others.”⁴ To Australian Protestants, Catholics were different, and their responses to this difference had a far greater influence on the formation of the Australian party system than has hitherto been recognised.

The picture of the Australian social structure at the time of the formation of the party system has been one of overlapping cleavages –

middle class Protestants of British descent voted Liberal; working class Catholics of Irish descent voted Labor. This pattern is seen as breaking down in the post war period – as Catholics move out of the working class. And there is a popular explanation for the formation of the DLP which sees it as a sort of stepping stone for newly middle class Catholics to move away from Labor to their true class home in the Liberal Party.

What I want to do tonight is to challenge this picture. The argument has two steps. The first is that in the early twentieth century Australian Catholics were not nearly as working class as has been assumed. The statistical evidence on social structure for the period is sketchy – but I have not found any which supports the claim that the overwhelming majority of Catholics were working class. The best statistical evidence correlating class and religion is the 1933 national census – and it shows Catholics spread fairly evenly through the class structure – except for a slight under-representation at the very top. There was not a great deal of change in the Australian social structure between 1910 when the party system was formed and 1933 – so I have taken the 1933 census as the best indicator we have of the social structure in 1910.

Why have political scientists and historians alike been so ready to push the majority of Catholics into the working class? The mixture of prejudice and myth which surrounds the role of Irish Catholics in Australian history suggests a number of possibilities. To begin with there's prejudice. Perhaps Catholics are simply expected to be poor; or at least no one is very surprised when it is claimed that they are. Or perhaps in a society in which Catholicism was the main marker of minority status poor Catholics were more visible to observers than the larger, more heterogeneous, non-Catholic poor, particularly given the strength of their locality-based family and friendship networks and the visibility of their religious institutions.⁵ Catholic doctor H. Moran described the position of Catholics in Australia in the early twentieth century as "a breed apart, firebranded like travelling stock in a strange country so that all might know whence he came".⁶ Catholic Churches, surrounded by the school and the houses of the religious orders were an imposing presence in Australian suburbs and country towns, easily appearing to outweigh the more scattered Protestant buildings.

Then there is myth. Australian Catholics have themselves been complicit in the class based explanations of their support for Labor, and it is common to hear Labor supporters with Irish names citing their family's working class Irish origins as the basis of their political commitment. To believe that the majority of Catholics are in the working class justifies not only an Irish Catholic sense of grievance at their minority status, but the pursuit of the remedy for that grievance in a predominantly class-based party. If Catholics were thought to be

overwhelmingly working class it helped justify their obvious over-representation in a party in which class provided the main language of legitimation. To my mind this is the key – the Labor Party was a class based party – and to advance in it you needed class credentials. Also at work in the hold of the class-based model on the politico-historical imagination is a reluctance of historians and social scientists in the secular second half of the twentieth century to take religious belief seriously. The preference is to see religion as an aspect of social structure and ignore the role that religious belief itself may play in motivating political choices.⁷

Which brings me to the second part of my argument – if Catholic alignment with the ALP is not based primarily on economic class interest, then what is its explanation? Three possible answers present themselves. The first keeps with social structure, but argues that Catholics suffered from status rather than class disadvantage and that they sought a remedy for this in the party which challenged the prevailing social structure. That is, they took their status grievances into the party based on class grievance, and for the reasons canvassed above were not too careful about keeping the two distinct. The second is that there was a sympathy between Catholic religious teaching and values and aspects of Labor thinking, in particular its greater commitment to ameliorating the harsh social consequences of market-based capitalism; that Catholic religious thinking drew Catholics to Labor.⁸ The third is that Catholics who might otherwise have supported the urban nonlabour parties were prevented from doing so by the Protestant character of these parties.

Now I think that there is something to be said for each of these – but the one I want to develop is the third – that Catholics did not support the Liberals because whether they acknowledged it or not these were Protestant parties carrying an inevitable baggage of anti-Catholicism which pushed Catholics away from their parties. Rather than asking why did so many Catholics support Labor, the more pertinent question is why so few of them supported the Liberals. In part this has been argued before, by historians pointing to the overt influence of militant Protestant organisations around issues like temperance and conscription. I want to argue something further: that even when the Liberals were making no overt appeal to Protestant religious beliefs, that even when the militant Protestant organisations were dormant or marginal, Australian Liberals' central values and stories drew on Protestant values and stories, that their virtues were Protestant virtues and there was an easy slippage between the vices of the Labor Party, and the vices of Protestant's historic enemy, the Roman Catholic Church.

The argument begins with another look at Fusion and at the reasons Alfred Deakin decided to join with his erstwhile bitter enemies

in George Reid's free trader turned ant-socialist party. For the first decade of the twentieth century Deakin's Liberals were far closer to Labor than to Reid's party. They shared similar legislative goals and they co operated to lay the legislative foundations of the federal arbitration and conciliation system and the new protection. When the instability of the three party contest forced the resolution of three into two, why didn't the radicalism of Labor and the Liberal Protectionists unite them against the conservatives?⁹ What was it about the Labor Party that made an alliance with Reid's conservative anti socialists the lesser of two evils? The answer, in brief, was Labor's organisation. The insurmountable barrier between the Deakinite Liberals and the Labor Party was not Labor's policies nor its attitude to the state, but the nature of the Labor Party's organisation and the demands Labor made on its members to subordinate their own views and judgements to the collective will of the party.

The discussions which took place among Deakin's Liberals preceding Fusion were preoccupied with questions of the Labor Party's organisation, not its policy. No matter how close they were to Labor's goals, no matter how much they shared their legislative aims, Deakin's Liberals would not allow their actions in parliament to be determined by the deliberations of an outside body; these men would not sign a pledge to follow the party platform. The pledge was the issue on which men like Joseph Cook had left the NSW Labor League in the 1890s, and it continued to be a defining difference for many progressive non Labor politicians.

Deakin continually attacked the demands the Labor Party made on its representatives. The Labor Party, he said, "has political methods which carry obligations and restrictions to extremes existing nowhere outside its own ranks". Binding decisions are made by small committees acting "outside the light of day", and from their "misguided sense of loyalty tens of thousands of voters put themselves in the clutches of a machine". Speaking directly to Labor supporters, Deakin said: "Let them never subject either a voter or his representative to the indignity of putting aside the only thing which makes him a man – his judgement and conscience."¹⁰

The line in the sand which the Liberals would not cross in 1909 and which continued to mark the difference between Labor and non Labor for many Liberals was Labor's demand that its members subordinate their freedom of judgement to a party organisation and in particular that they sign the pledge. Yes, this was partly about class, in that men and women of means with autonomy in their day to day lives were more likely to experience themselves as independent, but it did not present itself to such people as a matter of class or economic interest. Rather, in today's terms, it was an identity issue.

Deakin's claim that what made a man was "his judgement and conscience" had its tap root deep in the complexly intertwined history of liberalism and Protestantism in which the Protestant Reformation's fight for freedom of religious conviction paved the way for its secularisation in liberalism's independence of political judgement. Chief among Liberal virtues was that Liberals were independent, and whenever this claim had clear religious connotations for Australian Liberals.

The British Liberalism on which the Australian Liberals drew had a Protestant history. Unlike the secularist, anti-clerical European liberalism, it was not concerned with freedom *from* religion, but with freedom to follow the religion of one's conviction, and this meant dissenting Protestantism. In Australia, the early disestablishment of the Church of England had deprived dissenting Protestants of the major focus of their struggle for religious freedom. However, the Roman Catholic Church was on hand as a potential threat to liberty, and it had the advantage of unifying all Protestants.

Freedom of judgement was the core conviction of both British liberalism and Protestantism, and its absence was the chief vice of the Labor Party in the eyes of Deakin's Liberals. It was also, of course the chief vice of Protestantism's historic enemy, the Roman Catholic Church, and arguments about freedom of conscience and independence of judgement inevitably raised its spectre and in turn provided Liberal Protestants with a set of images and arguments with which to attack the Labour Party. Long before the Labor Party instituted the Pledge, Protestants already had a model of an organisation which had no place for individuals' freedom of conscience and independence of judgement, in which individuals simply followed orders rather than thinking for themselves. Deakin was not consciously sectarian, but the images on which he drew in his description of Labor's organisational machine carried sectarian meanings for those who wished to hear them. The masses who once bowed their heads before the ecclesiastical whip now bowed their heads before the whip of the union boss, knees which would bend to no one were contrasted with the knee drill in caucus, the secret caucus room where decisions were made outside the light of day conjured up the secret recesses of the Vatican. It was thus very easy for slippage to occur between anti-Catholic and anti-Labor imagery, particularly once the alignment of Catholics with Labor became increasingly apparent. After all, it was only to be expected that those who had no commitment to freedom of religion would support a party with no tolerance of independence of judgment. And didn't the pledge, "the powerhouse of the new political machine", have an Irish origin in Parnell's Home Rule Party, and for most Australians Irish generally meant Catholic.¹¹

Fusion consolidated the Australian Liberals' commitment to the Protestant virtue of independence; World War I added loyalty, and the

deeply Protestant imagery of British imperialism ensured that in this too Catholics were lacking. As has been well-documented, World War I consolidated the alignment between Catholics and the Labor Party by amplifying Liberals' suspicions of Catholics' commitment to independence of judgement with the much more serious suspicion of their loyalty. Australian Catholics were well aware of the anti-Catholicism carried in British imperial imagery and the ease with which it could be turned against them and so attempted to focus their loyalty on the new Australian nation rather than the British Empire. In the circumstances of an Empire War this only served to confirm their dubious loyalty.

The sectarian conflict of the war years and its immediate aftermath reinforced the already existing sectarian basis of the division between Liberals and Labor. The Labor Party emerged more Catholic, with Catholics more numerous and visible amongst its leadership (more than half of Jim Scullin's Cabinet was Catholic) and the Liberals, now in the Nationalist Party, emerged identified with a militant Protestantism openly hostile to Catholicism, and more convinced than ever of the Catholic influence in Labor politics. The conflict over conscription and the meaning of loyalty had educated a whole new generation of voters in the dangers of Popery and the virtues of Protestants on the one hand, or of the grievances of Catholics and the injustices of the Protestant ascendancy on the other.

This renewed sectarianism provided Australian Liberals with a powerful base in commonsense and social experience for the next 20 years, as the political divisions were reinforced by increased social divisions between Protestants and Catholics. The Protestant churches and the Catholic parishes were the centres of social networks through which many Australians found their jobs, their marriage partners and their local tradesmen. As well, organisations like the Free Masons, which became more important in the 1920s, provided Protestant men with a network of useful contacts to further their businesses and careers. Catholics formed parallel defensive organisations such as the Knights of the Southern Cross.¹² And the Irish origins of the great majority of Australia's Catholics made the mutual identification of Catholics and Protestants a relatively easy matter. A plan of operation for Protestant mobilisation in Victoria around 1920 includes the preparation of electoral rolls "with all the RC names crossed out", so that Protestants in any electorate can be contacted "at a minutes notice".¹³

Before World War II, Catholics were Australia's largest and most visible minority, the major social challenge, along with the class-based Labor Party, to Australian Liberals' aspirations for a harmonious nation of free-thinking and independent citizens. Conveniently, the belief has been that these two challenges were really one and the same, that Catholics supported Labor because they were mostly working class

anyway, and for those who were not their membership of a persecuted minority made them sympathetic to Labor's reforming, outsider status – that Labor's concern with class grievance made it the natural home for other minority grievances. These are arguments from social structure. Whatever their merits, and to my mind they are less than has generally been granted, they fail to take religion seriously as an agent in its own right, as a symbolic system which shapes the way people understand and in turn shape their social and political worlds. I have been arguing for the agency of British Protestantism's persistent suspicion of Catholicism to explain Australian Catholics' political preference for Labor. This is not about the reasons Catholics were attracted to Labor but the reasons they were not made welcome by nonlabour. The Australian Liberal tradition was based in a British-Protestant world view in which the core virtues of independence and loyalty to Britain were matched in its chief political opponent the Labor Party by the vices of individuals subordinating themselves to the organisation and of disloyalty. Anti-Catholicism contributed arguments and images to amplify Labor's vices, particularly for the development on the standard Liberal image of the Labor Party as a Caucus dominated machine. The effect of this was to make the Liberal Party and its successors, the Nationalists and the United Australia Party, inhospitable places for Australian Catholics, such that they had nowhere else to go except to the Labor Party. And once there their presence simply confirmed and strengthened the alignment of political vices between Catholics and Labor which the Protestant imagination had already perceived.

Note: This is an adapted and edited extract of "Class, Religion and Foundation of the Australian Party System: A Revisionist Interpretation". *Australian Journal of Political Science*, vol 37, No I (March 2002). It is part of a larger study of the social history of Australian Liberals.

Endnotes

1. The fundamental religious division in Australia by the end of the 19th century when the party system was being formed was between Roman Catholics and Protestants, The differences both amongst the dissenting sects and between them and the Anglican Church (which was not an established church) were minor in comparison with that between Protestants and Catholics. J.D.Bollan, *Protestantism and Social Reform in NSW, 1890–1910* (Melbourne: Melbourne University Press, 1972), p. 8–9.
2. Celia Hamilton, 'Irish Catholics of NSW and the Labor Party, 1890–1910, *Australian Historical Studies*, 8,31 (1958): p. 265
3. R.N.Spann, "The Catholic Vote in Australia", in H.Mayer (ed), *Catholics and a Free Society*, (Melbourne: Cheshire, 1961), p. 115
4. John Cramer, *Pioneer, Politics and People: A Political Memoir*, Allen & Unwin, Sydney, 1989, pp. 100-2; see also Gerard Henderson, *Menzies' Child: The Liberal Party of Australia*, Allen & Unwin, Sydney 1994.

5. Spann, "The Catholic Vote", p. 127
6. H. Moran, *Viewless Winds*, cited S. Encel, *Equality and Authority: A Study of Class, Status and Power in Australia* (Melbourne: Cheshire, 1970), p. 178.
7. See for example Joan Rydon's summing up of general view on the link between Protestantism and nonlabour: "These parties are seen as respectable and waspish ... As the parties of the status quo and the people who have "arrived", they have reflected the Protestant ascendancy". *The Federal Legislature*, p. 140. The actual nature of Protestant religious belief is seen as having no role to play in explaining Protestants' preference for non labour; the implication is that if some other religion had been "ascendant", then it would have been the religion of the respectable people who had 'arrived' and nothing else would be different.
8. Spann, "The Catholic Vote", pp. 123-4.
9. L.C. Webb, 'The Australian Party System' in Colin Hughes, *Readings in Australian Government* (Brisbane: University of Queensland Press, 1968), p. 325.
10. Deakin's speech to the Liberal Party, Melbourne Town Hall, 25 May 1909. NLA.
11. Conor Cruise O'Brien *Parnell and his Party: 1880-1890* (Oxford: Oxford University Press, 1964), chap IV. This is pointed out in *The Liberal*, 20 August 1914 by Anthony St Ledger, himself a Catholic who deplores the increasing alliance between the Labor Party and the Catholic Church.
12. M. Hogan, *The Sectarian Strand* (Penguin), pp. 197-203.
13. "Plan of Operation", nd, 1919-1920, NLA MS 1924/20/123



Photo – David Karonidis

June Duncan Owen

Through interviews with more than 100 mixed race couples, June Duncan Owen has written an amazing portrait of Australia's interracial identity, *Mixed Marriages* (UNSW Press). Her own interracial marriage, between a Caucasian Australian and a Malaysian of Singalese and Indian parents forms the foundation of her study. To reflect on tolerance and intolerance around Australia's interracial marriages, June Duncan Owen addressed the Sydney Institute on Tuesday 27 August 2002

MIXED MARRIAGES:

INTERRACIAL MARRIAGE IN AUSTRALIA

June Duncan Owen

Mixed Matches looks at interracial marriages – at the marriage relationship, as well as how such marriages fit into our society and into our history.

Why did I write it? For years I had pondered over whether all Australians in partnerships such as ours – my husband's and mine – had also been the target, as we had been, of sniggers, side-long glances, and sometimes outright rudeness. As immigration of other races to Australia increased it was clear that there were now many more interracial marriages. So I wondered as they became more frequent, more common, was it becoming easier for mixed-race couples?

I was still pondering, when five years ago, the Mayor of Port Lincoln, in South Australia, Peter Davis, spoke very publicly of children of mixed race as mongrels. He went on to use more animal imagery, saying that when dogs of different breeds mate, then we call their progeny mongrels. So too, with children.

It suddenly seemed that we had slipped back a hundred years to a time when *The Bulletin* and other papers of the day made a feature of publishing cartoons and jokes which degraded any other race – ie other than Anglo-Saxons – by depicting them as animals, making them seem to be less than human. Chinese, Islanders, Aborigines, Indians – it didn't matter what race they were – if they were not Anglo-Saxons they were seen to be inferior, fit only for cartoons, to be scorned and made the butt of ugly jokes.

Davis' comments likening children to animals disgusted me. We have gone through two World Wars since the end of the nineteenth century. Did all the death and destruction of those wars teach us nothing about the value of humanity? So I began the book to show readers just what interracial marriages were like. My initial question – the one I had pondered so long – needed answers. How were mixed-race couples coping within the Australian community to-day? Were they still being hurt by bigotry? Davis' speech suggested a second question, too. Were the children of interracial marriages – those

maligned mongrels – happy to be Australians? Or did they suffer discrimination, too? Later, I had thrust upon me a third question.

I set out to find the answers to the first two questions in the only way I could think of – by speaking to a broad cross-section of people who could answer questions about their own experience. Because many of the questions would be personal, the interviewees would have to trust me. So all interviewees, except four, were introduced by mutual friends.

Secondly, the couples had to appear to be a physical mis-match – that is, one partner a white Australian, and the other so different physically that the difference was obvious. All the couples I interviewed would have had the experience of not being recognised as a couple, though they laughed at my word “mismatch”, saying that whether one had crinkly hair or straight, whether one’s skin was black, brown, white or yellow, or whether one’s facial features differed from one’s partner’s was of no consequence in a marriage. Of course, they were right.

The “other” partners came from many Asian countries including, the Indian sub-continent, from Africa, the West Indies and Fiji. I also included Aborigines and a few Australian-born Indians and Chinese who had married white Australians.

It was necessary, also, to speak to country people as well as city dwellers, and so I interviewed over 100 couples in all corners of Australia, from Darwin to Perth to Sydney and many places in between. Seeking to find answers to my questions, I interviewed Australians who had been married as far back as the 1940s, and others who married during every decade after that, up to 2000. I also interviewed some of their adult and near-adult children.

Because I am a social worker and an historian by training, I sought to put the experiences of the interviewees into context. I wanted to see how inter-racial marriages fitted into Australia’s history. When I looked backward I found that there had been interracial marriages and liaisons from the earliest days of European settlement – from the time those first few shiploads of already racially mixed British and Irish landed to mix with Aborigines.

Settlers of many races quickly followed that first settlement, and as the nineteenth century progressed, incoming Chinese miners, Afghan camel drivers, Pacific Islander cane cutters and other groups – almost all male – led to more interracial marriages. Of course, I was too late to interview any of these couples, but I did speak to several of their descendants. In Bendigo I spoke to the great-grandson of a Chinese gold-miner and the Englishwoman he married in the 1860s. There are records of horrendous ostracism and cruelty against such women. They lost the respect they formerly commanded. It was almost as if they had become non-people, by marrying a man of another race. The great-

grandson of that brave woman of long-ago said, "She would have struck racism then – just as I did 100 years later."

I spoke to descendants of the Afghans who came out to handle the camels after Bourke's crossing of the continent had shown them to be so useful. Many other races came during Australia's first 100 years, too. Indians came in small groups as tailors and store keepers,

Sinhalese came from Ceylon to exploit the pearls of Queensland. Most were single men. Very few returned to their home countries; nearly all stayed and married local women, then vanished into the Australian community – white and black.

As the nineteenth century reached its close, one of the strongest arguments for federating the Australian colonies was that it would enable central control of all the borders against non-white immigration. So, in 1901, with Federation, the shutters came down. Australia's first Prime Minister, Edmund Barton, tapped into the fears of citizens of the new commonwealth when he said, "I don't think that the doctrine of the equality of man was really ever intended to include racial equality."

One of the first bills passed by the new Federal Parliament was the Immigration Restriction Act, and it was acclaimed on all sides. Australia was the bastion of European civilisation in the southern hemisphere, and in need of protection from being overrun. So, Australia followed the USA and other countries, in trying to maintain the racial integrity of its population. It was a time of bigotry, but even then there were glimmers of hope. Not all Australians agreed with the legislation of 1901, or the prejudice behind it.

Forty years later, World War II introduced Australians to the reality that our near neighbours were Asian. One of these Asians, a Malay seaman, fled to Australia to escape the Japanese invasion of Malaya, and in 1942 married an Australian girl. This was the earliest marriage among the interracial couples I interviewed.

Australia was being threatened by a Japanese invasion; understandably it was swamped by anti-Japanese propaganda – for this was when Japanese bombers were destroying Darwin. Can you imagine the anger and prejudice that young couple faced among Australians who, even now, find it difficult to tell one Asian from another? Then, at the end of the war, the young seaman was deported from Australia as a non-European alien. He did not stay away long; he found a job on a ship coming to Sydney and rejoined his family. In 1949, threatened by the Chifley Labor Government, with a second deportation, the Malay seaman who had been injured at Milne Bay while ferrying Australian troops, fought – and won – a court case to remain in Australia with his family.

A few months later the Liberal/Country Party Coalition won the election, and came into government with a more liberal stance towards

Asian immigration. The remaining 800 Asians who had fled war in their homelands to the north were allowed to stay in Australia.

In the following year, at the 1950s Citizenship Convention, the new Prime Minister, Robert Menzies, said, "We must strike down at its very conception the rather insular tendency ...to object to a man because of his race or religion — to raise matters of sectarianism or racialism... If I do not want a man to come to my country to live, then I must keep him out ... If I let him in, then he must become a member of my national family."

In the years that followed the gates were opened, just a little further, always with one eye on what the political leaders felt the people of Australia would tolerate. Some educated Asians were allowed in and those who had lived here a long time were granted citizenship. Anglo-Asians came from former British colonies, particularly India and Sri Lanka. And in 1952 special legislation was passed to allow Japanese brides of the Occupation Forces into Australia. After the war, too, the Colombo Plan allowed many Asian students into Australian universities. Slowly, during the 1950s, we became used to seeing an occasional Asian face — in the big University cities at least. Most of the students were male, and of just the age to be thinking of marriage.

Then came a bombshell. Opening the 1959 Citizenship Convention, Nobel-prize winning geneticist, Sir Macfarlane Burnett, told Australians that they should welcome these Asian students not only into their homes, but also into their families. "We must marry them," he said, "to enrich our gene pool."

The readers' letters' sections in the daily press ran hot. People expressed their anger, even their disgust. Marry Asians? Outrageous! I guess it was the talk-back radio of the day. But then, the voice of reason was heard, by the few who would to listen. Dr H I Higben, from the Anthropology Department of Sydney University wrote: "From the social point of view racial intermarriage would be a very good thing for Australia. But from a biological point of view I do not think it makes any difference. Australians, as Europeans, are already racially mongrels. This has done us no harm in the past and there is no earthly reason why we should not be more mongrelised by inter-marriage with Asians." This was in 1959.

I organised the book into a loose historical framework, reflecting broadly what was happening in Australia in relation to population and migration during each decade — ie at the time of the marriages of the couples I interviewed.

In *Mixed Matches* most of the interviewees speak for themselves. What you read is what they said. Some interracial couples tell extraordinary stories of hate and emotional hardship. One young Chinese woman, Hannah, who came to Australia to join her two brothers studying here in the 1970s, so infuriated her parents in Hong

Kong when she fell in love with an Australian, that they disowned her. When the young couple visited Hong Kong soon after their marriage, her parents refused to see her or her husband. On their next visit, Hannah's mother softened enough to meet her daughter, but only her daughter, in coffee shops. Hannah could not go to her parents' home. Six years after the marriage a son was born, and Hannah and her husband were allowed to visit the parental home when visiting Hong Kong. But still all was not forgiven. Hannah's parents were consumed by anger and shame – what would the neighbours think? All this anger and shame changed to harmony when Hannah's parents migrated to Australia, under the family re-union scheme.

There were bigoted Australian parents, too. David, a young Australian, grew up in a home where antipathy towards other races had never been expressed or even implied, until, when he was half-way through medical school, he introduced his Chinese girl-friend to his parents. After the introduction, his parents immediately cut off all financial and emotional support. They refused to see David or allow his sisters to contact him. Then they put his death notice in the paper. He was their only son.

Many years later there was a muted reconciliation. When I spoke to David and his wife they had just received their first ever letter from his mother, and it was addressed to "Mr and Mrs". You couldn't believe how thrilled they were, to have that small sign of acceptance, after 20 years of marriage.

There is a positive side. Many interracial couples fit into their families and into the wider community so well that they inspire hope that Australia is coping well with the growing complexities of its population. However, it must be said that interracial marriage brought these two couples, and many others, real anguish. The parents, the families also suffer. Many people of all races who really feel that they have no unkind feeling towards other races, find racism within them when faced with the proposed marriage of a son, or, more particularly, a daughter, to someone from a different background, a different race.

This is still the greatest challenge. You may feel warm and accepting towards people of other races. But would you be happy for your daughter to marry one?

Once these hurdles have been overcome, are interracial marriages more difficult? Yes! They are very much more difficult though most of us try much harder to make things work, particularly those of us who have married in the face of disapproval from our families.

As well as stress from the families, one partner nearly always has to learn to deal with an unfamiliar outside world, and in addition there are very often extra difficulties within the marriage itself. People have said to me, "I don't know how you could marry someone who didn't grow up with *Winnie the Pooh*!"

There is no doubt that if the non-Australian partner has an English education, then things will probably be easier. Not only a fluency of language helps, but also familiarity with all the references which invade our everyday conversation – from Shakespeare, the Bible, nursery rhymes and childhood tales like *Winnie the Pooh*. And that is not counting the purely Australian references that anyone coming from overseas has to learn to understand.

One of my interviewees, married happily for nearly 40 years to a Chinese woman told of his inner loneliness because he still misses the ready recognition, of things he, and all Australians of his time, grew up with – Australian folk-lore, literature, history, games and sporting experiences, understanding the hidden-meaning of terms like “swaggie”, or “slouch hat”.

There are other more important differences which challenge people entering an inter-racial marriage. Different behaviours in social situations, different manners, different courtesies, different values all put a strain on an interracial couple. Different religious beliefs – that is a big challenge, so big that it is usually discussed and sorted out before marriage. Even so, the birth of a child forces hard decisions to be made. From naming customs to childhood training, there are differences to be negotiated. Is the child to be christened? Which school? Will the child be trained in this religion? Or that? Or perhaps no faith at all?

Which brings us to the second question – whether the mixed race children feel at home here in Australia. Most adult children of mixed-race to whom I spoke had faced teasing – sometimes quite severe teasing – at school. Some feel alienated by discrimination in the school-ground and in the work-place. Others, even though they have spent their lives here, feel that they do not belong. They do not feel themselves to be Australian. A very few do not want to be.

Now to the third question which I did not look for, but which I could not avoid. Many interviewees expressed their dismay at what they see as the fractionalisation of Australia. They do not see the intermingling that was envisaged when multiculturalism was introduced.

Instead they see many dissimilar mono-cultures existing side by side, with Australian culture as just one of many. Several felt that the policy of multiculturalism itself, now divides Australia, making it almost impossible for recent migrants to become Australians.

Cornel, an Australian of Dutch birth, here since 1952, says he insists on being called just an Australian – with no adjective. “For that is what I am,” he says “an Australian. Holland is irrelevant in my life. It is just the country where I was born.” His Japanese-born wife, Hiroe, agrees with him. She says, “I am Australian, I will die here. This is my home, even though I am racially Japanese.”

Among those who voiced their concern about this matter were:

- White Australians, of many generations
- early post-war migrants, those we used to call New Australians,
- recent migrants, of a variety of different backgrounds
- and Aborigines.

So, in writing my book, I found some answers, but not all.

As to the first question, yes, Australians are becoming more tolerant towards interracial couples. Mixed race couples to-day face a far more welcoming world than that which Joshua and I faced in 1956. As to the second question – yes, despite the almost universal teasing and discrimination at school, most mixed-race children of interracial couples feel themselves to be Australian. In the words of one mother – “They’re as Australian as meat pies.”

As to the third question – Is Australia splintering? Has multiculturalism ceased to serve the purpose for which it was introduced? I fear this is so. Australia is certainly a much less cohesive nation than it used to be. In *The Bulletin* of 7 August 2001 – after this book was finished and in the publishers’ hands – Diana Bagnall wrote of her misgivings about multiculturalism. She claimed that multicultural Australia has become a cliché, a cliché that perpetuates a sense of otherness. Bagnall quoted a young Croatian film-maker, as saying, “I wanted to depict ethnicity not as a burdensome thing or a curse, but as almost accidental to one’s identity.”

Note the similarity here to what Hiroe and Cornel were saying – though they are a generation older and from very different backgrounds. Another of my interviewees, a young man descended from Afghan, Aboriginal and white Australians described himself as being dragged between these several identities, until he realised that his identity was his own and did not depend upon his racial inheritance.

The young Croatian quoted in *The Bulletin* continued, “As long as we keep thinking about people of other ethnicities as a side-bar or a government program, then there is an enormous barrier to recognising what Australia really is.” He could have added – or what an Australian really is. Because we, who have been Australians for several generations, see that as equally important.

I had the extraordinary experience of being told, by a woman who came from Singapore in the 1960s, studied medicine here, married an Australian, and served as an elected representative in an Australian Parliament, that she did not see me as an Australian! Flabbergasted, I asked her what she did see me as – for surely there could be no more ordinary Australian than I am. The Australia she came to in the 1960s was full of Australians just like me. She replied that she and all her generation of Chinese from Singapore and everywhere else, see me as “just a white person”.

I was alarmed at her view of me and thus her view of Australia’s society. Time will almost certainly heal some of to-day’s fissures, unless

the cracks and crevices grow even wider while we wait, fearful of tackling such a sensitive issue. Let's hope they don't get worse, because of neglect now.

So should Australia be adopting new measures, or adapting its current policies in order to regain some of the feeling of being one strong cohesive nation, while retaining its cosmopolitan nature? I believe it should, because there is no question that Australia is a land of many races already, and will probably become even more diverse. In fact, it is this increasing diversity which we must factor in to any proposed plan for Australia's future.

Christopher, the vehemently Australian son of an African father and an Australian mother, said: "The best thing about having parents from different backgrounds is simply that it has given me an open attitude about people's differences; not the fact that I've got some cultural heritage from my father and some from my mother just the fact that I can look at what's around me and appreciate it for the differences as well as the similarities."

It seems to me that Christopher's response exactly sums up what Australia could be. What do you think?

The 100 plus couples I interviewed were mixed in every sense of the word. They were of many different races, from many different countries. As well as being of many different skin colours – their hair was crinkled or straight, and they had a variety of facial configurations. They were of many different faiths and customs and traditions – Hindus and Christians, Muslims and Jews, Buddhists and atheists and agnostics. I believe the bonds of marriage between all these different people may help to stitch up some of the gaps that exist in our society to-day.

I invite you to read what the people I interviewed said – read the book and draw your own conclusions.

ANNUAL DINNER - 2002



Photographer: David Karonidis

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Supplementary speeches given at the Sydney Institute's Annual Dinner 15 July 2002

Introduction to the Rt Hon Patricia Hewitt MP – Meredith Hellicar

The marriage of head and heart – this tag for Blair's Labour Party could so easily have been developed exclusively for our guest tonight: a woman with a highly developed social conscience who approaches both policy formation and its strategy for implementation with the incisive, dispassionate analysis of Sun Su's *Art of War*. And just as management consultants and academics are extolling the value of a leader's emotional intelligence in securing business success, it would appear that the Rt Honourable Patricia Hewitt exemplifies its value for success in politics.

Educated at Canberra Girls Grammar School and Newnham College Cambridge where she graduated with a BA in 1970, Patricia Hewitt was blooded early into politics in Britain through groups such as Age Concern and the National Council for Civil Liberties. She first stood for parliament in Britain in 1983. Whilst unsuccessful at that attempt, she took on the role of 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), the think tank which was instrumental in developing the policy platforms which finally took Tony Blair's New Labour into office. From 1992 to 1994 she was Deputy Chair of the Commission for Social Justice and from 1994–97 she spent three years in business as Director of Research for Andersen Consulting.

Patricia Hewitt became the new Labour MP for Leicester West following Tony Blair's 1997 landslide win. She has been a member of the House of Commons since then and has held the positions of Minister for Small Business/E-Commerce and Economic Secretary at the Treasury.

In the lead up to the 2001 General Election she was the minister responsible for selling the Blair Government's record to business and,

following the election, Ms Hewitt was promoted to the position of Secretary of State for Trade and Industry, Minister for Women and E-Minister – as such she holds one of the most important ministries in Tony Blair's Cabinet, with seven junior ministers under her.

Patricia Hewitt is a strong supporter of trade liberalisation and competition – as well as advocating a widening of the responsibility of business in the regeneration of disadvantaged communities affected by social and industrial change. She has a special interest in Australia – Britain relations and is keen for Britain to promote Australia as the natural location for investment in the South-East Asian region for British industry, while Australia conversely promotes Britain as the best European location for its investors.

She sees her role as one of providing the conditions which will allow British industry to innovate and find its place in a globalised world. She has brought business figures onto a new “strategy board” of her department but is certainly not afraid to tackle business as well, presiding over a re-organisation of Britain's media ownership rules, proposing legislation giving shareholders a say over boardroom pay and a separate vote on remuneration reports and proposing that price-fixing be made a criminal offence.

According to Fred Brenchley in *The Bulletin*, Patricia Hewitt was attracted to politics as a student, quoting her as saying “I was always interested in changing things I thought were wrong or unfair. I'm a natural campaigner”. She has not just applied this trait to her portfolios, but also within the Labour Party itself, working to modernise it throughout the Thatcher years, dragging it from socialism and class politics to the centre stage. She has thus emerged as both an advocate of change and a voice of reason against tribal Labourism. For example, during the internal party debate over the private finance initiative she called for a “more grown-up politics”, namely Labour engaging in difficult debate, admitting mistakes, learning from critics and explaining to its own members why some things cannot or should not be done. Throughout British Labour's wilderness years she kept closely in touch with the then successful Labor Party machine in Australia, drawing on the latter's successful ideas for British Labour's own reforms. No doubt the Australian Labor Party would benefit from her returning the favour whilst she's here! Indeed Bob McMullan has commented that “she had a no-bull approach; she judged ideas only by their merits, not by who had authored them or how long they had been accepted wisdom and if she disagreed with something, she'd say it straight”.

Whilst Australia may rightly claim pride in her being the “highest placed Australian-born Labour politician” and “the only Australian citizen in the British parliament”, at least we have stuck to parochialism rather than the sexist tags she's had to endure from the British press:

following her election in 1997 she was dubbed one of “Blair’s Babes” and, last year, London’s Daily Telegraph called her “uberbabe” for her plans to create a new communications mega-regulator. Not surprisingly, Patricia Hewitt has retorted that “I am 52, I have two teenage children and I am nobody’s babe, uberbabe or otherwise”. She notes that sections of the British press have a problem with “women who are strong characters”. This is, of course, not a problem in Australia at all!

In 1993, Patricia Hewitt wrote *About Time* – a book focusing on changes in work and family life. She has carried forward this interest to today, pursuing a massive cultural change across business and government, saying, “Within my own department, I have created a partnership group for management and the workforce to look at how we can do more to change our working culture and I look forward to the time when we will have the first pair of job sharing ministers in government.”

The Ministry of Trade and Industry has the reputation of being a political graveyard. However, I gain the distinct impression that Ms Hewitt will have this job for as long as SHE wants it. She is way too astute to admit to leadership aspirations which makes it all the more exciting for us to speculate...

By the way, her official CV lists her other interests as theatre, reading, music and gardening and one of her life long friends attributes her rise to the top to a talent for making optimum use of her time and a rare focus. She may choose to reject the workaholism of her parents and one of her mother’s favourite lines of poetry from Kipling, namely “if you can fill the unforgiving minute”, but it’s hard to imagine how she can fit another thing into her astonishingly busy life.

Will you please join me in welcoming The Right Honourable Patricia Hewitt.

Vote of Thanks – David Mortimer

Australia Post is proud to again sponsor the Sydney Institute Dinner. This is our second sponsorship and I look forward to a long and rewarding association. I congratulate Gerard and Anne on their insight and work in arranging tonight’s presentation. It’s been another important contribution to our knowledge of international issues. Stimulating occasions like tonight underline the Institute’s vital role in fostering intellectual discussion in Australia. No other institution in Australia has the Institute’s dedication to the integrity of pursuing debate on policy and issues without compromise. The Institute’s bipartisan approach ensures our agenda for knowledge and discussion is, rightly, without boundaries.

I’m sure you will agree with me that tonight’s speaker, the Rt Hon Patricia Hewitt MP, has exemplified the finest traditions of the Institute. It’s been a unique opportunity to hear an original voice, a

passionate voice. This is exactly the sort of voice we long to hear in politics – a dedication to building a more inclusive society, a dedication to fulfil the role of government as a nurturer of society. In pursuing these ideals, Patricia brings a robust intellect, a keen grasp of contemporary issues, and a clear commitment that politicians must lead by true compassion and care. In doing my research on Patricia Hewitt, I saw that she has been dubbed a rising star in Prime Minister Tony Blair's Cabinet. Tonight's captivating and stimulating lecture has shown us why. Patricia – your engrossing lecture has given us much to ponder. I thank you deeply on behalf of us all. I ask everyone to show your appreciation for this most memorable lecture.

Patricia – your achievements are a great story of success and contribution to society. At Australia Post, we are proud that, as a government business, we are successfully contributing to society through service, profitability and corporate reputation.

But we also get involved in community initiatives like East Timor's Independence Day. Australia Post produced East Timor's first postage stamps to mark the new nation's government. This initiative saved East Timor around \$150,000 in production costs. On top of this, all revenues from the stamp sales – that's expected to be about \$500,000 – will go to the new East Timorese Government. The stamps were released on 20 May (Independence Day) and are proving a very popular set.

I am pleased to make a gift of this special set to you. I am sure you will greatly appreciate the spirit of independence and international goodwill that they honour. I invite all of you to feel free to order the stamps yourselves through our website and support this initiative.

GUEST SPEAKERS AT THE SYDNEY INSTITUTE June 2002 – August 2002

John Ralston Saul & David Malouf (Internationally acclaimed writers – in conversation)

Canada and Australia: The Differences

Tariq Ali (Pakistani & British writer, historian and novelist)

The Clash of Fundamentalisms

Jenny Macklin MP (Deputy Leader of the Opposition & Shadow Minister for Education)

We're All in It Together

Dr Rita Hauser (Chair of the International Peace Academy, New York)

The United Nations – Overstretched and Out of Date?

Boaz Ganor (Executive Director of the International Policy Institute for Counter-Terrorism, Israel)

The Changing Threat of International Terrorism

Paul Gilding (Chairman, Ecos Corporation)

Single Bottom Line Sustainability

Ambassador Kenton Keith (Senior Vice President of Meridian International Center)

Explaining the War against Terrorism: A US View from Islamabad

Wayne Swan MP (Shadow Minister for Family & Community Services)

Is the Family Becoming an Endangered Species?

Leah Purcell (Actress and writer)

Black Chicks Talking

The Hon Bob Carr MP (Premier of New South Wales)

A New Agenda for Government

The Rt. Hon. Patricia Hewitt MP (Secretary of State for Trade & Industry, UK)

Once an Australian – Reflections of a British Cabinet Minister

John Brogden MP (Leader of the Opposition, NSW)

New South Wales – Planning for the Future

Don Watson (Author, *Recollections of a Bleeding Heart – A Portrait of Paul Keating PM* [Knopf 2002])

After Writing About Paul Keating

Lindy Edwards (Author, *How to Argue with an Economist*, [CUP])

Chris Enright (Author, *Legal Technique*, [Federation Press])

Getting a Message Across – Language, Law and Economics

Susanna de Vries (Author, *Blue Ribbons Bitter Bread* [Hale & Iremonger 2001])

Heroine in the Shadows – The Search for Australia's Most Decorated Woman

Dr Judith Brett (Reader in Politics, La Trobe University & Author, *Robert Menzies'*

Forgotten People)

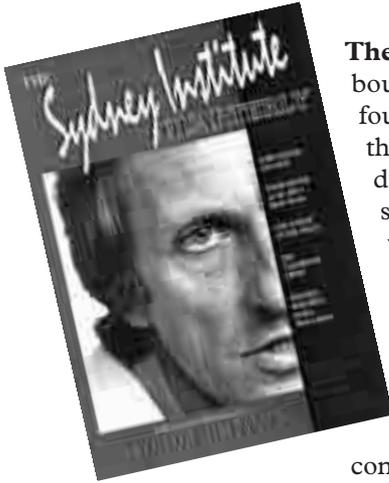
Jeff Kildea (Barrister & Author, *Tearing the Fabric: Sectarianism in Australia 1910–1925*)

Sectarianism, Politics and Australia's Catholics

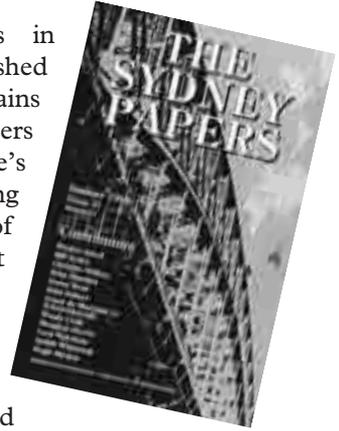
June Duncan Owen (Author, *Mixed Matches: Inter-racial Marriage in Australia* [UNSW Press, 2002])

Mixed Matches: Inter-racial Marriage in Australia

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Michelle Downes,
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