

# THE SYDNEY PAPERS

Winter/Spring 2003

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## Contributors

David Pryce-Jones

Susan Ryan

Frank Moorhouse

Kerry Schott

John Faulkner

Michael Carmody

Bridget Griffen-Foley

Norm Ornstein

Babette Smith

Lindsay Tanner

Julianne Schultz

Michael Casey

Geraldine Doogue

Stuart Macintyre

Janet Albrechtsen

Kieran Kelly

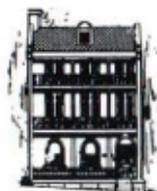
Bob Brown

Judith Brett

Gerard Henderson

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*Personal Assistant to  
the Executive Director*

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*Subscriptions Managers*

**MS TANYA GOLDBERG**

**MS TENILLE HALLIDAY**

*Editorial Office:*

41 Phillip Street, Sydney, NSW 2000  
Australia.

Phone: (02) 9252 3366

Fax: (02) 9252 3360

Email: [mail@thesydneyinstitute.com.au](mailto:mail@thesydneyinstitute.com.au)

Website: [www.thesydneyinstitute.com.au](http://www.thesydneyinstitute.com.au)

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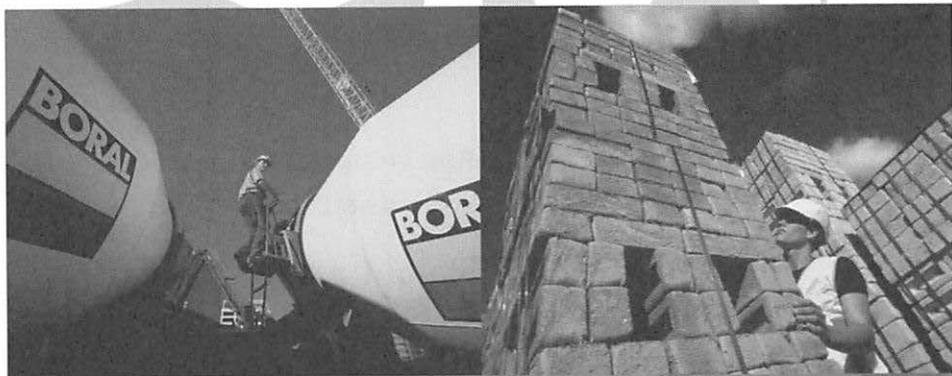
# The Sydney Papers

**Editor:** Anne Henderson

**Production Assistants:** Lalita Mathias  
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**BORAL**



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Photo – David Karonidis

*David Pryce-Jones*

David Pryce-Jones was educated at Eton College, and then read history at Magdalen College, Oxford. He has published nine novels and nine books of non-fiction, including *The Closed Circle: an Interpretation of the Arabs* and *The War that Never Was*, about the end of the Soviet empire. He is currently a senior editor of *National Review* in New York. David Pryce-Jones, making a welcome return, addressed The Sydney Institute on Wednesday 6 August 2003.

# THE IRAQI CAMPAIGN

## *- THE POLITICAL CONSEQUENCES FOR THE ARAB WORLD*

**David Pryce-Jones**

The United States has emerged centre stage in 2003 for all to observe what has long been the underlying reality – that it is the supreme arbiter of power in the world. The presence of large American and allied forces in Iraq introduces what Karl Marx called “a plastic hour”, meaning that the will of those taking decisions must determine events as yet indeterminate, and not only in the region but far and wide.

An earlier plastic hour came with the troubled circumstances following the Second World War, when Arab countries gained their independence from their European rulers. Liberation turned out not to bring freedom. One Arab nationalist ruler after another proved to be a self-imposed despot. Now Iraq, and beyond it the whole Arab order, comes once more up against people of another civilisation and another religion proposing to reform set ways radically by introducing democracy – a political and social novelty which, it is claimed, will allow Arabs for the first time to adapt to the process of constant change which is integral to the human condition, and so take control of their destiny as they should. Are the Arabs going to seek refuge as before in self-pity and violence? The answer to that question will clarify whether the United States has acted as liberator or conqueror.

Saddam Hussein himself grew up with the values of one branch of a small tribe near a little town in a backwater province of the Iraq of more than half a century ago. Perhaps the values of that background taught him that he had only to divide his enemies, that since he had the support of Russia, France and Germany, never forgetting Belgium, the United States would not dare to encourage the political divisiveness of the West by attacking him. Few Arabs doubted that Saddam was a monster, but he was also larger than life in a country of mixed races, tribes and sects long accustomed to pitiless competition for power and privilege; and he held things together as monsters do, epitomising the ancient wisdom that tyranny is preferable to anarchy. Absolutism like his brings about that reaction so hard for Westerners to fathom, whereby people respect what they fear, coming to admire the very man

who is oppressing them. The Arabic word for the mentality is *haiba*, defined in the standard dictionary as “fear, dread, awe, reverence, veneration, respect, awe-inspiring appearance, standing, prestige.”

To Arabs generally, Iraq and Abbasid Baghdad are symbols of civilisation and strength and independence. During the build-up of American-led forces, the Arab media depicted Iraq as a genuine military power: its elite troops were certain to inflict unsustainable casualties on the Americans, some magnificent show-down with the West was at hand. Arab media are controlled in every country by the ruler whose purposes they serve, and it was one thing to whip up the enthusiasm of the masses but quite another for the leaders themselves to ignore the supreme power of the United States. A thousand years ago the Seljuk vizier Nizam al-Mulk laid down a golden maxim, “He who finishes on the losing side has no business in politics.”

When American troops rolled more or less at their ease through Iraq, a huge sigh of disappointment swept the Arab world. Newspapers carried photographs of men disconsolate in cafes from Morocco to the West Bank, expressing dismay that Saddam had misled them and was neither to be feared nor respected after all. The would-be hero shrank into a hypocrite, a braggart; all his rhetoric and his *haiba* was sham, a pose, a feature in what Fouad Ajami has sardonically called “the dream palace of the Arabs.” Reality dissolved expectations in a way dire enough to challenge Arab culture and identity. How that disappointment and those frustrated expectations evolve will decide the political consequences of the campaign.

In the absence of genuine elections, local polls, a free press and rights of assembly, it is almost impossible to judge public opinion in the Arab world. Selective quotations from individuals may or may not reflect a general state of mind. All sorts of strategies are available for the release or the repression of anger and self-pity. Some sympathise with American intentions. For instance a Saudi columnist, Suleiman Al Hattlan, takes a positive view of democracy and says that Arabs have nobody to blame but themselves for their plight, writing, “We have to stop talking about the need for reform, and actually start it”. The real enemy, he adds, is “religious fanaticism.” Another Saudi journalist, Raid Qusti, asks, “How can we expect others to believe that a majority of us are peace-loving people who denounce extremism and terror when some preachers continue to call for the destruction of Jews and Christians, blaming them for all the misery in the Islamic world?” The Tunisian intellectual Al 'Afif Al-Akhdar, living in Paris, likens Arabs to frightened snails curled up within themselves to brood on dark thoughts of vengeance, suffering defeat but incapable of drawing the proper psychological or intellectual conclusions from it.

Awad Nasir is an Iraqi poet, who has been in Saddam's prisons and in exile. For him, coalition soldiers who died to liberate his country

are martyrs and heroes. He writes, "It is not only the people of Iraq who are grateful for the end of a nightmare. A majority of Arabs and Muslims are also grateful. The chorus of lamentation for Saddam consists of a few isolated figures espousing the bankrupt ideologies of pan-Arabism and Islamism. A Moroccan Islamist tells us that the American presence in Iraq is 'a punishment from "Allah" for Muslims because of their "weakening faith". But if the toppling of a tyrant is punishment, then I pray that Allah will bring similar punishments on other Arab nations that endure despotic rule.'" Replacing vicious tyranny with a working democratic system is no easy task, Awad Nasir continues, but it is one "worthy of the world's bravest democracies." Egypt has experienced twenty two years of an unbroken state of emergency, and recently the sociologist Saad Eddin Ibrahim was sent to prison there for speculating that Mubarak might make his son his successor. Pardoned on appeal, he says, "If you just give people a chance, if you go to the Arab masses and ask people to express themselves, you'll be very surprised how many people are committed to democracy, and committed to peace."

In contrast, a poll conducted this May by Pew Global Attitudes seems to suggest that negative attitudes towards the United States and its proposals of democracy are soaring at street level. The survey questioned 15,000 Muslims in Indonesia, Jordan, Kuwait, Lebanon, Morocco, Nigeria, Pakistan, the Palestinian Authority and Turkey. At least two thirds of all the respondents think that America could become a military threat to their countries. Huge proportions – 97 per cent in the case of Jordan, 79 per cent in Morocco – further believe that Islam is seriously threatened. Three-quarters of those polled were disappointed that Iraq had put up so little resistance, and a high proportion also maintained that "the rights and needs of the Palestinian people cannot be taken care of as long as the state of Israel exists". Asked which Muslim leaders they most trusted, they gave as the top three Osama bin Laden, Yasser Arafat and Crown Prince Abdullah of Saudi Arabia.

Arab nationalism and Islamism are the two impulses fuelling such responses. A European hybrid with characteristics drawn from Nazism and Communism, Arab nationalism enabled a few charismatic leaders to capture their states by force and impose a police and party apparatus to control them. "What is law?" Saddam Hussein once asked, to give the memorable answer, "Two lines of writing above my signature." Some of these leaders further spoke of uniting all Arabs, but this pan-Arabism in practice could lead only to the dissolution of the very nation-states which they had just seized for themselves. Not a single Arab state came to Saddam Hussein's rescue. The American campaign exposed the hollowness of Arab nationalism and exploded any idea of pan-Arabism.

Islamism also appeals to Muslims to transcend the artificial boundaries of nation-states, and to unite the entire Muslim community of the world, a billion strong and on the march. Politicised, Islam becomes a utopian vision of power to be put into practice through the ancient Muslim virtues of fidelity among themselves and jihad against non-believers. Terrorism has its origins here. Muhammad Tantawi, the Sheikh of al-Azhar and pre-eminent Sunni authority, categorises the American-led coalition as a "crusading war" and summons Muslims to take up arms against invaders. Hamad al-Shuaibi is one among numerous Saudi imams who condemn what they too see as a "war of infidels against Muslims".

Politicised Islam and nationalism are mutually reinforcing. Dr Mahathir Muhammad, the Malaysian prime minister, accustomed to playing the Muslim card during his two decades in power, believes that the US clearly plans to use Iraq as its principal base in the Arab world in order to remake the Middle East in accordance with its strategic interests. He says, "The Americans are choking us with their talk about democracy." A popular Egyptian singer exclaims, "Better Saddam's hell than America's paradise". According to such luminaries, it is preferable for Muslims to suffer under their own kind than to be set free by non-Muslims.

Saudi Arabia has funded Islamism with its petro-dollars, spawning the Taliban and al-Qaeda. Osama bin Laden's main objective was to remove American troops from the country, probably as a prelude to his own bid for absolute power. The United States' consent to withdrawal leaves the Saudi royal family to defend itself. Irresistible force meets immovable object: the thousands of royal princes have so total a lock on wealth and privilege that insurrection appears likelier than reform. Dr Mahathir Muhammad notwithstanding, it looks far-sighted of the United States to be shifting its centre of gravity to Iraq, leaving the Saudis to their own hypocrisies and contradictions.

The confrontation between the United States and Iran is now the most serious and potentially dangerous issue in the Middle East. Iran was the first country to place the resources of a potentially rich state at the service of Islamism. Tehran takes secret pleasure from the downfall of the nationalist Saddam Hussein, and happily awaits the day of reckoning in Saudi Arabia. But Tehran notes that the United States is establishing a presence in the Muslim republics of Central Asia, and after the Afghan and Iraqi campaigns it pincers Iran on two borders. The moment that Saddam Hussein's regime fell, the Iranian President Muhammad Khatami hurried to Damascus to declare that the Americans were occupying Iraq, and this was "a great mistake" which should be put straight by "a unified front to fight American imperialism." Ayatollah Ahmad Jannati, leader of the Guardian Council, the Iranian politburo so to speak, said, "The Iraqi people have reached

the conclusion that they have no option but to launch an uprising and resort to martyrdom operations to expel the United States from Iraq.”

Events have some invisibility. A number of al-Qaeda members are known to have found refuge in Iran, and may be responsible for killing Americans and fellow Arabs in terror attacks in Saudi Arabia. In another murky incident, American forces dispersed the Mujahaddin-e Khalk, a secular militia dedicated to overthrowing the Tehran regime. Tehran uses Ayatollah Muhammad Baqr al-Hakim as its point man and has despatched a large but again unknown number of agents to frustrate American purposes by stirring up Shia rebellion in Najaf and Karbala.

President Bush is on record saying, “The people of Iran want the same freedoms, human rights and opportunities as people around the world.” Some in his administration advocate those heavenly twins, engagement and containment, others are pressing for public and private actions to topple the Tehran regime through a popular uprising. The time is ripe. Even among themselves, the perception is widespread that the ayatollahs are not very adept at politics, they are incompetent and corrupt, and for everyone’s sake should return to the mosques. How out of touch they are was revealed some months ago, when the majlis commissioned a poll, only to discover that 74 per cent of those polled had a favorable view of the United States, and wanted to open a dialogue with it. All concerned had to be arrested.

In many Iranian cities daily demonstrations are already taking place. The regime’s sense of vulnerability is noticeable in the increasing violence of the state’s para-military squads, and the arrest of anyone brave enough to criticise the regime. Supreme Leader Ali Khamenei promises to use whatever force is necessary to retain power. One of the regime’s spokesmen, the editor of the official newspaper Keyhan, wrote that now was a good opportunity to save the Islamic republic from all those elements that want to destroy it. “Death to Ali Khamenei!” and “Kill all the mullahs!” is how the protesters, mainly students, return the compliment on their placards. If the regime can last a period estimated between one and three years, it will have a nuclear weapon, banking that this will freeze the situation in its favour. The United States faces a decision between accepting that a regime of this hostile nature has the nuclear weapon or taking military measures to pre-empt the danger.

The alliance of Iran and Syria is another example of Islamist and nationalist mutual support. The hope of both countries to head off American ambitions whatever they might be, and to destroy Israel into the bargain, has primacy over abstract issues of doctrine. Jointly or separately, Iran and Syria pursue foreign policy by financing and arming something like a dozen terrorist groups. The maintenance of its invisibility of Hisbollah, their main proxy, throughout the Iraqi campaign and into the present, demonstrates their mastery of the black

arts of measuring power. Rumour at one moment had it that Syria was offering refuge to important Iraqi Ba'athists, perhaps even Saddam Hussein. A United States armoured division or two might have chased such a quarry. Had the Syrians in fact held Saddam or his sons in their grasp, they would have been more likely to sell such valuable properties for the highest price obtainable – and the suspicious Saddam would have been well aware of that risk. Secretary of State Colin Powell has warned Bashar Assad not to meddle in Iraq, not to support terrorists, not to develop weapons of mass destruction, and not to sabotage the road-map for Israeli-Palestinian peace. The shuttle of Powell to Damascus allowed the Syrians to present him as a supplicant. In reality, Syria is a poor and friendless post-Soviet slum. The future of the Syrian Ba'athists is bound up with the fate of the Iraqi Ba'athists.

President Clinton in his term of office urged Palestinians and Israelis to make peace at Camp David and its follow-up at Taba. Keeping American power out of the equation, he preferred to promote the favourite illusion of the 1960s, that it is better to make love, not war. The peace process finally petered out into a series of rather despairing plans, the last of them devised by the so-called Quartet with its road-map, shorthand for the two-state solution of this dispute. At the outset of his presidency, George W. Bush said that he would be leaving the Middle East to deal with its problems. Events in the beautiful resorts of Sharm-el-Sheikh and Aqaba have forced him to lift the Palestine-Israel question out of its present trough of violence and bloodshed. Israeli Prime Minister Sharon, for the first time in his career, accepted the necessity for a two-state solution, and the dismantling of at least some settlements. Later he warned a meeting of his Likud party that Israel's occupation of the West Bank could not last for ever.

Bush's initiative has the merit of by-passing the other members of the Quartet, namely the United Nations, the European Union and Russia, all three players heavily invested in American failure. Otherwise, nothing essential has changed since Camp David came unstuck. As ever, Yasser Arafat controls the Palestinian police and security apparatus, and the funds, in full charge of all sticks and carrots. In the hope of breaking Arafat's deadlock on power, the Americans were responsible for obliging the Palestinians to set up the new post of prime minister. First Abu Mazen and then Abu Alaa held this office. Both were selected from Arafat's inner circle, and neither made headway towards a pluralist solution in either inter-Palestinian rivalries or in dealing with Israel. Any idea of democracy remains as much a chimera as ever.

Palestinians are in the position of Tarquinius, to whom the Cumaean Sibyl offered to sell at a price nine books containing worldly wisdom. When Tarquinius refused, the Sibyl burnt three books and offered the remaining six at the same price. Tarquinius again refused,

and the Sibyl burnt another three books. Rather than be left with no wisdom to guide him, Tarquinius finally paid the full price for the three remaining books. The stubborn and blinkered, in other words, end up paying the same for less. As their identity swerves erratically between nationalism and Islamism, between violence and self-pity, Palestinians cannot bring themselves to conclude a bargain which each refusal makes worse. A comparable psychological dilemma afflicts Israelis when it comes to giving up settlements on land with biblical claims. The issue comes down to rationality versus ideology – plain emotion – which has little or nothing to do with road-maps. Power, however, has its irresistible logic and if the United States uses it to good effect as supreme arbiter, acquiring *haiba* of its own, then an American era could replace today's plastic hour in Iraq and elsewhere in the Middle East. Otherwise the repetitive failures and blood-lettings will stretch into the indefinite future.

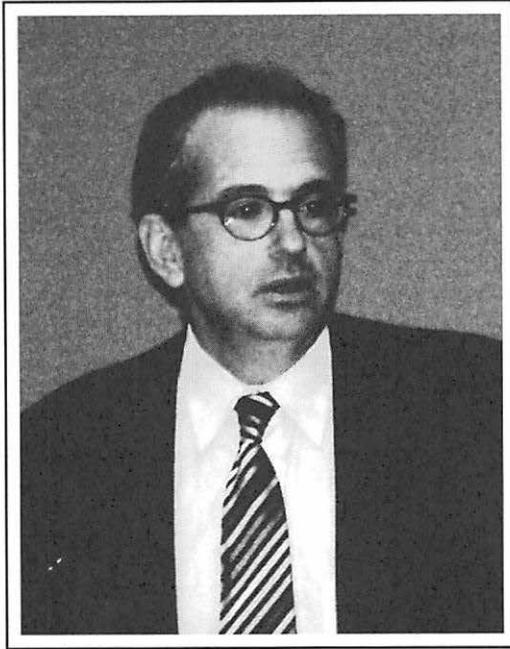


Photo – David Karonidis

*Norm Ornstein*

What's happening in US politics? And where are the Democrats headed? Norman J. Ornstein is a resident scholar at the American Enterprise Institute for Public Policy Research, a political contributor to *MacNeill/Lehrer NewsHour* and an election analyst for CBS News. In an address to The Sydney Institute on Monday 11 August 2003, Norm Ornstein spoke of the new phenomenon of event driven politics, the prospects for the Democratic Party in the forthcoming presidential election and the change in US politics since 9/11.

# CONTEMPORARY US

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## *POLITICS IN THE LEAD-UP TO THE 2004 ELECTION*

**Norm Ornstein**

It's a pleasure to be here and to be in Australia. It's difficult to get away from the United States now as our politics is moving faster than the speed of light. We have an unanticipated election ahead of us very soon in California, created by a rather unusual phenomenon in California where the Governor is being recalled in the middle of the term. Californians will vote whether to keep him or not and, if they decide not to keep him, who his replacement will be. We have a huge slate of candidates in the race. It only costs \$35,000 to become a candidate for Governor of California and of course the most prominent is Arnold Schwarzenegger.

I want to start with a brief story. It's a story that takes place on 5 May 1955 or 5/5/55, in New York City. Late in the evening of that particular day there is an accountant who just simply couldn't sleep. He tossed and turned, and tossed and turned, and finally in the wee hours of the morning got up and said, "This is crazy, I'm getting nowhere. I'm not getting any sleep. I've got a major audit I've got to finish; I might as well get up and go to work." He looked out of the window and across the street there was a bank with a neon sign that flashed the time and the temperature. It was 5.55am, 55 degrees Fahrenheit. So he got dressed and went downstairs and took the subway to his office which was in a high-rise building at the corner of Fifth Avenue and 55<sup>th</sup> Streets and went upstairs to the 55<sup>th</sup> Floor and worked on his audit. In the middle of the afternoon he finished and sure enough both sides of the ledger \$5,555,555.55. So he broke his pencil threw it against the wall said, "That's it." He raced downstairs to get to his bank, making it just before it closed and withdrew his life's savings of \$5555, went out, hailed a cab and said, quick take me to Aquaduct – which is of course the horse race track in New York. This track is on Long Island, quite some distance from mid-town Manhattan, but this was 1955 so when he got there the cab fare was only \$5.55 cents. It was packed that day and he pushed people aside to get to a window just before the fifth race closed. He put all the money on Number 5 in that fifth race. And then

elbowed pass people to get down to the apron so he could watch it. The horses took off, and they came around the track and they got to the finish line – and of course the horse finished fifth.

Now that tells you something about the perils of winner projections. It's a cautionary note because we're tempted, in both our countries, to make many projections about where we'll be. And we have already found the perils of that in the last several months and over the last year, as our president has had his approval or his political standing moved around very substantially. We have come to realise now, perhaps more than in any other time, that we live in an era of event-driven politics. I have no doubt in my mind, there is one prediction I can make pretty confidently – that between now and the first week of November 2004 there will be one, or two, or three, or more stunning events that may be on the par with 11 September, an attack on our soil or perhaps somewhere close by. There may be the equivalent of a war like Iraq, there may be a scandal. And I suspect that we will have, as we have had in the last couple of years, a lot of mood-swings in American politics. All that means, among other things, is that George Bush is not unassailable by any stretch – formidable but not unassailable.

In the last several months, we have seen a lot of hand-wringing by Democrats around the country and by journalists about the weak field the Democrats, their inability to have any kind of a message or to have any theme. They are surprised at the one candidate who has emerged with a personality and a force, Howard Dean, who is among the least likely and perhaps the most vulnerable if he counts the party candidate. Yet this does not tell us anything about where the Democrats will be or where the country will be six months from now or a year from now. So I say all of that as a prelude.

I want to tell you another story which is itself a different kind of cautionary note. You can put this into a larger context. What we saw with the 2000 elections, presidential and every other level, is a phenomenon that is still there in American politics, that is very unusual in our history and which dominates the political dynamics that we have right now. It is this. We are a 50/50 nation. We have two political parties who are at virtual parity at just about every level of American politics. It's changed a little bit with the elections – the mid-term contest that we had in 2002. Republicans now control the levers of power in Washington, albeit by very narrow margins. But it doesn't change that fundamental reality and of course we saw first and foremost in that presidential election which was extraordinarily unique in American history – an election which was so close that it took 36 days after the election to sort out the results. It took the intervention of the Supreme Court by 5-4 to do so. An election, in the end, which George Bush won with that Supreme Court decision by one electoral vote out of our 538 elections being decided by electoral votes divided by the states. We

haven't had an election so close before in history. An election in which the popular votes were divided by less than one half of one per cent and Bush was on the losing end there. But also an election that in the end was decided by a disputed count in Florida in which the division between the two candidates was about 1600<sup>th</sup> of one per cent of the votes cast, by almost any standard within the margin of error that statisticians would use. And just to give you a sense of how bad it was, disputes over the vote counts and the propriety of some of those ballots cast notwithstanding, six months after the election all the ballots had been set aside and a consortium of news organisations in the United States paid a lot of money to get those ballots and count them 40 different ways. They used 40 different decision rules to determine how you would count the ballots – whether to count ballots with a check mark a little bit off the actual point; whether they had a double ballot cast for reasons of the design of the ballot that weren't allowed because the registrar didn't allow it for a reason. They used different decision rules. In 20 scenarios they worked out Bush was the victor; 20 had Gore the victor. The fact is that it was virtually impossible to come away with a clean result in an election that was so close.

Now on the basis of intentions of votes cast we would have President Al Gore today. There were a large number of votes in which people went into the voting booth intending to vote for Al Gore but their ballots were never counted. No system would have counted those ballots because of the poor design of the ballots. People thought they were voting for Gore and, in many instances, they voted for Pat Buchanan and it was not a second choice in many cases either. Regardless of that, we had an extraordinarily close election.

But now look beyond that. We ended up with our two houses of Congress, of course, also being decided in that election – all the members of the House, and a third of our Senate. We ended up with the closest partisan margins in 70 years. 435 seats in our House divided by a republican margin of six out of 435 and a tie in the Senate numbered 50/50 for the second time in history, the first in 125 years. Look a little bit deeper. We have a system with separate districts – 435 of them – separate contests. But if you add up, across those 435 districts, all the votes cast, it's dead even between the two political parties. Look at our 50 states in the legislatures and the division there in terms of votes cast and the number of members across 99 legislative bodies – each state except Nebraska having a House and a Senate – there the Democrats, after the 2000 election, ended up with about one per cent advantage in terms of the number of state legislatures. Now, in 2003, it's gone back to virtually dead even. And then look at our public opinion surveys showing parity between the two parties.

In the course of American history, our political historians identified a series of eras which they called, in the jargon, party systems from

the beginning of the republic forward, each of which lasted roughly or almost metronomically anywhere between 32 and 40 years before something happened. Usually it was a combination of the generational theme and a cataclysm, a war or depression, which brought about a fundamental realignment and a new party system. What characterised each of those party systems is that there was a dominant party. It didn't win every election but it won the majority elections. It held the presidency for a majority of that period. It held the Congress for much of that period. Now we are in uncharted waters. Through those different party systems, occasionally there would be a brief transition period where things would stay very close between the parties before a dominant party emerged. That was a rarity. The last time we had something like that happen was right after the Second World War. Then we saw, in Britain, Winston Churchill was thrown out and a different era emerged. After a period of Democratic Party dominance (Franklin Roosevelt and the Democrats running things for 20 consecutive years after the Depression), the Republicans took the Congress in 1946, gave it back by a very narrow margin two years later, came back with Dwight Eisenhower in 1952, gave it back two years later. Then we saw a different era emerge.

But we have not had, through our history, any extended period of time with extraordinarily close competition and parity. We may be in a transition towards another party era and a new party system, but there is a very good chance that we will stay with this kind of division for quite a period of time. The parties of course each want something else to emerge. Each wants to use this as a transition and emerge triumphant and dominant. Each fears the prospect that the other can prevail in that way. The stakes are very high therefore with each election because if you can gain that foothold maybe you can use it as an opportunity to establish your policy credentials to build a greater sense of allegiance among a smaller group of Americans who are not identified with those two political parties, build enough of a base that you can become the dominant force. And that's characterised our politics for the last few years – an enormous intensity and competition. There's a sense of suspicion of the other side and feelings of intensity about the stakes that aren't like anything we have seen – certainly which I have seen in my life time.

Now we did have 11 September 2001 which changed George Bush's standing with the American people. Before 11 September 2001, Bush struggled to develop a broader sense of acceptance and legitimacy. Partly because of the way in which he entered the presidency, partly because he did not come in with any of what we call "coat-tails" – bringing members of his own party with him. The Republicans actually lost seats in both Houses of Congress during his election campaign and his victory. The events of 11 September 2001 in New York, and their

aftermath, changed that. The questions about his legitimacy went away. A feeling that he was a strong leader emerged and it's now set, probably in stone for him, the notion that he is a resolute commander-in-chief. That has worked to his advantage, certainly in the policy world, and it worked to his advantage politically and probably contributed to an unusual mid-term election. Of course we have elections every two years on the first Tuesday following the first Monday in November; the presidential contest every four years, the Congressional elections – members of the House every two years and then the third of the Senate staggered in between with those six year terms. The usual pattern in American politics is that there is an adjustment after a Presidential election and the President's party loses seats. It's been virtually inexorable for 150 years in the House of Representatives before 2002.

Only in two elections since the Civil War have we seen the party of the President actually gain seats. One was in 1934, in the middle of the Depression, when we were in the midst of that realignment that brought the Democrats and Franklin Roosevelt into a period of dominance. The other, in 1998, was driven as much as anything by Republicans' misjudgement in wanting to impeach Bill Clinton and the public reaction against that. That was it. In the Senate, in about 90 per cent of the elections, the President's party loses seats. Republicans under Bush gained seats in both Houses – they were small numbers but nevertheless went against that tide of history and this was partly driven by George W Bush's continued positive perception as commander-in-chief.

But fundamentally, those election results notwithstanding, and his own strong position in the public notwithstanding, nothing about the 50/50 nation changed in a significant or fundamental way. And it is true at almost all levels of American politics. We are heading now therefore towards an election next November which will either continue this sense of extremely close control or provide some kind of break. It is going to be fascinating to watch. One of the reasons it will be fascinating, is that while things are very, very close and the parties are very, very close in their competition, something else has fundamentally changed over the last 15 or 20 years. At the elite level, particularly in Washington, the two parties which always had some distinctive ideological characteristics have become more and more homogeneous and less distinct.

If you looked at the Congress of the 1950s or 1960s and used, if you will forgive me, an American football analogy – that is if you had put all those members of Congress in the 1950s on buses and taken them about two kilometres away from the capital due east to what was our football stadium, Robert Kennedy Stadium, and set them down on the field – the field is 100 yards long with goal posts on either end – and said put yourself in that field generally where your world-view would make you most comfortable, the vast number of those members would have congregated somewhere near the mid-field area. And you

would have looked at them in their basic philosophy, ideology, world view and you have drawn a kind of bell-shaped curve. Now more of the Democrats would have been a little bit up on one side or on the forty yard lines. More of the Republicans on the other side. If you took today's Congress and performed the same exercise – told them to go down to the field and place themselves where their world-view would make them most comfortable – you would find very few people in the mid-field area and most of them would be clustered down somewhere near the goal posts.

Now we have a kind of bi-polar distribution – I mean that in the statistical rather than psychological way. As the Republicans have moved right, the Democrats have moved left. Now when you have extremely close margins – right now it's 12 seats advantage for the Republicans out of the 435 in the House and one in the Senate – it makes it very interesting to try to govern. In the old days you could try and build majorities near the middle by getting people to move the equivalent of five yards or so which was not all that difficult. And you could always find people from the other party closer to you than some of your own members to build a bi-partisan coalition.

Now, the majority still tends to be somewhere near the middle. But you can't find the members anywhere close by. And what the Republicans have done is to build a discipline within their own party in the House of Representatives that's reminiscent of a parliamentary system and try to govern at one end. They had some success, albeit in some instances by one vote. We have an electronic voting system – each vote supposedly lasts 15 minutes before they turn off the machines. Magically, somehow, the machines have gone on for 45 to 55 minutes at times so that they could squeeze that extra vote out. The republicans have made it work and, extraordinarily in the last two years, tried to govern as a parliamentary party in a radically different presidential system. It's one with extremely close margins and a quiet but strong bipartisan cooperation in the middle but also it aims to implement policies that have moved sharply towards one end. This has done two things. It has increased the stakes of winning – if you are in power, even by one vote, you have all the chairmanships of committees and control of the agenda. And if you are out by one, you could have nothing which is how the Democrats feel right now. Secondly, it has greatly increased the level of animosity the Democrats, including all those members of Congress, feel towards George W. Bush.

I know George W. Bush although I'm not an intimate of his. He's an extraordinarily affable man. But he has generated a level of animus that is greater than I've seen Democrats have towards any modern Republican president, including Richard Nixon and Ronald Reagan. It's on par with the level of animus that Republicans felt towards Bill Clinton when they moved to impeach him. That makes for very difficult

and very interesting politics especially now that 11 September 2001 has become a dominating factor in American public life.

I can't emphasise enough for you how much 9/11, as we call 11 September 2001, has had an impact on our psyche and our politics. Not by changing the fundamental nature of the public's allegiance towards the two parties, but in our sense of America's role in the world, the threat to the United States from outside and the need to respond to that threat. That should have brought the country together, and for a very brief period of time it brought the political parties together. I don't know how many of you happened to watch just a few days after 9/11 where President Bush gave his Address to the Nation from the Chamber of the House of Representatives. It was the speech that created the image of him as a strong leader. He had been shaking the first day or two after 9/11 then two things followed which has shaped the public's view of him since. Firstly he went to Ground Zero and grabbed the microphone. People couldn't hear him but they watched him say, "You can't hear me, but I hear you and we will deal with this problem". The second event was a masterful speech to Congress for somebody who's not a masterful orator. The image that emerged for our political forces came from the immediate aftermath of that speech. Bush finished it and left the podium. He went down to the chamber and shook hands in a perfunctory way with the Republican Senate leader Trent Lott of Mississippi. Then he warmly embraced the Democrats leader - Tom Daschle. It was an embrace that went on for a significant period of time. They talked warmly into each others ears. People who had no relationship at all before 9/11 found a bond because of that and, for a while, a sense emerged that maybe we would have a different kind of government.

Well, from 11 September 2001 to the Fall of 2002 with our mid-term elections, the Republican strategy, driven by the White House, was to demonise Tom Daschle and try and create a sense among Americans that it was the Democrats who were a threat. That increased the Democrats' level of animus. But it also increased the sense of being a little bit off centre as we tried to unite around that external threat, as we tried to unite when the Congress gave the President the authority to use military force in Iraq. We struggled with all of those things. What has happened since then has created uncertain, off-balance and intense politics.

I could predict where it all will end. Would I be right? No, I wouldn't. Because, given the event driven nature of our politics and the closeness of where we are, I'm not at all certain where we'll be. A couple of things matter here. One certainly are the economic conditions. The economy remains the 800 pound gorilla in almost any political debate and discussion. I have talked with the widest range of top flight economists in America and most believe that we have now

started our recovery. Usually when there is a consensus among the economists it's time to put your money on the other side. But whatever kind of economic recovery we have now, it is an unusual and uncertain one.

We have high unemployment by the standards of the last decade and a half. It's up to 6.4 per cent. Through much of the Clinton administration we hovered at the 4 per cent level. Right now George W Bush is in a position where, under his administration, the country has lost about three million jobs. We've had no president in the twentieth century, except Herbert Hoover, who went through a full presidential term with unemployment on the rise. But even as we recover there is no sign that it's having an impact positively on employment. In fact, the way the system works when you move to more rapid economic growth, unemployment usually goes up for at least a couple of quarters. When the economy is bad, people stop looking for work and don't get counted anymore among the ranks of the unemployed. When things pick up they start looking for work and all of a sudden they are included in those ranks. So we could end up with a sizeable economic growth emerging early to mid next year, but accompanied by continued unemployment and with very little corporate investment.

There is another fact. Since September 11 there is a 1000 pound gorilla that can push aside the 800 pound gorilla. And that's terrorism. So any kind of act could make an enormous difference. But in which direction? The timing and the nature of it matter enormously. Timed in one way, there could be an enormous rally around the president and a re-enforcement of what is George Bush's greatest competitive advantage. People see him as a strong commander-in-chief who will deal with evil in the world. They no longer trust the Democrats. Timed the wrong way, it could create a backlash and the sense that this time we have no excuse. We were not taken by surprise. We had our defences up. He got his reorganisation of government and creation of a Department of Homeland Security that he asked for so this one's all on him. How will it turn out if we have another incident? None of this is predictable.

The chances are, a year from now, Iraq as an issue will be at a secondary level, it will be like Afghanistan – not in very good shape but out of sight, out of mind. But it's not at all difficult to envision a scenario where we approach our presidential election with still over a 100,000 American troops in Iraq, and no plan to move them out and a continuing attrition, perhaps no more than one or two, happening every single day. This could leave people wondering whether in fact we made the right choices.

Of course we can also factor in who might be the Democratic presidential candidate. And that will matter although it matters less than some of these other things. Fundamentally we are heading into an election which will be a referendum on George W Bush. Do people

think he deserves another four years. If the answer, based on those objective criteria, is “yes”, then the Democrats could enlist a Franklin Roosevelt and he wouldn’t win. If the answer is “no”, the chances are that people will want to change. That’s what happened for example in 1980 when Americans decided that Jimmy Carter did not deserve another four years. Ronald Reagan may have been an actor from California but once we had a single debate and he showed that he was at least over the threshold of acceptability it was no contest. So that can happen again as well. So the identity of the Democrat may matter here.

Let me offer one final broad comment. Do not, to use his term, “misunderestimate” the President. George W Bush is a very clever and politically adroit man. he is not a policy intellectual by many standards, but he is sharp and understands how to govern and how to win politically. The Democrats need, for a variety of structural reasons, a strong wind at their backs, a trend in their direction to be able to gain back enough seats in the House to even compete for a majority in the short term or even to gain the two seats that they would need to recapture the Senate or the White House. We will see another two years at least of the Republicans, by probably narrow margins, holding all the reins of power in Washington. And they will, even more so, attempt to govern in a parliamentary fashion. I will make one other prediction for you as I close. If that happens, the Republicans will likely reap the whirlwind in those mid-term elections in 2006. The fiscal realities of large deep budget deficits will explode at that point in economic terms. At the same time, the likelihood of a public move in a conservative social direction – on issues like gay rights and abortion – will create enough of a backlash that they could have a very serious problem. Under those circumstances, there may be enough of a backlash to give the Democrats a foothold in power, but not much likelihood that they could then use that as a springboard to emerge with their own majority. So we are likely to have confusing and close politics for some time to come. That, I might say, has one very good element in it. It’s great for my business.



Photo – David Karonidis

*Babette Smith*

The evolving role of women in medical activity as evidenced in the founding of the NSW Asthma Society is largely unknown. In her new book about the creation and success of the NSW Asthma Foundation, *Coming Up for Air* (Rosenberg Publishing), Babette Smith has uncovered an evocative social history that depicts the attitudes and prejudices of the 1960s and 1970s. In an address to The Sydney Institute on Tuesday 12 August 2003, Babette Smith took her audience through some of the highlights of the NSW Asthma Foundation's energetic and sometimes conflicted history. Babette Smith is also the author of *A Cargo of Women* and *Mothers and Sons*.

# WOMEN'S ROLE

## ***IN MEDICAL RESEARCH: A CASE STUDY FROM THE HISTORY OF THE ASTHMA FOUNDATION OF NSW***

**Babette Smith**

My book *Coming Up for Air* was a commissioned history and I would like to begin by paying tribute to the intellectual courage of the Board of the Asthma Foundation of NSW for briefing me to write a "proper" history. As a professional historian, this was important to my acceptance of the project because I would have found it untenable to take a public relations approach rather than write the truth as I found it.

Intellectual integrity is, in fact, in the best tradition of the NSW Asthma Foundation. From the beginning, Professor John Read, in particular, always emphasised the importance of funding only research of the highest calibre. And the first President, Justice Martin Hardie, was another who thought this way. "I'll only get involved," he told one of the founders, "on the basis that I can do things properly."

I have tried to write a history that lives up to that standard.

The Asthma Foundation was established in 1961 by two Sydney women, Mickie Halliday and Leila Schmidt, following an extended but futile battle to persuade the medical profession that asthma should become a focus for research. Both women were the wives of professional men who lived on Sydney's north shore and, in the tradition of that era, were full-time wives and mothers whose spare energy was devoted to charitable activities. Both had a child whose life was frequently threatened by severe asthma. Specifically, my book is the story of what they did about it, but in a broader context, it has allowed the examination of several significant themes.

In the first instance, telling the story of the Asthma Foundation produces a vivid social picture of Sydney in the 1960s. The activities of the Foundation's Women's Committee during those early fundraising days reveal the attitudes – and prejudices – of the times. The extensive media coverage given to charity events was one aspect. And it was a reminder of how women used to be identified not in their own right but by their marriage: Mrs Max Halliday, Mrs Arthur Schmidt, Mrs George Smith – sounds quaint today but it was through their husbands that

women gained status. Those women fortunate enough to be married to a knight, and themselves bearing the title "Lady", were invited on the strength of the title alone to be patrons of charities. Others, such as Mrs "Nugget" Coombs, for example, became treasurer of committees because their husbands were bankers. It was not on record whether Mrs Coombs herself was mathematically inclined. Perhaps it was assumed that the Governor of the Reserve Bank would check her book-keeping.

In those days even a committee meeting meant hats and gloves and dressing to the hilt and the assiduous newspaper coverage of the women's activities provided plenty of information about the fashions of the day, including the vast range of elegant hats worn by the two founders, Mickie Halliday and Leila Schmidt, and their fellow workers. The power and influence of charity hostesses was very evident – as well as the occasional bitchiness. Behind the scenes, Mickie Halliday dealt with vicious jealousy from rivals at other fashionable charities, one of whom threatened Mickie with ruin unless she removed someone from the Foundation's State Women's Committee. At issue was the poor woman's reputation as a scandalous divorcee.

Within the Foundation, however, there were few disagreements among the women who worked to raise money. Everyone I spoke to about those early days was unanimous in telling me about the team effort, how much fun it was and how inspiring to be part of such a large project. Many had never been involved in something on that scale before.

In 1961, the Foundation set out to raise a quarter of million pounds for research into asthma. Eighteen months later, in 1963, that's exactly what they delivered. It was the largest amount any Australian charity had ever raised. Fundraising was strategised like a military campaign. Indeed the massive house-to-house Doorknock which culminated their efforts, was run by former military men. Cleverly publicised, and spearheaded particularly by the beauty and personality of Mickie Halliday, the Doorknock taskforce – along with a pyramid of women's committees – penetrated all corners of the State of New South Wales. Husbanding that immense fund of money, investing it wisely, administering it carefully, became the watchword of the founders and of those directors who followed them.

The second broader theme revealed by the Foundation's history, is the nature of two of our major professions, medicine and law. This was a fertile and lively topic for a historian. As a deliberate strategy the first president, the Honourable Justice Martin Hardie of the NSW Supreme Court, stacked the Board and the Research Advisory Committee (hereafter referred to as the RAC) with the most eminent doctors and lawyers he could find. Naturally, they brought with them egos to match the eminence. And all were very conscious of the status, ethics and processes of their own profession. In those days, professionals were

not used to having their decisions questioned by anyone. The medical men did not like what they felt was interference from lay people and the lawyers were equally certain they were entitled to ask, indeed to cross examine, whomever they wished. Consequently, the Foundation's Board rocked to some titanic battles. None was greater than the tussle over the first research grants between, on the one hand, Professor Don Wilhelm, Dean of the new Medical School at the equally new University of NSW and Chair of the RAC and, on the other hand, the Foundation's President Mr Justice Hardie and his fellow barrister Malcolm Broun. Of course, not one of my interviewees told me about this heated battle, but I had great fun disinterring the details from a mixture of minutes and correspondence.

Fierce as the battles were, however, they did not jeopardise the outcome. Tracing the role of recipients of Foundation funding in the research and treatment of asthma over four decades provides a clear illustration of the importance of this institution. Indeed, no one was more eminent than the late Professor Ann Woolcock who was one of the first to be funded.

Starting as a respiratory scientist in Professor John Read's laboratory at Royal Prince Alfred in 1963, Ann Woolcock subsequently broadened into other areas of asthma research. By the 1970s, she was active in everything from running peak flow tests beside the pools of the asthma swimming program, conducting a respiratory clinic, educating the community in outback country towns, then instigating population studies into the prevalence of asthma in those same towns. Paying tribute after her death, Peter Barnes, Professor at the National Heart and Lung Institute in London, said:

It is no exaggeration to say that she contributed more to clinical research in asthma than any other person in the world. Her thinking changed the management of asthma throughout the world. She was often criticised for being outspoken but she changed people's views and her wisdom has prevailed. She made outstanding contributions to the epidemiology, physiology, pharmacology and clinical management of asthma. She was often ahead of her time and had the strength of character to pursue new areas of research.

It is a fine epitaph for a fine woman.

But Ann was only one of many fine women connected with the NSW Asthma Foundation. The two founders, Leila Schmidt and Mickie Halliday plus Dr Clair Isbister, who supported her friend Leila from the start, were the three stalwarts. Like Ann Woolcock, all three were frequently criticised for being outspoken, but it can also be said of them that they changed people's views. They, too, were often ahead of their time, but they too had the strength of character to struggle on regardless.

As a woman myself, it was sometimes distressing to see the struggle for credibility which all three experienced, beginning with Mickie and Leila's attempt to make the medical profession listen to them. Not until Martin Hardie became involved were they paid any serious attention. Indeed it was amusing to watch the attitude of the medical profession change when the pipe dream of two "little" women turned into a major source of funding. Doctors who had rejected them wrote letters of congratulations and support.

Clair Isbister was one of the few women to be professionally qualified at the time but it made little difference: she also had to struggle to be taken seriously. Given that she shared the opinion of her profession that doctors should not be questioned, she participated in some memorable battles.

The evolving role of women is another major theme in the history of the Asthma Foundation. You can trace the "iron fist in the velvet glove" strategies that Mickie Halliday employed to achieve the result she thought was right: "I made the bullets for others to fire", was the way she described it. In stark contrast was the trouble that Leila Schmidt and Clair Isbister encountered when they pursued their goals directly.

Things changed of course as the 1960s turned into the 1970s, but only slowly. In 1973, Ruth Hendry, a respected social worker from Royal North Shore hospital, who had been a Foundation director for several years, was awestruck by Ann Woolcock's courage in speaking out when she first joined the Board. Ann laughed about this when I raised it with her. "They'll say I was over-assertive", she predicted. And Bronwyn Bishop, who also joined the Board that year, was equally amused, "It would never have occurred to me not to speak," she said. The times they were a-changing.

It is a mark of how far the role of women has moved since – that today the NSW Asthma Foundation has a woman President, Rosalind Strong, a woman CEO, Lindsay Cane, and a woman, Dr Sandra Anderson, as Chair of the RAC.

Finally, the history of the Asthma Foundation is a personal story of an extraordinary group of men and women: strong-minded, outspoken, dedicated and determined people. The two women founders, Leila Schmidt and Mickie Halliday, embodied all those characteristics and when their views differed at a most fundamental level, conflict resulted. While both women believed that the first object of raising money was to fund medical research, Leila Schmidt – supported particularly by Clair Isbister – felt strongly that they should also try to alleviate the immediate suffering of asthmatics. Mickie Halliday, supported by Martin Hardie and other members of the Board, felt just as strongly that Leila was wrong. In Mickie's view, every penny should be devoted to medical research. The ensuing fight split the Foundation down the

middle over two decades, until the healing tactics begun by the second president Judge George Smith in the 1970s, were completed under Justice Ray Loveday's leadership in the 1980s.

One observer concluded: "Mickie and Leila were alike as two peas in a pod... neither took a step backwards." Other people gave me similar descriptions. Both of them were plainly highly talented leaders of women. Everyone agrees that both were eloquent speakers who could inspire their followers. Mickie made her particular contribution in the establishment of the women's committees and the mammoth fundraising that began it all in 1962. Leila's intelligence and strategic skills were most clearly displayed in the drive and speed with which she created the asthma swimming program from 1965 on.

In my view, they were matched in importance by Clair Isbister. Clair was the only other woman to sign the Foundation's inaugural Memorandum and Articles of Association. She was Medical Director of the Margaret Reid project, which was the first attempt in NSW if not Australia, at an holistic study of asthmatic children, one that extended even to their school performance. With her husband Dr Jim Isbister, she was active in establishing the annual asthma camp. Most significantly, she spent many years as Editor of the *Asthma Welfarer*, which played such a vital role in disseminating information about asthma to the community.

A magnificent taskforce of volunteers supported The Asthma Foundation over 40 years. They ranged from professional to business men with an ethic of community service to an army of women from multifaceted backgrounds and interests who recognised the distress which asthma caused and were committed to solving it. The importance of the founders in marshalling their services is demonstrated by one of the volunteer swimming instructors, who told me, "You were always proud to be called one of Leila's girls" Equally, at a recent AGM, the current chair of the Women's Committee said, "We thank you, Mickie, for the example you set for us to follow."

Crusaders is the only description for the men and women who established the Asthma Foundation. All shared the dedication of people who knew they were doing something worthwhile. Each was convinced that his or her approach was the right one. And each fought hard to ensure it predominated. Passionate determination drove them so fiercely that, at times, they fought each other viciously from their opposing camps. Fortunately, the peacemakers among them somehow nurtured the firebrands to a productive outcome.

Coming up for air, 40 years later, the size of their achievement can be fully appreciated. In 1961 very little was known about asthma. Heart disease was the leading health issue, put on the public agenda by the medical profession itself two years earlier. And there were some pernicious ideas surrounding asthma, which almost certainly

delayed scientific enquiry into the illness. Freudian theories about "overwhelming" mothers influenced the thinking of the medical profession and the community alike. As a result, real credence was given to the idea that mothers caused – or at the very least, exacerbated their children's asthma.

And if it wasn't mothers, it was children themselves who were blamed. It was not unusual for parents or teachers to be told to ignore them, or occasionally, even recommended to give them a good beating. In the mid 1960s, an anonymous doctor stated categorically in a popular newspaper: "Asthma is an attention-seeking mechanism. They get an attack and everyone goes to them and offers pillows, pills, rides to hospital. Attention at last." The doctor rejected a suggestion that some children were born with asthma, insisting forcefully that it was psychosomatic. "They develop it early in life unconsciously," he told the paper and in an echo of Freud, added, "They are not getting the love they want."

So asthmatics were victims of an illness in which nobody quite believed. It was not surprising that many had social difficulties, particularly at school. Academically their performance was poor because they were often absent. They were not good at sport because they were usually underdeveloped physically due to lack of exercise and breathing difficulty. Since exercise brought on asthma, they were either forbidden to play games, or simply not chosen by their peers because they couldn't keep up. Teachers' ambivalence about asthmatics must have added to the children's sense of shame. Receiving a request for a donation, the headmistress of one major girls' school replied that although she felt the school should support the cause, she was reluctant to mention it publicly: "As far as we can," she said, "we find it is better to take no notice of asthma at school. To make an appeal for funds might embarrass some of the girls."

Treatment of asthma was primitive. Until the mid 1960s there were no hospital laboratories dedicated to studying lung disease and spirometers for measuring lung function were only just becoming available. Hyperventilation was seen as a precipitating factor for asthma and physiotherapists were trained to teach asthmatics how to breathe. Skin tests for allergies were not widely available outside specialists rooms. And, in any event, the medical profession was fiercely divided over whether allergies were a factor in asthma at all. Tradition and professional hierarchy shaped this crucial debate. Allergists were regarded by their peers as the lower rung of the profession and some thoracic specialists used their considerable prestige to disparage them publicly. By doing so they delayed scientific enquiry into the role of allergies in asthma.

The drugs available at this time had many side-effects. Severe asthmatics were required to take steroids which, in the longer term

caused osteoporosis for some. Bronchodilators caused nausea or tremor or an increased heart rate. Many children became hyperactive with these drugs which contained adrenaline and caffeine-like compounds. Aerosols did not yet exist and the medicines were taken in tablet form. They were good at opening up the narrowed airways but they did not prevent attacks of asthma or produce any long-term improvement.

When Mickie Halliday and Leila Schmidt asked the Director of the Children's Medical Research Foundation, Sir Lorrimer Dods if they could raise money for a scholarship to research asthma, the idea foundered after a year's negotiation because Sir Lorrimer, Dr Victor Coppleson and Professor Thomas Stapleton insisted that psychomatic factors should be a major aspect of the research. At a time when mothers were seen as a psychosomatic problem, this added insult to injury where Mickie and Leila were concerned. The women's suggestion that allergies be researched for their connection to asthma was dismissed. It was this experience that made Mickie and Leila decide to start their own Asthma Foundation.

But the two "little socialites" were not seen as serious contenders and the medical profession was initially very reluctant to get involved with their organisation. It took the judicial weight of Martin Hardie to persuade the leading thoracic physician of the day Dr Harry Maynard Rennie to join the Board. Dr Rennie brought in the brilliant medical scientist and academic from Sydney University Medical School, Associate Professor John Read. A major dispute then ensued over which other doctors should be involved. After her experiences with Sir Lorrimer Dods and Co., Mickie Halliday was determined that her Foundation should not be captive to any one medical school, or any one hospital or any particular specialty, and she persuaded Martin Hardie to her point of view. They wanted what the judge described as "a cocktail of medical practitioners" to advise them, an idea which appalled Maynard Rennie and John Read, both practitioners in respiratory medicine and Sydney University men to their bootstraps.

John Read mustered all his considerable powers to argue forcefully against it. But he had met his match in Mickie Halliday and Martin Hardie and failed to change their minds. "It was terrible," recalled Mickie. "John Read was stubborn as a mule. And we were very aware that we couldn't do without the Sydney Medical School and its top researchers but we wanted to involve Professor Wilhelm whose field was immunology."

Don Wilhelm was the dean of the new medical school at what the Sydney people regarded as the redbrick upstart recently christened the University of NSW. At the time immunology was also relatively new and was not then part of the research program at Sydney's Medical School. The Sydney practitioners were not only against the specialty being granted relevance to asthma as a matter of principle, they were

also concerned that it might attract funding at the expense of respiratory medicine. Martin Hardie settled the row eventually by simply over-riding the doctors and making a quasi judicial decision. In any event, Professor Wilhelm had one redeeming feature for the Sydney medical men. He was a graduate of the highly regarded Adelaide University Medical School, a path he shared with John Read and – although neither yet knew it – with a young woman graduate named Ann Woolcock.

Ann was then completing her residency at Broken Hill from where she wrote to every professor of medicine in Australia asking if they had a research job available. Only one, Professor Ruthven Blackburn from Sydney University, replied to her. After a series of meetings, she began work in John Read's laboratory at the Page Chest Pavilion, attached to the Royal Prince Alfred Hospital in Sydney. Decades later, she remembered coming into work one Monday morning in 1963 to hear John Read enthusiastically telling the staff about the immense amount of money which had been raised over the weekend.

The Foundation's next bombshell for the medical profession was a demand from the Board for information about asthma, which could be used to publicise their appeal. A list of questions was supplied such as "What causes asthma, what aggravates the condition, what alleviates the condition?" etc.... This put the doctors on the spot. In most cases, they had no answers. Almost certainly in response to this pressure, they convened a very private seminar. Under the auspices of the Sydney University Post Graduate Medical Society, seventeen top men met over two days in 1962. Their intention, as Maynard Rennie put it, was "to define more clearly our present state of knowledge about asthma, to put in appropriate perspective what is proved, what is believed and what is hypothesis and to pinpoint areas in which further study is needed." Disciplines represented included internal medicine, clinical allergy, otorhinolaryngology, psychiatry, morbid anatomy, and clinical physiology. The participants all submitted papers, which were circulated in advance and then taken as read. The emphasis was on discussion and critical assessment of the current knowledge about asthma. The record notes that the absence of an audience helped provoke frank discussion: in other words, everyone felt free to reveal what they didn't know. They did reach agreement quickly on a definition of asthma, which was described as "a state of reversible airways obstruction". This became the standard description, which was used publicly from then on. Most significantly, the group discussion revealed as the written record puts it, "Some cherished beliefs were shown to rest on fairly sandy foundations." (Full proceedings published in two volumes by the Sydney University Post Graduate Medical Society June 1962).

No women attended that seminar. And, for a decade, there were no women medical practitioners on the Research Advisory Committee,

or the Asthma Foundation's Board. In the early 1970s, Ann Woolcock became Honorary Secretary of the RAC, which was then under the chairmanship of Dr Julian Lee. Both also became members of the Board in 1973.

Ann Woolcock was the first of the influential women medical practitioners and scientists associated with asthma. But there were – and are – others of major importance too. In the mid-seventies, Dr Sandra Anderson's discoveries about exercise-induced asthma transformed the lives of asthmatics, in particular giving children the ability to participate fully in activities previously barred to them. And with the physical freedom came a transformation in self-esteem that was equally important.

Ann Woolcock began work in the dominant thoracic discipline, then broadened initially into epidemiology but, in time, across the spectrum of asthma studies in Australia and overseas. Dr Jenny Peat, who trained with Ann Woolcock, was prompted by the information gathered about the prevalence of asthma to investigate risk factors. In 1986 she carried out a major study into children who lived near a factory in Villawood, NSW. Her work disproved the hypothesis that smells caused asthma, but it did show that being allergic – or atopic, to use the medical term – was a huge risk in developing “twitchy” airways.

By the end of the twentieth century, research had identified a number of risk factors which could give rise to asthma. According to Ann Woolcock, there was clear evidence for atopy, house dust mite, alternaria, parental asthma, environmental ie. passive smoking and, possibly also, the absence of breast-feeding. Suspect, but less conclusively established, were dietary factors. Conflict in childhood, the role of infections and air pollution, were subjects which, she said, would require more work before they could be nominated as causing asthma. Studies in allergy have, therefore, revealed that there are a wide variety of allergens to which asthmatics can be allergic. Consequently, environment is a factor, which must always be considered. At this stage, house dust mite remains the most important identified allergen because it is the most common. Thunderstorm and farming studies are expected to reveal further information about the external environment.

None of this emphasis on women is to deny the massive contribution, which has been – and is – being made by men. For instance, Euan Tovey's work on dust mites was groundbreaking. The 1970 epidemiological study by Dr Kevin Turner in Busselton Western Australia became a major reference point for assessing the prevalence of asthma. At St Vincent's Hospital in this early period, Dr Michael Burns working with Dr David Bryant did what Ann Woolcock described as “remarkable work” on the relationship between allergy and asthma and airway hyper-responsiveness. At Prince Henry Hospital, Dr Geoff Field studied acute attacks of asthma and the effect of drugs. There are hundreds of

men whose contribution has been outstanding and they are acknowledged in *Coming Up for Air*, but tonight's focus is on the women and I'll return to them.

In an example of the generational legacy which existed between asthma researchers, one of Dr Jenny Peat's students, Dr Michelle Haby, drew on the groundwork laid by Sandra Anderson to establish the percentage of schoolchildren who suffered from exercise induced asthma. Until that time, 40 per cent of them had never been diagnosed as asthmatics.

Another female scientist, Dr Judy Black, came at the problem of asthma from the direction of pharmacology. With Dr Carol Armour, her studies on airway smooth muscle were described by Ann Woolcock as "the best in the world", something that Ann believed was achieved by Judy Black's insistence on studying human muscle obtained during lung or heart surgery rather than settling for airway muscle from laboratory animals.

This can't be a complete roll call, just an indication of the significance of women's work as medical scientists. All of those I have mentioned were at some stage funded by the NSW Asthma Foundation which today, even when government funding has assumed such major proportions, continues to provide significant grants for creative people with a hypothesis to test.

Forty years ago, Professor John Read told readers of the *Women's Weekly* that it was established that an asthmatic's bronchial tree narrowed, but what made it do so was a mystery. Forty years on it still is, although research has since identified that an asthmatic possesses an underlying inflammation and "twitchiness" of the airways. These twitchy airways are then triggered to a spasm, which results in asthma. What creates the inflammation and twitchiness in the first place and, once predisposed, what triggers an actual asthma attack is still under investigation.

John Read wrote in the *Weekly*: "Many men (sic) each chipping away at his own aspect of the problem and contributing to the overall picture, will eventually come closer to the truth. How close? Who knows, for one generation's truth is the next generation's exploded myth." Professor Read was an important mentor to Ann Woolcock but plainly he would have been surprised at the number of women involved in this process of discovery.

The time when the opinions of women and their energy and initiative can be dismissed as "over emotional" or ill founded, has long vanished. Had they lived in a different era, I have no doubt that Mickie Halliday and Leila Schmidt, armed with tertiary qualifications, would have applied their talents to the science of medicine in some productive way. As it was, despite the limitations of their time, their achievement was magnificent. It is not too much to claim that their actions and

determination galvanised Australian medical scientists to the forefront of asthma research. And they have answered the prayers of those desperate mothers so many decades before by giving asthmatic children a chance to live fully.

## **Addendum**

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Barely a week after this speech was delivered, the *Sydney Morning Herald* (20 August 2003) reported a new break-through in knowledge about asthma. Research done by a team from the Woolcock Institute of Medical Research led by a woman, Dr Janette Burgess, had found that asthma sufferers lacked a key protein that should prevent the build-up of scar tissue in their airways. Furthermore, it had also been established that they make too much of another protein that produces the scars in the first place. Dr Burgess explained that scar tissue clogged up the airways and helped trigger asthma attacks in the same way that cholesterol increased the risk of heart attacks. The “twitchy airways” were giving up their secrets at last.

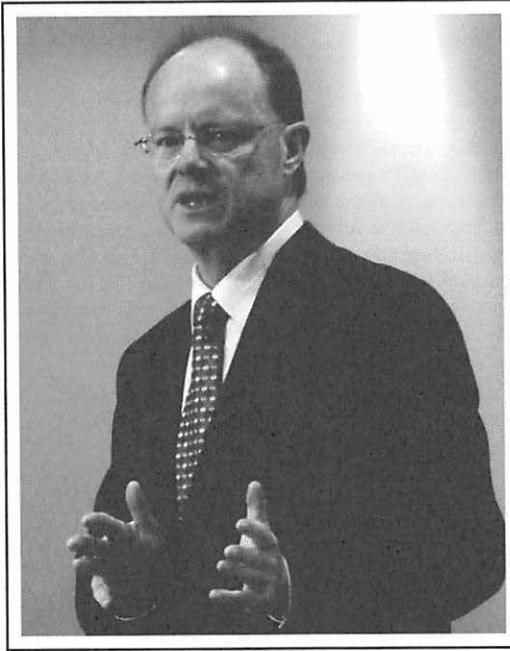


Photo - David Karonidis

*Michael Carmody*

On Monday 18 August 2003, the day of the release of the Australian Taxation Office's Compliance Program, Australian Taxation Commissioner Michael Carmody addressed The Sydney Institute. The Commissioner noted that additional revenue for 2002-3 from the Tax audit and verification activities amounted to \$3 billion. But he warned also that, "The appetite to find ways to pay less tax and the propensity to profit from devising and promoting schemes to satisfy that appetite is an ever present risk to our revenue systems."

# **MANAGING COMPLIANCE**

**Michael Carmody**

Today I released the Tax Office's Compliance Program for 2003–04. That Program details the many compliance issues the Tax Office faces in managing Australia's revenue systems. It also details our responses to managing those issues.

Our overall approach to compliance is twofold. We want to maximise the number of Australians who choose to voluntarily comply and we do this by making it as easy as possible for people to understand and meet their obligations. At the same time, we put in place strategies to deter non-compliance. We look to ensure our responses are proportionate to what we find, including the firmest possible enforcement actions for those who deliberately set out to avoid their obligations.

## **2002–03 results**

In releasing the 2003–04 program, we have also released a snapshot of the results of our 2002–03 Compliance Program. The additional revenue collected in 2002–03 as a result of our audit and other verification activities exceeded \$3 billion. This was the direct revenue impact only. It does not include the deterrent effect of the extensive compliance presence reflected in the wide range of audit and other verification activities detailed in the 2002–03 results. It does not include the revenue impact of the additional 3.3 million activity statements and 420,000 income tax lodgments that resulted from an extensive lodgment enforcement program. Finally the \$3 billion in additional collections does not include the taxes and penalties raised that are subject to dispute.

For example, in the large corporate sector, in excess of \$2 billion in tax and penalties raised in audits last year is subject to dispute. Final collections will depend largely on the resolution of disputes, some of which can take many years to resolve through the courts. Just to illustrate the breadth of our responsibilities, the 2002–03 results snapshot also records the fact that we seized 26 tobacco cutting machines, 58.8 tonnes of tobacco and tobacco leaf, and three illegal liquor stills.

## **The compliance landscape**

Our 2003–04 Program is shaped by a number of compliance risks. The dynamic and volatile nature of the world financial and trading system continues to demand our attention and resources. This is because of the inherent complexity of dealings and risks associated with transfer pricing and abusive use of tax havens.

Tax planning is a key feature of any tax landscape. Maintaining the line between legitimate tax planning – no one has an obligation to pay more tax than is payable under the law – and planning ultimately designed to avoid taxes payable under the law, remains a challenge for us all. The appetite to find ways to pay less tax and the propensity to profit from devising and promoting schemes to satisfy that appetite is an ever present risk to our revenue systems. Of concern, we are seeing warning signs of aggressive tax planning techniques being used for GST purposes and in the emerging bartering sector.

On another front, we have seen work expense claims, such as car, travel, uniform, laundry and self-education expenses continue to rise at rates out of step with ordinary price increases. Around 6.4 million taxpayers claimed \$9.4 billion last year, an increase of around 12% on the previous year. Reflecting trends in the investment property market, an additional 60,000 rental property owners came into the tax system last year. Around 1.3 million taxpayers declared rental income of \$12.6 billion and claimed rental deductions of \$13.2 billion last year, both up 8% on the previous year.

Many more people are now managing their own superannuation funds. There are around 250,000 DIY funds, with registrations growing at more than 2,000 a month. Superannuation is a complex issue and we have concerns about the level of understanding of some trustees and about some governance arrangements, particularly the independence and experience of some fund auditors. Serious fraud and evasion also remains an ever present risk, particularly with the rise of identity fraud as a more significant threat, not restricted to tax. The progressive withdrawal of cigarette manufacturers from the local tobacco leaf market increases the risks of illegal tobacco or chop chop as it is better known being sold on the black market.

Tax agents play a vital role in our revenue system. Around 75 per cent of individuals use tax agents to prepare their tax returns. More than 95 per cent of businesses similarly use a tax agent to lodge their returns. Tax agents also play an important role in providing advice to businesses. Tax agents and their clients have been confronted with a raft of new legislative measures and there is nothing to suggest this rate of change will slow. This challenges them to remain abreast of the law.

## **Robust collections**

Before we all get overcome by the many challenges and risks touched on in that snapshot of the compliance landscape, it is worth pausing to note that collections remain robust. Last year's collections as forecast in the May 2003 Budget were \$1.7 billion above the original budget forecast. As detailed in the *Large business and tax compliance* booklet, released in June 2003, growth in corporate tax continues to outstrip the growth in GDP. Similarly, effective tax rates for large corporates, measured by tax payable compared to total income, profit, total expenses or total assets are all on an upward trend.

## **Additional Compliance resources in 2003–04**

Some 850 additional staff will be devoted to managing compliance in 2003–04 compared to last year. Largely this results from delays in recruiting up to the levels funded by the additional investment made by government last year. I hasten to add that, notwithstanding that delay, we more than delivered on the outcomes projected from that investment, as is evident from the results snapshot referred to earlier.

In recruiting up to funded levels, we were not prepared to compromise on the skills of recruits. Hence the delay. The additional compliance resources will be devoted to both improving our assistance programs and expanding our audit and verification activities.

This year approximately one-third of our compliance budget will go towards the provision of advice and assistance, including marketing and education, while almost two-thirds will fund active compliance, including audit and other verification activities and debt and lodgment enforcement. The full range of compliance activities these resources are expected to be devoted to over the coming year is detailed in the Compliance Program.

This evening I would like to comment on some underlying issues pertinent to that program.

## **Governance issues**

In releasing the *Large business and tax compliance* booklet, I raised the role of boards of directors and good governance in relation to taxation. As I said then, our expectation is that large corporates will ensure appropriate oversight of systems for management and integrity assurance relative to the importance of various tax issues. We expect close management and scrutiny of material issues. In raising that I do not expect directors and CEO's to be experts in the fine detail of the many volumes of our tax code.

At the same time, a failure of tax compliance can have significant financial consequences for corporations and their shareholders. The *Large business and tax compliance* booklet is pitched at a common

sense explanation of what will attract our attention and the features of arrangements we can be expected to challenge. It should assist directors and CEOs to gain a reasonable understanding, and make reasonable enquiries on tax issues related to major transactions and compliance systems within their corporations.

One of the more fundamental issues for a board and CEO is to consciously decide the position it wishes to take on tax planning, rather than have it made for them by others. Questions to tax advisors that go beyond the simple statement of tax outcome to include advice on probability, level of aggressiveness and likely Tax Office response and the reasons for that may be pertinent depending on the nature and size of the particular arrangement.

What is clear from the 2003–04 Compliance Program is that these issues are just as relevant for many medium-sized businesses whose turnover is high but below the \$100 million threshold we use to classify large businesses.

This year we are increasing our focus on this segment. We have commenced applying the sophisticated economic and tax performance analysis used in the large corporate segment, with preliminary analysis pointing to similar results. As a result, 820 detailed risk reviews are planned this year, with compliance action being determined by the results of those reviews. We will be taking our learnings and experience in managing large corporate compliance and applying it to better managing compliance in the medium-sized business market.

To achieve this, our experts from large business will share their experience and expertise with our people working in the small to medium market. This program will be progressively built up over the coming years. I have also alluded to concerns we have about governance with some DIY superannuation funds. Preliminary results of work undertaken last year to assess levels of compliance confirm there are issues to be addressed.

Part of our response is educational. This year we are continuing our trustee education program, as well as providing advice through more than 100 planned seminars and presentations. At the same time we are reviewing identified high risk trustees, including those disqualified through bankruptcy, to ensure their appropriateness as trustees.

We also have concerns about the independence and, in some cases, the competence of fund auditors. What we are seeing with auditors in trouble is that they are typically only auditors of DIY funds, they have no other audit business experience. They commenced their often very limited auditing workload with the arrival of the DIY product.

The independence issue arises from the fact that these auditors are often the accountant responsible for advice and preparation of fund returns. We are talking with professional tax and accounting bodies about the implications of these issues and how to progress them.

## **Serious fraud and evasion**

The tax law provides administrative penalties as the usual response to non-compliance. Clearly the court system could not cope with all cases of non disclosure of income or over-claiming of deductions being brought before it. That said, dealing more firmly with the more serious cases of fraud and evasion through prosecution action is an option that will not be ignored.

For some, the prospect of a prison term speaks far more loudly than the prospect of a pecuniary penalty. Last year we achieved 161 successful prosecutions from the 167 cases brought before the courts. 67 prison sentences were handed down. The courts have shown they take an extremely serious view of revenue fraud, with two to three-year-plus sentences not unusual.

Reflecting our resolve to deal firmly with these matters, I recently brought together our investigators dealing with aspects of serious fraud and evasion into one team under new senior management arrangements. As well as trafficking in illegal tobacco, this 400-strong group will have a specific focus on credit fraud (related to the broader issue of identity crime) and on people attempting to operate outside the tax system. This latter work will build on our recent experience with some barristers, particularly here in NSW.

We are examining the use of sophisticated data matching technology to boost our efforts. Initial projects include continuing to examine a range of professional groups, including the legal, medical, accounting and architectural professions. Credit fraud involves the adoption of false identities to claim credits, whether through refunds claimed on income tax forms or false GST input tax credits claimed through activity statements.

We already have systematic approaches to identify suspect refund or credit claims prior to them being paid. Last year 88,500 high risk refunds or credit claims were checked prior to issue. These checks may involve telephone queries or field reviews. In some cases, third-party suppliers may be contacted to validate transactions resulting in claimed refunds. This year we are expanding our program to conduct over 113,000 such checks.

Of course the balance we have to strike here is applying reasonable checks without unreasonably delaying refunds to typically small businesses facing cash flow issues. Identification and investigation work after refunds have been issued is therefore another feature of our work in this area. In this we typically work in close partnership with law enforcement agencies, including the Australian Federal Police and the Australian Crime Commission, which has a specific reference on money laundering and revenue fraud. Extensive data matching with Centrelink, the Department of Immigration and Multicultural and

Indigenous Affairs and with Births, Deaths and Marriages data helps us identify use of false identities, including the use of other people's identities.

We are also actively working with other government agencies in developing whole-of-government approaches to proof of identity processes. The growth of identity fraud as a community issue has raised issues about the integrity of our Tax File Number data base where the number of TFNs built up over the years exceeds the taxpayer population. Aided by funding from government, new data matching programs and the introduction of electronic Births, Deaths and Marriage data, we have been undertaking a major program to verify and update our TFN Register. Last year we updated or removed two million Tax File Numbers.

To date that work has revealed little evidence of concern about fraud with excess TFNs being typically related to deceased taxpayers or taxpayers who have left Australia. Cases being reviewed for the possibility of fraud amount to only \$7 million in potential revenue at risk.

## **Making it easier to comply**

Compliance management is not simply about audits, verification and enforcement. It is also about making it as easy as possible for people to comply. I mentioned that one-third of our compliance budget is directed at provision of advice and assistance. This includes a wide variety of marketing and education programs, advisory visits for new businesses, seminars and responding to telephone and written enquiries.

Last year, for example, we conducted over 41,000 advisory and new business service visits, responded to over 12 million telephone and counter enquiries, issued almost 14,000 private rulings and conducted over 900 bizstart seminars. We are also investing a little over two per cent of our budget in a program of initiatives designed to deliver on my promise to make the revenue experience easier, cheaper and more personalised.

Late last month I released the booklet *Making it Easier to Comply* which outlines a three year program detailing how we will provide easier, cheaper and more personalised services, information and advice. The principles guiding the program are that as far as possible:

- you will be able to do business with the Tax Office online – whether through our services or your commercial services;
- you will have online access to information that is personal to your dealings with us;
- you will deal with a tax officer who has an understanding of your dealings with us and, in some cases, your industry;
- you will receive notices and forms that make sense in your terms and that reflect your personal dealings with the revenue system;

- you will receive high quality responses to your issues and interactions along with quick turnaround times;
- we will be reasonable about the level of record keeping required that is necessary for you to practically comply with your tax obligations;
- we will facilitate the use of commercial services developed to ease the cost of your record keeping and compliance with the law; and
- you will experience compliance action which takes into account your compliance behaviour, personal circumstances and level of risk in the system.

Already the program has delivered personalised tax agents' portals with account and other details of their clients and improved phone services, notices and website. A small business portal is already being tested. Effective management of our revenue systems is also about managing a complex set of relationships, differentiating treatment according to the compliance posture adopted by different taxpayers and working co-operatively with others who have a role in the operation of those systems.

## **Tax agents**

I have already noted the major role played by tax agents in the operation of those systems. To put it bluntly, our revenue systems would collapse if tax agents decided en masse to embark on a sea change tomorrow

In recognition of the critical role of tax agents, much of the initial focus of the easier, cheaper, more personalised program has been on better supporting these professionals. We also have long established forums such as the National Tax Liaison Group and the ATO Tax Practitioner Forum that ensure tax agents can contribute to our administrative approaches.

I have also alluded to the challenges tax agents face in remaining abreast of the law in the face of a continuing raft of new legislative measures. This challenges us to rethink our role in educating them about changes to the law. At the same time, a number of our activities are directed at monitoring the overall tax performance of tax agents, both personal tax performance and practice integrity.

We are identifying trends in claims, income reporting and advice that, at a minimum, raises questions about the practices of some agents. After three years of operation of the new tax system, we are implementing a renewed focus on the systematic profiling of returns lodged by tax agents to better identify patterns and trends that may indicate less than acceptable tax return preparation by particular agents.

If we identify apparent patterns of poor compliance or competency issues by particular agents, or a trend across agents, we will tailor our compliance and education activities appropriately. Depending on our findings, we may let tax agents know where we see a trend, visit an

agent, undertake a specific audit program, or conduct a broader review of their tax practice management procedures and controls.

## **Conclusion**

Next month I expect to be in a position to release a more detailed statement on the cash economy. This will build on the extensive range of activities outlined in the 2003–04 Compliance Program by incorporating our response to the second report received recently from the Cash Economy Taskforce. The Taskforce includes a range of business, academic and tax and accounting profession representatives.

My purpose in publishing the Compliance Program and associated papers such as the *Large business and tax compliance booklet* is to be more accountable to the community by explaining the decisions we make in applying the resources available to us to manage compliance. Equally in publishing what we see and what we are doing about it, I am seeking to influence decisions by people in their approach to meeting their obligations.

Finally I hope these publications will provide a platform for informed consultation and feedback from the community on ways that we can further improve our management of Australia's revenue systems.

## FUNCTION NIGHTS – 2003



*Photographers: David Karonidis*

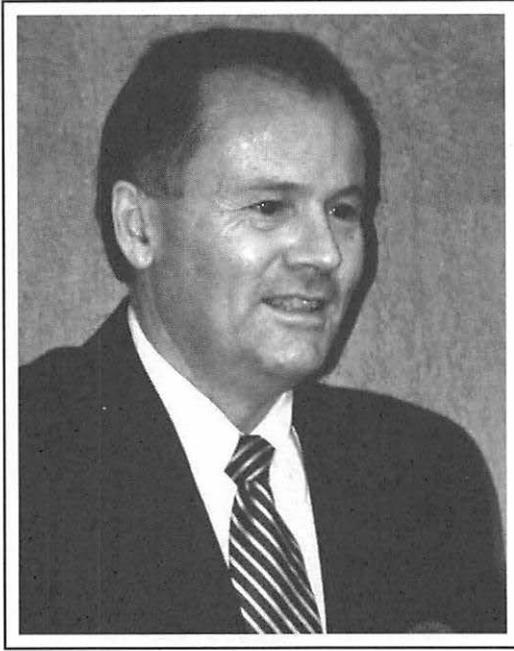


Photo – David Karonidis

*Lindsay Tanner*

Lindsay Tanner MP is the Federal Member for Melbourne and Shadow Minister for Communications. Acknowledged as one of Labor's up and coming shadow ministers, Lindsay Tanner has spoken out often and strongly on the need to reconnect communities and tackle the growing problems of social dislocation in today's world. In an address to The Sydney Institute on Tuesday 26 August 2003, Lindsay Tanner examined the telecommunications revolution in the light of his growing concerns about social dislocation.

# WHATEVER HAPPENED

## *TO THE DOT-COM REVOLUTION?*

**Lindsay Tanner**

The so-called “dot-com revolution” was the buzzword on everybody’s lips in the late 1990s as Internet stocks soared and huge personal fortunes were made overnight. In early-to-mid 2000 the collapse of the NASDAQ index saw the dot-com boom come crashing down in a heap. Billions upon billions of dollars were lost and the telecommunications industry is now burdened with debt of around \$1 trillion. Internet stocks have lost as much as 95 per cent of their value since those heady days in the late 1990s. The term dot-com is certainly less in vogue today than it was three years ago.

The Australian telecommunications and information technology sectors also suffered with the collapse of the dot-com boom. Hundreds of millions of dollars were lost in the ill-fated One-Tel venture. Telstra has written off billions in Hong Kong based cable and mobile phone networks. In Australia Telstra has lost many millions of dollars on dot-com investments like Solution 6, Sausage Software and Keycorp.

Just this year Australia has seen \$1 billion worth of telecommunications assets fall into receivership. Significant cable networks IPI and NextGen connecting our major cities and offering some nascent competition to Telstra and Optus are in receivership and up for sale. The outlook for the communications investment market is very gloomy. Today the term new economy instils none of the hope and confidence for the future that it once did.

But tonight I want to talk about the positive aspects of the new economy. I want to look at the Australian context, and consider how we might do better. In typically descriptive language, former Prime Minister Paul Keating once said that, “we have to be on the board of the new economy with our toes hanging over the front”. That statement is as true today as it was before the dot-com collapse.

While Australia’s traditional mining, pastoral and manufacturing industries will always be important, it is the new information economy where a great deal of Australia’s hopes of future growth and prosperity lie. This is where many smart jobs are, it is where our strengths in

education and language can come to the fore. It's where our children can expect to find employment, opportunity and fulfilment. The new economy is fundamental to Australia's economic future.

Australia has several natural advantages in this area: a world class education system, English language skills, a multi-lingual population, and enormous creative talent. Australia's traditional barriers of distance mean little in the information economy where digital signals pulse around the globe in the blink of an eye. Australia should be a world leader in this area, not a world follower. Yet the vision and evangelism necessary to drive Australia's transition to a new economy is sadly lacking.

At the heart of our ability to succeed in this area is our communications sector. Government settings play a crucial role in the success of Australia's communications industry. Communications policy is central to Australia's prospects in the new economy. Any discussion of Australia's performance in the information economy requires close analysis of our broadband performance. Broadband is one of the key drivers of the new economy and its potential to enhance the productivity of businesses, particularly small and medium sized businesses, is enormous. Accenture estimates that widespread broadband adoption in Australia has the potential to inject between \$12 billion to \$30 billion in extra economic activity annually.

In the information economy of knowledge workers, broadband connections are vital. Those who work in such jobs have experienced the frustration of waiting for large files to download on standard dial up Internet. Precious minutes of productivity slip away as you wait over your computer with ever mounting frustration. We are now even hearing stories of computer rage, driven by poor dial up Internet speeds, drop outs and pair gains system constraints.

Too much emphasis has been placed on the entertainment and content applications of broadband. Far too little emphasis has been placed on the potential of widespread broadband access to enable the Australian economy and Australian businesses to reach new and exciting levels of productivity and competitiveness. Only recently AC Nielson analyst Andrew Tolpin was reported as saying, "it's not content driving people to broadband, it's speed of connection". Telstra has been hiding behind the content excuse for some time. Claims have been made that poor broadband uptake in Australia is related to a lack of compelling content. Anyone who has ever logged on to the web will know that the real problem with the Internet is too much content, not too little. The real restraints on Australia's broadband uptake are price and availability, not content.

The focus on new applications for broadband is important, but without appropriate infrastructure, it will be of limited value. The applications, some of them even apparently mundane, are already there.

Finding and disseminating information are integral aspects of most business activity. Communications Minister Senator Alston mused several years ago that broadband was just about porn and video games. Broadband in the home might be about porn and video games to some extent, but in the workplace it is about productivity. Unfortunately time has not enhanced his understanding. As recently as June this year Senator Alston was still decrying the economic importance of broadband:

It does not necessarily have much to do with benefiting the economy if it is simply providing services to households a little faster than they might otherwise receive them because of their own level of demand.

This statement reflects a fundamental misunderstanding of the enormous economic importance of widespread broadband access on the part of our Communications Minister. It is little wonder that Australia's relative performance in broadband is so poor given the disregard for broadband. Despite some recent belated catch-up growth spurts which have now slowed, Australia's broadband penetration remains poor in comparison with our key OECD competitors. According to the OECD, Australia dropped from 13th to 19th on the OECD table of broadband access in 2002. The OECD reported Australia as having 1.9 per cent of inhabitants connected to broadband compared with 11.7 per cent in Canada, 8.5 per cent in Belgium and 7 per cent in the USA.

Australians have generally been at the forefront of new technology uptake, but in broadband we are slowly slipping to the bottom of the international table. It is a scandal that our government is unconcerned about this. Broadband is a central component of the information economy and Australia is lagging behind. It is simply not good enough. So where are we going wrong with broadband? The blame for Australia's poor broadband performance lies squarely with the Howard Government and Telstra.

There are three main reasons Australia is languishing in broadband performance:

- Inadequate facilities competition
- Inadequate leadership from Government
- Inadequate investment and leadership from Telstra

At present there are two main competing technologies for affordable broadband: cable and ADSL. ADSL is provided over existing copper networks and is thus an effective monopoly held by Telstra, despite third party access arrangements that have been subject to much criticism. Cable infrastructure is also dominated by Telstra, through its ownership of the Foxtel cable and indirectly through Foxtel's content agreement with its main cable competitor Optus. Pay-TV which in countries like Canada and the UK has been an effective source of broadband

competition is becoming a virtual monopoly in Australia, 50 per cent controlled by Telstra.

Strong facilities based broadband competition is clearly lacking in Australia. ADSL and cable access is dominated by Telstra and it is rolling out these services at its leisure, rather than in the loss leading manner that is typical of companies seeking to compete robustly in new markets. Some smaller competitors are emerging such as TransACT cable in the ACT and Western Power's "Bright" broadband initiative in Western Australia. While these developments are encouraging these competitors do not have the resources to form a network capable of competing with Telstra on a national scale.

The second causal factor in Australia's broadband performance is inadequate leadership from government. This is summed up by the disdainful comments by the Minister for Communications Richard Alston, quoted above. The fact that we do not have a Minister who is an evangelist for broadband is part of the problem.

The Minister has sat by while Telstra has failed to account to Parliament for its inadequate broadband performance. He immediately dismissed a report by the Australian Competition and Consumer Commission calling for Telstra to get out of Foxtel, and even to divest itself of its HFC cable to provide for more competition in broadband. The Minister had previously said he would give the report, which he himself commissioned, careful consideration. As soon as Telstra's monopoly interests were threatened he immediately dismissed the report. Unfortunately for Australia, the government is so blinded by its desire to sell Telstra at the highest possible price that considerations of calling Telstra to account for its inadequate broadband performance do not rate.

The Minister recently stated his broadband policy is "focused on the commercial and competitive roll out of broadband on a light touch basis." Unfortunately the touch is so light that the government is effectively doing nothing.

Senator Alston has simply sat back and watched as the broadband debate has unfolded in Australia. He convened a Broadband Advisory Group that came up with some modest motherhood statements in February this year. The Minister has failed to adequately respond to this report. Where is the bold plan for action? Where is the broadband access target for Australia? Broadband use correlates closely with income. The higher the income the more likely a household is to have broadband Internet access. A research survey this year found that Internet connections of those with household incomes of over \$75,000 were more than twice as likely to have broadband connections than those with incomes under \$45,000.

These issues go to the heart of what type of society we want to be. Some critics have suggested that Australia's broadband connec-

tion prices and the widespread use of download caps make broadband comparatively expensive in Australia and therefore deter wide spread take up. In April this year, IDC Australia analyst, Landry Fevre, stated that high connection and monthly charges are impeding broadband take up in Australia, arguing that European broadband connection prices are half that of Australia. Broadband pricing and access arrangements in Australia need serious scrutiny. At Labor's initiative, a Senate inquiry on broadband competition has been established and will undoubtedly provide some invaluable insights on these issues.

The final factor in Australia's poor broadband performance is inadequate leadership and investment by Telstra. *The Economist* said in 2002:

In many parts of the world, incumbent carriers still have the sort of stranglehold over local telecoms services as they did before deregulation – allowing them to dictate the pace and price at which they roll out broadband services to subscribers. The result has been broadband gridlock on a monumental scale.

Unfortunately for Australia we are one of the many parts of the world suffering from this problem.

I was in the outer northern suburbs of Perth earlier this year visiting the City of Wanneroo. Wanneroo is in Perth's growth corridor, one of the fastest growing areas of Australia. The Wanneroo Council has gone to great lengths to develop an economic development strategy which complements the rapid growth in population in the region. The lack of widespread broadband availability within their city has been a major constraint on their ability to attract small and medium size businesses to locate there.

The Howard Government claims to be a great supporter of small business. Yet it has done little to facilitate small business access to broadband. The future competitiveness of many small businesses will depend on their access to high speed communications. Recently at a public meeting I conducted in Caboolture, north of Brisbane, a small businessman who had chosen to locate there lamented the negative impact of the lack of broadband access on his business. I regularly receive letters and emails from people complaining about inadequate broadband access. Many of these are from the outer suburbs of capital cities and from provincial cities.

Telstra still tends to treat its massive telecommunications network like it is a voice only network, rather than a voice and data network. This is evidenced by Telstra's widespread use of the broadband inhibiting pair-gains technology. Pair gains may be useful for a voice only network, but are massively disruptive for those seeking data on their phone lines, whether at high speed or lower speed. Telstra has only recently begrudgingly conceded it needs to roll back the use of this technology after reports criticising its use and a concerted campaign by my federal parliamentary colleague, Senator Kate Lundy.

Telstra's annual capital expenditure has fallen by hundreds of millions of dollars in recent years. At a time when Telstra should be building its next generation data network, there are widespread reports of Telstra keeping its ageing copper network held together with plastic bags and temporary gas bottles. My great fear is that when the age of broadband truly arrives Telstra's network will be so diminished by years of underinvestment and staff cut backs that Australia will have to play catch up for many years. I want Telstra out there building the network that will enable Australia to be a leader in the global information economy. Telstra should be a builder not a speculator. It should be a carrier, not a broadcaster.

The great irony of Telstra's slow response to the broadband challenge is that it should be rolling out and promoting ADSL as a means of prolonging the economic life of its primary asset, the fixed line network. The longer it lingers, the more opportunities it allows for competing technologies, like wireless, where Telstra has no natural advantage over its competitors. It was only in July this year after much criticism, that Telstra announced it would be investing around one billion dollars in broadband infrastructure over the next five years. Dr Switkowski's comments at the 10 World IT Congress in Adelaide last year that content is a key driver for broadband seem to have been forgotten. Telstra has finally realized that investment in broadband infrastructure is what really matters.

While belated recognition of the importance of broadband infrastructure is welcome, it pales into insignificance when compared to Telstra's massive capital expenditure cuts under the Howard Government. As with much of Telstra's announced spending it is also difficult to determine whether this is existing capital outlays dressed up in a press release.

Telstra needs leadership that is unequivocally committed to broadband. Telstra needs a plan to transform a rather dilapidated copper network designed for a voice environment into a network capable of delivering high speed broadband access to all Australians. Most of all, it needs a majority shareholder that understands the critical importance of this objective, and is prepared to drive outcomes.

Canada is a country relatively similar to Australia, but unlike Australia it has a seriously impressive broadband take up that is second in the OECD. Canada's 17 million Internet subscribers have broadband access. They ranked Canada's broadband penetration rate as 30 per cent, well above the OECD's 2002 ranking of Canada at 11.7 per cent, which is still second in the OECD and well above Australia's 19th ranking on 1.9 per cent. A recent *Financial Review* assessment attributed Canada's elite broadband status to lower prices, better competition, particularly between phone companies and pay-TV providers, and government support. These factors are all sadly missing in Australia.

Two research reports came out recently which paint a disturbing picture for Australia's future in the information economy. One from IDC Australia predicted that by 2007 Australia would have a broadband penetration rate of only 13 per cent. A similar report for Forrester Research predicted that Europe would have penetration rates of 30 per cent in 2008, with the Scandinavian countries and the Netherlands leading the way.

While these reports employ different methodologies the underlying trend is clear: Australia is lagging the world in broadband take-up and this is showing no signs of improving. The government is asleep at the wheel. While Telstra remains a dominant monopolist with limited competition, effectively run by a government that has forsaken Telstra having any nation building function, Australia's broadband prospects remain bleak.

We need both the government and Telstra to develop a vision for broadband. In particular, we need Telstra to re-focus on its primary responsibility as the universal connector. If Telstra takes the lead in delivering broadband it will continue to dominate our telecommunications sector for years to come, to the great benefit of its shareholders and the Australian community. Three years on from the dot-com crash there is still a cloud over the communications industry. Yet Australians are increasingly beginning to understand the benefits of broadband. Exciting 3G mobile networks with remarkable voice and data capabilities are beginning to show up in the hands of ordinary consumers. Young people are embracing new communications technologies eagerly and will be the key drivers of our future in the information economy.

Billions of dollars were squandered in the dot-com boom. The rail industry experienced similar boom and bust periods prior to stabilizing and becoming a central feature of the industrial economy. The information economy is potentially worth tens of billions of dollars more to Australia's economy and it will be a key future driver of our economy. We must not give up hope in our ability to lead the world in this area.

Australia needs a government that it is committed to the information economy and committed to broadband as its engine. It needs Telstra acting as a nation builder, committed to a national plan to roll out equitable broadband access to all Australians. It needs a Communications Minister who is an evangelist for broadband, not an apologist for poor broadband performance.

Australia at present stands at the fringe of the information economy. We have all the natural advantages to enable us to be at its very heart, but none of the political will. Our future economic relevance depends on our ability to meet this challenge. It's time for a concerted national effort to connect Australia, and lay the new foundations for a successful modern economy in the twenty first century.



Photo – David Karonidis

*Dr Kerry Schott*

Dr Kerry Schott has worked in the Reserve Bank of Australia and been Managing Director of Deutsch Bank. She has also served as Trade Practices Commissioner. In 2001, Kerry Schott was appointed to the Chair of the Environment Protection Authority which was noted as an important signal that the government was committed to the use of economic mechanisms to protect the environment and to encourage business adoption of triple bottom line reporting. To discuss the role of government and business in environmental issues, Kerry Schott addressed the Sydney Institute on Tuesday 2 September 2003.

# ENVIRONMENTAL

## *ISSUES AND POLICY – THE ROLE OF GOVERNMENT AND BUSINESS*

**Kerry Schott**

The Sydney Institute is a wonderful forum for discussion and debate within the community and I must begin by thanking Anne and Gerard Henderson and their staff for their efforts. I am delighted to be here.

This evening I would like to look at the current state of the environment both globally and nationally. We are making environmental progress in some areas; and in others the policy solutions are more difficult. On the basis of this brief review, I then will make some observations about the type of environmental policies that have been successful and those, which have not. Finally I would like to address the changing roles of government and business and give support to market based policy solutions in many (but not all) circumstances.

First the environment.

### **The global issues**

There are in my view three big global environmental issues that are worthy of highlighting this evening. These are climate change, stratospheric ozone depletion and water scarcity.

#### *Climate change*

Possibly the biggest environmental challenge is climate change or global warming. Northern hemisphere temperature trends show things have warmed up since the twentieth century and this pattern is continuing [Figure 1].

While people were correct to question this trend and to seek further evidence for its basis the scientific position now is in my view incontrovertible. Planet earth is warming and in the last three decades a run of the warmest years on record have been recorded.

Those who do not want to accept this position outline future scenarios that appear to me to be extraordinarily unlikely and based on favourable U-turns that lack scientific basis.

Global warming leads to climate change as carbon dioxide concentration increases. The graph below vividly shows the historical record on

CO<sub>2</sub> emissions derived from Antarctic ice cores [Figure 2].

The International Panel on Climate Change – made up of the world's leading atmospheric scientists – and others such as the CSIRO – have examined the likely impacts of climate change.

With Australia's long coastlines, low rainfall, unique plants and animals and many industries that depend on our natural resources, we are particularly susceptible.

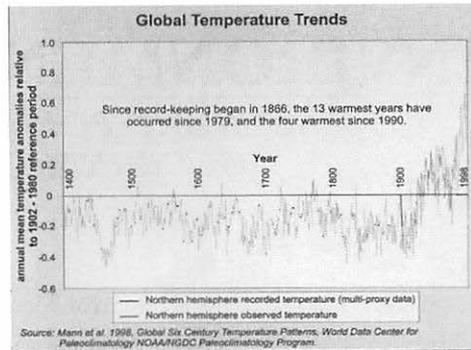
We can expect to see further increases in temperature, more coral bleaching, increases in the frequency and intensity of extreme weather events and even less water entering our already stressed river systems. Ocean temperatures and sea levels have risen significantly over the last century.<sup>1</sup>

Australian scientist David Karoly has argued on the basis of his work that unusually high temperatures resulting from climate change have exacerbated the impact of low rainfall during the recent drought.<sup>2</sup> This has also exacerbated the risk of more intense bushfires.

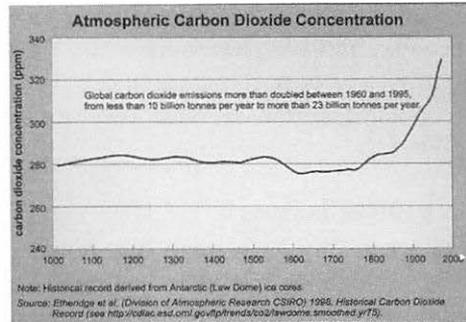
The impacts of extreme weather events are also evident in the increase in insurance claims for flood and storm damage globally – world-wide economic losses due to natural disasters appear to be doubling every ten years, and have reached \$1 trillion over the past 15 years.<sup>3</sup>

It's critical that Australia takes a leading role in the current global negotiations on climate change. We should be ratifying the Kyoto

**Figure 1:**  
Global temperature trends 1400 to 1998



**Figure 2:**  
Atmospheric carbon dioxide concentrations



Protocol and brokering a global solution for action and accounting for our own impacts.

According to an analysis undertaken by the Australia Institute, Australia has the highest per capita emissions in the world.<sup>4</sup>

This is related to high energy demand (which in our homes has grown by 60 per cent since 1975 while our population has grown by 35 per cent) and high use of "unclean" vehicles.

There is no doubt we can be more efficient in our energy and motor vehicle use without decreasing living standards.

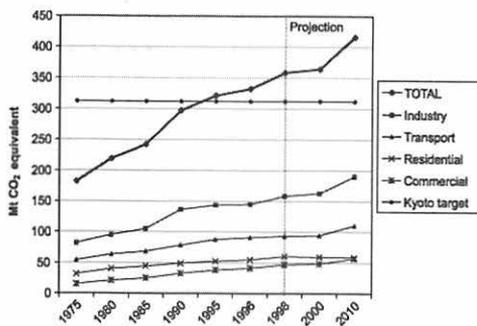
Australia's target under the Kyoto Protocol is to limit emissions growth to 8% above 1990 levels, yet in 2000 we were already 6.3 per cent over that baseline, with many sectors showing much higher growth. Between 1999–2000 alone, total emissions grew by 2.1 per cent.<sup>5</sup> This is not a success story for earth or for Australia.

### *Stratospheric ozone depletion*

On the other hand the way that the international community is successfully dealing with what is commonly called the hole in the ozone layer shows that international collaboration can work well. Australia played a leading role in establishing the Montreal Protocol, under which ozone-depleting substances are being phased out.

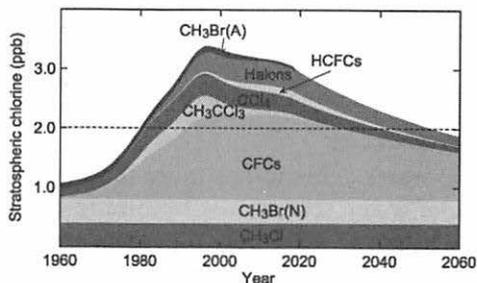
We are already seeing emission levels falling dramatically as substitute technologies are deployed, and although the impacts of past emissions will continue for some time, the ozone layer is now expected to recover within 50 years. Interestingly, the developed nations

Figure 3:  
Energy-related greenhouse gas emissions



Source: Australia State of the Environment Report 2001

Figure 4: Stratospheric concentrations of major ozone-depleting substances



Source: Australia State of the Environment Report 2001

committed to reducing their own emissions first, and developing nations gradually came on board.

Obviously, carbon emissions represent a far greater challenge than ozone depleting substances, given the centrality of fossil fuels to our economic systems and our living standards. Nevertheless, there are many interesting aspects to

the comparison between Montreal and Kyoto Protocols, including Australia's approach.

I will suggest later that the more diffuse point sources causing global warming and climate change are best addressed through market based policy solutions, rather than the more simple regulatory approach that was suitable for ozone depletion.

### ***Water scarcity***

World water demand has more than trebled over the past 50 years and signs of water scarcity are becoming commonplace. Nearly half of the world's people – 3.5 billion people – will experience water shortages in the next two decades.

Much of this problem is one of distribution rather than supply. Although water use is only 10–20 per cent of available freshwater, the access to freshwater is unequally distributed and transport is extremely expensive. This is also an environmental issue that cannot be addressed solely by regulation.

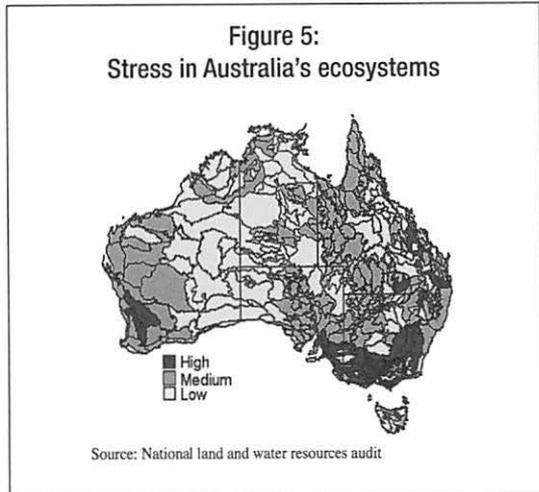
### **National issues**

On the national front I think we have four big environmental issues and all four are interrelated and hence difficult to discuss in an orderly way. The big four Australian issues in my view are fresh water supply and water use; loss of biodiversity; environmentally sustainable urban development; and urban air quality.

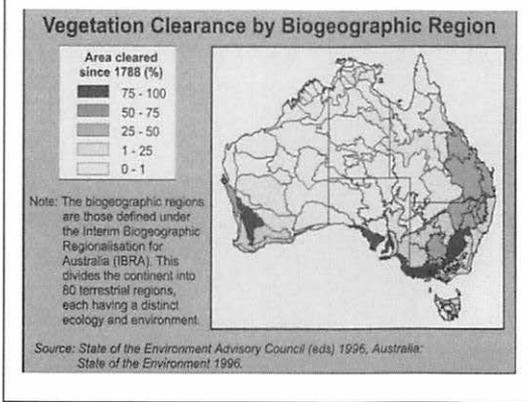
### ***Loss of biodiversity***

Loss of biodiversity is arguably our most significant environmental challenge in Australia.

Biodiversity loss represents the depletion (often permanently) of the ecosystems on which our lives depend – a loss of ecological



**Figure 6:**  
Vegetation clearance by bio-geographic region



“capital” and often a loss of land to salinity and erosion. It is not simply about a single species, it is about the integrity, resilience and balance of each ecosystem.

Key pressures are deforestation, expanding and intensification of agriculture, overfishing and generally increasing rates of extraction of natural resources.

Australia is one of 17 mega-diverse countries – which together account for some two-thirds of the world’s species. Australia and the United States are the only two developed countries categorised as mega-diverse.<sup>6</sup>

A recent report to the Prime Minister’s Science, Engineering and Innovation Council concluded that there is no doubt that Australia’s natural systems are in decline.

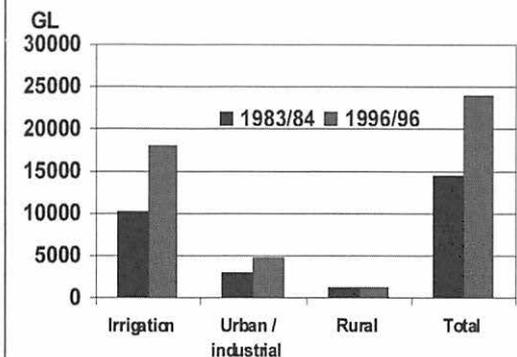
It states that “many more indicators of the health of our natural systems are in decline than are stable or increasing.”<sup>7</sup>

Significant areas are under stress and the condition of biodiversity in Australia is poorer today than it was in 1996.<sup>8</sup>

Increasing numbers of species and ecological communities are being listed as endangered or vulnerable – both nationally and in NSW – in both terrestrial and aquatic environments. This is an essential but not yet sufficient step towards recovery.

One of the important contributions to the decline in biodiversity is land clearing. This is discussed further below but excessive clearing is linked to salinity, erosion and a loss of agricultural land.

**Figure 7: Change in Australian mean annual water use from 1983/84 to 96/97**



Source: National Land and Resources Audit: 2001

Clearing by Australian regions is set out above and the pattern is of little surprise. The east coast and hinterland along with southwest western Australia and the south of south Australia are standouts.

### **Freshwater supply**

In Australia, the average person uses 1.31 Ml of water every year, and most of this is in agriculture as our production increases.

I think many Australians would be surprised at the high increase in irrigation use since 1983–84.

While this is perhaps surprising the upside has been increasing agriculture yields.

From a policy point of view it is also an upsurge in water usage in an area where greater efficiency is possible and would be supported by most farmers if sensible schemes were implemented.

Australia has less than 1 per cent of the world's freshwater resources and only 12 per cent of rain that falls in Australia is available in our waterways (as shown Figure 8).

The difference between rainfall and runoff is attributable to high evaporation, infiltration and transpiration. All of Australia's rivers together carry only around half that carried in the Mississippi river.

As the current drought has made particularly clear, our water supply is also highly variable with, for example, rainfall across NSW varying by 20–30 per cent from annual average.<sup>9</sup>

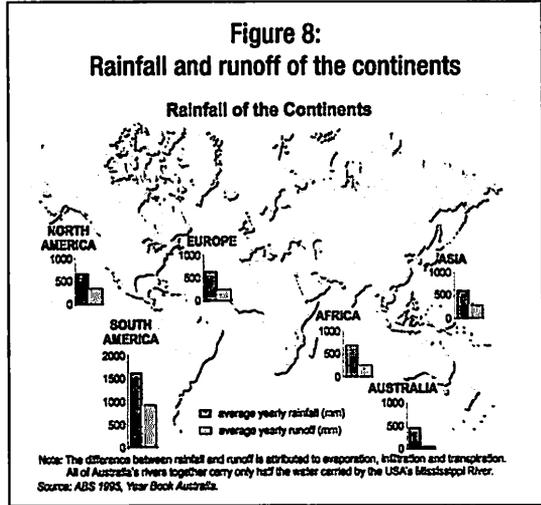
Many of our inland rivers and groundwater systems are stressed and over-allocated. Many of these we've known about for decades – particularly the Murray Darling. Yet between 1984 and 1997, water extraction from the Murray Darling system *increased* by 60 per cent.

I think many Australians would not realise that much of the over extraction of water has occurred only in the last twenty years.

Between 1994 and 1997 total water consumption in Australia increased by almost 20 per cent – in three years!

As I have noted most of this was for agricultural expansion.

In the last decade alone, the area of land under irrigation has increased by 30 per cent.



At the Murray mouth, under natural conditions, you could expect no flow one in every 20 years. This has increased to one year in every two!<sup>10</sup> The greatly expanded water use is shown below and what is really surprising is the recent post-1960 uplift.

### **Urban water use**

Urban water use is a small part of overall usage at around 20

per cent<sup>11</sup>. However, in the catchments near the big cities, it predominates. Although we are making some progress on reducing per capita consumption, overall consumption is increasing.

Indeed, Sydney's current water consumption is already reached an unsustainable level.

We are currently taking 106 per cent of what is called the "safe yield" – this means we are eating into the margin of reliability to meet current demand.

Water conservation efforts in recent years have helped but are not enough to offset the impact of strong population and economic growth. This means we need to either find more water or use less and more efficiently. I'll come back to discuss the solutions to this issue later.

### **Land degradation and declining river health**

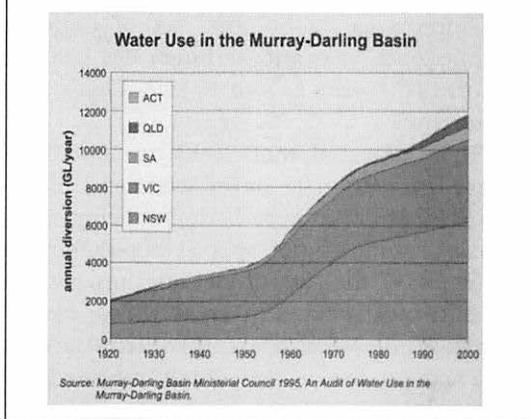
Land use intensification and loss of native vegetation are exacerbating the impact of drought and bushfires, leaving our soils vulnerable to erosion. Salinity is spreading, with rising water tables affecting greater land areas.

Every state of the environment report released in Australia has listed the threats and the trends, yet we are making little progress in reversing these trends.

According to the Australian Bureau of Statistics, land degradation is estimated to cost \$1.15 billion per annum in lost production, which is 5 per cent of the total value of agricultural production.<sup>12</sup>

In the Murray Darling basin, 300,000 ha of land are already affected by dryland salinity, and up to 5 million ha are at risk. Across Australia, up to 17 million ha are likely to be affected by the middle of the century – of which 2 million ha are expected to be remnant native vegetation.<sup>13</sup>

**Figure 9: Water use in the Murray Darling basin 1920–2000**



Land clearing rates across Australia are at record levels with significant impacts on salinity, water quality, land degradation, biodiversity and greenhouse emissions.

Approximately 500,000 ha of native vegetation are cleared in Australia each year and as much has been cleared in the last 50 years as in the 150 years before 1945<sup>14</sup>. That's a land area of half the size of Switzerland.

It is expected that 1000 to 2000 birds permanently lose their habitat for every 100 ha of woodland cleared. That would mean 1–2 million birds per annum.<sup>15</sup> Encroaching salinity is expected to result in the loss of some 18,000 species of plants, fungi and animals.<sup>16</sup>

In NSW the rate of clearing has decreased – but it is still significant and most occurs in areas where native ecosystem loss is already highest. While NSW has an excellent network of national parks on the coast and on the coastal range, we are less fortunate on the western slopes, where most farming occurs.

#### ***Urban development and sustainability***

In NSW, 90 per cent of the population live near the coast and around 75 per cent live in the Greater Metropolitan Region of Sydney, Newcastle and Wollongong.

Sydney's population is increasing by an additional 50,000 people each year – which is like adding a town the size of Wagga Wagga every 10 months. The general pattern of this development is shown below.

The number of people in each household is decreasing – so the number of dwellings is growing at an even faster rate than population.

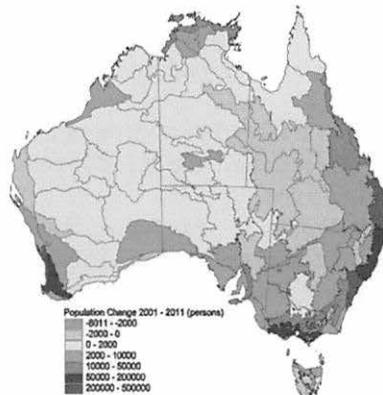
This added development pressure has obvious implications for the environment.

In NSW there are approximately 100 coastal lakes. Across Australia these are very beautiful and many more people want to leave the city and live near them.

However, development increases nutrient run off, to which these often closed lakes are acutely sensitive. The danger is that we love them to death.

By examining pollutant loads and

**Figure 10:**  
Projected changes in population density



Source: Australia State of the Environment Report 2001

ocean flushing rates it is possible to get quite a good understanding of the risk to the lake. This means that the amount of development permitted can be tailored to meet the specific requirements be it at Dee Why Lake, North and South Macquarie Lakes or Nadgee for example. The EPA is developing new tools to make this easier.

### ***Urban air quality***

Since the 1980s there has been significant improvement in urban air quality in NSW – with substantial reductions in levels of carbon monoxide, lead, sulfur dioxide and nitrogen dioxide. This is principally related to the regulation of fuel quality (both petrol and diesel) and continuous improvements made over time in the quality of both vehicles and their fuel.

However, we should not be complacent about air quality. Australia has the second highest reported death rate from asthma in the world and urban air quality continues to be a major health concern. The graph below shows Rozelle's daily benzene and toluene variations (a pattern that is repeated across the city) and you can see peak hour effects quite clearly.

Levels of photochemical smog and particulates still exceed air quality standards on occasion, which have been set to protect our health.

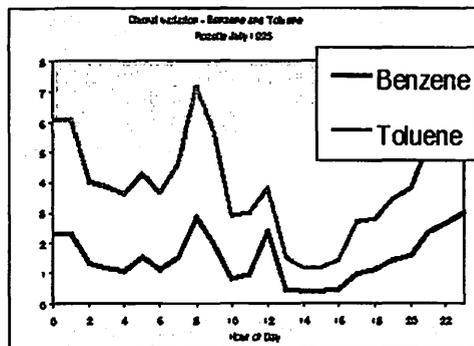
Motor vehicles are now the major source of air pollution in cities. Australians own more cars than ever before, and are driving them more often and for longer distances.

This increasing vehicle use is having a major impact on our air quality, with the number of vehicle kilometres travelled (VKT) rising more than twice as fast as the population.

Technological improvements have reduced emissions from new motor vehicles, but these gains are being eroded by the continuing growth in the sale of poor environmentally performing models.

Every year Australians buy over 800,000 new vehicles, which on average will stay on the road for more than a decade. Hence, purchasing decisions today will influence environmental outcomes for a consid-

**Figure 11: Daily variation in benzene and toluene in Rozelle**



Source: NSW Environment Protection Authority, 1998;  
Pilot Air Toxics Project, Technical Report EPA 98/21

erable period. That said the recent grading of vehicles (A to D) on the basis of their emissions will provide useful information to consumers, including fleet buyers, and the ongoing regulation of increasingly cleaner fuel is helpful.

### **Where are we making progress and where do we need to do more?**

Despite the challenges, Australia is making some progress and a recent ranking of countries on an environmental sustainability index, placed Australia sixteenth out of 142 countries on its overall sustainability index.<sup>17</sup>

There have been some major environmental gains in NSW – our air quality has improved, the beaches are cleaner, we have good quality drinking water and recreational water, we have significant areas of protected land.

Community awareness is high, with the community continuing to rate environment as a key priority and adopting action to protect the environment.

One of the great success stories in changing community behaviour and expectations is the campaigns over the last few decades on litter. Although there are still many offenders, the Keep Australia Beautiful, Clean Up Australia and Don't Be a Tosser campaigns are having a notable impact.

The uptake of recycling has also been encouraging – with Australia having one of the highest rates of recycling in the world. Point source pollution – or pollution that comes from a single point such as a factory – is improving with regulation and licensing. And many aspects of air pollution are improving with the introduction of cleaner fuels and technologies. Yet on other issues we are failing to make a dent – indeed we are going backwards. I've talked about a lot of the intractable issues tonight – climate change, water supply, land degradation and biodiversity.

Most of these issues are not easy to see – they are diffuse problems that result from the sum of many small actions by many people. They are not visible to most people, and they are not iconic. So it becomes difficult to identify the culprit or to prioritise action.

### **Changing roles of government and business**

In the past, the most well known environmental problems were presented as black and white (almost moral) issues – do we dam the Franklin, mine Myall Lakes or get sewerage off the beaches?

Minimum standards and licences for industry are and have been quite effective at addressing these 'single point' pollution issues.

But now most of these point sources are well addressed – the bigger challenges now are the more diffuse sources of pollution and the sum of the actions of millions of Australians in their workplaces and homes.

No longer can we simply address the single (often big) polluter – we have to look at how to address diffuse pollution sources with many small actors. Minimum performance regulation has its limitations. It can be a blunt instrument and doesn't provide a lot of incentive to go beyond minimum compliance; and it does not work for diffuse source pollution or usage.

Voluntary programs have been a favourite tool of governments over the last few years – and with industry as well. Although they are often successful in awareness raising and rewarding best practice, the evidence is that they are extremely limited in achieving outcomes. The OECD recently released a report that was highly critical of the effectiveness of voluntary measures.<sup>18</sup> The greenhouse challenge is an example of a voluntary program that has been criticised for failing to achieve much beyond business as usual.

To be blunt, voluntary programs do not work apart from raising awareness of the issues.

One of the innovative approaches that the NSW Government has introduced to control industrial and sewage pollution has been load based licensing, which is based on the principle of “polluter pays”. It rewards companies that reduce air and water pollution, by scaling licence fees according to the total amount of pollution. This combines minimum standards with economic incentives for continual improvement.

Under load based licensing a firm receives a licence to pollute up to a particular threshold. If that agreed threshold is exceeded large penalty fines and prosecutions are brought against the offender. Licence fees are based in actual discharges – the lower the discharge, the lower the fee.

Then, over time, the pollution load is brought down as technology becomes available and as other circumstances change. This has worked well and firms have invested large sums of money to meet their targets, and then to improve on them. Which brings me to the latest trend in environmental protection – the use of market based mechanisms. Market based approaches are what I would suggest is the only way to tackle many difficult environmental issues, from diffuse source pollution to water scarcity.

While I am a great supporter of market based mechanisms – I think they have enormous potential – I want to preface the following comments with a warning. Many people who talk about market-based mechanisms are fundamentally confused about what it takes to make a market work. Consider the property market or the share market,

or even a supermarket. Market based mechanisms need a regulatory underpinning to be effective. We all rely on systems that assure us that if we make an exchange, everyone will keep their side of the deal. Property rights are defined and can be upheld by law.

Market based mechanisms allow governments to introduce market drivers for better environmental performance, while allowing greater flexibility for innovation and least cost solutions. For example in the Hunter Valley, the EPA has established a world leading salinity trading scheme to cap the overall salt loads entering waterways. The role of the EPA is to define the total allowable emissions compatible with a democratically determined environmental goal.

This creates a framework within which industry can get on with its business. Contrary to the views of some the EPA is not anti-business and nothing pleases it more than seeing pollution decrease and industry activity increase. Companies either implement technologies to reduce discharges, or buy credits from those who can do so at lower cost. It has been a great success and has the support of participants and the community. River salinity has been halved, while industrial activity and discharge potential (rather than actuality) has grown dramatically.

The NSW Government has also introduced a Greenhouse electricity industry benchmark scheme that places performance requirements on electricity retailers to meet an emissions intensity benchmark. The scheme allows retailers the flexibility to meet the benchmarks through purchase of credits for demand management, renewable power generation and other measures. An early version of the scheme that did not include money penalties for non-attainment failed. This reflects the hard headed way that businesses are run. Even the most enlightened firms cannot deviate far from the bottom line and survive, because the essential organising principle of business is, quite rightly, profit. These schemes (as with load based licensing) now come with penalties.

You may find it of interest that the EPA along with Sydney Water and other parts of the Government in NSW is currently developing a proposal for a similar scheme to address the unsustainable levels of water consumption in the Sydney basin. As I mentioned, Sydney is using 106 per cent of our safe dam yield. The good news is that there is a large range of cost effective things we can do to use less. These include developing and building more water efficient homes and appliances, capturing rain water and water recycling.

These so-called "demand management solutions" are cheaper and more sustainable than committing to major new infrastructure such as desalination plants to convert ocean water for drinking. But deploying them in practice requires new structures to suit and support the market. The scheme being explored (and it is early days here) is about creating a market place for the private sector to offer water efficiency services.

This is being considered as part of a wider reform program being prepared by the NSW Government for Sydney's water supply.

The working title is WETS – a water efficiency trading scheme. Essentially, if water consumption exceeds the safe yield, Sydney Water would be required to buy “credits” that represent water savings services provided by private sector firms. This kind of solution will provide flexibility to allow least cost solutions and will encourage innovation. Sample offerings could include effluent recycling pipelines, water tanks built into new development, bulk stormwater capture and water pipe “leak seekers”. All through last century, governments have always focussed on the supply side of a resource problem. If water or energy demand was predicted to increase, then it was governments' job to increase supply. Yet this is not how markets work in the case of scarce commodities. We are constantly adopting new technologies that deliver more from less. These only come forward because markets operate to communicate scarcity and provide benefit to the innovator and cost to the over-the-limits consumer.

The problem with the environment, is that we have failed to allow the scarcity signals to flow. We are seeing the signs that Western governments are starting to look seriously at demand management as the first choice where resources are underpriced – but the shift needs to speed up rapidly. It requires new skills for politicians and bureaucrats and education of the community, but the potential gains for taxpayers and the environment are significant. There is a huge efficiency gain to be had.

We cannot expect business to solve our environmental challenges on good will alone – even though there are now a number of large corporations whose leaders are making significant efforts to move to a more sustainable Australia. Businesses respond to the drivers in the market and as we all know they are there to make profits for their shareholders. Governments must change the market rules and the market signals to ensure that businesses are working towards a sustainable future and not away from it.

This type of approach shows promise in tackling global warming, through a market for carbon credits, in urban water through such schemes such as WET, and in agricultural water through allocations and trades in the water allocation markets. As you are all aware, the COAG agreement last Friday was a positive development towards delivering environmental outcomes through a market based approach to water management. However, we're yet to see any progress on a market based approach to climate change at a national level.

There is a lot of potential but as I cautioned at the start there are some activities where straight regulation works well and we should not abandon that policy tool. We just should add another.

## Conclusion

To conclude:

- We have made big gains in the environment, but serious challenges remain.
- The current issues are more diffused and systemic. Their source and their solution rests in how our economic systems are structured.
- Providing the right market signals can have enormous aggregate benefits for taxpayers, their children and their environment.
- Markets cannot create themselves in modern societies – this is what governments must do. Businesses work within markets where there are rules and predicability.
- We are seeing progress in this direction, and Australia could easily be among world leaders in introducing these approaches. However a faster pace is required if fixing the big problems is our goal.

## Endnotes

- 1 United Nations Department of Economic and Social Affairs (2002) *Global Challenge – Global Opportunity – Trends in sustainable development*.
- 2 Bob Carr (22 August 2003) “An even more sunburnt country – thanks to global warming”
- 3 Munich Re (2002). *The Insurance perspective: Shareholder value at risk – the need for climate change risk management*.
- 4 The Australia Institute (2002) Updating per capita emissions for industrialised countries
- 5 Australian Greenhouse Office (2002) *National Greenhouse Gas Inventory 2000*
- 6 World Resources Institute
- 7 PMSEIC (2000) *Sustaining our natural systems and biodiversity*
- 8 Environment Australia (2001) *Australia State of the Environment Report 2001*
- 9 Australian Bureau of Statistics 1300.1
- 10 Environment Australia (2001) *Australia State of the Environment 2001*
- 11 ABS 2000, Water Account for Australia, Australia’s Water Budget for 1996/97.
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- 15 Environment Australia (2001) *Australia State of the Environment 2001*
- 16 PMSEIC (2000) *Sustaining our natural systems and biodiversity*
- 17 Leaders for Tomorrow Taskforce (2002)
- 18 OECD (2003) *Voluntary Approaches for Environmental Policy – Effectiveness, Efficiency and Usage in Policy Mixes*

# John Howard



*versus*



# Mark Latham

2004 is an election year for the federal parliament.

John Howard is facing his fourth election as Prime Minister along with a new Labor Leader in Mark Latham MP (Member for Werriwa). How does the new political landscape shape up?

Hear three long time observers of federal politics give their views. Join in the discussion at The Sydney Institute.

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SPEAKERS: **ANTHONY GREEN** (Election Analyst, ABC)

**MARY EASSON** (former Federal MP)

**GRAHAME MORRIS** (Former chief adviser to John Howard & partner with the PR firm Jackson, Wells & Morris)

TOPIC: **2004 – The Political Outlook**

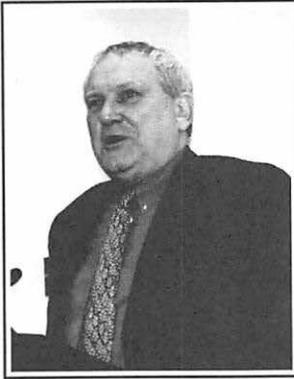
DATE: **Tuesday 20 January 2004**

TIME: **5.30 for 6.00 pm**

VENUE: **Dixon Room, State Library of NSW,**  
Macquarie Street (entry from the Mitchell Wing  
– old building), Sydney

RSVP: **(02) 9252 3366**

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*Frank Moorhouse*



*Geraldine Doogue*



Photos – David Karamidis

*Julianne Schultz*

On Tuesday 9 September 2003, *Griffith Review* was launched at The Sydney Institute. *Griffith Review* is a new quarterly publication produced by Griffith University in conjunction with ABC Books. Each issue develops an important topical theme with writing from a range of genres and perspectives to provide a comprehensive literary discussion. To launch the *Review*, its editor Julianne Schultz joined writer Frank Moorhouse and ABC personality Geraldine Doogue in a conversation about the first issue.

# **GRIFFITH REVIEW –**

## **LAUNCHING AUSTRALIA'S NEWEST QUARTERLY**

**Julianne Schultz**

Thank you Gerard, it is a great pleasure to be here this evening to help launch the *Griffith Review*.

It is very appropriate that this new journal of ideas should be despatched from The Sydney Institute, which itself has been so important in creating a venue for the discussion of ideas in this city. *Griffith Review* is interested in engaging in much the same space, but in a different manner from what The Sydney Institute has done with forums and speeches. But we are both interested in creating a venue for discussion and debate – another stall in the marketplace of ideas.

In my brief introduction this evening, I would like talk about the impetus for the establishment of the new quarterly, a little about this first issue and then hand over to two of the distinguished contributors to this first edition, Frank Moorhouse and Geraldine Doogue. I should also note that another distinguished contributor to the first issue, Allan Gyngell, is here in the audience this evening. Some of you may have read an extract from his excellent essay in the *Sydney Morning Herald* last week.

The impetus for the creation of *Griffith Review* came from discussions between the Vice-Chancellor of Griffith University in Queensland, Glyn Davis, and me. It is somewhat unusual these days, when we read and see so much about the stress that the university sector is under, to find a vice chancellor and a university council prepared to engage so actively with the public outreach role of the university.

We hear quite a lot about the place of the public intellectual – a particularly ghastly phrase I've always thought – those people who seek to inject new ideas, informed insight and analysis into the public domain. In much of this discussion, the onus for engaging in the public sphere is pushed back to the individual academic – a task for which many are ill-equipped, and for whom the outlets to engage in public forums are limited to the short sharp shock of the news report, the occasional interview, or if they are very lucky the opinion pages of a major newspaper. These forums are important, but they may not be

sufficient. They also require a boiling down of the contribution to a few seconds, a few minutes or maybe an 800 word op ed piece.

I am not criticising these outlets. Having edited the opinion pages of a major newspaper for some years I understand the importance of a well crafted 800 word op ed. But they may not be sufficient to introduce new ideas, new writers and new perspectives from established thinkers to a broader community. That is a major part of the reason Griffith University decided to commit to producing *Griffith Review*. A major survey by Quadrant Research last year found that people were looking for intellectual leadership but were finding it hard to locate, that intellectuals had lost confidence and the ability to engage the public and, as a result, many big questions were left unanswered and without new insights and understanding. The pollsters considered that this vacuum could have long term, negative consequences for the whole society.

As we thought about the best way of reaching out, and providing a new platform and space, we evaluated a number of options – a monthly magazine, a review newspaper like the *London Review of Books* and various others.

Having seen the success of *Quarterly Essay* it seemed that it would be possible to do something on a quarterly basis and supplement it with exchanges on the web site. Similarly we were taken with the quality of the writing in the English journal *Granta* and remembered how in its earlier days *Granta* devoted more space to reportage than it does now.

It seemed to us that the space to develop ideas, tease out complications, remember the consequences of events, was a big part of what was missing here. The newspapers have gotten bigger and bigger, but it is rare for an article to top 2000 words. There are perfectly good reasons for that, but it doesn't mean that there isn't a need for essays and articles that need more room to be developed. In *Griffith Review* the essays and articles start at 1200 words and where they need to go longer they do. In the first issue, the longest is the article which has generated the most heat so far – Graeme Dobell's long report on the changing culture in the Department of Foreign Affairs and Trade.

In deciding to go to a quarterly book format, the next really important decision was to make each issue work thematically. We wanted to be able to capture the theme and produce something that could sit comfortably on a bookshelf for some time. This is something which *Granta* has done so successfully, and it is a way of distinguishing *Griffith Review* as a book, not a magazine. The discipline of producing a book, including the longer lead times, make it possible to surround a theme that had some topicality and to stretch it in a number of different ways – to tease out the nuances, to look at the policy options, the unintended consequences, the dreams, debate and even the emotional dimensions of these subjects.

The first issue has a theme of *Insecurity in the new world order*. This is obviously the topic of the year, and we have approached it by trying to draw out and identify the sources of insecurity, the nature of the new world order, the historical themes, the nature of the debate, the pressures on policy making in this unstable environment, and the very human impact dimensions of this situation in both words and images. These are the topics that are exercising the minds of many of us, including outstanding writers, artists and photographers, some of whose work we have included in this issue. There is an interesting synergy between the essay by Eva Sallis about being of middle eastern origin in Australia these days, the essay on fundamentalism by Margaret Coffey and the poem by Margie Cronin with the counter point of the two photo essays one of the demonstration at Baxter detention camp at Easter – which is something like Robocops meet Priscilla in the desert – and the images of the refugee women from Eritrea, Somalia and Ethiopia who have settled in Brisbane. The combination of these pieces against a backdrop that takes in policy options, memoir and reportage says a great deal about the complicated uncertainty of the times.

The thinking behind this publication has always been about engaging the intelligent general reader, the person who is interested in reading good writing, who wants to be able to step back from the daily news topic and reflect on it, gather new insights and understanding. As such the language does not include jargon – it is direct and where appropriate personal.

The desire to engage a general reader while offering new insights for the specialist was why it was important for us to find a publishing partner who could ensure that *Griffith Review* was able to reach a general audience, and not be stuck in the ghetto of specialist journals. When ABC Books decided to become our publishing and distribution partner at the beginning of the year we were delighted.

The relationship with the ABC is an important part of the positioning of *Griffith Review* – as publicly funded organisations with a responsibility for education and informing people, with complementary missions if you like – it is a synergistic partnership, which we hope will evolve over the next few years.

One part of this partnership is the inclusion of ABC writers in each collection; another will be particular initiatives like the talk back essay, which will be a feature on *Australia Talks Back* with Sandy McCutcheon. We will make one essay from each issue available online and then a program will be devoted to discussing it with the author and others. The first talkback essay will be Frank Moorhouse's *World Order Dreaming* and it will go to air at the beginning of October.

Finally I want to acknowledge and thank the contributors who agreed in April, sight unseen to write for this issue, on the strength of an idea and the promise of a very modest fee. It was a bit of an ask, a leap

of faith and I am grateful to them. It will be their hard work and insight that makes people want to read the book and engage with the debates raised. As Michael McKernan who has written about the decision of General Peter Gration to speak out against involvement in Iraq, said when he got his copy of the book – it is a unique literary conversation, full of civility and insight.

I hope you will read it and enjoy it. The next issue is on our dreams and disappointments about the land.

### ***Griffith Review: Gulf War One – Geraldine Doogue***

It's an old truism that you learn more from your set backs than from your triumphs. I've often thought about that – then again I'm also reminded of Somerset Maugham who said that it wasn't success that wrecked people, it was failure. That's true. Searing, repeated failure does have an incredible impact on character but I wouldn't recommend it. It is true though that a big stumble or a crisis, so long as it is relatively contained, can be the source of extraordinary growth, even wisdom. And, being forced to recollect a particular crisis in my life, namely the events around Gulf War I, was time to recall just how much I did learn at that particular time.

I was a reporter for what become known as the *Gulf Report*. For those of you who remember these things, on ABC TV this had transmogrified from the *7:30 Report* for the duration of Gulf War I. We had divided the coverage of the war into seven, eight or nine minute segments each night. One was called "War of Weapons" which was presided over by Jonathan Holmes and Chris Masters, and the other "War of Words" was with me and a series of producers. The idea was that we would bring viewers up to date with developments of the day and we'd highlight new angles that we thought were worthwhile.

Behind this vision was the idea that this war, above all that we'd known recently, this extraordinary coalition of the then willing would be formed on various fronts and the way language was used, the way views were put, would really matter in the conduct of this war. But this was going to be a much more challenging cultural environment than that which had faced us in say, the Korean War or even the Vietnam War, fixed though that was. Here were forces assembled in Saudi Arabia, on sacred turf to Muslim people, collaborating with Arabs, the great Satan among them, to defeat another Arab. So my job, both in prospect and in reality, was exciting. It was to cover what you could call "the diplomacy" of the challenge. I had come off a blissful summer holiday, at Clifton Gardens beach. I'd had a picnic the day before with my children, and then I went straight into the acute pressure that was generated around Gulf War I.

I am prepared to be told tonight in questions and by people like Gerard Henderson, that savvy people knew war would erupt precisely

when it did. However, I dispute that. I can remember vividly the vox-pops conducted by *ABC News* in the Pitt Street Mall with Sydneysiders, having the news broken to them by the reporter, having a microphone shoved under their faces, being told that war had broken out. I can remember the stricken looks on the faces of the people concerned, the open-mouthed horror that it had come to this, in 1991. Notwithstanding all the saber rattling, I certainly acknowledge there'd been stacks of sabre rattling and troop movement for months.

In other words, when I look back I do see some things that are different to Gulf War II, and I see some things as rather similar. I do believe we may have seen, in those horrified impromptu responses, the genesis of what has been identified by various people as deeply-shifting moods, at possibly a profound level, towards war. Now this is very much a work in progress. And I don't cover it in my piece for *Griffith Review*. But I've thought quite a lot about it. There's been interesting speculation on this by the moral philosopher Raymond Gaita, as to whether there is a growing indignation at a deep level, particularly in Europe, towards war as an acceptable weapon at all. So far commentators are reluctant to dub it "pacifism" as such, although it could become just that. They do sense a growing intellectual resistance to the notion that war as anything but the very last gasp response to difficulties.

From Day One on that Tuesday morning, 17 January 1991, emotions were sky high. I was plunged into a whirlpool of activity that always accompanies a war in which one's own soldiers are involved, or one's immediate allies. I remember wondering if this was what it was like during the Blitz, if the ghost of Ed Murrow, that great broadcaster, was looking over our shoulder with his calls from London, a city under siege, as we tried to work out how to cover this very, very modern war.

We had two major editorial meetings every day, one at ten, one at three and, for sheer adrenalin rush, on Day Two the Iraqis fired scud missiles into Israel. I can remember getting out of the lift on the third floor of the *Gulf War Report* offices at the main building in Gore Hill with people rushing at me saying, wide-eyed, "They're firing scuds at the Israelis, they're firing scuds at Tel-Aviv." Other days were simply horrifying, like the accidental targeting of 400 or so civilians at the air-raid shelter in Baghdad. I still believe that I've never entirely recovered from the images of the Basra Road, and I still don't believe we've been told the full story of what happened with the retreating Iraqi soldiers.

In retrospect, the scuds going into Israel were the tipping point in turning up the emotional heat within Australia. I was to discover that being at the epicenter of sky-high anxiety over the fate of Israel would be character-building in a way nothing else has been in my career, except as I say in the piece possibly with the exception of divorce. It was of that scale. I had had some build up to this with the Falklands

War, and reporting massacres during the Lebanon conflict in 1982 for *Nation Wide*. But war changes everything.

Restraint is not favoured, it seems to me. Stakes are perceptively very high, there's no dodging that. There's really no down time, because even when hostilities pause it's with the certain knowledge that more is to come. It's not resolved and you can't get away from that. Back then, in 1991, we were really at the start of the war-as-entertainment phase, if I can put it like that, crudely it was war as Reality TV. We were babes in the wood.

We scrambled each day to trawl through the newsagency printouts for acceptable talent, and we had to struggle to find people who were in the country because at that time of the year quite a few people had decamped to the northern hemisphere, for obvious academic reasons. We settled on a man called Robert Springborg; associate professor of Politics at Macquarie University, an American who specialised in the Middle East, who had occasionally worked at the US State Department as a consultant. He was a joy as an interviewee; he was awesomely well informed; he was cool under pressure. He was clear, with none of the lofty clichés and inaccessible definitions. He was used a lot, not just by us; he was also used by the news room. Poor old news room, charged as they were with providing hours at a time of spontaneous voice over of the news vision coming in, and BBC if we could get it. Poor old Richard Morecroft. He must have wished for a few furry animals to come in because he had to keep going for sometimes hours at a time, and believe you me, if you had a choice you would have chosen Robert Springborg to sit beside you, compared with some of the people on offer.

Without going into all the details so you'll have to read it in the *Review*, the local Jewish community considered Robert Springborg a red rag to a bull. People who had been in his politics classes claimed that he was opposed to Israel, which he always stoutly denied, and I believe him, though he did acknowledge he didn't always support Israeli government policies. I don't remember us discussing official Israeli policy, though I suppose it could have been perceived we were heading that way. Now the Jewish Lobby geared up several notches to complain about the ABC's extended, and I suppose to their eyes, disproportionate use of Dr Springborg. Gerard Henderson weighed in, as did *The Australian's* Frank Devine, with pretty relentless criticism. It was the first time I'd ever been through any of this and I admit it was an on-air fight day after day, in the full glare of a war underway, not finished as this most recent episode was, underway, ABC reporting centring on both the late Andrew Ollie and myself who were brought into centre stage.

Nobody quite knows what it's like to be suddenly thrust into the impact of becoming a headline maker. It's an incredibly capricious

time. You feel totally outside your comfort zone, outside your control. It left me with an abiding curiosity about controversy, as a sort of entity in itself, in Australia in particular, how it works, because there are patterns for what can be achieved within it, what can't. Very briefly, there are a whole range of permutations in terms of various people deciding that someone had to be a scapegoat for what was perceived to be faults within the ABC's coverage. I incurred the ire of no less than Bob Hawke, the Prime Minister, and of David Hill, my managing director. I was in a spot of bother, shall we say. The idea was that I would be made the scapegoat. Peter Manning, my boss, put his job on the line for me. He was the Head of News and Current Affairs, and I'll always respect it and never forget it. Nothing happened to me publicly and it's a long time gone. It's all part of the rich tapestry of life.

I do believe one thing that moved on was the sheer sophistication in foreign affairs coverage. When I look back to that 1991 Gulf War I realise how crude it was, that we were scrambling for a Robert Springborg or an Andrew Vincent or a Steven Morris. Now, if you'll forgive me being mildly cavalier, it's a contest within the ABC as to who will grab who in Washington, in New York, in London. We scramble in this furious creative tension inside the ABC to have the most sophisticated coverage from *Radio National Breakfast* to *Life Matters* to *Australia Talks Back* to the *7:30 Report* to *Lateline* and so on.

So is this progress? I think it is. I am ecstatic at that move by Frank Lowy to set up a think tank, something that really formalises Australian curiosity. It's always been a marvellous part of our character that we are actually outward looking rather than inward looking. Being forced to look back at 1991 and comparing it with what happened in this latest episode, I do think we can revel in the fact, that there is a vast degree more sophistication in terms of our place in the world and our curiosity about the world around us. So for that in particular I do give praise.

### ***Griffith Review: pacifism and the League of Nations*** **– Frank Moorhouse**

My contribution on the United Nations to the *Review* is really from a storyteller's point of view. As you know, I'm a novelist who's written two novels around the League of Nations in Geneva, just after World War I to the start of the United Nations. Those novels were research-based and I spent quite a few years over in the Geneva archives. However, I am a storyteller even though I have an on-going intellectual interest in certain historical movements and how we behave as political beings in public and in private. So, consequently, the article which I shaped up for the *Review*, started off looking at the dream of the UN. But I realised that this was too big for an essay. I knew about the dream of the League of Nations. It was, as you know, a remarkable dream.

No such organization had ever been formed before. So there was an element of imagination and storytelling about the way the world should be involved.

The dream of world peace is the dream of having an arbitrator, a single arbitrator for the problems of the world. Australian organizations from left to right have gone to the UN for adjudication. Why would we believe that the committees of the UN would be wiser than us? Because we've got a lot of dreams invested in the United Nations. Eventually my essay came down to "Guidelines to a Conversation about the UN", a much more modest task. Although the UN is one of the most complicated and difficult organizations to talk about. It does, as I say, contain a lot of mythology and dreaming.

One of the sections of my essay connects to Geraldine Doogue's comments in passing. I have a section called "The New Pacifism". Like Geraldine, I haven't really done a deep study of this, obviously someone else is going to do that, but I had a curiosity about whether there was in fact some new mood, or general indignation against war. Back in the days of the League there were a lot of pacifist organisations. There was something called a Peace Ballot, which the League of Nations Union in Britain organised, a national plebiscite on war. There'd been the Kellogg-Briand Pact, which America signed, outlawing war as a national policy. I was interested in what was happening now. We saw those curious public opinion polls, for the first time we had international transparency, we could see what the national mood was in many countries. You remember some of the figures: Australia went up to about 60–70 per cent against the war. In Switzerland, 90 per cent.

This was interesting to me. *The New York Times* said the "new super-power" was "international public opinion". The writer Jonathon Shell, who used to write for *The New Yorker* and who has just published a book called *The Unconquerable World*, is an advocate of this new, if you like, pacifism. The Peace Movement, which I thought would have been out of fashion, is still called the Peace Movement and in the United States it's quite strong and widespread. I started to do some research on this, out of intellectual curiosity. I don't have a position on the issue, but I went to search for "peace movement" on *Google* on my computer. The search turned up 2,630,000 sites related to peace movements at present.

The international peace movement could be just a flurry of emails; it could be an email empire. That was one of the first feelings I had about it – the internet gives it visibility and gives it web pages. It can list all the organisations that are connected with it. Many of those organisations were common to other peace organisations that go back to the nineteenth century's socialist movements, the various women's movements and so on. The list of 630 organisations that make up the main American body is a selection which you would be familiar with

– the Quakers and other religious groups, socialists, medical groups. The Greens are a new addition to the list.

Jonathan Shell, in his book, says that Dr Robert Muller, former Assistant Secretary-General of the United Nations, caught the mood of the new peace movement. At age 80, he received an award for his service to the UN and startled his audience by saying, "I'm so honoured to be here. I'm so honoured to be alive at such a miraculous time in history. I'm so moved by what's going on in our world today, for never before in the history of the world has there been a global, visible, public, viable, open dialogue and conversation about the legitimacy of war." This was at the beginning of the invasion of Iraq. I could find statements like that back in the days of the League of Nations, but it's curious that an 80 year diplomat of world experience did perceive today's world as being this way.

Consequently, I emailed one of the old organisations called the War Resisters League, which has been around for a long time in the States. I asked if there'd been an increase in membership during the Iraq War. I didn't get any reply and assumed no one was in the office. I then discovered that there were two or three hundred peace organisations in the United States.

The other thing I wanted to have a look at for the *Review* was the level of conscientious objection at present. I haven't even begun to chase the Australian figures. The chase for those figures would be a story in itself from my experience with these subjects in Australia. In the States, it's a bit easier to see. During the Vietnam War, there were 170,000 Americans officially recognised as conscientious objectors. In the first Gulf War, 2500 service people (it was a volunteer army) registered as conscientious objectors. I'd be interested to see the figures on this war.

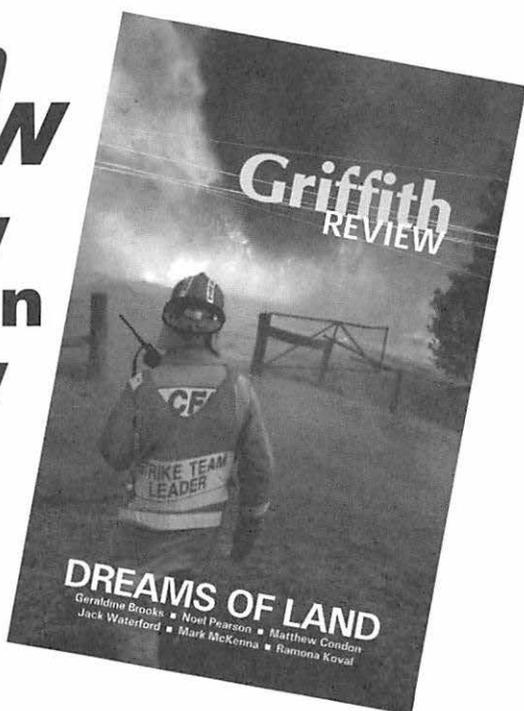
The dream of disarmament was played out in 1932 at the League of Nations. It's now pretty much forgotten, but in 1932 there was a world conference for disarmament and virtually every country of the world signed up for this world disarmament conference. It had been in planning by the League for seven years. The idea was to bring down the level of armament to the level of police forces throughout the world and there would be roving commissions, inspection teams that would ensure this. There had been the Kellogg-Briand pact four years earlier where America and other nations outlawed war as an instrument of national policy. Geneva built two new hotels; a special conference auditorium was built; 3000 delegates from all over the world came; on the day of the opening of the conference, church bells were rung in every country. Millions of petitions came in from the Boy Scouts, Girl Guides and Chambers of Commerce.

As we know it gradually came to nothing, although now, years later we still have a legacy of this conference with UN committees

on disarmament, landmines, biological weapons, nuclear weapons and so on. There was politicking, dissonance, disagreement about the inspection teams, about sovereignty and then, of course, Hitler was elected to power in Germany, Japan invaded Manchuria and the rest is history. However, as I speculate in *Griffith Review*, I think that if a world plebiscite was held today and it was suggested that there be a world conference on disarmament, you'd get a very strong "yes" vote for it. Whether that's a political reality or a political dreaming, of course, is to be discovered.

# Griffith REVIEW

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*Stuart Macintyre*



*Janet Albrechtsen*

Photo – David Karonidis

In 2003, Australian historians came under fire – from each other. Keith Windschuttle, addressing The Sydney Institute, spelt out the errors he believed have riddled the works of Australia's historians when recounting the clash between white settlers and Indigenous Aborigines. This caused an uproar from those who disagree with him. Professor Stuart Macintyre, Dean of Arts at the University of Melbourne, has since published *The History Wars (MUP 2003)* – outlining his own version of the verbal war between Australia's historians. Janet Albrechtsen, columnist the *Australian*, has another view. The papers from the discussion at The Sydney Institute on Tuesday 16 September 200, by Stuart Macintyre and Janet Albrechtson, follow.

# THE HISTORY WARS

Stuart Macintyre

What are the History Wars? They take their cue from a controversy in the United States in 1994 over an exhibition at the Smithsonian Institute to mark the fiftieth anniversary of the end of the Second World War. The curators prepared an exhibition that included the aeroplane that had dropped atomic bombs on two Japanese cities, and in consultation with historians and veterans' organisations, they presented the *Enola Gay* in a way that invited visitors to ponder the moral legitimacy of using this new and terrible weapon. Despite their careful preparation of the display, there was a storm of criticism in newspapers and talkback radio alleging that it insulted the national honour. The exhibition was scrapped and the director of the museum resigned.

More generally, the History Wars are concerned with the obligations of the historian and the demands of patriotism. They arise when historians question the national story and are accused of disloyalty. In countries such as the former Soviet Union and Japan the state requires historians to glorify the nation. In liberal democracies that respect intellectual freedom, the History Wars arise when politicians and talk-back radio hosts and newspaper columnists take offence at historians who suggest that this country's past reveals virtue and vice, heroism and cowardice, generosity and meanness, like the history of other countries.

Such arguments over the past gain augmented significance in a period of change and uncertainty that weakens tradition and unsettles older loyalties. The History Wars are an international phenomenon – they rage fiercely in Japan and Germany, Spain and Turkey, Canada and the United Kingdom – yet they invariably appeal to national loyalties. It is always “our history” which is at stake. The History Wars operate on the martial principle of conquest, of us against them, right and wrong, of a single correct view of history, a misunderstanding of the discipline of history and a profound hostility to the history profession.

★★★★

No war occurs without an earlier escalation of differences and the Australian History Wars broke out after earlier skirmishes. During the

1980s there was a protracted contest over the two hundredth anniversary of white settlement. Conservatives alleged that the Bicentenary was impugning the nation's British origins and promoting "a patronising 'noble savage' mystique of the Australian Aboriginal which fully caters to white guilt and black vengeance". As these charges took hold, the government replaced the chief executive and removed all contentious elements from the Bicentennial program.

Earlier still, there was a campaign to dislodge Manning Clark from his pedestal as a national prophet, while Geoffrey Blainey was taken as a martyr of political correctness and the victim of academic thuggery after he gave his Warrnambool speech in 1984.

The historical profession figured in these media controversies either as accomplice or accuser, but as the History Wars proceeded, its protagonists paid it closer attention. After the Coalition's victory in 1996 historians were condemned as part of the "elites". A synonym, "the chattering class", became especially popular among the conservative pundits who pontificated incessantly in the op-ed pages of the national press and intoned indignantly on talk-back radio.

These heretics had been described earlier as "whingeing intellectuals, busily manufacturing episodes in the nation's past to complain about", and this activity had created a "guilt industry" that profited from its prosecution of "a campaign which has been designed above all to delegitimise the settlement of this country". Gerard Henderson asserted in 1993 that: "Much of our history is taught by the alienated and discontented. Australia deserves better. It is time to junk guilt and alienation."

In the attempt to discredit the Stolen Generations, we have more recently seen a heightening of the rhetoric. Historians are part of what a tabloid columnist called the "moral mafia" and another referred to as "white maggots". Most Australians, he added, would support Reconciliation if only the Aboriginals and their supporters would agree to "stop talking about the past".

\*\*\*\*\*

The History Wars are conducted in extra-curricular forums. They typically appeal to some loyalty, hope, fear or prejudice that the history is meant to serve, and if they mention an alternative view they usually caricature it or impugn the motives of those who espouse it.

Let me give some examples of the technique of vilification. On the morning of the launch of my book the *Australian* ran a feature article that presented me as a godfather who controlled and intimidated other historians, and implied that I have acted corruptly within the Australian Research Council.

Some days later a paragraph appeared in a column of the *Daily Telegraph*, alleging that more than ten years ago, when the Melbourne

*Herald-Sun* was campaigning against the Victorian Labor government and I was involved in a protest campaign against press bias, I had used the stationery of the University of Melbourne until I was dissuaded. That claim is false. In fact the editor of the *Herald-Sun*, who now writes for the *Daily Telegraph*, approached the Vice-Chancellor of my University and endeavoured to have him silence me. The Vice-Chancellor was David Penington, and he related the incident to me along with his own rejection of such pressure to curtail free speech. Such are the tactics of the History Warriors.

This is something more than the robust debate that we expect on a controversial subject. It is a tactic of personal denigration that is designed to discredit an opponent. The tactic was employed in its most extreme form when the *Courier-Mail* published an eight-page feature around the allegation that Manning Clark was a Soviet agent, and the Press Council rightly found that the newspaper was at fault. It is perfectly appropriate to disagree with Manning Clark's interpretation of history and to criticise the quality of his scholarship. It is another thing altogether to try and discredit him as a historian by making false claims about his character and reputation.

When Greg Melleuish wrote for the *Australian*, on the day my book was launched, he was of course entitled to take issue with my account of the History Wars. You might well think that the literary editor would have paused before giving another copy to Peter Ryan to review, since he is one of the figures in the book, just as you might have thought that Peter Coleman's review of Robert Manne's *Whitewash* was utterly predictable; but the review pages of the *Weekend Australian* have been a closed shop for many years. It was Melleuish's depiction of me as a godfather that betrayed the nature of the exercise as playing the man rather than the ball. This is a persistent tactic and it degrades public life.

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Our own History Wars have relied closely on precedents set in the United States and it is surely remarkable that those who seek to defend the national honour should be such slavish imitators in their methods and arguments. It is also disconcerting that contributors to a newspaper that is controlled by someone who adopted American citizenship to pursue his media interests there should be lecturing others on patriotism.

The pattern was set in the early 1980s when a group of Australian young conservative intellectuals took up an argument from their American counterparts. The American neoconservatives identified a shift from the class politics to cultural politics, and they identified a new enemy, the educated professionals that they described as constituting a "new class".

Robert Manne set out this argument in a book he edited in 1982 on *The New Conservatism*. He explained that the rapid growth of universities had provided a home for the student radicals of the 1960s who now dominated the humanities and social sciences. Their students in turn moved into careers in teaching, journalism, broadcasting and public service, "where the core values of our civilization were defined and shaped and passed onto the young".

Another contributor to the collection was his colleague at La Trobe University, John Carroll, who argued that this generation was infected by "a paranoid hatred of authority" expressed "in direct attacks on the society's leading values and institutions". He accused them of hedonism, hatred and ideological treason.

John Carroll had a postgraduate student, Ken Baker, whom he recommended to the business think-tank, the Institute of Public Affairs. Baker applied these ideas to the proposals of the Australian Bicentennial Authority, which he suggested was undermining the legitimacy and authority of Australia's traditions. He orchestrated the Institute's campaign against the Bicentenary, which was quickly taken up by *Quadrant*, and a covey of commentators rose to prominence by spreading these allegations of an historical guilt industry in the popular press.

A decade later local History Warriors again imported another weapon in their arsenal from the American right, political correctness. Tenured radicals were said to have imposed a tyranny of political correctness in the academy, victimising dissident colleagues, imposing restrictive speech codes, rooting out all elements of the traditional canon and poisoning young minds with their obscure and nihilistic theory.

The *Australian* newspaper ran hard with political correctness from 1991. Political correctness shifted the terms of the History Wars. Previously it had been conducted in the language of guilt. The new class had been accused of projecting its own guilt onto society, summoning ordinary Australians to repent for the circumstances of every group it provided with an oppressed historical identity. The new allegation of political correctness turned the issue into one of freedom of thought and expression.

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Before then, there had been an instructive local development in the History Wars. In 1988 John Howard released a new policy document, *Future Directions*, which deprecated the "professional purveyors of guilt" who taught Australians "to be ashamed of their past".

*Future Directions* was ambiguous about multiculturalism and Geoffrey Blainey had recently renewed the allegation that the policy was turning Australia into "a cluster of tribes" who threatened its very

survival. Shortly before it appeared Howard had been asked if a Liberal Government would mean a reduction of Asian immigration. "It could", he replied, and later on the same day said that it would be appropriate to slow the influx of Asian immigrants to preserve social cohesion.

Nick Greiner and Jeff Kennett, Liberal premiers of the two States with the largest immigrant populations, both rejected Howard's statement. So did Malcolm Fraser. Hawke exploited the division by introducing a parliamentary motion to affirm the non-discriminatory principle and four senior Liberals crossed the floor to support it. Howard never recovered from this debacle and lost the leadership in the following year.

Howard learned his lesson. The second time round he gave no hostages to fortune. He undertook in 1996 to govern "For All of Us", and fended off awkward questions about how that might affect particular segments of the national community with an insistence that he was not beholden to political correctness. Once in office, he took up the prosecution of the History Wars with a vengeance, helped this time by Geoffrey Blainey's Black Armband.

Geoffrey Blainey coined the term in a 1993 lecture in which he contrasted the earlier Three Cheers school of history that he had learned and the Black Armband school he claimed had since replaced it. The one orthodoxy was too self-congratulatory, the other too jaundiced. He placed himself, as he does so often, somewhere in the middle, between the extremes. So would I and so would just about every other historian for the argument that everything in Australian history happened for the best is as silly as the opposite argument that everything happened for the worst.

In the same lecture Blainey attempted to strike a balance between the good and the bad as debits and credits in a balance sheet. He acknowledged that European settlement damaged the land and described the treatment of Aborigines as "the blot on Australian history". He argued that these debits were more than redeemed by the record of democracy and material progress. I find this an unpersuasive argument because I think it is attempting to reconcile incommensurables. How many bales of wool and bags of wheat are needed to atone for the 20,000 lives that he has estimated as casualties of frontier violence? As Graeme Davison has noted, "We cannot put tears in one pan of the balance and laughter in the other."

I do not see Geoffrey Blainey as a History Warrior. He has certainly taken up a defence of an older Australia. He has also taken up positions strongly critical of Aboriginal land rights, the Greens, multiculturalism, republicanism and much else, and he has criticised those historians sympathetic to such causes. But he has not framed this criticism as an attack on the historical profession, and he has avoided the personal abuse that marks the History Wars.

Geoffrey Blainey has recalled that his Latham lecture aroused interest, but no strong reactions until John Howard used the phrase "Black Armband history" in a speech three years later and it then "took off like a rocket". This overlooks Howard's adoption of the phrase just a few weeks after Blainey first used it. He seized on it as he rallied the Liberals after their 1993 electoral defeat at the hands of Keating, and he took comfort from it when he regained the party leadership in 1995.

Once in office, he had a platform to prosecute the History Wars. In the Playford lecture delivered in 1996 he alleged that "One of the more insidious developments in Australian political life over the past decade or so has been the attempt to rewrite Australian history in the service of a partisan political cause." He condemned the way these revisionists "demean, pillory and tear down many great people of Australia's past who had no opportunity to answer back". That did not keep the Prime Minister from joining in the *Courier-Mail's* disgraceful attack on the late Manning Clark.

In his Menzies lecture, delivered in the same year, John Howard rejected what he called the "black arm band view" that "most Australian history since 1788 has been little more than a disgraceful story of imperialism, exploitation, racism, sexism and other forms of discrimination". In contrast to Blainey's evaluation of the costs and benefits of 200 years of history, Howard simply ticks off the items in his national ledger. His positive balance is reached by assertion rather than audit: it allows no complexity, gives no suggestion of familiarity with alternative views of Australian history.

He cares about history, for he has the ancestral attachment of a conservative traditionalist, but his historical knowledge is thin and his attempts to articulate it – as in the speech he delivered in Melbourne's Exhibition Building in 2001 for the commemoration of the opening of the first Commonwealth parliament – are unconvincing. Sometimes, as in his response to the Stolen Generations, he insists that we should not be held responsible for the actions of earlier generations. Sometimes, on the other hand, as in his reverence for Gallipoli, he insists that the flame must be preserved. In 1999, the Prime Minister even proposed a new preamble to the Constitution that proclaimed "Australians are free to be proud of their country and heritage".

This is the rubric for the assault on the National Museum by his appointees to its Council, and for the prosecution of the History Wars. As in the United States, the Australian History Wars are conducted by ukase. They are prepared in house journals such as *Quadrant* and the *IPA Review*, privileged forums such as the parliament and closed ones such as the news conference or media briefing. They are prosecuted in the popular press by columnists who have space reserved for their pronouncements, and yet portray themselves as audacious champions of the underdog. These fundamentalists hand down arbitrary edicts

against any form of Australian history that is deemed to impugn the national honour.

The offenders are held up to ridicule and abuse. Their evidence and argument is not examined, the issues they have raised are not assessed, and the possibility that such views are possible is not entertained. The quality of the scholarship is not a consideration. The standard of judgement is insistently political, judging the transgressor against an idealised national history.

The first casualty when war comes is truth. The History Wars respect few of the conventions that govern historical debate. History, like other professional disciplines, is characterised by lively argument as new interpretations challenge old orthodoxies: you are expected to be familiar with alternative interpretations and give a fair account of them; to demonstrate the consonance of your interpretation with the available evidence and persuade your peers of its plausibility; to present your own argument as persuasively as possible but not by resorting to personal abuse of those with whom you disagree; to allow others a right of reply.

Not so the History Warriors. They obey only Rafferty's rules. They caricature their opponents and impugn their motives. They appeal to loyalty, hope, fear and prejudice. In their intimidation of the history profession they act as bullies. In submitting history to a loyalty test, they debase it. Australians deserve more from their history than the History Wars.

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# THE HISTORY WARS

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Janet Albrechtsen

On the eve of losing the 1996 election, Paul Keating handed over the baton to John Howard and his supporters with the warmest of welcomes. "Welcome to the nerdorium," he said. Keating's speech writer, Don Watson, recounts how, in a Thai restaurant in The Rocks on the night before losing that election, Keating lamented how the country would change, if Howard won.<sup>1</sup>

Seven years later, historian Stuart Macintyre marks 1996 as a defining moment of a different kind. According to his book, *The History Wars*,<sup>2</sup> it marks the official arrival, not of the nerds, but of the History Warriors. As new Prime Minister, Howard had the audacity to suggest that "one of the more insidious developments in Australian political life over the past decade or so has been the attempt to rewrite history in the service of a partisan political cause".

Macintyre takes great offence at this. It suggests historians have betrayed their duty to objectivity, he says.<sup>3</sup> Yet right from the outset of his book, Macintyre stakes out a deeply partisan position. The political battle lines are marked out in the first few pages as he evokes the language of war. Says Macintyre, "Some fear that the very discipline of history is at risk of collateral damage from its protagonists' weapons of mass destruction."

Why this sudden embrace of war talk from those normally so closely aligned with the Left's "peace at any price" camp?

The Left regularly informs us we are in the midst of a culture war, one they say they are losing. Now, according to Macintyre, we are also fighting a history war. Could it be that Macintyre and others invoke the language of war to suggest that something wrong is taking place? This is not a fight among equals. It is not a just war. Not a war of liberation. Rather, it is a war of oppression because, according to Macintyre, all the weapons of mass destruction are in the iron-fist of Howard's History Warriors.

Macintyre is on the side of goodness with other historians whose "natural habitat is the seminar," he tells us, "the conference and the academic journal...They are less familiar with the media, unused to the

polemical style it practises.”<sup>4</sup> Lined up next to Macintyre in the first few pages is Paul Keating<sup>5</sup> draped in his brightly coloured canvas – that Big Picture of reconciliation, multiculturalism and a republic. On the other side are amassed the forces of darkness – John Howard and his army of History Warriors who rejected reconciliation, refused Kyoto, despatched the republic and turned away refugees.

By page 5 of *The History Wars*, Macintyre has drawn up an even more detailed battleground ledger which goes something like this – Howard’s “wedge politics” versus Keating’s tolerance. Howard’s “strategy of refusal” versus Keating’s “egalitarian generosity”. Howard’s “necklace of negatives” up against Keating’s Big Picture.<sup>6</sup>

By the time we get to the concluding chapter of Macintyre’s book, the History Warriors have become “neo-conservative ideologues” who wanted to celebrate the First Fleet during Australia’s bicentenary. The “right-wing polemicists”, the “Australian deniers” of the Stolen Generation, the “bullies” who “intimidate” and “impugn motives”, the opinionated columnists (like myself) those who write with the ring of a “Stalinist ideologue”, like Gerard Henderson, the “History War Crusaders”, the “fundamentalists” who hand down “arbitrary edicts” and “ridicule and abuse” their opponents. Macintyre’s colourful language is not that of dispassionate historian. He sounds remarkably like an op-ed writer.

And, even worse, those dirty rotten scoundrels, the “History War crusaders”, copied tactics from those war-mongering Americans, says Macintyre. Like their neo-conservative American cousins, the Australian History Warriors use guilt and political correctness to fight their battles. How remarkable it is, scoffs Macintyre, that “the Australians who seek to defend the national honour should be such slavish imitators in their method and arguments.”<sup>7</sup>

Make no mistake, this a war, according to Macintyre. Invoking the language of an unjust war the way Macintyre and others do, allows them an opportunity to parade their well-worn “Stop the War” placards, not on the streets, but this time in history books and articles and speeches. If only their opponents would pack up their weapons (ie arguments) and just go home. It strikes me that the war-talk is part of their familiar agenda to curtail free speech while at the same time presenting themselves as loyal defenders of free debate.

Let me suggest that conjuring up the imagery of war – an immoral war – is misplaced. What we have is a healthy and long overdue exchange of views, sometimes heated, sometimes vitriolic, but a debate – nothing more, nothing less. If the tactics (I prefer to call them arguments) about guilt and political correctness look and sound the same as those used in America, it is because this is a debate that was as overdue in the United States as it is here in Australia. If it feels brutal, like war, it is because in their antebellum world the other side

was free from real debate for too long. They have forgotten what it feels like to have your arguments probed and challenged and, in some cases, destroyed.

Test my view about the real purpose behind Macintyre's war talk this way. Look at the war-time agenda of the so-called History Warriors. It is a simple one – to redress the imbalance – on a number of different fronts involving our history. But it is an agenda that Macintyre seems to find deeply disturbing. As I only have a few minutes, let me look at just a few examples from the book.

### **Black-Arm Band bandits**

The aggressors in Macintyre's war are those who refuse to subscribe to the Black-Arm band view of history. Geoffrey Blainey fired the first shot in his 1993 John Latham lecture in Sydney. As Blainey has noted, it aroused little interest until John Howard used the same phrase soon after becoming Prime Minister. Both Blainey and Howard have been pilloried ever since.

Just over a week ago when Paul Keating launched this book, *The History Wars*, he described Howard and Blainey as reactionaries with tiny, timorous hearts.<sup>8</sup> Their version of history is crabby and rancorous, he said.

So what is this crabby and rancorous version of history from those History Warriors? Blainey coined the phrase, "Black-Arm Band school of history" to describe those who believe that Australia's historical failures outweigh its successes. It means no more and no less than this. Blainey did not deny past atrocities. But neither is he willing to deny the great successes, how Australia was an "experimental pioneer of democracy", one of the first countries to give women the vote, a country which decided internal disputes by debate, not war.<sup>9</sup>

As Blainey notes, when John Howard used the same phrase three years later, he carefully acknowledged the tragic and shameful nature of our past. Howard said:

Injustices were done in Australia, and no-one should obscure or minimise them. We need to acknowledge as a nation the realities of what European settlement has meant for the first Australians, the Aboriginals and Torres Strait Islanders, and in particular the assault on their traditions and the physical abuse they endured.<sup>10</sup>

If Howard's critics repeated this part of his speech each time they repeated his reference to the Black-Arm Band School of History, they would not have a case against him. So they simply do not refer to it.

Why is it war to argue that the positives in Australian history outweigh the negatives?

The task of an historian – a difficult task, says Blainey – is to audit extreme views of opinion. Australia has had the glowing three cheers version of history and more recently the overly dark, Black-Arm Band

version. Blainey tried to reset the pendulum somewhere between the two extremes. For that he is cast as a History Warrior, with the implication being that he, and his soldiers, are pursuing an unjust war. I don't get it.

### **Talking culture is not on**

In Macintyre's book, the aggressors raise questions about the problems of immigration. For airing his views in his now famous 1984 speech in Warnambool, Geoffrey Blainey was vilified, made a pariah by his peers and howled down by students. The open letter signed by 23 of Blainey's colleagues at Melbourne University, including Macintyre, sits as Exhibit One in how the Left surreptitiously, through its actions, tries to shut down debate. The letter said its intention was not to suppress speech and then it went on to regret discussion of immigration policy in racial terms and make clear that Blainey did not speak for the Department.

First, Blainey never claimed to speak on behalf of Melbourne University's History Department. Secondly, to understand how wrong-headed this collective letter was one needs to keep in mind exactly what Blainey said in that Warnambool address that so offended his peers. He said that in a period of high unemployment, there was a danger in pushing ahead of public opinion on immigration. He said that an increasing number of Australians seemed to resent large numbers of Vietnamese and South-East Asian settlers, who through no fault of their own were unable to secure a job and ended up living at taxpayer's expense.<sup>11</sup> Blainey was concerned about how migrants are incorporated into a host nation. For that he was reviled.

Not much has changed since 1984. Last year those who raised questions about Islam were labelled as "new racists" by Robert Manne.<sup>12</sup> More recently ABC journalist Stephen Crittenden incurred the same heavy treatment when he dared to write favourably about Samuel P. Huntington's thesis about a cultural rift between Islam and the West. Crittenden was suspended from Radio National's *The Religion Report*. The difference this time around is that Crittenden is an ABC journalist and so other ABC journalists threatened to strike over it.<sup>13</sup> Compare Blainey's lamentable treatment by the Left.

To Macintyre's credit, there is an unmistakable sense of contrition (or is it guilt?) about Blainey's treatment and that letter. His two chapters on Manning Clark and Geoffrey Blainey are the finest in the book. Macintyre records the turmoil that embroiled two mavericks who have offered up very different historical perspectives. But in the end Macintyre cannot resist casting Blainey as a warrior in his unjust war.

He tries to taint Blainey's view with the ghost of Pauline Hanson and One Nation. Macintyre refers to Hanson's maiden speech, where she paid tribute to those like Blainey "who were prepared to take on the priests of political correctness"<sup>14</sup> before she did so. We are invited to

conclude that because so much of what Hanson said was wrong, then Blainey, by association, was also wrong. He gave her the licence to be so wrong.

### **The First Fleet farce**

Next battle. "The History Warriors quickly embraced the First Fleet re-enactment," says Macintyre.<sup>15</sup> The aggressors in Macintyre's unjust war wanted to celebrate the arrival of the First Fleet during the 1988 bicentenary. Again, I must be missing something. The arrival of the First Fleet signalled the arrival into Australia of English common law and ultimately a system of government that has given us the longest continuous democracy in the world. Why the shame?

The Left keep reminding us to face up to the past, yet they have done a poor job of it themselves. Labor minister, John Dawkins, said a re-enactment of the First Fleet was a "tasteless and insensitive farce".<sup>16</sup> How can an historical fact be a farce?

In the end, Neville Wran helped to get the re-enactment up but not before the word "re-enactment" in the project's title was expunged in favour of "commemorative". And there was to be no landing. Another bizarre attempt to pretend that something did not happen.

Macintyre recalls how a 1938 re-enactment trucked in Aborigines from western Sydney to give Governor Phillip's landing some verisimilitude. But this is not what those in favour of a 1988 re-enactment had in mind when celebrating the arrival of the First Fleet.

Exactly the same scenario was played out last week in Tasmania. September 12 was the 200th anniversary of Lieutenant John Bowen's landing at Risdon Cove in Hobart. But the Tasmanian government prevented celebrations on that day because Risdon Cove has, according to orthodox history, become the "killing fields" where up to 50 Aborigines were slaughtered. What has become known as the "Risdon massacre" was in fact the killing of three Aborigines in circumstances where neither settlers nor Aborigines were to blame.

But put the fight over numbers and motives to one side. Risdon Cove is more than the original landing spot for a few free settlers, some convicts, nine cows, one bull, 25 ewes, two rams and a horse. That landing almost 200 years ago by a young Devon lad also signalled the momentous arrival of English law, parliamentary institutions, courts and procedures which form the basis of our legal system today – one that has served us remarkably well and surely a moment worth commemorating. Instead, Aboriginal activist Michael Mansell told the Hobart Mercury that commemorating that arrival would be like celebrating the arrival of the Nazis.<sup>17</sup>

## Australian deniers of the Stolen Generation

Next battle. Macintyre says the “deniers set about re-writing Australian history”.<sup>18</sup> In his *History War*, the aggressors refuse to accept, holus-bolus, Ronald Wilson’s claim about a Stolen Generation of indigenous children. They are aggressors for suggesting flaws in Ronald Wilson’s *Bringing Them Home* report – flaws that were borne out when the Federal Court rejected the test cases of Peter Gunner and Lorna Cubillo.

Those who questioned the report are rapped over the knuckles by Macintyre because “talking about the past was the whole basis of reconciliation.”<sup>19</sup> But where is the recognition that talking about the past must surely mean talking truthfully about the past. That means testing claims. Why does he label a *Quadrant* conference on the failed test cases, as a “celebration of the failure of the legal actions”.<sup>20</sup> Macintyre wants to taint it as if a discussion of the cases was somehow indecent.

Recently, indigneous academic, Larissa Behrendt, lamented how ATSIC was forced to use millions of dollars from its 2001–2002 budget to defend the stolen generations test cases and native title claims.<sup>21</sup> What is she suggesting? That we simply accept each claim without question? That also seems to be Macintyre’s basis for criticising the History Warriors who do not fall into line.

## Windschuttle, the warrior

The next aggressor in Macintyre’s war is Keith Windschuttle who in his book, *The Fabrication of Aboriginal History*, has challenged the orthodox view of genocide of Tasmanian Aborigines and the extent and nature of frontier warfare. Windschuttle is painted as the newest, most aggressive of history warriors in this unjust war as a way of deflecting the substance of what he has done.

What has Windschuttle done? In *The Australian* a fortnight ago, Macintyre said that Windschuttle was the first commentator to “fight in the archives.”<sup>22</sup> It is astounding that in his book, Macintyre, as an historian, offers only a passing nod to Windschuttle’s profound contribution in checking sources and uncovering mistakes and falsehoods.<sup>23</sup> Admittedly that nod is more than other academics like Robert Manne<sup>24</sup> or Larissa Behrendt can manage.

Why is it war to believe that Keith Windschuttle has made an enormous contribution in highlighting serious errors by historians like Henry Reynolds and Lyndall Ryan that, for too long, have shaped how indigenous history has been taught? Recall Channel Nine’s *Sunday* program on 25 May 2003 where Lyndall Ryan responded to claims she made up the number of indigenous deaths when citing the diary of the colony’s first chaplain, the Reverend Robert Knopwood. She said

that, between 1803 and 1808, the colonists killed 100 Aboriginals. The diaries reveal that four Aboriginals were killed during that time.

Lyndall Ryan admits that “historians are always making up figures”. Why is it war to expect, as Windschuttle and his supporters do, that if historians are going to make guesses about events and the number of Aboriginal deaths, they tell us they are guessing? But for Windschuttle’s painstaking work, none of this would be in the public domain. Yet for Macintyre, and others, Windschuttle is a protagonist in an unjust war with a “complete lack of compassion”.<sup>25</sup> But as Windschuttle responded on the ABC’s *Lateline*<sup>26</sup> a few weeks ago, “the responsibility of the historian is not to be compassionate, it is to be dispassionate ... and to try and get at the truth”. One of the problems with Macintyre’s book is that it is not dispassionate.

Recently Larissa Behrendt said that “the telling of history, the squabbling about numbers killed on the frontier and the debates about the proper definition of ‘genocide’...are not about Aboriginal history because our experience and perspective remain unchanged by semantic and numerical debates.”<sup>27</sup> This is nothing short of extraordinary from an academic, an intellectual who ought to be deeply interested in the free flow of information as the best method of eliciting the truth. Likewise, historian Don Watson told *The Weekend Australian* that “Windschuttle should be put in a bag and thrown in the Murray.”<sup>28</sup> Another astonishing statement. So much for free debate. John Stuart Mill would hand out F grades to these intellectuals.

Macintyre tries to explain away Windschuttle’s exposure of errors. He admits, however, that what is “harder to explain is why all the errors are in one direction” – in inflating indigenous deaths. Is it possible that the errors worked in only one direction because John Howard was not too far off the mark when he said that some rewriting of history was being used to push a partisan political cause? It is not a question that Macintyre raises, let alone answers.

## **A sympathetic press?**

And of course, in every modern war, the press is a major protagonist. In Macintyre’s depiction of war, the Australian press is sympathetic to the History Warriors. I don’t know what newspapers he reads but on the day I read his claim, I picked up the newspapers on my breakfast table. The opinion page from the *Sydney Morning Herald*<sup>29</sup> had Margo Kingston castigating John Howard and Tony Abbott over One Nation, George Williams chastising Bronwyn Bishop, an editorial decrying “The Dirty Tricks of Tony Abbott” and almost every letter about this issue directed against the government. Sympathetic? Hardly.

Undoubtedly, there is now more conservative comment in the newspapers. The op-ed pages have a few more right-wing opinionated columnists. Perhaps it feels like intimidation, public surveillance and

invigilation<sup>30</sup> of academics, as Macintyre describes it, because there has been so little comment from the Right for so long. I do not doubt that is how historians like Macintyre feel. But the fact they feel a little bruised is certainly no basis for ending the war, or what I call, ending the debate. According to Macintyre, since 1996 historians have “found it increasingly difficult to put their side of the argument in this milieu, so that the prejudices of the columnists and commentators who dominate the national media pass largely unchallenged”.

Macintyre conveniently fails to list the Left’s loyal support group in the media. Historians may be uncomfortable in the media, but Phillip Adams, Mike Carlton, Hugh Mackay, Anne Summers, Robert Manne and the rest are more than comfortable pushing their line – and have been for years. What irritates Macintyre is that the battlefield is looking a little more even these days.

Macintyre writes as if he is on the losing side of his history war. But this, like so much of the book, is an ipse dixit – because Macintyre says it is so, we are encouraged to believe it must be so. Well, let me play the History Warrior and say it isn’t so.

Macintyre is Professor of History and Dean of the Arts faculty at Melbourne University. As a member of the Civics Education Group of the Department of Education, he oversees how civics is taught in Australia. He is chairman of the board of management of the National Centre for History Education and sits on the Australian Research Council. From this vantage point, his talk of losing the war is a stretch of the imagination.

Macintyre concludes by saying that “history is not revealed to us in tablets of stone, it has to be created from the remains of the past. It is not fixed and final but a form of knowledge that is constantly being supplanted and reworked.”<sup>31</sup> I agree – but why are historians like Blainey and Windschuttle excluded so readily from this work in progress. Why is it war to suggest they be included?

Keating was right. The country has changed under Howard. I don’t know if we are nerds or history warriors. But if we must persist with Macintyre’s war-like imagery, the most you could call it, harking back to Keating’s warm welcome in 1996, is a Revenge of the Nerds. Six years of living in the nerdorium has produced a vigorous debate of issues that were once banished from the national conversation.

This description is a better one because Macintyre is surely entitled to think us nerds for the views we have, but he is not entitled to try to close down debate by casting it in terms of an unjust war.

As a non-historian who does not mind being called a nerd, I see historians, politicians, think-tanks, newspaper columnists, engaging each other, perhaps too colourfully sometimes, but at least the arguments are being put. Under Howard, the nerds have started asking questions.

The alternative, Macintyre's preference, is death by consensus, a one-sided consensus – his. If that is peace, then by all means bring on the war.

## Endnotes

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- 1 Don Watson, *Recollections of a Bleeding Heart – A Portrait of Paul Keating PM*, Random House, 2002 at 728.
- 2 *The History Wars*, Stuart Macintyre and Anna Clark, Melbourne University Press, 2003.
- 3 Page 216.
- 4 See page 12.
- 5 See pages 2–3.
- 6 See pages 2–3.
- 7 See page 220.
- 8 “Keating’s history no Tory story” by Kate Legge, *The Australian* 4 August 2003.
- 9 See “A Black-Arm Band for Australia’s 20th Century” Geoffrey Blainey, paper delivered at Samuel Griffith Conference, 10–12 November 2000.
- 10 See note 9.
- 11 See page 73.
- 12 “Beware the new racism”, Robert Manne, *The Age* 16 September 2002.
- 13 See “ABC’s action on presenter criticised”, Kelly Burke, *Sydney Morning Herald* 26 August 2003; Gerard Henderson. *Sydney Morning Herald*, 26 August 2003.
- 14 See page 92.
- 15 See page 105.
- 16 See page 105.
- 17 See “Tassie first settler ‘like Hitler’ claim Jews upset by Mansell”, *The Hobart Mercury* 9 September 2003.
- 18 Page 148.
- 19 See page 158.
- 20 See page 147.
- 21 Larissa Behrendt, “The Silence of the Many: Civic Responsibility in Australian Society,” paper delivered at Griffith University 10 July 2003.
- 22 See “The History Wars”, Kate Legge, *The Australian*, 30–31 August 2003.
- 23 See page 168.
- 24 See Robert Manne, “The tragedy is compounded by absurdity” *Sydney Morning Herald* 25 August 2003.
- 25 See page 170.
- 26 See *Lateline*, 3 September 2003, transcript at <http://www.abc.net.au/lateline/content/2003/s938399.htm>
- 27 See Larissa Behrendt, “The Silence of the Many: Civic Responsibility in Australian Society”, paper delivered at Griffith University, 10 July 2003.
- 28 “The History Wars” Kate Legge, *The Weekend Australian*, 30–31 August 2003.
- 29 27 August 2003.
- 30 See page 8.
- 31 See Page 216.

## FUNCTION NIGHTS – 2003



*Photographers: David Karonidis*

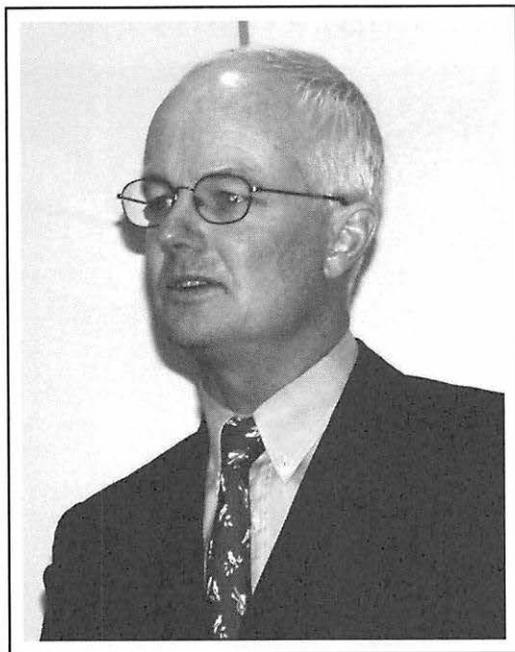


Photo – David Karonidis

*Kieran Kelly*

Kieran Kelly grew up on a sheep and cattle property near Wellington in western New South Wales. Now a chartered accountant, Kelly has never lost his love of the outback – or his sense of history and the European encounter with the rough. In retracing the footsteps of explorers like Augustus Gregory and John McDouall Stuart, Kieran Kelly has written history with a sense of place as well as time. On Tuesday 23 September 2003, Kieran Kelly addressed the Sydney Institute to speak of his most recent expedition out of which he wrote his most recent book – *Tanami* (Macmillan).

# HISTORY ON FOOT:

## *THE CENTRAL AUSTRALIAN EXPEDITION 2002*

**Kieran Kelly**

In 2002, I attempted to cross central Australia's Tanami desert in company with Andrew Harper and five camels. Nick Rothwell, in the *Australian* recently, described Andrew as a celebrated but taciturn cameleer. Interestingly, Andrew does not seem to have taken objection to this description.

Our expedition, which was called the Central Australian Expedition 2002, was ultimately successful and we made, as far as we know, the first recorded crossing of this wilderness on foot. We covered 732 kilometres in 35 days of non-stop walking, beginning at Central Mt Stuart in the Northern Territory and ending at Lake Gregory in Western Australia.

Why did we do it? The answers are numerous: love of the challenge, a desire to see new and strange places, a fascination on my part with the wild parts of Australia and the baffling far horizon. But the prime motivation was a desire to see the places where our history was made. I follow with great interest the current war between Keith Windschuttle on one side and Messer's Manne and Reynolds on the other. I call this debate bleak versus bleaker. I've participated in four historical expeditions in central and northern Australia – one using packhorses, two on foot carrying the pack and one on foot leading pack camels. In the course of preparing for these expeditions I've read the journals of most of the major Australian land explorers; I've consumed the vast majority of their letters and official reports and scrutinised with great care all their maps. These documents, usually in copperplate and inevitably sweat stained and dirty from the desert, have left me with a picture of early Australian history that is so different from the Reynolds/Manne picture that it is almost difficult to believe we are talking about the same country.

The historical challenge for our expedition was to connect Augustus Gregory's failed attempt in 1856 to cross the Tanami from the west with John McDouall Stuart's unsuccessful attempt in 1860 to cross the same desert from the east. We were joining the dots and

celebrating the achievements of our two greatest land navigators. I was determined to find out what defeated them – why did they retreat? What was the country like where they turned back? What would have happened to each of them, to their men and horses, if they kept going?

Many years ago sitting in the quiet confines of the Mitchell Library I read the following words:

We are expecting every moment to come upon a gum creek, but hope is disappointed. I have not so much as seen a water course ... and how far this country may continue it is impossible to tell. I intended to have turned back sooner, but I was expecting every moment to meet with a creek. I wish I had turned back earlier for I am almost afraid that I have allowed myself to come too far. I am doubtful if all my horses will be able to get back to water.

These words were written by John McDouall Stuart on a ridge in the eastern Tanami in 1860 as the explorer struggled to make the first trans-continental crossing. Riddled with scurvy, almost blind from trachoma, weakened by starvation rations and short of water, Stuart and his two companions faced destruction. Riding dying horses they fled off that ridge for their lives retreating back though the desert.

I was able to read these words completely dispassionately sitting in the quiet of the Mitchell reading room with the sun shining down at lunchtime on a beautiful Sydney spring day and the water cooler nearby. However, in July 2002 I stood on that same ridge with a very different perspective and wrote:

I had never experienced anything like it. This was the dry season, the cool time of year in northern Australia but we were walking northwest straight into the afternoon sun – the glare burned through my shirt. The desert surface was so hot I could feel it through the sole of my boots. I turned up my shirt collar for protection. Waves of heat billowed out of the spinifex. Sweat running down my face dripped off my chin and I wiped it on a shirt sleeve caked in dirt. I had lived in the same clothes for nearly a fortnight.

I was in good health, my body protected from scurvy and Barcoo Rot by daily doses of dried fruit, and my eyes were protected from Sandy Blight by UV sunglasses. The carefully rationed water on our camels meant I never rolled into my swag thirsty. Nevertheless, it was the hardest thing I had ever done. We had travelled only 200 kilometres in 11 days, a tiny fraction of Stuart's journey – still I was struggling.

That night, looking up at the stars, I felt I had a grasp of Stuart in a way that no previous historian had. Here was a man rejected by his first and only girlfriend, who fled to the wilds of the Australian interior, shunning what we know as colonial society. A tiny man, only a little over five feet and weighing less than 54 kilos, he was not the stuff of legend. And the drinking. Stuart was either out exploring or he was on the booze in Adelaide. Whisky and exploring were the sum totals of his life. A participant on one of his earlier expeditions referred to him as a mushroom and a drunkard. Still, to get that far from Adelaide and out

into the Tanami with horses, remember we were a fair distance north of Alice Springs, was a remarkable achievement.

I make these points to stress that Australian history is intertwined with Australian geography and that to understand one you have to go and experience the other. I could not have understood Stuart and reached an informed conclusion about him without first going out and confronting the country that confronted him. I now know why he turned back – because the eastern Tanami is one of the most arid, ferocious places human beings can find themselves. I could never have drawn this conclusion sitting in the Mitchell library no matter how many manuscripts I read. Australian history has a grubby face; it wears a very dirty shirt.

Andrew Harper and myself continued on into the desert past Stuart's furthest point west and encountered all the challenges you would expect: blazing days, freezing nights, bolting pack animals, attack by feral camels, exhaustion and the never ending desert vista where the heat haze boils along a horizon which recedes maddeningly as you plod towards it.

In the middle of August, five weeks after leaving Mt Stuart we climbed Mt Wilson in Western Australia the furthest point reached by Gus Gregory in his push into the central Australian deserts.

Sounding a lot like Stuart, Gregory wrote:

From the summit of the hill nothing was visible but one unbounded waste of sandy ridges and low rocky hillocks..... All was one impenetrable desert, as the flat and sandy surface, which could absorb the waters of the creek, was not likely to originate watercourses.

As I read those words standing on that small isolated mountain in the middle of the West Australian wilderness, I reflected on the differences between the two men. Both were gifted horseman and leaders of men, both unquestionably brave and determined, however there the similarities end. Gregory's methodical, leave-no-stone-unturned planning was a world away from Stuart's "She'll be right mate" attitude. Gregory was a meticulous professional, Stuart a determined amateur.

Still, the attitudes of both men would be worthy of further study particularly by Henry Reynolds and Robert Manne. Neither took the life of an Aborigine in all their time out exploring, neither interfered with Aboriginal women nor disturbed their possessions. Gregory in particular, seemed to be guided by a Christian respect for all life, not only that of his men but also of the people whose country he passed through. A supporter of the scientists and artists on his expeditions and an accomplished mathematician, astronomer and navigator, he was what we call today a renaissance man, a product of the European enlightenment. Moreover, he introduced egalitarianism into exploration

making it a partnership or team effort with his men. A remarkable man – think Clive James crossed with Paul Roos – a polymath on horseback.

After tracing the routes of both Stuart and Gregory, I find in their struggles much of which I'm proud. I'm continually astonished at their battles to survive and the unusual combination of intellect and toughness they displayed. Make no mistake, great skills are required even today to stay alive in places like the Tanami desert. I despair that the argument over Australian history is so grim. Yes, for every Stuart and Gregory there is a Frank Jardine whose barking carbine ended the lives of many Cape York Aborigines. For every great scientific and exploratory feat, such as Gregory's North Australian Expedition, there is the slaughter of Coniston, Waterloo Creek and Myall Creek. I suppose what I am saying is that Australian history is not universally gruesome and is certainly a lot more complicated than Manne and Reynolds would have us believe.

Finally I pose the question: Why are these men – Gregory and Stuart – not taught about at school? When I was growing up, Stuart was drawn as an all-conquering, dogged hero but also as a stick man. I knew nothing about him from school studies. In reality, he was deeply flawed but that only makes him more human and makes his achievements that much greater. Why not tell high school students of his ruthless treatment of his men? Tell them that he got on the grog. Why not tell them that he ruined his entire botanical collection on his last expedition by drinking the preserving spirits in the specimen jars? History teaching at schools seems to demand that all the interesting, human bits are left out.

And Gregory. An American academic who has read my two books described him as one of the great figures of the nineteenth century far superior in abilities and learning to any explorers produced by the United States including Lewis and Clark. A man combining great humanity with great skill. Is he taught in modern Australian schools? Not on your life!

These men were interesting human beings who lived exciting lives full of struggle and achievement set against some of the world's harshest yet most beautiful country. The feeling, however, has not been reproduced in the classroom. The number of students studying Australian history for the Higher School Certificate is tiny; the interest in Australian history by young people is negligible. Why? Maybe it is taught in a boring manner. Maybe to fully appreciate our history young people need to be taken out and shown where it happened. And particularly they need to be told that it wasn't all bleak, that it was often heroic and often humane. Australian history is woven from blood and muscle, from sweat and thirst, from fear and exhaustion. The writings of Manne, Reynolds and Windschuttle have reduced it to a blizzard of paper.

Young people have many historic decisions in front of them – on the Republic, on Land Rights and on Reconciliation. I fear they will not have the tools to make many of these decisions because of a lack of knowledge of the historical facts, which gave rise to these issues. Thus history will be left where it is now as the preserve of a few high profile and very specialised academics.

In my books *Hard Country Hard Men* and *Tanami* and in the expeditions undertaken, I have tried to show that history is for everyman and have struggled to make it accessible to non-specialists. I am not an historian, but would humbly suggest that this is a better method than the extremely detailed examination of the minutiae of Australian history in an attempt to find the grimmest, most awful bit. The Reynolds/Windschuttle debate is worth having and attracts coverage in the *Sydney Morning Herald* that we amateur historians can only dream about. The debate will not, unfortunately encourage interest in Australian history in schoolchildren, nor inspire young people to study the subject at school or university or to teach it as a profession. It also leaves an impression among modern young people that Australian history was much darker in all respects than it actually was. This I believe is a great tragedy.

To close, I leave you with Manning Clark's advice that the most important tools for an Australian historian are a well used swag and a dusty pair of hiking boots. To that I would add: Beware of any Australian historian who is not deeply sunburned!

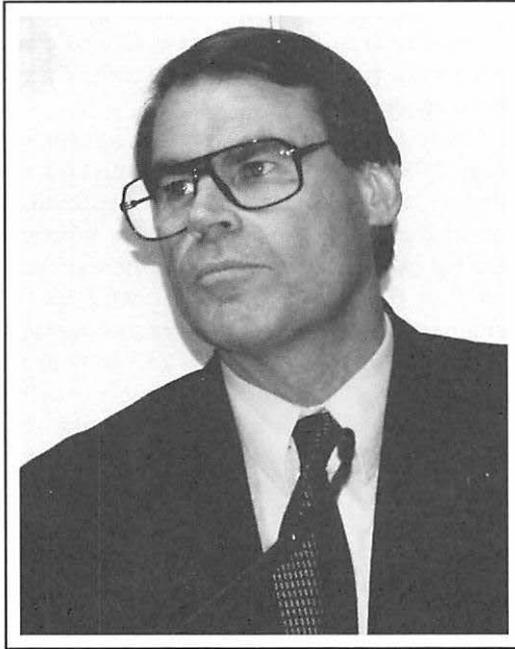


Photo – David Karonidis

*John Faulkner*

The debate over whether the Australian Senate is a house of review or a “house of obstruction” continues – especially while it appears that neither major party can manage to gain a majority in the Senate. Senator John Faulkner, Leader of the Opposition in the Senate, addressed The Sydney Institute on Tuesday 30 September 2003 offering a Labor view for reform of the Senate and, while doing so, challenged the Howard Government to produce its own long awaited paper on Senate Reform.

# SENATE REFORM

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**John Faulkner**

In June 2003, the Prime Minister announced his government's intention to reform the "deadlock provisions of the Constitution in section 57."<sup>1</sup> For Mr Howard constitutional reform is a newfound interest. For Labor, constitutional reform is a long held conviction, reforms not solely about the moment, reforms not solely about advantaging the government in power. Unlike John Howard and the Liberal Party, Labor has been committed to restricting the powers of the Senate since Federation.

In 1974 and 1984 we put proposals for simultaneous elections to referendum. In 1988 the Labor Party put forward four proposals for constitutional change, including four-year terms for the House of Representatives and the Senate. In 1999 the Labor Party supported the republic referendum. These referenda were opposed either formally by the Liberal and National Parties themselves, or by sections of those parties. It seems constitutional reform is only desirable when the Liberals are in government.

Regardless of the Liberals' double standards and opportunism, I welcome the fact that Mr Howard wants to look anew at constitutional reform. I question, however, why his exclusive focus is Senate powers. The Prime Minister has not always been a critic of the Senate. In fact, during his years in Opposition Mr Howard was a fervent supporter of the Senate. He staunchly opposed all Senate reform proposals.

As Opposition Leader in 1987, Mr Howard was responsible for responding on behalf of the Liberal Party to the recommendations of the Constitutional Commission. I note those recommendations were very similar to Mr Howard's own recent proposal about the deadlock provisions. This is what he said then:

In effect, what the Constitutional Commission is recommending, and what the Government would be supporting if it put those proposals to referendum, is a suggestion that a money Bill as defined by the Constitutional Commission could not be delayed for more than 30 days and that in the event of any other measure being rejected by the Senate, the joint sitting proposals now contained in section 57 of the Constitution could be invoked, not after an election was held but after a subsequent rejection by the Senate after a

period of three months. The Senate would be no more than a rubber stamp. The Liberal and National parties say to every voter in Australia, particularly those residing in the less populous States, that this is a charter to overturn the federal compact. ... That is why we find utterly untenable the proposition that the existing powers of the Australian Senate ought to be destroyed. I say to the Government: get off your 1975 kick. Do not maintain the rage over this proposal.<sup>2</sup>

Even in his early days as Prime Minister, Mr Howard told Alan Jones that the reality of his job was to cooperate and work with the minor parties in the Senate. To talk and listen to them and inevitably, at times, disagree with them, in order to try and get his program through.<sup>3</sup> But just like his predecessor Paul Keating, who once famously described the Senate as “unrepresentative swill”<sup>4</sup>, these days John Howard has become a trenchant critic of the Senate.

In June 2003, at the Liberal Party National Convention, Mr Howard described the Senate as no longer a State’s house or a house of review but as “a house of obstruction”.<sup>5</sup> He even made the preposterous claim the Senate only became a “house of obstruction” after the Liberal Party came to power in 1996. The real story is quite different. During the period of John Howard’s Prime Ministership, 1269 bills have been passed by the Senate, with or without amendment. Only 25 bills have been negated in the Senate (7 negated twice) and 11 have been laid aside by the Government (4 laid aside twice).<sup>6</sup>

Since 1996, the management of the Senate has become much easier. The opposition has granted the government extra sitting hours, extra days, extra weeks and exemptions to allow early consideration of urgent legislation. Labor has ensured more time is devoted to government business. You have to wonder if the present-day Liberals are ever shame-faced about how inflexible they were in opposition on the same matters.

The hypocrisy of the Liberal Party is most evident when you compare today’s Senate with the Coalition controlled Senate of the Whitlam Government years. From 1972 to 1975, the Opposition rejected a record 93 Government bills, 25 more than the total number of rejections in the first 71 years of the Senate’s history.<sup>7</sup> Let me quote Gough Whitlam from his book *The Whitlam Government*:

It is true that, throughout our three years, the Opposition in the Senate used first its inherited and then its accidental majority to obstruct, delay and reject legislation in a way never experienced before or since.<sup>8</sup>

In April 1974 the then Liberal Party Opposition voted against the Supply bills in the Senate. Prime Minister Gough Whitlam sought a double dissolution and was returned to government. The Liberal Party, still in Opposition in October 1975, again refused to pass Supply in the Senate “until the Government agree[d] to submit itself to the judgment

of the people". The Liberal controlled Senate plunged Australia into a constitutional crisis.

As the new Member for Bennelong, John Howard supported the decision by the Coalition in 1975 to block supply in the Senate. More recently Mr Howard has indicated he now thinks the decision to block supply was a mistake – not because it was an inappropriate use of Senate powers but because Malcolm Fraser would “not have got so tentative” when he came to office!<sup>9</sup> As Mr Howard declared in Parliament in 1987 “I will defend to my last breath the action taken by the Liberal and National parties in 1975.”<sup>10</sup> For the young John Howard the decision by his party to block supply was a major bonus to his career. After less than two years in politics he became Minister for Business and Consumer Affairs in the new Fraser Government. I say that if Mr Howard now truly believes the legislative agenda of an elected government should not be obstructed by the Senate he may care to forthwith renounce the actions of his own party in the Senate in 1975.

In 1993, the same Liberal Party, again in Opposition, but this time with support of the Greens and Australian Democrats Senators, gutted the Dawkins Budget by refusing to pass six Budget Bills. Then Shadow Finance Minister Peter Costello defended the actions of his party stating “...The Australian electorate didn’t vote for any of this. They don’t want it; it’s not going to help them; it’s not going to give them jobs. How do you expect us to vote for it?”<sup>11</sup> The truth is both side of politics have taken advantage of the Senate’s power to amend or negative government bills. Only the Liberals have blocked supply.

The Labor Party does not support the Senate retaining the power to reject, defer or block money bills. And if Mr Howard wants to propose a referendum to remove that power it will have Labor’s unequivocal support.

In 1897 Alfred Deakin, Australia’s greatest non-Labor Prime Minister, made this prescient observation at the Constitutional Convention:

...it is possible that a more conservative party in the House of Representatives would be confronted by a more radical party in the Senate. In both cases the result after a dissolution would be the same. The men returned as radicals would vote as radicals; the men returned as conservatives would vote as conservatives. The contest will not be, never has been, and cannot be, between states and states...it is certain that once this constitution is framed, it will be followed by the creation of two great national parties.<sup>12</sup>

Deakin was right. The Senate never divided along State lines. The notion of the Senate as a State’s house was stillborn. Nevertheless the Senate has evolved into an effective and respected house of review. But it wasn’t always so.

Initially, the Senate lacked popular legitimacy. Polls in 1950, 1953 and 1958 found more Australians wanted to abolish the Senate than keep it. That opinion gradually waned. One reason was the growing acceptance of Senates elected under the proportional representation voting system – introduced in 1948.

By 1979, 62 per cent supported retaining the Senate as a house of review and a check on executive power.<sup>13</sup> More recently a survey found only 34 per cent wanted the Senate to be government controlled, while 44 per cent said it was better if it was not government controlled.<sup>14</sup>

Proportional representation has made it more difficult for governments to gain a majority in the Senate. It has thus led to more conflicts between the executive and the Senate. In 1984, when State representation in the Senate was increased from 10 Senators to 12 Senators, the chance of a government achieving a Senate majority became even more remote because of the even number of Senate seats (six) to be contested in a half Senate election.

Since the 1970s, minor parties in the Senate – first the DLP, now the Australian Democrats and Greens – have exerted leverage over legislation. Much of the law that has been passed by the Australian Parliament over the last 30 years has been the result of tortuous negotiation, debate and compromise until the Senate is satisfied. This process is frustrating for governments, but by assiduously pursuing its proper role as a house of review, the Senate can ensure Australians benefit from better and more rigorously tested laws.

As the Senate's role has evolved since Federation, so has Labor's attitude towards the Senate. In 1919 Labor introduced abolition of the Senate into its platform (after the first Senate election was held using the new method of preferential voting). In that election the ALP got 42 per cent of the vote but won only one Senate seat. The Nationalists, who got 45 per cent of the vote, won 17 of the 18 Senate seats.

Abolition of the Senate remained a plank of Labor's platform until 1979, but no Labor government from 1919 to 1979 moved to abolish the Senate. Abolition was always a bridge too far.

In the early 1970s Labor Senator Lionel Murphy was the driving force behind extending the Senate's activities into scrutinising legislation and examining government spending. Murphy worked to increase the relevance of the Senate at a time when his party's platform still proposed abolition. As a result of his efforts, the Senate now boasts a comprehensive committee system which I believe provides the most effective accountability mechanism in the Australian parliament.

Today the Senate's key role is scrutiny. Its powers of scrutiny are important tools for enhancing Australian democracy. They deserve to be defended by all political interests and all sides of politics.

Tonight I had hoped to be able to respond to the Prime Minister's promised discussion paper on Senate reform. Amid great fanfare at the

Liberal Party National Convention in June, John Howard announced his intention "to prepare and issue for public debate a discussion paper".<sup>15</sup> The issue to be canvassed was a proposal on the settlement of deadlocks originally recommended in the 1959 report of the Parliament's Joint Committee on Constitutional Review – a "nugget" to use Mr Howard's words – "when you look back through the history of constitutional examination you find some nuggets and I found a nugget back in 1959."

The report did propose a new constitutional provision allowing for a joint sitting of the two houses to pass disagreed legislation after a period of three months has elapsed.<sup>16</sup> The report also recommended the current Double Dissolution provisions be maintained substantially unaltered. John Howard did not mention this.

The Report went on to recommend that the Governor General have the power to terminate a Joint Sitting, regardless of whether or not the disputed Bill had been voted on. John Howard did not mention this. The Report also went on to recommend that if a General Election occurred less than 12 months after a deadlock occurred, a joint sitting could be held after the General Election. Mr Howard did not mention this. Clearly his search for nuggets left much of the potential treasure undiscovered.

On the 10 August, John Howard told Laurie Oakes on the *Sunday* program that his discussion paper was "pretty well advanced". "I hope to have it out next month" he said<sup>17</sup>. Well, we still have a couple of hours to go! Perhaps Michelle Grattan was right when she wrote that Mr Howard has delayed the release of the discussion paper because he cannot make up his mind on which model to endorse.<sup>18</sup>

We do know that one of the models, also proposed by the Joint Committee on Constitutional Review in 1959, was revisited by John Howard early last month – he called it the "Lavarch" model. Labor's former Attorney-General Michael Lavarch, in a radio interview, floated the idea of a constitutional alteration to allow for a joint sitting of parliament after every ordinary election to vote on bills twice blocked by the Senate in the previous term.<sup>19</sup> Professor George Williams proposed a similar model and integrated within it the concept of fixed four-year terms.<sup>20</sup> I am convinced these models would have more chance of success in a referendum than Mr Howard's first proposal.

We need to understand the effect of Mr Howard's June proposal. A government would simply wait three months and then, using a joint sitting, pass unpalatable legislation. What would this mean for our democracy?

Take the example of the ASIO Bill that the government introduced last year. The ASIO Bill was appallingly drafted and draconian. The Senate passed substantial amendments to strengthen the protection of civil liberties and our democratic values while, at the same time,

providing enhanced powers for ASIO to track down terrorists. The challenge was always to get the balance right. A challenge we met. Just one example: the original provision for a 10-year-old child to be detained in secret and strip searched was removed from the ASIO Bill. If the Prime Minister had his way the ASIO Bill would have passed in its original, wholly unacceptable form after just a three month delay.

Instead the ASIO bill was passed this year, with the support of the Labor Party, after 57 amendments were agreed to, 18 proposed by the Government, 38 by Labor and one by the Democrats. The ASIO Bill showed the Senate and its Committee system at its best – surely what Australians want and expect from the Senate.

The potential for abuse must be addressed.

The Labor Party will not accept a situation where a joint sitting, held at the whim of an unscrupulous government, could undermine the statutory powers and independence of – for example – the Australian Electoral Commission, the Auditor-General or the Ombudsman. The scrutiny powers of the Senate, particularly the Senate Estimates Committees, must also be defended at all costs. Such safeguards must be beyond the reach of any executive government enraged by the examination of its actions.

The Labor Party is serious about constitutional reform and we are serious about Senate reform. But we do not think the deadlock provisions in section 57 should be addressed in isolation. Other important issues, like the removal of the power to block supply and fixed four-year terms for both Houses, must also be addressed. The removal of the power of the Senate to block, defer or reject supply is integral to any reform of Senate powers.

Surely it is now time for the Prime Minister to consider Labor's proposal for fixed four-year terms for both the House of Representatives and the Senate. After all, a major argument used against four-year terms was that they give minorities in the Senate too much power. The lower quota in a full Senate election makes it easier for minor parties or independent Senators to be elected. Surely if the powers of the Senate are curtailed, four-year terms become more acceptable. Australians will need to consider if wider representation in the Senate should be balanced by the sacrifice of some powers.

Australia has three-year parliamentary terms in name only. According to a Parliamentary Library Paper it is calculated that the Australian parliament in the last 25 years has only lasted on average 28.5 months.<sup>21</sup> The Joint Standing Committee on Electoral Matters in 2001 recommended four-year terms on the ground they would “facilitate better long-term planning for government and ensure consistency with state jurisdictions and cost savings.”<sup>22</sup> It also argued four-year terms would be a logical topic for examination “in any future discussion on constitutional reforms.”<sup>23</sup>

Mr Howard has indicated his preference for four-year teams over three year terms.<sup>24</sup> With bipartisan support we have the opportunity to address this issue. Labor also believes election dates should be fixed. Such a reform would address some of the uncertainties and limitations of our current political system.

The Prime Minister has said he will not pursue a referendum on the deadlock provisions without Labor's support. But history shows a YES case success in a referendum campaign requires more than just the backing of the two major parties. Even if the Coalition and the Labor Party agree, there is no guarantee of success at the ballot box.

I remind you of the important 1967 referendum to break the nexus between the House of Representatives and the Senate. The referendum was supported by the two major parties. It was unsuccessful because of the opposition to the proposal from the DLP, a handful of dissenting Senators from the government and two independent Senators who vocally opposed the referendum and ran the official NO campaign. Their slogan "no more politicians" was simple and effective.<sup>25</sup> The referendum failed with only one state obtaining a majority of votes. This referendum was held in tandem with the resoundingly successful referendum to include Aboriginal people in national censuses, which produced the largest YES vote on record and passed in all six states.

Since June, the Greens and Australian Democrats have voiced opposition to John Howard's Senate reform proposals. Just last week, the Australian Democrats Leader Senator Andrew Bartlett outlined the Democrats' election message, which looks like it could easily translate into a NO case if a referendum on Senate reform occurs at the next election. Here it is:

Mr Howard wants to remove the Senate's power. But the Democrats say Australians do not want a dictatorship and there should be more checks and balances on government, not less.<sup>26</sup>

If only the Coalition had supported our efforts in 1974 to change section 128 of the constitution so that referendums would only require a majority of voters in at least half the States (three) rather than the existing requirement of a majority of States (four). If this referendum had been passed then the 1977 simultaneous elections referendum would have been carried.

It is very difficult to carry any referendum, and a referendum to change the deadlock provisions of the Constitution will be no exception. The Labor Party will look closely and seriously at the proposals contained in John Howard's discussion paper on the Senate. While a minimum requirement for constitutional change will be agreement on any referendum question by both government and opposition, I am only too aware it is only a minimum.

As Scott Bennett from the Parliament Library has said, the Australian public “needs a lot of convincing to tamper with the work of the Constitution’s founders”. History has shown Australians “will not alter aspects of the federal system of government if they perceive its basic structure to be under threat, nor will they seek to weaken the position of the Senate in any way.”<sup>27</sup>

The Senate has evolved into an effective House of Review and there is wide community support for its role. Our challenge remains the need to balance the capacity of a government to deliver on key aspects of its electoral program, while entrenching the oversight and scrutiny role of the Senate.

If we succeed in that challenge we will improve our democracy, improve our government and improve our parliament.

## Endnotes

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Photo - David Karonidis

*Bridget Griffen-Foley*

Dr Bridget Griffen-Foley is a research fellow in the Departments of Modern History and Politics at Macquarie University. She is the author of two books on the Packer dynasty and, most recently, *Party Games: Australian Politicians and the Media from War to Dismissal* (Text, 2003). On Monday 13 October 2003, Bridget Griffen-Foley addressed The Sydney Institute and reviewed some of the history of Australia's great media dynasties.

# THE MEDIA AND

## *POLITICS IN AUSTRALIA: FROM WORLD WAR II TO THE DISMISSAL*

**Bridget Griffen-Foley**

It was September 1950 and inflation was rampant. After two decades of struggle and heartbreak, depression and war, Australian industry and agriculture were booming. Australia was experiencing full employment, trade unions were campaigning vigorously for improved wages and conditions, the birth rate was rising and the demand for family housing was insatiable. On 28 September the Sydney *Daily Telegraph* splashed an editorial across its front page about the inflationary pressures that were building up in Australia. The iconoclastic editor, Brian Penton, provocatively entitling his editorial "The Australian £ is bleeding to death", urged Prime Minister Robert Menzies to ensure that the forthcoming budget gave the Australian pound a more realistic value in relation to sterling, cut unnecessary spending and helped industry to increase productivity.

The editorial struck a raw nerve with the Liberal prime minister. Menzies had been back at the Lodge for less than a year, the Liberal Party had only been established in 1944 and conservative parties had an unfortunate habit of collapsing under pressure. Menzies, who remained bitter about the press campaign he held responsible for destabilising his wartime leadership, was moved to write to the proprietor of the *Daily Telegraph*. And so, in the early days of October 1950, Frank Packer received a missive marked "strictly personal". I like to think of the hulking figure of Packer sitting behind his desk in his office overlooking Hyde Park, possibly with his beloved but ferocious pet dogs salivating on the armchairs, being handed the letter by his loyal private secretary, Kathleen "Fairy" Faircloth. In my mental picture, Packer is a little startled to see that the letter is from the prime minister, and he opens it gingerly. The letter, pointing out that the Country Party was opposed to any appreciation of the Australian currency and that the Liberal Party did not want to risk splitting the coalition over the issue, concluded:

Your front page article this morning ... seems to declare war on me. If this is so, let's get on with it, while Chifley chuckles ... But I prefer understanding to dispute; and political good sense to brawling.

Hence these lines to a man whose good sense I respect, and whose courage I have never publicly (or privately) impugned.

Packer responded immediately, writing to Menzies to explain in more detail the *Daily Telegraph's* financial concerns. But the real point of the letter was to reassure the prime minister that Consolidated Press had *not* declared war on him: Menzies was "a great man of international calibre" who had the confidence of the Australian people; the editorial had certainly not intended to suggest that he lacked personal courage; "it would be a brave member of the Liberal Party indeed" who turned Menzies out of office over the issue of appreciation.<sup>1</sup>

Packer had been dabbling in politics for the previous few years, participating in delegations to Canberra about the vexed issue of newsprint and flirting with plans to form a new party that would provide the ALP with a healthy, effective opposition. And, in one extraordinary episode, he had already shown that he was quite prepared to exercise his political clout if his commercial interests were threatened. In 1948 he had written to Chifley, then prime minister, complaining about the damaging effect newsprint rationing was having on his company's flagship publication, the *Australian Women's Weekly*. The issue may have been a bit obscure, but the message was explicit: Packer told Chifley that if the government continued to deny the Packer empire its "birthright", he would turn the largely apolitical magazine into an anti-Labor crusader as the 1949 election approached.<sup>2</sup>

The correspondence between Packer and Menzies in 1950 signalled something new in Packer's political development. Chifley had refused to be bullied by Packer's threat, saying simply that a political crusade in a women's newspaper would almost certainly "fall flat";<sup>3</sup> two years later, Menzies' letter showed Packer that he was finally being taken seriously as a political player. Packer and his publications had drifted steadily to the right during the early years of the Cold War, and by 1950 he was receptive to the Liberal Party platform. Packer took on board the warning that running front-page editorials criticising government policy could improve the ALP's electoral fortunes, and he realised that it would be foolish to alienate a prime minister with whom he was now in broad political sympathy.

This 1950 exchange triggered a correspondence between Australia's longest-serving prime minister and one of its noisiest media barons that would continue for more than 20 years. The 100 or so letters between the pair, which I found as I researched my books on the Packer dynasty, documented Packer's lobbying for the right to invest in the new medium of television and official support for his first America's Cup challenge; the editorial and material assistance given the Liberal Party by the *Daily* and *Sunday Telegraphs* and TCN-9 and GTV-9; the time the prime minister gave to the young Clyde Packer as he was about to enter New South Wales parliament; and Frank Packer's own, short-

lived ambition to take up some sort of political or diplomatic post.<sup>4</sup> As the, at times, rather insecure Packer attempted to curry Menzies' personal, as well as political, favour, the prime minister initially aimed simply to negate the criticisms of the proprietor who controlled the morning newspaper with the biggest circulation in the most populous state of Australia. Liberal politicians thought that if they could cultivate Packer's support, he might help to deliver votes from people who would not normally support the conservatives – that is, lower-middle and lower class readers. In 1949 a New South Wales party official privately noted that the *Daily Telegraph* "is most important to us because it has the largest circulation in the State and undoubtedly is read by more swinging voters than any other paper".<sup>5</sup>

These letters and memos sparked off something in me, too. By the time work on my second Packer book drew to a close, I was well aware that this correspondence was part of a much bigger picture. While making mental notes of dealings between other media companies and politicians, I was constantly reminded, even in leisure, of how Australians conflate the interests and the policies of media proprietors and politicians. In September 1999, I took time out from doing research in Canberra to spend a Saturday exploring the towns of Bungendore and Braidwood. Late in the afternoon, as a friend and I headed back to Canberra, we passed a road sign that caught our eye. The sign – the back of a sign, actually – had been spray painted with the words "HOWARD AND PACKER NOW THAT'S MATESHIP". Feeling it essential to capture an image of a Packer "expert" standing under the sign, my companion stopped the car and reached for the camera. Other motorists probably wondered why a few words of graffiti were causing such a fuss.

As we drove away, I again marvelled at how Kerry Packer and his family have captured the Australian popular consciousness. But despite the public fascination with the activities of the Packer and Murdoch families, and seemingly endless speculation about the fate of the Fairfax group, little attention had been given to how media companies have interacted with politicians and political parties in Australia at a direct and corporate level. And so I began work on a new book looking at the relationship between politicians and the four companies that dominated Australia's print and electronic media outlets during the postwar years: John Fairfax & Sons, the Herald & Weekly Times, News Ltd and, of course, Consolidated Press. I decided to investigate the years after 1945, when a series of essentially parochial media structures matured into national print and electronic institutions. I concentrated on the period up to 1975, when the first journalists' strike in Australian history over the issue of editorial independence took place at News Ltd.

Most chapters of the resulting book address a particular episode involving a media empire's dealings with politicians and political

parties. One chapter is on the complex relationship between Menzies and Sir Keith Murdoch, Australia's first national media baron and someone, as Bruce Page has also shown in his new book *The Murdoch Archipelago*, who peddled in political secrets and intrigue.<sup>6</sup> Another chapter considers how the Menzies government basically allowed the big media players to carve up the new medium of television between them, and the way in which the Liberal Party quickly attempted to exploit the potential usefulness – and overcome the pitfalls – of television for political communication. Other chapters look at the way in which media companies effectively ran election campaigns for political parties: we see the traditionally conservative Fairfax group, dismayed by the effect the government induced credit squeeze was having on its volume of classified advertising, becoming known as the “Labor ward” during the 1961 campaign; Frank and Clyde Packer and their minions running the “With Askin you’ll get action” campaign in the 1965 New South Wales election, which ended 24 years of Labor rule; and Rupert Murdoch providing all sorts of material help to the ALP during the 1972 election campaign.

There is abundant evidence showing Australian media proprietors and their executives, editors and journalists implicating themselves in inter-party contests, expressing not just editorial support for one party but at times funding federal and state election campaigns, writing speeches for politicians, advising parties on policies and platforms, and skewing news coverage. Various factors – genuine ideological commitment, commercial self-interest, a desire to be involved with the powerful at the highest level and occasionally even a mischievous sense of fun – have propelled Australian media dynasties into the political arena. The Fairfax, Murdoch and Packer groups have also carefully monitored each other's manoeuvrings and, at times, tried to carve out distinct markets by offering audiences a range of political views. As Fairfax waged its unprecedented crusade for Labor in 1961, the *Daily Mirror* posited itself as “The Independent Daily Newspaper”; when Consolidated Press threw its weight behind Bob Askin in 1965, the *Sydney Morning Herald* tried to give readers a more balanced news coverage while the *Daily Mirror* editorialised in favour of the ALP; the *Daily Telegraph*, after being transferred from the control of Consolidated Press to News Ltd in 1972, moved to the left in what had become a very conservative Sydney press environment.

Writing in the 1970s, Henry Rosenbloom observed that it was during election campaigns that the horror stories of media barons secretly “manipulating the country come closest to reality”.<sup>7</sup> Many of the Australian media's political interventions at election time did take place behind the scenes, but there were also instances where the actions of media companies were at least partly revealed to the public, either by the sheer brazenness and audacity of proprietors or by the exposés

of rival media outlets or smaller, more subversive publications. And the dynasties have involved themselves in intra-party struggles, too; when Keith Murdoch savaged the Scullin government, and Frank Packer turned on John Gorton, they helped to compound the downward spiral.<sup>8</sup> But while media proprietors liked to have “their” men installed in Canberra, the relationship sometimes soured; Keith Murdoch became disillusioned with Lyons over policy issues, and Rupert Murdoch discovered Gough Whitlam would not accord him any special consideration.

Politicians are often vocal about the media’s alleged biases and misrepresentations. Labor politicians and left-wing commentators are particularly critical of commercial media groups because of their reliance on advertising and interlocking interests with other big businesses via their boards and share registers.<sup>9</sup> However, it is clear that the ALP was sometimes the beneficiary of largesse from commercial media companies when its policies were deemed to do less damage than those of the coalition, or when the leadership of the party was perceived to be sufficiently moderate.

In the famous newsreel scene at the start of *Citizen Kane* appear the words “In politics – always a bridesmaid, never the bride”. The movie-goer is told that the megalomaniacal Charles Foster Kane never held elected office even though there was no public issue on which he did not have an opinion, no public man whom he did not champion or denounce (or both).

Some members of the “first families” of the Australian media flirted with actual governmental or diplomatic office: Keith Murdoch as director-general of information in World War II; Frank Packer as director of personnel in the wartime Allied Works Council and then, in the 1960s, as a political aspirant; and Rupert Murdoch as, apparently, a would-be high commissioner to London in the 1970s. Most of these paths were troubled or short-lived, or never even trodden; the high profiles of the individuals concerned and the nature of their business interests made the path controversial and at times untenable. Most media barons and editors have thought it unnecessary and unwise to join a political party; if James Packer has indeed become a paid-up member of the Liberal Party in recent months, he is a notable exception. Still, his uncle, the late Clyde Packer MLC, managed to serve as a part-time politician and a part-time media magnate. Some journalists and editors, like Consolidated Press’ legendary political correspondent, Alan Reid, and Graham Perkin, editor of the *Age*, liked to “collect” politicians, either as sources or as interesting and impressive company.

Keith Murdoch, Frank Packer and Rupert Murdoch preferred to view themselves as king-makers following the elevation of Joe Lyons, Billy McMahon and Gough Whitlam to the prime ministership. The

precise roles played by Keith Murdoch and Packer in these leadership struggles is rather more complex than popular legend would have us believe and anyway, as Packer found, media barons could only do so much; the hapless Billy McMahon, despite all the backing he received from his old friend, just wasn't up to the job of prime minister. There is another question to address, too: for all the noise, have media dynasties really determined election results? An examination of the 1972 results for Labor in states where News Ltd had a presence suggests that the company was unlikely to have played a decisive role in the outcome; besides, the big swing to Labor had occurred in 1969, when the Murdoch press had played a nondescript role in the campaign. One of the very few elections where a media company may be said to have played a decisive role was in New South Wales in 1965, when the coalition fell over the line by just one seat; incidentally, one of the most hotly contested seats was that of Hurstville, which a former Packer editorial executive, Tom Mead, won by only 298 votes. With the backing of the Packer empire, the Liberal Party had spent three times as much on advertising as it had during the previous election and had brought a largely unknown opposition leader to the attention of much of the electorate.

In *The Courtesans*, his study of the Federal Parliamentary Press Gallery under Bob Hawke in the 1980s, Derek Parker commented that "political parties use the Press Gallery to convey their message to the electorate; journalists use politicians to provide their subject matter".<sup>10</sup> The relationship has always been two-way, and has involved not just members of the gallery, but media executives and proprietors. As I have already suggested, politicians and political parties from both ends of the ideological spectrum have used the media to advance their interests. In the lead-up to the 1949 election strategists sought the complicity of the Herald & Weekly Times in advancing the philosophy of the Liberal Party and in cultivating Menzies' image; in the early 1960s the ALP looked to the finance writers at Fairfax to give it economic credibility; towards the end of the decade Whitlam and his team set out to gain the press gallery's sympathy and respect.

That election campaign of 1949 was significant not just because it ushered in more than two decades of conservative rule. It was also a triumph for the relatively new industry of public relations, something that would make an enduring mark on the Australian political landscape. The introduction of a modern and essentially American concept to Australian politics emanated in large part from an unlikely source – the "Tiger of Bengal", R. G. Casey, who looked and sounded like an English colonel. In 1947 Casey, who had pretty much set aside his own leadership ambitions to become federal president of the Liberal Party, told Menzies he had learned from American friends "of a new profession called 'Public Relations'". Convinced of the need to create

a “favourable *atmosphere*” to advance one’s cause, Casey employed the services of the Hansen-Rubensohn advertising agency, raised enormous sums of money to fund radio serials celebrating the virtues of free enterprise and set out to woo the press. Menzies became the centrepiece of the most lavish campaign to promote a political leader Australia had ever seen, with Sim Rubensohn declaring that, “in the final analysis, the election war between parties is the war between leaders”. Some within and without the Liberal Party wondered whether Menzies, displaced as prime minister once and seen as aloof and patrician still, was beyond redemption; in early 1949 the political newsletter *Things I Hear* asked:

Who could sell a soap that for ten years has had a nasty smell about it, without first changing the perfume? Who could sell a breakfast food full of weevils? Who could sell a cheese that didn’t measure up to [the] public palate?<sup>11</sup>

But Casey pressed ahead, even employing Stewart Howard, a Sydney journalist and monocle-wearing dandy, as Menzies’ personal public relations adviser as the election approached. Characters in my book such as Rubensohn, Howard and Edgar Holt, a Menzies acolyte who became the Liberal Party’s public relations officer after the election victory – spin doctors all before the term was invented – are as important as the major political correspondents whose activities I explore. Interestingly, the two most “modern” federal election campaigns of the post war era – those of 1949 and 1972 – shared a number of features, such as the backing of the Murdoch media and a presidential style of campaigning, with an emphasis on the qualities and personalities of the leaders.

In all eras, politicians of every stripe have strategically leaked material to political correspondents to support or denigrate individuals, factions and policy initiatives. Journalists, editors and executives have, at times, displayed some autonomy from their proprietors. Although Alan Reid, a loner who liked to shock his colleagues and was known as the “Red Fox”, once compared the journalist to a private soldier, unable to determine how the army was run, he helped to inform the political machinations of his masters in Sydney from the 1950s through to the 1980s. The strategic alliance formed by two executives at the *Age*, Graham Perkin and Ranald Macdonald, managed to force the board’s hand and have the newspaper express considered support for the ALP in 1972.

Episodes at the *Age* in 1972 and events at the *Age* and News Ltd in 1975 were signs of a broader renegotiation of the independence of Australia’s major media outlets and their employees. As Menzies’ long reign drew to a close, old certainties, in the media landscape and elsewhere, broke down. Changes in the economic environment, new challenges in the realm of foreign affairs and signs of reform within the embattled ALP coincided with the launch, or expansion, of vigorous

newspapers such as the *Australian Financial Review* and the *Australian*. These dailies joined fresh publications such as the fortnightly *Nation* and *Observer*, with their probing, at times irreverent style, and serious and satirical television current affairs programs. A new generation of younger, more highly educated journalists emerged to interrogate and analyse political happenings and issues and staff an expanding press gallery. By the late 1960s political news was on the front page of major broadsheet and tabloid newspapers and politicians were becoming the targets of biting commentary in the print and the electronic media.

In the decades after 1945, as media chains developed, independent newspapers declined and the (always fragile) principle of localism in media ownership foundered, Australian politicians and political parties became increasingly anxious to cultivate the support of the major media companies, and intent on avoiding their censure. The size of the media groups worked to inspire both political patronage and fear: politicians knew that the companies were big enough to wage crusades for or against them at either the state or the federal level, or both. At the same time, the interests of Keith Murdoch, Frank Packer and the young Rupert Murdoch were sufficiently contained to allow them the opportunity, if they wished, to manipulate editorial policy and news coverage.

Of course, Australian politicians remain nervous about alienating the major media players and having these outlets turn against them, particularly at election time. The scale of operations, however, has changed. By the 1980s news organisations had developed from companies utterly dominated by one man, or family, into broadly based media conglomerates run by professional managers. It was no longer practical for proprietors to indulge in regular hands-on intervention at an editorial level or even to be routinely in direct contact with political leaders. By the 1980s the transnational nature of News Corporation meant that Rupert Murdoch had to develop the ability to work through nominees in his different fiefdoms. For the first time, in the 1987 federal election, Murdoch's Australian newspapers editorially supported different parties. Nevertheless, in matters of great moment Murdoch's media outlets are still capable of singing from the same songbook and, as Bruce Page shows, Murdoch is still "editor of all his newspapers whenever the moment is crucial".<sup>12</sup> This was amply demonstrated in 2003 when nearly all News Corporation's 175 newspapers, as well as the Fox news channel, supported the American-led pre-emptive strike on Iraq.

The personalities of the major political players may be said to have changed, too. Kerry Packer is a very different political operative from his father and brother; no ideologue, and as unsentimental in politics as he is in business, Packer has emerged as a politically opportunistic pragmatist. He was content to help persuade Sir Frank to sell the *Daily*

and *Sunday Telegraphs*, which had been used as political bludgeons, in 1972, and later disposed of Channel Nine when the price was right.

The dealings between Australian media companies and politicians now largely centre on questions of ownership and regulation, self-interest and profit. By the 1990s the media empires were buying pipelines into government at the highest levels. Departing politicians found new careers as lobbyists as media groups sought changes in media ownership laws and looked to expand into new technologies. As Michelle Grattan commented in 1998, "There is a long history of proprietors leaning on politicians for their business benefit. What is different is that today's owners have a much wider menu of commercial interests and demands".<sup>13</sup> Many champions of the free press now worry less about proprietors dictating politics to their journalists than about the convergence of the editorial and commercial sides of Australian media outlets.

## Endnotes

- 1 Bridget Griffen-Foley, *Sir Frank Packer: The Young Master*, HarperCollins, Sydney, 2000, p. 179.
- 2 Bridget Griffen-Foley, *The House of Packer: The Making of a Media Empire*, Allen & Unwin, Sydney, 1999, pp. 172–3.
- 3 Griffen-Foley, *The House of Packer*, p. 173.
- 4 See Griffen-Foley, *The House of Packer*, chapters 9–12 and *Sir Frank Packer*, chapters 9–14.
- 5 See Griffen-Foley, *Sir Frank Packer*, p. 180.
- 6 Bruce Page, *The Murdoch Archipelago*, Simon & Schuster, London and Sydney, 2003, pp. 62, 88.
- 7 Henry Rosenbloom, *Politics and the Media*, Scribe Publications, Melbourne, 1978, pp. 50–1.
- 8 This is similar to a point made by Michelle Grattan, "Sharing the same kennel: The press in Parliament House" in *The House on Capital Hill*, eds Julian Disney and J. R. Nethercote, Federation Press, Sydney, 1996, p. 230.
- 9 For example, A. E. Mander, *Public Enemy, the Press*, International Bookshop, Melbourne, 1944; P. J. Kennelly, "Labor and the mass media", *Chifley Memorial Lecture*, 1963; Humphrey McQueen, *Australia's Media Monopolies*, Widescope, Melbourne, 1981.
- 10 Derek Parker, *The Courtesans: The Press Gallery in the Hawke Era*, Allen & Unwin, Sydney, 1990, p. 3.
- 11 *Things I Hear*, 28 February 1949, p. 6, 14 March 1949, pp. 2–3.
- 12 Page, *The Murdoch Archipelago*, pp. 359, 391.
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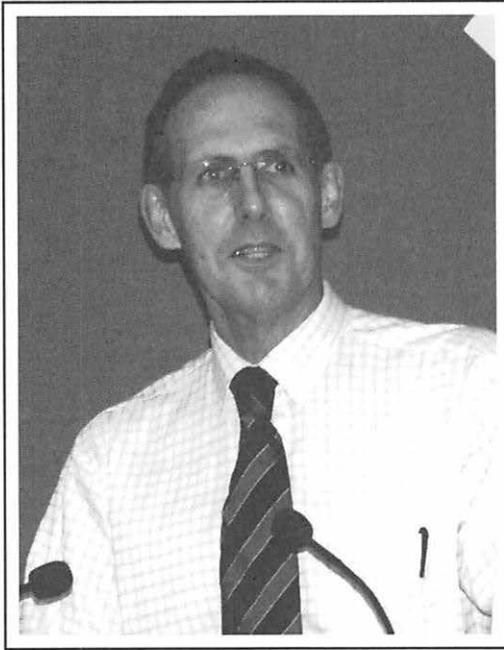


Photo - David Karonidis

*Bob Brown*

Senator Bob Brown, leader of the Australian Green Party, began his political career in 1984 as an elected Member of the Tasmanian House of Assembly. He was elected to the Australian Senate in 1996 and retained his seat in 2001. Bob Brown has become the face of environmental politics Down Under. On the week that US President George W Bush and China's President Hu Jintao addressed the federal parliament, Senator Bob Brown addressed The Sydney Institute, on Tuesday 21 October 2003, to repeat his message that the greatest scourge the world faces is an environmental one.

# **FACTORING IN OUR**

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## **GRANDCHILDREN**

**Bob Brown**

This week, Presidents George Bush and Hu Jintao will address Australia's parliament. Although highlighting terrorism, both leaders will fail to outline reasonable plans to combat a global scourge that kills more people than terrorism and threatens the Earth itself. It killed 10,000 people in France in a week. As the former chief of Britain's weather bureau Sir John Houghton says: "It can strike anywhere, in any form – a heatwave in one place, a drought or flood or a storm surge in another ... The 1990s were probably the warmest decade in the last 1,000 years, and 1998 the warmest year. Global warming is upon us."

U.S. President George Bush, the world's most powerful man, leads the world's most global heating nation. Accordingly America also has the world's greatest need for action. With 5 per cent of its population, America produces 25 per cent of the world's greenhouse gas pollution. Mr Bush should ratify the Kyoto Protocol and plan to cut greenhouse gas emissions by 60 per cent by 2050, minimum. His choice is between his oil companies and our grandchildren. So far, he has put the grandchildren second.

President Hu leads the 1.3 billion people of China, the world's most populous country. It also has this finite world's most accelerating rate of consumption. Chinese environmentalists tell me that if their citizens owned as many cars as Americans there would be 650 million cars in China, more than doubling the number of cars in the world today. If all of the Earth's people, including the Chinese had a level of consumption the same as in America, we would need several more planets to support us!

Will President Hu announce a socially astute leapfrog of the West's car-jammed cities to mass transit systems powered by the sun, plus the world's best bikeways and pedestrian paths and planning to coordinate people's houses, workplaces and civic amenities to minimise transport needs? No, he's leapfrogging from Maoist communism to American capitalism with all market fundamentalism's problems in his booked-through baggage.

Every Earth citizen deserves the same as every American or Australian. Neither America nor Australia is prepared to share. The Earth simply cannot sustain multiple more Americas and Australias: something has to give. Our grandchildren will be left to cure an unprecedented global divisiveness, with violence, because current politicians and business supremos refuse to take, or even think about, preventative medicine.



Just one aspect of this showdown will be global warming. The evidence that global warming is here and now is convincing. The insurance industry is one sober juror. It knows about risks and it knows about weather and climate. Tony Coleman of the Insurance Australia Group points out that, of the 8820 natural catastrophes analysed worldwide between 1960 and 1999, 85 per cent were weather-related. So were 75 per cent of the economic losses. Expected changes in weather due to global warming will have a huge and disproportionate impact. For example, a 1°C increase in average temperatures would mean that extreme temperature events, which hitherto occurred once every 300 years, will occur every 10 years. A 1°C increase in average summer temperatures will bring a 28 per cent increase in wildfires.

Last summer's bushfires in Australia are a case in point. Their severity reflected consistently higher temperatures than usual (from global warming) during the drought across the Murray-Darling Basin, including in Canberra. The higher temperatures caused much drier vegetation and much more severe and widespread fires. Global warming packed the added devastating punch.

Then there is the low but finite possibility of sudden catastrophic change in the world's climatic and biological systems if temperatures increase 10–12°C. That could bring perturbation of ocean currents, massive loss of biodiversity and rapid melting of the Antarctic ice sheets. (The Arctic sheet and many of the world's alpine glaciers are already melting.)

Tellingly, Sir John Houghten describes global warming as 'a weapon of mass destruction'. He says that 'like terrorism, this weapon knows no boundaries. It can strike anywhere in any form – a heat wave in one place, a drought or flood or storm surge in another'. Even Tony Blair has broken from the Anglo-American alliance on this issue, stating

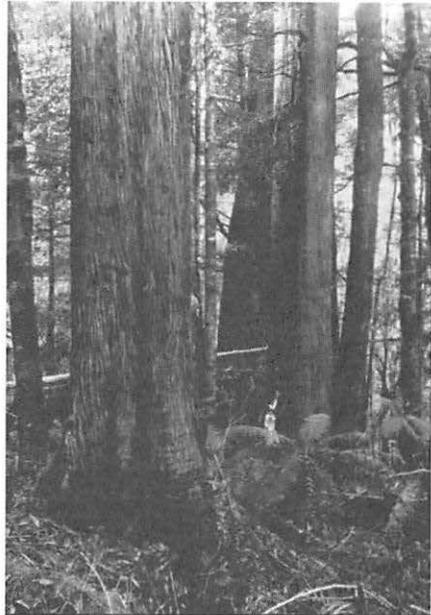
in a speech earlier this year that “there can be no genuine security if the planet is ravaged by climate change”.

However, in the face of all the evidence, Australia sits firmly with its back to the future, ambivalent about the reality of climate change, joining the US and Russia to frustrate international efforts to ratify the Kyoto Protocol, and refusing to tackle the serious task of planning a near-100 per cent reduction in human-induced greenhouse gas emissions by the end of the century.

The Howard government claims to spend more on the environment than its predecessors: but the indices have not got better. Australia is now the world’s highest per capita emitter of greenhouse gases but instead of the polluters paying, through a carbon tax, we are paying the polluters – to the tune of \$5.1 billion per annum in subsidies that encourage fossil fuel use. We are amongst the world’s most wasteful users of water and soils, millions of hectares of land face salinity, and we are the worst performing rich nation in terms of extinction of species and destruction of forests. Carrots without sticks will not deter environmental donkeys.

Tasmania’s old growth forests, amongst the richest carbon banks on the planet, are daily trucked through the streets of Hobart and Launceston on their way to the woodchip mills: 150,000 log truck loads this year. Under Mr Howard’s signed authority, trees so big that only one will fit on the back of a B-double truck are being cut in record numbers, their ecosystems destroyed by hot regeneration fires and the local wildlife poisoned with 1080. Gunns Pty Ltd is soaring on the Sydney Stock Exchange at the illegal expense of the habitat of rare and endangered species like the tiger quoll, wedgetailed eagle and white goshawk. It would be far better if solar panels rather than woodchip stocks were lighting up the stock markets.

Australia, the sunny country, after a timid but promising start on solar power, is now the laggard. In 1989 we produced five times as many solar panels as Japan. In 2003, Japan produces five times as many as Australia. From Thailand to Switzerland, governments are promoting renewable energies while here the Howard government, having disbanded



the Energy Research and Development Corporation in 1997, followed up by de-funding the Centre for Renewable Energy in 2002. Scarce research funding is being poured into fossil fuel technologies in search of an unproved and expensive chimera called geose-



questration – that is, capturing greenhouse gases from burning coal and then pumping them underground, supposedly forever.

The role in this of Australia's Chief Scientist, Dr Robin Batterham, who also works as Chief Technologist for Rio Tinto, exemplifies the web of relationships that enmesh Australia in the sunset industries of the past. He favours the concept of geosequestration and "zero emissions" coal. More importantly, despite the apparent conflict of interest, his period of office has seen "zero emissions" coal promoted and supported by the government, endorsed as a national research priority ahead of solar power, made the focus of an entire Cooperative Research Centre, and granted millions of dollars more in government funding from the CSIRO, Geoscience Australia and the Australian Greenhouse Office.

Meanwhile, energy efficiency languishes like Cinderella. While the sooty sisters, coal and oil, and even shale oil, dance in the limelight, the most job-rich and energy-saving options are held backstage. When was the last time Prime Minister Howard gave a speech on the rapid rise in investment and employment in the sustainable energy industry? Yet in NSW alone this sunrise industry had sales of \$1.2 billion in 1998, direct employment of over 4700 and a growth rate of 25 per cent per annum. Nationally, the sustainable energy industry (including solar power) employed 23 000 people in 2000, had sales valued at \$8 billion and was expected to grow by 12 per cent in 2000–01.

Globally, the Worldwatch Institute estimated that, in the year 2000, 14 million people were already "working for the environment" in recycling and re-manufacturing, improving materials efficiency and sustainable energy. Wind energy use tripled between 1998 and 2002 and last year reached \$7 billion in sales and 100 000 jobs. Solar cells are now just nine years behind wind energy in terms of installed capacity with an average growth rate of nearly 24 per cent per annum since 1998. In Germany, where the Greens are in coalition government, renewable energy has powered ahead since the commitment to phase out nuclear power. Sustainable energy has created 100 000 jobs and the government-sponsored international Renewables 2004 conference

in Bonn next year will galvanise the industry worldwide, focusing on politics, financing and capacity-building.

In this century of huge environmental problems, the rewards for solutions are huge too: for tackling climate change, for improving our use of water, for converting to a zero waste economy, for eliminating ozone-depleting substances from refrigeration and air conditioning systems and for looking after biodiversity – our flora and fauna – instead of trashing it.

We Greens have announced a Global Action Plan on Climate Change. It is the first step in consulting with the 70 Greens parties worldwide to come up with a rapid global shift to renewable energy sources so as to avert harm to human health, the environment and the future global economy from global warming. The prospect of coordinating political action at every level from local to global is exciting and in political and business terms, revolutionary thinking. It is democratically-based globalisation, much healthier, safer and fairer than the market-based globalisation we have now. The rewards will be enormous in economic and employment terms but spread much more democratically for the world's citizens.

Presidents Bush and Hu, like Prime Minister Howard, will not deliver! Their track records show they are largely incapable of factoring future global security into their thinking except in military terms. We are not waiting for them. We aim to replace them in this century of ecotechnology and democratic global governance, with a new breed of astutely Green presidents and prime ministers who will give our grandchildren the priority they deserve, not the problems we have left unsolved.

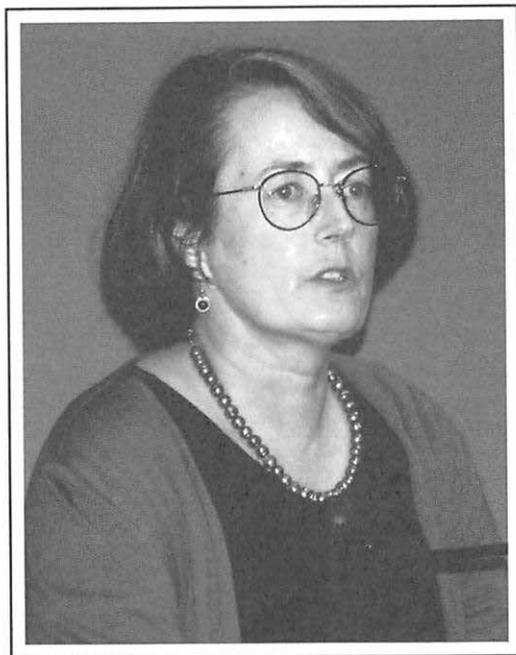


Photo – David Karonidis

*Judith Brett*

Political historian Judith Brett argues that Australia's Liberal Party tradition – and the moral values in which it is imbedded – can be traced not so much from Alfred Deakin to Robert Menzies and on to John Howard, as in a passing of the baton from Menzies to Whitlam. Judith Brett teaches politics and La Trobe University, and her most recent book is, *Australian Liberals and the Moral Middle Class: From Alfred Deakin to John Howard*. (CUP). In it, she expands the arguments she made in her earlier book *The Forgotten People*. Dr Brett addressed The Sydney Institute on Wednesday 29 October 2003.

# **AUSTRALIAN LIBERALS**

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## ***AND THE MORAL MIDDLE CLASS***

**Judith Brett**

What I am going to do is to talk about why I wrote the book and very broadly about what I have argued. The answer to the first question is a mixture of intellectual and personal autobiography. The book is about the Liberal Party and its predecessors since a unified political party was formed at fusion in 1909 – these are then the first Liberal Party, the Nationalist Party, the United Australia Party, and then the Liberal Party again which was formed in 1944–45.

So when the Liberal Party of Australia was formed in 1945, although it marked a new beginning, a re-organisation after the low point of the 1943 federal election, it was also the continuation of a political tradition which has been central to Australian politics since Federation. There has been a certain amount of uncertainty amongst historians as to what to call this tradition. I decided, on John Hirst's advice, to call that tradition Liberal – despite the various reorganisations and name changes, and despite other claimants to the term liberal.

Liberal is what the party has most often called itself, and there are clear continuities of organisation and personnel between the different parties, as well as of self-understanding as the party that puts the individual at the centre of its philosophy. Most importantly, though, I wanted to avoid the term non-labour, which presents the political tradition I am writing about as negative and reactive. It's true that the Liberals have always been haunted by the fear that much of their vote was an anti-labour vote rather than a positive vote for them – but they did not think they were simply a party of negativity and reaction. Similarly I didn't think "conservative" was appropriate, with its implicit comparison of Australian Liberals with the British Conservatives. I was dealing with a new world party – not a party emerging from the deferential traditions of the old. So – Liberal it was

The book is about the Australian Liberal tradition. It begins with Alfred Deakin in the first decades of the century, and it concludes with John Winston Howard at the century's end. It takes as its primary material the speeches of the party leaders, party policy statements

and statements of philosophy and material produced at elections to persuade voters to support the party. That is, it is about the public face of the party, not the behind the scene machinations. And it takes that public face seriously, assuming that the party by and large believes what it says about itself.

The aim is to reconstruct the Australian party system from the Liberal perspective. There are not anywhere near as many books about the Liberal Party and its predecessors as about the Labor Party, and the period before World War II is particularly barren. Yet without such an account, our understanding of the past 100 years of Australia's history is severely diminished. Labor has such histories. This is an attempt to present one for the other side of Australia's politics, with the century as its frame, in the belief that the deep patterns of politics reveal themselves best over longish stretches of time. So the first reason I wrote the book is that I believed we needed a complex, nuanced, century long history of our party system from the Liberal perspective.

The second reason is that having finished my book *Robert Menzies' Forgotten People* I still had unanswered questions about the political tradition which had shaped Menzies and which he represented so successfully. I had begun the book on Menzies out of a sense of frustration. I was teaching a course on political parties and I wanted to set something for the students to read on Menzies – I couldn't find anything that wasn't either of the denigratory left or the adulatory right – everything was a form of caricature. So I turned to Menzies himself and came across his 1942 speech to the "Forgotten People". I had been also teaching a course on political language – and I applied techniques of close reading to that speech to write an article which developed into the first section of the book. It was the 1980s, and the study of Australian political history was still preoccupied with questions of class. In a course I was teaching on Australian political parties, I would quote the Canberra political historian Finn Crisp's judgement that the Liberal and Country Party are "first and foremost the owners and controllers of private productive and commercial capital, urban and rural". I remember feeling a bit embarrassed by it and scooting over it. It was the orthodox class based reading of Australian political parties of the time – Crisp wrote a very good book on the Federal Labor Party – and his view was the Labor Party's view of their chief political opponent. But it didn't quite ring true to me.

Owners and controllers of private and productive capital, urban and rural. This seemed too grand and powerful a description for the Liberal Party supporters I knew – the fathers of people I went to school with in Nunawading – clerks and accountants of modest means, and their quiet often rather mouse like mothers; the capable good women my mother worked with at the YWCA – who believed in the importance of service, men who worked with my father on the vestry of our local

church; my paternal grandparents on a diary farm who had no time for Labor – and my respectable, genteelly poor maternal widowed grandmother whose husband had mortgaged their home during the depression rather than admit to the shame of being unemployed. These were the sort of people Menzies had addressed in the *Forgotten People* – the salaried officers and white collar workers, the small business people and the farmers, the women at home whose lives centred on their families and neighbourhoods. The Menzies book began with a close reading of this war-time speech to the Australian middle class and then went on to a biographical essay about how and why Menzies became their most successful political representative. After that book settled down, I started thinking about where the people he spoke to in 1942 had come from – their social and political experiences and how these had connected with the history of the party to which they mostly gave their votes. And about what had happened to these social experiences and political ideas as the century progressed.

My way into the political experience Menzies was addressing was an argument about the way he constructed the middle class as a social category, based on the characters and virtues of the people who inhabited it. In this book I called them the Moral Middle Class – the people who thought that politics was or should be about values and principles, not about self interest and hip pocket nerves. Because it is individuals, not collectivities like classes, which bear moral qualities the moral middle class is potentially open to anyone who tries hard enough to walk the narrow and respectable path of virtue – hence the plausibility of the Liberals' belief that they are not based on any section or group but pitch their political appeal to everyone. Contemporary Liberals would describe the moral basis of their political beliefs in terms of values but this is an anachronistic weakening of the moral thinking inherent in their political tradition. However, I prefer to use the word "virtues". Virtues are part of the character of the self – of its very nature, and immune from the relativising morality inherent in the concept of value. I think it better captures the connection of the Liberal tradition with people's sense of identity, as well as the moral urgency of political conflict for many of its protagonists.

This view of the middle class as bearers of virtue has a long history. It draws on Protestantism's commitment to the morally independent individual and its hostility to Roman Catholicism, on the struggle of the middle class for political representation against an idle and unaccountable aristocracy, and on the economic experience of the small entrepreneur who depended on disciplined hard work and self-restraint to survive. Its formative opposites were the vices of the aristocracy above and the working class below. In Australia at the dawn of the twentieth century the aristocracy had been well and truly left behind in the nineteenth century and the Old World. But the

middle class was facing a new challenge from the organised working class. This was the formative moment for Australian Liberalism which rallied the Australian middle class around a conception of citizenship which combined civic duty with a personal ethic of selfless service to challenge the moral basis of Labor's claim to be a party of government. It is important for understanding the distinctiveness of Australian Liberals to realise that they faced the challenge of a politically powerful and well organised Labor Party in parliament at least a decade before British non-Labor parties. They had to work out their own ideological and political strategies. Thus there is weight in the title to the term *Australian Liberals*. In 1909–1910 there were no British models for them to follow.

The first part of the book explicates the political world of the pre-war Australian middle class and the ideas of the Liberal Party in terms of three sets of ideas: Protestantism and the virtues of independence, liberal ideas of good citizenship and the belief in service, and the financial practices of middle class households which were the basis for the mobilisations of the 1930s around issues of sound finance and national financial honour.

I'll say something very briefly about each of these:

**Protestantism:** here the argument is about the way the fundamental Protestant commitment to freedom of judgement and conscience interacted both with Labor's disciplined party organisation and with Australian sectarianism to produce the religious character our party system had in the first half of the 20th century – it is an argument for the agency of religious belief in the formation of the party system – that the Protestantism of the Liberal Parties pushed Australian Catholics, no matter what their class background, into the Labor Party. And it is an argument for the continuing importance of Protestant individualism in the Liberal Party's hostility to the more collectivist aspects of the Labor Party's traditions. I spoke about this to The Sydney Institute last year.

**Liberal Ideas of citizenship:** This is in some ways the core of the Liberal Party's tradition – it is the belief that the strength of the nation depends on the qualities of its citizens – and hence that all aspects of the life of the individual, the work they do, the homes they build, the children they raise have obvious political implications. In this conception citizenship is a quality prior to the state – not as in much contemporary understanding a status conferred by the state. And it is closely linked to the belief that it is the duty of the good citizen to give service. This duty was not just fulfilled in obvious ways such as service to the nation in wartime, but was part of a more general ethical framework in which people were exhorted to think of others as well as or even before themselves. Selfishness was the vice good citizens were most concerned to avoid. The Liberal discourse of citizenship is

both a moral and political discourse, which connects the governing of the nation to the governing of the community to the governing of the self. I have a little case study on meetings and meeting procedures to show how liberal ideas of service and citizenship were embedded in the practices of community government.

My third way into the commonsense foundations of Liberal political beliefs is to look at the citizen mobilisations of the 1930s around issues of national finance. Now that we've come to money and finances – surely we've come back to class – to the material interests which the Liberal Party served and protected. People with property voted Liberal, Nationalist, UAP and Liberal again because these parties promised to protect their homes, businesses and savings from the greedy, extravagant or incompetent hands of Labor governments.

There is of course something in this, for financial self-interest is a powerful motive; but it is not by any means the whole story. Money has never been simply about material things; it has always been experienced within complex moral and social frameworks which imbue its presence or absence, its superfluity or its dearth, the various ways it has been acquired and its competing uses, with a wealth of meanings. To understand the role that money and property have played in Australian Liberals' electoral support we have to go beyond crude materialism to probe the moral meanings money and its handling carried for the people of small means who were the Liberals' electoral backbone. In the early 1930s issues of savings and financial management moved from a minor theme to the centre of a national crisis over honest finance and the repudiation of debts. The people who mobilised behind Honest Joe Lyons stand against debt repudiation and the mildly inflationary policies of Labor Treasurer Ted Theodore were not acting in any simple way out of self-interest. They were rallying to save the nation's honour.

The questions I was interested in were why did ordinary middle class people get so exercised about these matters. What were the historic processes which had brought them to this point of identification with the nation's financial predicament. How had they come to imagine themselves as part of a national economy as well as a nation? Why were they so quickly and confidently able to link the conviction of their own financial virtue to that of the nation's?

After I finished the manuscript I realised that this continuing interest in the Liberal Party and its middle class supporters had autobiographical origins in my families' political history. I gave the book a dedication; "In memory of my grandparents none of whom ever voted Labor, and for their grandchildren, most of whom do." The first half of the book is the political history of my grandparents' world – three of whom were already young adults when the century started. It is partly based on archival work – but also on my memories of people I knew growing up in the 1950s, 1960s and 1970s – relatives and family friends

and acquaintances. Thinking about the experiences that made them the adults they then were provided me with intuitively based interpretations which helped guide my reading of the archives and to recover the self-understandings which were my main quarry. I found researching and writing this part of the book enormously pleasurable – recovering political understandings and experiences which had registered only lightly in existing histories. I had various family talismans to guide me – my maternal grandmother’s Voluntary war workers record from World War I – probably the only time she ever got her name in a printed book, my father’s manual on how to chair a meeting, a roneoed program for the inauguration of the new YWCA girl citizens branch at Nunawading in the early 1960s. These all helped me turn my intuitions into historically focussed questions.

And then there was the period after Menzies – when I became politically aware – and a section of the middle class came to see the Labor rather than the Liberal Party as the party best able to represent their aspirations for the nation. This is the second part of the autobiographical dedication – and for their grandchildren – most of whom do vote Labor. Why and how had that happened? Why had the Liberal Party seemed to lose its imaginative hold over so many of the children and grandchildren of the people who were once its backbone? Well, of course there was Whitlam, middle class lawyer and the son as he put it of “a great public servant”. For my generation of middle class Labor supporters, Whitlam stood for an expansive state as an enabling and creative agent of the public good and for a confident cosmopolitan nationalism. But the increase of middle class support for Labor was about more than Whitlam – it was also the result of the way the middle class had changed after the war.

The second part of the book looks at the gradual disintegration of the social and political world of Australia’s prewar moral middle class. Much has been written about the impact of the social changes of the second half of the century on the traditional thinking and working class base of the Labor Party – Australian Liberals also experienced an undermining of their foundational values and social formations. The transformation of the pre-war middle class, while less visible than the decline of the manual working class, is a story that needs to be told to understand Australian politics in the last third of the century. Key themes I trace are:

- the decline in Protestant religion from the mid 1960s
- changes in the conception of citizenship – from one centred on duties and obligations to one centred on rights and entitlements conferred by the state
- changes in the understanding and experience of individualism – from a conception of individualism centred on independence and self-reliance to one centred on freedom and choice. Both the

social movements of the 1960s and 1970s and the expanding role of the market are part of the story.

- changed attitudes to money and credit. These begin with the spread of hire purchase and flow into the experience of affluence and the marginalised role savings now plays in the construction of character.

These processes all undermined the ideas, experiences and character formations on which the moral middle class based their claims to political virtue and hence to political leadership.

At the same time another process was occurring which was also marginalising the political self-understandings of the moral middle class and cutting concerned citizens loose from the business of government. Their sense of connection with political processes and the business of government was changing, not just because they were changing but because processes of government were changing. The clearest example of this is Keynesianism and the development of macroeconomics which disconnected the financial practices of the household from those of the nation, driving a wedge between the way households and businesses manage their money and the way governments manage economies. At the same time the size and scope of government was increasing rapidly, and policy making was becoming more expert and professional.

Then there was neoliberalism and the rise of the market as a way of organising and imagining interconnectedness. In the early 1950s Frederik Eggleston had worried that “good citizenship” was being replaced by “organised selfishness”.<sup>1</sup> Eggleston’s formulation went to the heart of the effect of the changes in the postwar period for Australian Liberals’ conception of citizenship with its belief that good government and a strong nation were firmly based in a virtuous citizenry. Selfishness, to put the interests of the self, or even of the part, before the interests of the whole, was the key vice of the bad citizen. But this was just the behaviour on which the rationality and smooth functioning of the market relied. The “organised selfishness” of the market might produce outcomes of general benefit, but they did so independent of any intention of individuals to direct their actions to the common good, or even give it a passing thought, and so independent of their character and moral qualities. Like the logic of Keynesianism, the logic of the market undermined the causal links between the virtues of individuals and their households and the strength and prosperity of nations on which Australian Liberals ideas of citizenship had depended. Neo liberalism applied the logic of competitive market behaviour with far more rigour than anything Eggleston could have imagined. The cynical realism of neoliberalism’s model of human behaviour was and is a direct affront to the role of principle and value in public life, as is the assumption of its fellow traveller, public choice theory, about the

essentially self-interested relationship between politicians and pressure groups.

All of this has been deeply insulting to the self-understandings of the moral middle class, particularly those of them employed in the public sector. The term “service” no longer made any sense in a model of human behaviour with no place for other-directed activity. Since the 1970s – but even more so as the 1980s progressed – the moral middle class’s traditions of service and concern for the non-sectional national interest have felt more at home in the Labor than in the Liberal Party, although they exist there in an uneasy accommodation with its labourist traditions and its trade union members. More recently they have been moving to the Democrats and the Greens.

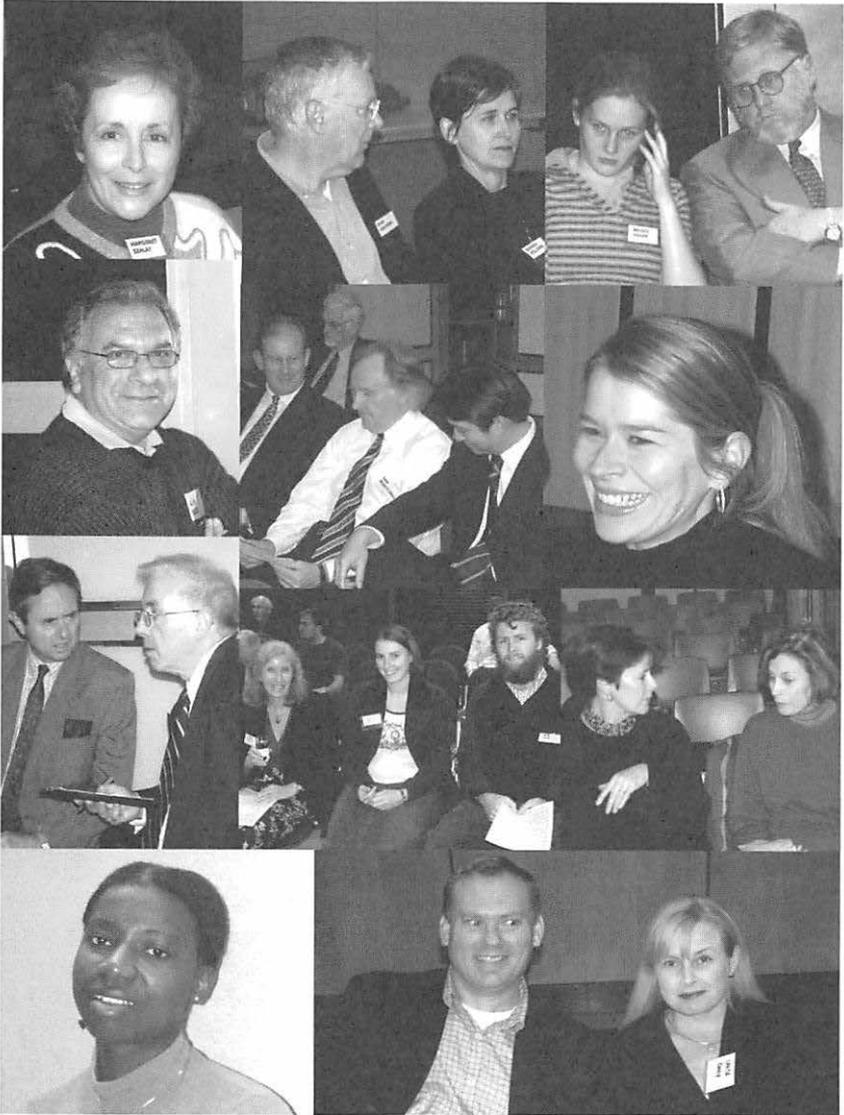
The book ends with a chapter on John Howard. The challenge Howard faced when he became leader in 1995 was to reinvigorate – reinvent even – a stable language of unity for the Liberal Party after neoliberalism’s championing of free choice and competitive individualism. He used the division between economic liberalism and social conservatism to help him contain the divisive and competitive language of neoliberalism. Unity was to be found in family values and mainstream nationalism. He did not make a great deal of head way in the first term, but in the second he began to successfully commandeer the values of the Australian Legend from the left and attach them to the Liberal Party, making it the champion of the egalitarian, down to earth, friendly Aussie, of practical mateship and hard working battlers, and representing the Labor Party as the party of the elites. That is, I argue, against the prevailing opinion on the left, that Howard’s success was not based on his playing of the race card and his mobilisation of an anxious xenophobia but on his appeal to more positive values carried in Australia’s vernacular nationalism. But the closer I came to the present the harder it became to write – to see the deep patterns for the surface disturbances, to distinguish historical judgement from political polemic. And as I wrote the target kept moving – as it still is. I decided to stop with the arguments about the *Tampa* and asylum seekers and not to follow Howard’s leadership into the Iraqi War. I’d taken the century as the frame for the book – and that was a story for historians of the twenty first century.

## **Endnotes**

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1 Cited in Brown, *Governing Prosperity*, p. 11

### FUNCTION NIGHTS – 2003



Photographers: David Karonidis



Photo – David Karonidis

*Michael Casey*

Dr Michael Casey is a sociologist and private secretary to Dr George Pell, Catholic Cardinal of Sydney and Permanent Fellow in Sociology and Politics at the Australian campus of the John Paul II Institute for Marriage and the Family. His book *Meaninglessness: The Solutions of Nietzsche, Freud and Rorty* (Freedom Publishing) examines how three key thinkers – Friedrich Nietzsche, Sigmund Freud and Richard Rorty – propose to solve the problem of meaninglessness in human experience, and the sort of world their solutions would bring into being. Michael Casey addressed The Sydney Institute on Wednesday 5 November 2003.

# THE POLITICS OF

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## MEANINGLESSNESS

M. A. Casey

Meaninglessness has always been understood to have social and political consequences. The compelling human need for some sort of transcendent and comprehensive meaning to give value to the life of the individual and to life in common is not something peculiarly modern. Nor is the considered conclusion of a few philosophers that no such meaning obtains. But the lived absence, the more or less generalised experience or fear of the impossibility of such meaning is something different. This is one of the major characteristics of modern life and was recognised as such in the first half of the nineteenth century when various thinkers commenced the task of tracing the main lineaments of modernity. We are inclined to think today that to the extent that meaninglessness is a problem at all, it is strictly personal. The greatest theorists of meaninglessness have never seen it this way. The Russian novelist Dostoyevsky gave us one of the starkest formulations of what the personal experience of meaninglessness means for the common good when he warned that if there is no God, then everything is permissible.

There have been those, before and since, who understood this claim less profoundly and took it to mean that without some sort of divine or super-human sanction the prohibitions on things like murder and robbery would be swept away in a *tsunami* of social anarchy, as the violent and impulsive masses, liberated from the fear of hellfire, took to stealing the silver and killing their betters at will. Dostoyevsky was too good a sociologist to fall for this. His concern is best captured in something else he said: that if God does not exist there is no difference between a murder and a kiss. On the face of it this is an absurd claim, and it has always been the easier of the two formulations to disparage. But Dostoyevsky is making the point that without some clear and certain concept of the significance of life and the conditions for genuine human happiness, our decisions about what is right and wrong, good and evil, meaningful and futile, have nothing to guide them in the end but individual preference – sometimes rationalised and sometimes not.

In this situation whether something is death-dealing or life-giving – a murder or a kiss – begins to depend on where you are standing and how you see things.

For example, all of us would hold that there is an incommensurable difference between a father who cares for and looks after the woman who is carrying his child, and the father who kicks this woman over and then stomps on her stomach to bring the life of the child in her womb to an end. But if there is no transcendent reality – a reality above and beyond our preferences – on what basis can this difference stand? When it comes to pregnant women and children, most of us most of the time are on the side of life and love. But what does that enable us to say to the father who, having failed to persuade his girlfriend to have an abortion, decides to procure a miscarriage himself? What do we say to him if he argues that his girlfriend was trying to trap him into a commitment by not having an abortion, that he could not afford to support a wife and child, that fatherhood simply wasn't right for him at this stage in his life-journey? We prefer life, but he prefers death – as the means by which he can preserve his freedom. Most of us would feel that such a man needs to be judged and punished according to the evil he has done. But are we really comfortable with the idea that perhaps the only way of doing this is by majority vote? Majorities, after all, are changeable beasts.

Increasingly over the last 40 years or so we have had recourse to the courts to resolve difficult problems of this sort. The adjudication of these apparently insoluble questions of value is determined according to whether the law condemns or permits a certain sort of behaviour, and it frees us of any necessity to enquire about the basis on which the law makes its decision. This worked for a while, but there are clear signs that it is no longer a satisfactory solution. When resort was first made to the law in response to the waning authority of a common moral consensus in Western societies it made sense because the law still retained a strong normative dimension. Since then, the normative dimension of law has been leached away by legal philosophies which emphasise the ideological nature of the law. This interpretation of the law has proved to be self-validating. In a context where disputes over values are substantial and real, and where legalism has become the preferred mode of resolving them, the power to appoint judges (or to influence or veto the appointment of judges) has come to be seen as decisive.

This tendency has gone furthest perhaps in the United States, where the justices of the Supreme Court seem to prefer exchanging polemics with each other in their judgements to applying principle and precedent, and where the fight over judicial appointments is bare-knuckled, to say the least. Apart from the difficulty this creates in ensuring that the law is clear and reliable, it has placed the law itself in a

position where – rightly or wrongly – it is seen as a not-so-subtle means of ideological domination. In Australia we are not nearly so advanced down this path, and this is something to be grateful for. The problem locally is more that on occasion the law appears to be headless. On the one hand it will produce rulings like that of the High Court earlier in the year which found that in certain circumstances the birth of a healthy child may be a wrong compensable at law. On the other hand, it will produce rulings like that of the District Court of New South Wales, which held in early October that, provided she is not otherwise hurt, it is not grievous bodily harm to kick and stomp on a pregnant woman's stomach to procure a miscarriage.

While the Director of Public Prosecutions is appealing this last decision, the very fact that this sort of determination can be made suggests that relying on the careful deliberations of jurists to resolve fundamental questions of value is not a serious long-term proposition. To say this is not to deride the integrity or conscientiousness of our judges. This is certainly not my intention. It is simply to highlight that like the rest of us they are at sea when it comes to providing a basis for knowing why some things are good and some things are evil. The operative word here is *knowing*. For this is what we need: knowledge, true knowledge, knowledge about the meaning, the significance, the value of human life – the life of ourselves in all the drama and mystery of our individuality; and the life of those around us with whom we make the *polis* and the common good. Where is this knowledge to come from if not from rational reflection on what our actions set out to achieve and whether these goals are in any way conformable with real human happiness? The presupposition that reality offers no such knowledge has become the default position for any consideration of the subject of truth and reality. It needs to be re-examined.

We are not very clear in our society about the relationship between truth and freedom. We are not clear about whether truth exists at all, and we think of freedom, following Hobbes, as absence of impediment. On the one hand we rather lazily assume that truth and freedom have nothing to do with each other, and that in any conflict between them freedom must trump truth. On the other hand we still have a lingering sense that knowledge in some way or other helps to make freedom possible – that the truth will set us free. The freedom that knowledge of the truth brings is important not just for individual fulfilment, but also for the well-being of a community. A community that attempts to resolve the inevitable conflict of preferences and interpretations that characterises every human interaction by reference to some concept of the truth, however imperfectly or incompletely or even erroneously understood, is better able to preserve cohesion, generate consensus and maintain public confidence in its institutions than a community where this conflict is resolved more or less arbitrarily through the strategic

control of institutions. In its modern form democracy has always been understood as a realm of freedom. But freedom never exists by itself. It is always accompanied – either by power or truth. We use it to assert ourselves against others, or we use it in the service of others and the common good. If democracy is to flourish as a realm of freedom it needs more people who, in one way or the other, choose to live their freedom in truth rather than live it as power. If the proportions are reversed the formal arrangements of democracy can very easily come to be used as cover for thinly-disguised forms of coercion and domination.

Of course it is often said that the real liberation democracy brings about is precisely liberation from the truth, especially religious truth. A related claim is that genuine democracy can only ever be *secular* democracy. But are these assertions true? In a situation of meaninglessness many things become distorted, not least the need for meaning itself. This distortion extends even to the religious impulse, which might properly be described as the highest form that the need for meaning takes. We flatter ourselves that we are over religion and until recently this conceit could anchor itself to the concept of secularisation, which presumed that modernity brought with it a steady and irreversible erosion of religious belief and affiliation. But the sociological evidence no longer supports this claim. Far from slowly withering away as it was supposed to, religious belief in its traditional forms has revived dramatically in Latin America, the United States, Africa, the Muslim world, east-central Europe and in parts of Asia like South Korea. But even in what remains of the “secular” West, religion is by no means a spent force, although it has sometimes taken surprising forms.

The Italian political theorist Emilio Gentile argues that, far from eliminating the “problem” of religion, the sheer scope and pace of change modernity has wrought has created a situation of “crisis and disorientation” which has led directly to “the re-emergence of the religious question”. At the beginning of the twentieth century the philosopher Benedetto Croce claimed that the problem of modernity is above all a religious problem. Religion arises from the need for meaning, the need for “orientation” in relation to life and reality:

Without religion, or rather without this orientation, either one cannot live, or one lives unhappily with a divided and troubled soul. Certainly, it is better to have a religion that coincides with philosophical truth, than a mythological religion; but it is better to have a mythological religion than none at all. And, since no one wishes to live unhappily, everyone in their own way tries to form a religion of their own, whether knowingly or unknowingly.

Modernity has not been the end of religion. Rather it has demonstrated the tenacity of the religious impulse, both in the persistence and growth of traditional religions and in the appearance of new religious forms. As Max Weber predicted, the gods have not been destroyed by the modern world. They have merely assumed some new guises.

The most important new form the religious impulse has assumed is that of secular religion. In its more extreme forms we can trace this back to the godless religion of the French Revolution. In the twentieth century this particular form of secular religion reached its apogee in the great totalitarian ideologies, and right up to the fall of the Soviet Union Marxism continued to provide some people with a type of religious faith. These particular forms of secular religion had several important features in common, including adherence to the myth of revolution as the source of regeneration; the sanctification of violence; the conferral of sacred status on an entity (the proletariat, the *volk*, etc.) making it the absolute principle of collective existence and the main source of values for the individual and the masses; and an interalist concept of politics which sought to bring about a harmonious, unitary and homogenous community. A key feature which this particular form of secular religion has in common with its more moderate forms is what Gentile describes as "the sacralisation of politics". This is not the same as the politicisation of traditional religion or the sacralisation of political power (for example, in the concept of the divine right of kings). Instead the sacralisation of politics entails conferring a more or less sacred status on some sort of secular entity or value, so that it becomes the principle source of orientation for collective existence.

What typifies the less extreme forms of secular religion is the freedom of the individual from the collective. Examples include the "civic creed" or civil religion that informed the foundation of the United States; nationalism in its milder forms; and Green politics in general. But perhaps the most important form of secular religion in the West is the cult of secularism itself. It looks mild and friendly, and there's no doubt that the recent focus on Islam has certainly revived secularism's stocks. But as Kenneth Minogue has remarked, behind Western secularism's moderate and reasonable facade is "a universalism that yields nothing in conviction and determination to Islam itself". It sustains itself with the conviction that the secular individual is liberated from "the superstitions and prejudices inherited from less enlightened times", the prime example of which is always religion. Instead of the tyranny and division of religion, secularism claims to bring tolerance as the means of ensuring social peace. But it is increasingly tolerance of a narrow kind.

In Canada critics of same-sex marriage have been found to be in breach of human rights legislation for publicizing their views, and in Victoria Christian ministers who have raised concerns about Islam have found themselves before anti-discrimination commissions. In 2001, when the Anglican Archbishop of Sydney, Dr Jensen, suggested that Christians should do more to evangelise Australian society, the *Sydney Morning Herald* published an editorial condemning this idea as arrogant, dangerous, and a recipe for bloodshed. Observing that

“in Australia, one’s religion is largely a private matter”, the editorial concluded – with only a small hint of menace – that “it should remain that way”. This editorial captured the secularist attitude to traditional religion very well: it is acceptable, perhaps even a good thing, to have some of it around for the sake of “diversity”, but it can only be tolerated on the condition that it is privatized. The privatization of belief is usually justified by referring to the importance of maintaining the public domain and public policy as “neutral” areas. But privatization does not favour neutrality. It is a way of silencing your opponents and as such favours the dominant secular cultural identity.

Secularists would have us believe that in the West at least, Christianity has been vanquished, and there is some evidence to support this claim. This being so, how do we explain the unrelenting – even increasing – hostility of secularism to Christian beliefs and claims? Understanding secularism itself as a form of religion helps to make sense of this. Earlier I cited Benedetto Croce’s distinction between “mythological religion” and “religion that coincides with philosophical truth”; put more simply, the distinction between religion as myth and religion as knowledge. Illusions of meaning typically take the form of myth. In the classical world, myth and religion did not belong to the order of reality as such. The gods were a creation of the state, instituted to subserve culture, morals, and the political order. They were the fiction that made these other things possible. The appearance of Christianity decisively changed this situation. From the beginning, Christianity based itself not on the poetry and presentiment that gave rise to myth but on philosophical rationality. It was not content to rely on a social or political justification and to worship in the absence of truth. Instead, as Cardinal Ratzinger has observed, it appealed to knowledge and to the rational analysis of reality, displacing myth “not by virtue of a type of religious imperialism but as the truth which renders the apparent superfluous.”

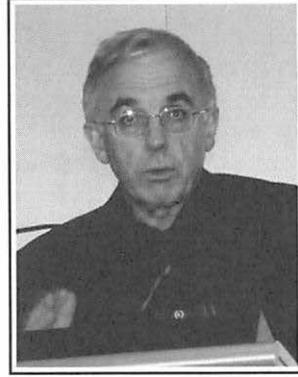
Christianity’s refusal to confine itself to the realm of myth, its refusal to offer merely one more illusion of meaning, its repudiation of what is false and its insistence on the truth, is precisely what makes it intolerable to secularism, which is also a type of religion claiming to be a form of knowledge rather than a form of myth. It recognises in Christianity its only serious rival for the triumph of intelligence over illusion. But as the reflections in the first part of this talk tried to highlight, it is impossible to sustain knowledge as knowledge without a concept of the truth. Like other forms of secular religion, secularism insists that there is no transcendence. In the words of Jean Bethke Elshtain, “lived life exhausts itself: it is self-encapsulated”. There is nothing beyond us. While the denial of transcendence enables us to assert supremacy, both at the collective and (most importantly) at the individual level, over time it leads to a “flattening out of human possibility and a deep sense

of emptiness.” Instead of truth, secularism has opted for a concept of radical and absolute freedom, which has led it away from knowledge and into the blind alley of myth – the blind alley of total human autonomy. The freedom it claims to bring is increasingly the freedom to assert oneself against others. It is not freedom that is vindicated in this, but power.

The politics of meaninglessness is a complex thing, and it yields some surprises about our present situation. We are not as secular as we like to think, and being without religion in the traditional sense is by no means incompatible with holding to some sort of secular religion. In this context, the idea that an exclusively secular polity will solve the problem of religion and the conflicts it is alleged to cause is misplaced, because it does not acknowledge the way that the religious impulse can work its way out in secular forms which can be just as tyrannical and divisive, and just as prone to producing conflict. There is no future in theocracy, but more and more it seems that there is no future in secularism either. This places us in a new and completely uncharted situation. It requires us to reconceptualise our ideas of democracy, freedom and the common good to ensure that they continue to be real and enduring possibilities for the future.



*Susan Ryan*



*Gerard Henderson*

Photo – David Karonidis

To celebrate the twentieth anniversary of the Hawke-Keating ascendancy, former minister in the Hawke Governments Susan Ryan and Troy Bramston, a policy and political adviser, produced a comprehensive evaluation of those years in one volume – *The Hawke Government – A Critical Retrospective* (Pluto Press). The book has been described as a “compelling account of the far-reaching legacy of Labor’s longest serving government” and it brought together analysis from some of Australia’s most respected writers and political players. In a discussion of the Hawke legacy, two contributors to the book, The Hon Susan Ryan and Gerard Henderson, Executive Director of The Sydney Institute, addressed The Sydney Institute on Tuesday 11 November 2003.

# THE HAWKE

## GOVERNMENT – A RETROSPECTIVE

Susan Ryan

Late last year I was invited by some young political enthusiasts to co-edit and contribute to a broad ranging retrospective account of the Hawke Government.

My first response was that I had said all I wanted to say about that period of government, and my part in it, in my memoirs, *Catching the Waves*, published a couple of years earlier. Further, several of my former Cabinet colleagues, including Bob Hawke himself, had published memoirs and assessments of Australia's longest period of Federal Labor government.

In fact, our Cabinet was notorious for having produced more authors, writing about itself and its own activities, than any other Australian government, and possibly any government anywhere. Hawke, Button, Blewett, Walsh, Hayden, Keating, Evans, Richardson, Uren, Tickner and myself had each published accounts of aspects of the life and times of the Hawke governments. A number of us had been the subject of major biographies; Hawke and Keating (several each), Evans, Beazley, Richardson and, again, Button.

Not only did we write about ourselves, but the field had also been well traversed by leading political journalists including Paul Kelly, Mike Steketee, Michelle Grattan and Craig Macgregor. Academics and psephologists had not neglected us either. So did we need this proposed new book, a retrospective of the Hawke Government?

My young, soon to be co-workers, made a convincing case. Much had been written on various aspects and personalities of the topic. But the twentieth anniversary of the election of the first Hawke Government on 5 March 1983 was fast approaching. The Hawke years they argued had changed Australia, dramatically, permanently and, in most respects, for the better. An assessment of it all, with the benefit of two decades of hindsight would be an entirely new, and it was hoped, important contribution to the national debate, to Australia's political history.

I considered all this and the broader context in which we were having the discussion. Such are the ironies of political history that it

had come about that by the year 2002, in the awareness of those who are interested in such matters, it was the ambitious, creative but short lived and disaster prone Whitlam Government that had come to stand in the public mind as the defining example of Labor in power.

The much longer, stable Hawke years and the numerous and massive economic and social reforms they generated were slipping from public memory. Worse, a narrow, pedestrian, bitterly ideological, conservative Coalition government had for some years now worn down the people's notion of the role of government. They had succeeded in lowering, drastically, the community's expectations that government could or should improve the lot of the poor and disadvantaged, those who had been left out of the national progress.

While reaping the electoral benefits of the continuing economic growth created by Labor's heroic reforms of the economy and financial institutions, the Coalition had been steadily erasing the Hawke consensus around equality of opportunity, compassionate social policy, and a vigorous, humanitarian and independent role in world affairs. Worse still, Labor itself federally seemed to act as if the Hawke years had never happened. So I accepted the invitation to produce the book, in the hope that, to put it simply, it would help bring about better government.

I decided to go for it, gearing myself up for a lot of hard work and frustration. My friend and colleague John Button advised me not to do it. Drop the whole thing he said. Too many hazards, too many egos. Admire Button as I do, on this occasion I set aside his advice.

The actual process of planning the book's structure and content turned out to be unexpectedly invigorating. As we went along, my co editor Troy Bramston and I became increasingly excited at the range and quality of the record. My particular task was to persuade a large number of distinguished Australians, by definition busy people with reputations to uphold, to contribute several thousands of words to a pretty tight brief. We wanted diversity, vigour, and a constructive but not uncritical approach. We wanted original work and of course, (our publisher was Pluto), we were asking for a labour of love.

We approached former ministers, leading journalists, distinguished scholars, advisers and high profile activists. Most of the latter had been in an adversarial relationship with our government. Importantly, I was determined to include a frank, detailed and informed account of one of the most remarkable features of the Hawke government, the Accord with the trade union movement. To my surprise and pleasure, most people accepted my invitation. Invited contributors immediately grasped the purpose of the book, and endorsed it. Most of them delivered and in fine form. Every time I look at the table of contents and the list of authors, I feel a thrill of amazement and satisfaction at having helped to compile such a star studded array, a veritable compos-

tela of Australian political actors and observers. As chapter after chapter popped up in my inbox, it was like presents arriving for a fabulous Xmas. The result I believe is a unique and remarkable book about a remarkable government.

The book is remarkable because it is about a period of government such as Australia had never seen before. A crucial aspect of that government was its leader, Bob Hawke. Several chapters are devoted to analysing, trying to get to grips with those aspects of Hawke's personality that made him an overwhelmingly successful national leader. Insightful, experienced journalists, (Kitney, Freudenberg, Henderson) explore what it was about Hawke that enabled him to tackle vast and radical economic and social reform, get most of it right, and keep the electorate on side for such a long period.

Over recent years the topic of successful leadership and what constitutes it has greatly occupied the upper echelons of the corporate world. The only recurring answer here is that successful leaders are people who have to be paid millions of dollars annually. When those who were intended to be successful corporate leaders fail horribly, they still have to be paid millions of dollars. This is one obvious way in which political and cooperate leadership differs.

In politics, what constitutes successful leadership? Certainly not financial rewards. In politics failure gets no prizes, financial or any other kind. As Hawke's last months in the prime minister's job demonstrated cruelly, even success may go unrewarded. But staying there is essential to political success. Producing a track record that after 20 years looks even better than it did at the time is surely another criterion. Clichés about leadership style don't help. They certainly don't explain Hawke.

Hawke's capacity to relate to his fellow citizens, to shock, stimulate and inspire them was known to Australians from his stormy days as leader of the ACTU, when he regularly and very publicly negotiated amazing deals and near miraculous settlements. But how would these talents, part of an unruly, wild temperament, translate to the prime ministership? This was a question no one could answer in advance, except perhaps Bob himself, and his biographer Blanche d'Alpuget.

The Australian public was more than prepared to take the risk. They turned out to be big winners. Hawke's capacity for discipline and hard, detailed work, on the biggest questions facing the nation and the world, as well as on the practical day to day tasks of managing caucus, the bureaucracy and the media delighted and perhaps surprised his colleagues, including me. Australians generally were pleased but not so surprised.

Leadership is a huge and endlessly fascinating topic of consideration of government. It is not the only one. Governments are there to do things, to make and implement policy. The book covers major policy reforms, the successful ones: the economy, health, education,

welfare and foreign policy, and those where we didn't get it right, like Aboriginal affairs. In industry policy, we got some of it right; hence today Australia still has a steel industry and an automobile industry. As Button documents, we lost a lot of manufacturing activities and the jobs they sustained.

Despite the painful downside of unemployment, the economic reforms of the Hawke/Keating era were unparalleled in their scope and effectiveness. They generated the economic strengths of Australia in 2003. The environmental record delighted green thinking citizens but alarmed the powerful mining industry. Feminists could not quite keep up with the reform agenda for women, much of which, though crucial, is now obscured by the contemporary concerns about work/family pressures and the enduring if less overt sexism of our workplaces. Advocates for migrants and the poor came finally to appreciate how much was delivered, but alongside the growth of a continuing hard core of unemployed. The union movement, through the Accord, was our close and essential partner, though not all unionists from this distance judge that partnership as kindly as Kelty, Willis, Hawke and Keating did then and do now.

What do I think about it all now, the Hawke government and this latest attempt to assess it? I remain convinced of the value of a detailed, informed and sometimes critical record of what a reforming, capable national government can do, how it can use its vast resources and people to change the country for the better, how it can open us up, turn our gaze to the rest of the world, give us a constructive role in that world. I think Australians need to be reminded.

As a nation, we are and have been for some years in difficult times. Morally and as a community, if not economically. Australians have turned off national politics and politicians, cynical about what government does for them, or fails to do. I hope this book restores some faith in the power of government to do good.

Finally, I want to make this point. It has long been fashionable in some quarters to say that the Hawke Government was not very different from a conservative government. Anyone who reads this book must repudiate this error.

Only a Labor government would have made and maintained the Accord with the trade union movement, which facilitated the longest lasting economic and industry reforms.

Only Labor would have reintroduced universal health insurance.

Only Labor would have put vast public resources into public education so that the number of students finishing high school doubled, and university places increased hugely, without inflicting heavy debt on students.

And, twenty years on, I am happy to be able to say that only a Labor government would have legislated against sex discrimination and

put in place a raft of equal opportunity policies, bringing Australian women out of the margins into the mainstream.

Finally, as each day passes it seems more and more evident, as Hawke argues in his Forward to the book, that only a Labor government, in the tradition on of John Curtin and Ben Chifley could have delivered the independent, intelligent and constructive position on national security and international affairs that is the proud record of the Hawke years.

# THE HAWKE

## *GOVERNMENT – A RETROSPECTIVE*

**Gerard Henderson**

It is almost half a century since the Labor Split of the 1950s – which commenced in Sydney on 5 October 1954 (when the ALP leader Bert Evatt launched a public attack on the Victorian ALP State executive) and concluded in April 1957 (when then Queensland Labor premier Vince Gair was expelled from the ALP along with all but one member of his cabinet).

Labor, which won office in Victoria in December 1952, was defeated at the May 1955 election – the ALP did not regain office in Victoria until September 1981. In Queensland, the Country (later the National) Party won the August 1957 State election – and held on to the ministerial benches until December 1989. At the Federal level, Bert (“call me Doctor”) Evatt led the ALP to losses in December 1955 and November 1958. He was succeeded by Arthur Calwell who took the ALP to defeats in 1961, 1963 and 1966.

Gough Whitlam finally led Labor to victory in December 1972 – some 18 years after Evatt had split Labor. Certainly, there were a number of Labor types spoiling for a fight in the early 1950s – including sections of the Labor right (some of whom were associated with B.A. Santamaria’s Catholic Social Studies Movement) and elements of the Labor left (some of whom were close to the Communist Party). However, as a number of ALP friendly commentators and historians have concluded recently, it was Bert Evatt who sparked the fire which commenced the inferno. As such, it was Bert Evatt who made possible Robert Menzies’ record period as prime minister – from December 1949 to January 1966.

I grew up in a Labor voting family. My father, Norman, was a member of the Clerks Union and a rank-and-file ALP member. My mother, Pauline, was not an activist but, I believe, voted Labor. As did my Dargavel aunts (Rita, Ellen) and uncle (William) – to whom I was very close.

As a young boy I lived in Balwyn, in Melbourne’s eastern suburbs. At the Federal level, Robert Menzies was our local member. As soon as

I was old enough, I asked my father if I could help him – if “help” is the correct word – in distributing flyers and pamphlets in the lead-up to the Federal and State elections.

So, at the Federal level, I handed our “vote-Labor” (and “vote Dr Evatt”) material at the May 1953 separate Senate election and May 1954 Federal election. Then my father, who was a supporter of the ALP State executive, was expelled from the party – along with thousands of others – by the forces aligned with the Federal executive and Bert Evatt. So, in December 1955 I commenced handing out (with my father) electoral material for the break-away Anti-Communist Labor Party – which subsequently changed its name to the Democratic Labor Party.

When I was aged eight, Labor looked like a potential winner. By the time I had turned ten, Labor was about to become a perennial loser. For starters, in my extended family alone, the ALP lost five votes. My parents, aunts and uncle, now voted DLP and, more importantly, gave their preferences to the Liberal/Country party Coalition ahead of Labor.

It was around this time that I learnt how counter-productive expressive, or symbolic, politics could be. Although, of course, I did not use such terminology – or embrace such concepts – at the time.

When Gough Whitlam defeated the incumbent Coalition prime minister in December 1972, Labor had been in opposition for a full 23 years – in short, a generation. No members of the Whitlam government had ministerial experience – and it soon showed. Gough Whitlam exhibited little interest in economics, despite a deteriorating international economic situation. Economic policy seemed to be dominated by the Labor left – Jim Cairns, Clyde Cameron and Tom Uren.

Despite its evident economic incompetence and its humanitarian indifference to refugees when it mattered in 1975 – the Whitlam Government has been well regarded by leftist luvvies and their ilk. And, of course, there is always standing-room-only in the Gough Whitlam Fan Club – despite the fact that this particular Labor Saint led Labor to near record defeats in December 1975 and December 1977.

Sure, Gough Whitlam was an interesting and, at times, attractive politician. But his administration was flawed and his legacy set up Malcolm Fraser for easy victories in 1975 and 1977 – along with a margin sufficient enough to win a third term in 1980. And then, not long after, along came Bob Hawke – and victory in March 1983.

When I went to work for John Howard in January 1984 (in his, then, capacity as Deputy Leader of the Opposition) it soon became evident that Bob Hawke and his colleagues had gained the political ascendancy. In my chapter in *The Hawke Government: A Critical Retrospective*, I mentioned ten able ministers – Bob Hawke, Paul Keating, Peter Walsh, Susan Ryan, Gareth Evans, Kim Beazley, John Button,

John Dawkins, Ralph Willis and Neal Blewett. On reflection, I could have named more names.

The Hawke Government – from the prime minister down – exuded competency. This is not what the leading members of the Liberal/National Party had anticipated. They remembered the shambles that was the Whitlam Government – and found the evident efficiency of the Hawke Government a most unwelcome political surprise. They were also unnerved by the parliamentary wit – perhaps invective is a more appropriate term – of a Paul Keating or a Mick Young.

And then there was the matter of policy. As Barry Jones acknowledges in *The Hawke Government*:

There was a U-turn between what Labor promised in the March 1983 election campaign and the relatively dry, non-interventionist economic line taken in the 1983–84 Budget. In the election, Labor pledged selective support for “sunrise industries”, strengthening Australia’s research base, maintaining tariff protection and keeping out foreign banks. Hawke explained in his memoirs that he had long been an opponent of tariffs and that Treasury’s very unfavourable projected budget figures for 1984–85 made a rapid change in Labor’s traditional direction inevitable.

Bob Hawke, once a populist, had approached the 1983 campaign on a “throw-away-your-calculators” platform – along with the advocacy of consensus as a love-in answer to Australia’s economic problems. However, soon after the election, what is perhaps best described as the Hawke-Keating Government commenced a serious reform agenda – the beginning of a 20 year program of economic reform (commenced by Labor and continued by the Coalition) which has left Australia with a remarkably vibrant economy today. So strong that it has been able to withstand the Asian economic downturn, recession in the United States and the worst drought in Australia for a century.

The Hawke-Keating government deregulated the financial system, floated the currency, reduced protection, privatised Qantas and the Commonwealth Bank, commenced reform of the highly centralised industrial relations system, revamped the welfare system and more besides. As Barry Jones has acknowledged in *The Hawke Government*, “this change of direction was a leap of faith, made easier because the Opposition supported the same line, even urging the government to go further and faster”.

On foreign policy, Bob Hawke and his senior ministers decided to maintain the Australian-American Alliance. In other words, it rejected the approach taken by the New Zealand Labour government in the mid 1980s. David Lange was prime minister when New Zealand opted out of ANZUS – and Helen Clark was the prime mover behind this policy. They had no prominent allies in the ALP.

Bob Hawke’s efficiency and commitment to reform was rewarded by the electorate – being returned to office in 1984, 1987 and 1990.

Then Paul Keating made it five in a row for Labor in 1993. Since Labor's previous longest term in office was eight years – from John Curtin assuming the prime ministership in October 1941 to Ben Chifley's defeat in the December 1949 election – the success of the Hawke-Keating governments suggests that efficient and reformist Labor governments work best.

On both occasions – for a while, at least – the political conservatives found the going tough indeed. The United Australia Party fell apart in the early 1940s and was replaced by the Liberal Party in 1944–1945. In the late 1980s and early 1990s, the Liberals floundered under successive leaders (Andrew Peacock, John Howard, Andrew Peacock again, John Hewson, Alexander Downer) until Howard restored the party's fortunes at a national level in early 1995.

Writing in *The Australian* on 23 September 2003, Phillip Adams related how “a couple of years back” he asked Paul Keating “what it felt like to be the last Labor prime minister”. By this he meant “not last as in most recent” but “the *last*; as in final”. In the same column Adams (i) lauded “the true believers of the Chifley era”, (ii) proclaimed that if Simon Crean was replaced by Kim Beazley “the party will effectively split”, (iii) warned the ALP that, in such a scenario, “you party-machine men” should not be “too confident” about second preferences and (iv) praised the stance taken by Carmen Lawrence and Barry Jones on asylum seekers.

Such Adams-endorsed nostalgia overlooks some central facts. In early 1985 Paul Keating was an enthusiastic supporter of Bob Hawke's wish that the United States should be able to test its MX intercontinental missile in Australian waters. In late 1990 Bob Hawke (with Paul Keating's support) committed a naval taskforce for action against Iraq following a phone conversation with President George Bush – and before the United Nations sanctioned the use of force against Saddam Hussein's regime. During his time as treasurer and prime minister, Paul Keating implemented an economic reform agenda which was the antithesis of what Adams stood for. Then, in 1992, the Keating Government introduced mandatory detention for asylum-seekers. Adams also praised Ben Chifley's true-believerism – overlooking the fact that it was Chifley's attempt to nationalise the private trading banks in 1947 that directly contributed to Labor's defeat two years later. And Adams canvassed the desirability of (yet) another Labor split, where the break-away group directs its preferences to the Coalition ahead of Labor.

Today Phillip Adams is critical of what he terms Labor's “catastrophic failure” – in a policy sense – while in Opposition – particularly on asylum seekers. Yet he avoids the fact that if Kim Beazley had adopted Adams' current stance on asylum seekers in the lead-up to the November 2001 election – then Labor's defeat would have been significantly greater than it was. Simon Crean faces a similar dilemma

today. He wants to fight an election on Labor's ground – health, education and so on. Not on John Howard's preferred areas of national security and border protection. So it is unlikely that Simon Crean will present the Howard Government with the soft target that Labor is weak on border protection. In his *Australian* column on 10 October 2003, Michael Costello (who was chief-of-staff to former Opposition leader Kim Beazley) reflected: "It is a pity that so many of the Left voices in Australia are of a kind that wallows in nostalgia for glorious defeat and contempt for the tough, pragmatic political demands of democracy; that is get 51 per cent or die."

Phillip Adams declaims the "abysmal performance" of the contemporary ALP. As Paul Strangio documents in *Keeper of the Faith: A Biography of Jim Cairns* (2002), Adams was the author of the famous "Whose party is this? – Ours or his?" open letter which Cairns used when he challenged Whitlam for the Labor leadership in 1968. In an important review of Strangio's biography in *Overland* (Issue 169), Dennis Glover referred to the Whitlam/Cairns contest of 1968 in the following terms:

This episode and the truly extraordinary political life of Jim Cairns illustrate a point not generally realised by left-wing critics of the ALP today – that until his political martyrdom in 1975 Gough Whitlam was regarded by the Australian left as betrayer of the socialist cause. Cairns, not Whitlam, was the left's hero. Cairns was seen as an idealist, Whitlam as a compromiser. It is ironic that many who believe that there has never been a real Labor Party since 1975 actively opposed Whitlam's attempt to modernise the ALP in the 1960s...This includes commentators like Phillip Adams.

Dennis Glover is principal speech writer to Opposition leader Simon Crean and worked as a political adviser to Kim Beazley.

Ever since the advent of socialism and the formation of social democratic parties over a century ago, there has been a division on the left of democratic politics. There is the "Here-I-stand" philosophy and "Let's-achieve-something" school. The former advocates the implementation of undiluted principle. The latter recognises that policy is only achieved by incremental change from government and, consequently, accepts the inevitability of coalitioning and compromise.

Advocates of the "Here-I-stand" worldview have invariably fallen into despondency. This was true early in the career of the German sociologist Robert Michels (1876–1936) who maintained, in his 1913 book *Political Parties*, that there was an "iron law of oligarchy" which inhibited political change. Michaels became so disillusioned with the democratic politics practised by the German Social Democratic Party that he ended up a barracker for Benito Mussolini and Italian fascism.

The Australian archeologist Gordon Childe (1892–1957) stated a similar view in his 1923 book *How Labor Governs* in which he expressed a deep disillusionment with the incapacity of ALP governments to

achieve social reform. So deep was Childe's evident despair that he appears to have leapt to his death in the Blue Mountains.

Then there have been the political theorists who have recognised the primacy of compromise as a step towards achievement. Most notably the German sociologist Max Weber (1864–1920) who wrote sympathetically about the “ethic of responsibility” in contrast to the “ethic of ultimate ends” in his influential essay “Politics as a Vocation” (which was written in 1918 and published the following year):

We must be clear about the fact that all ethically oriented conduct may be guided by one of two fundamentally drifting and irreconcilably opposed maxims: conduct can be oriented to an “ethic of ultimate ends” or to an “ethic of responsibility”. This is not to say that an ethic of ultimate ends is identical with irresponsibility, or that an ethic of responsibility is identical with unprincipled opportunism. Naturally nobody says that. However, there is an abysmal contrast between conduct that follows the maxim of an ethic of ultimate ends – that is, in religion terms, “The Christian does right and leaves the results to the Lord” – and conduct that follows the maxim of an ethic of responsibility, in which case one has to give an account of the foreseeable results of one's action.

A similar theme was developed by Frank Parkin in his 1968 book *Middle Class Radicalism* on the activities of the leftist Campaign for Nuclear Disarmament (CND) in Britain in the 1950s and 1960s. Parkin distinguishes between instrumental and expressive politics. The former “is primarily concerned with the attainment of power to bring about desired ends, even if this means some compromise of principles”. Whereas the latter is “mainly concerned with the defence of principles, even if this means relinquishing power”.

When she resigned from the Labor Opposition front bench in December 2002, Carmen Lawrence pulled on a “Here-I-stand” guernsey. Interviewed on the ABC TV *7.30 Report* (5 December 2002), she spoke of the need for Labor to espouse “pure principle” or “core principle”. And she expressed concern that “a lot of the decisions” the Opposition was “taking are not being taken for the reasons of principle and good policy but rather with one eye to the polls and another to the media impact”.

Shortly before her resignation from the frontbench, Dr Lawrence addressed a conference commemorating the thirtieth anniversary of Gough Whitlam's election victory. She used this occasion (on 3 December 2002) to condemn Labor's “quiescent embrace of mediocrity and decay”. Instead she stated her belief “that the world can be a better place” and declared: “Thirty years on, we need another ‘Whitlam’ to give practical effect to these hopes and to explain them to the greater public.”

Carmen Lawrence's plea overlooked one central fact – Gough Whitlam defeated the Coalition's William McMahon in December 1972 on a series of policies which were essentially practical and empirical.

Namely urban renewal, sewerage, health and so on. In other words, Whitlam won office on an instrumental – not symbolic – platform. He was, at the time, into an ethic of responsibility. In government, however, Whitlam and his leading leftist ministers soon threw the switch to “ultimate ends” symbolism. It took Labor a decade to recover from the memory of the Whitlam government.

In his chapter in *The Hawke Government*, Barry Jones wrote that Bob Hawke presided over an administration that “was efficient, effective and disciplined” but claimed that during “an unprecedented term in office for federal Labor, the Hawke-Keating Governments became remote from their political base”. He recalled that “both government and opposition moved to the Right” and regretted that “the politics was pushed out politics, and replaced by administration”.

Jones also reflected that at the Centenary Celebrations of the Federal Parliamentary Labor Party in Melbourne in 2001, “there seemed to be far stronger emotional reaction from the [Labor] faithful to the failed Keating (1 win, 1 loss) than the successful Hawke (4 wins, no losses)”. He added that Whitlam – with two wins and three losses – remained tops.

In his chapter in *The Hawke Government*, David Day commented: “Hawke and his ministers can count many achievements to their credit; but remaining true to Labor’s tradition was not one of them”. In other words, the Hawke Government won four elections while presiding over a reform process which contributed to Australia’s fine economic performance over the past decade. Yet, such an outcome – according to Day – was achieved by a policy agenda that was contrary to Labor tradition.

In the same essay David Day praised Ben Chifley and cited with approval the one-time ALP prime minister’s advice to his colleagues on the eve of the 1949 Federal election that they were “evangelists for a great cause” and his words of consolation to a disappointed ALP candidate after the 1951 election that “principle” was “the thing the people should fight for, and we do not want to be setting our sails to catch every wind that blows...”.

In September 1946 the Labor Party – led by Chifley – defeated Robert Menzies, who was the new leader of the recently formed Liberal Party of Australia. Then, Chifley gave the ethics of ultimate ends a real nudge – and attempted bank nationalisation. This tactic had the unintended consequence of giving Menzies and the Liberals a cause – an opportunity which they relished. Yet David Day prefers the tradition of a Chifley, whose search for pure principle harmed Labor, to a Hawke, whose essential pragmatism ensured four ALP victories in a row.

On 5 July 1995, Paul Keating’s Cabinet met in the War Cabinet room at Melbourne’s Victoria Barracks – on the occasion of the fiftieth anniversary of John Curtin’s death. Keating used the occasion to praise

Curtin's essential pragmatism. He argued that the very word had taken on a derogatory meaning in the 1970s and 1980s. But Paul Keating defined pragmatism to mean "learning the lessons of history and doing what is honorable and practical at the time".

Labor's most successful governments – led by John Curtin and Bob Hawke – were essentially practical. This is acknowledged by Susan Ryan and Troy Bramston in their introduction to *The Hawke Government* – they express the hope that the Hawke "legacy...will form the building blocks for the next Labor government". Elsewhere Troy Bramston has written (*Canberra Times*, 12 September 2003):

Haunted by the experience of the Whitlam government, Hawke understood the strategy Labor needed to return to office. He highlighted economic management, careful attention to administration and the machinery of government, and was mindful of the foreign policy bogey, which had been used against Labor in the 1950s and 1960s.

True. Except that one person's bogey is another's policy flaw. From the mid 1950s to the late 1960s, Labor flirted with a leftist foreign policy – a flirtation which was embodied in the symbolic politics and political street theatre of Jim Cairns.

Norm Henderson, I'm sure, would have welcomed the fact that the Hawke Government took a stance on foreign policy which was consistent with that of his hero John Curtin. Pragmatism not only ensures efficient administration – it also attracts and retains votes. That's the essential message of *The Hawke Government*.

# The Sydney Institute Annual Dinner Lecture

**Guest Speaker 2004: William Shawcross**

Writer and broadcaster William Shawcross was born on 28 May 1946 in Sussex, England, the son of Baron Hartley Shawcross. He was educated at Eton and University College, Oxford, and has worked as a journalist for the *Sunday Times*. He is a regular contributor to newspapers and periodicals including *The Spectator*, *New Statesman* and the *Washington Post*.

He is the author of biographies of Alexander Dubcek, the Shah of Iran and Rupert Murdoch, along with *Deliver Us From Evil: Warlords and Peacekeepers in a World of Endless Conflict* (2000), which addresses the complex moral and political arguments surrounding humanitarian intervention and *Allies* (Allen & Unwin 2004) on Iraq and the Coalition of the Willing. Earlier works by William Shawcross include *Sideshow: Kissinger, Nixon and the Destruction of Cambodia* and *The Quality of Mercy: Cambodia, Holocaust and Modern Conscience*.

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## GUEST SPEAKERS AT THE SYDNEY INSTITUTE August – November 2003

**David Pryce-Jones** (Author & Senior Editor *National Review*)  
*The Iraqi Campaign – The Political Consequences for the Arab World*

**Dr Norm Ornstein**  
(Resident Scholar – American Enterprise Institute for Public Policy Research)  
*Contemporary US Politics in the Lead Up to the 2004 Election*

**Babette Smith** (Legal Advocate, author *Coming Up for Air* [Rosenberg])  
*Women's Role in Medical Research: a Case Study from the History of the Asthma Foundation of NSW*

**Michael Carmody** (Commissioner of Taxation, Australian Taxation Office)  
*Managing Compliance*

**Lindsay Tanner MP** (Shadow Minister for Communications)  
*Whatever Happened to The Dot-Com Revolution?*

**Dr Kerry Schott** (Chair, Environment Protection Authority)  
*Environmental Issues and Policy – The Role of Government and Business*

**Julianne Schultz** (Editor, *Griffith Review*), **Geraldine Doogue AO** (author & broadcaster) & **Frank Moorhouse** (author & journalist)  
*Griffith Review – Launching Australia's Newest Quarterly*

**Professor Stuart Macintyre** (Professor of History, Dean of Arts, Melbourne University & author *The History Wars* & **Janet Albrechtsen** (Columnist, *The Australian*)  
*The History Wars*

**Kieran Kelly** (Author, *Tanami – On Foot Across Australia's Desert Heart* [Macmillan])  
*History on Foot: The Central Australian Expedition 2002*

**Professor Marc Ellenbogen** (International Business Consultant, President Prague Society)  
*Trans-Atlantic Drift: How can the United States/Europe Relationship be Improved?*

**Senator The Hon John Faulkner** (Leader of the Opposition in the Senate)  
*Senate Reform*

**Dr Bridget Griffen-Foley** (Historian & Biographer)  
*The Media and Politics in Australia: From World War II to the Dismissal*

**Senator Bob Brown** (Leader of the Australian Greens)  
*Factoring in Our Grandchildren*

**Dr Judith Brett**  
(Academic & author, *Australian Liberals and the Moral Middle Ground* [CUP])  
*Australian Liberals and the Moral Middle Class*

**Dr Michael Casey** (Writer, Sociologist and Private Secretary to Cardinal George Pell)  
*The Politics of Meaninglessness*

**The Hon Susan Ryan** (Editor, *The Hawke Government: A Critical Retrospective* [Pluto Press]) & **Dr Gerard Henderson** (Author & Commentator)  
*The Hawke Government – A Retrospective*

