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Photo - David Karamidis

*Robert Wistrich*

German fascism exerted a fascination and can only be understood properly when this is recognised according to Professor Robert Wistrich, author of *Weekend in Munich* and historical adviser to Britain's Channel 4 documentary *Good Morning Mr Hitler*. Robert Wistrich spoke for The Sydney Institute on Thursday, 20 July 1995 and explained the nuances and methods that created the Nazi appeal for the German masses. Robert Wistrich's visit to Australia was sponsored by the Australian Institute of Jewish Affairs.

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# ADOLF HITLER:

## *ART, RACISM AND MEGALOMANIA*

Robert Wistrich

Although Nazism has been very extensively written about and interpreted in countless ways it seems to me that there has been undue neglect of an aspect of it which needs careful attention. I am referring to the role that culture played in the Nazi world view, in its indoctrination and in its propaganda, in its ability to seduce millions of Germans (indeed large numbers of people outside Germany) and convince them that this was a great historical movement, not merely a group of gangsters or barbarians who had hijacked Germany. Hitler and the Nazis saw themselves as the culmination of German history and culture, as an integral part of Western civilisation itself and as the source of its rejuvenation.

Today I would like to examine, however briefly, some of the conceptions that underlay their idea of art and culture and try to see what conclusions one might draw from this.

Let me begin with a quote which was prompted by an exhibition held recently on London's Southbank on the subject of German romanticism or *Deutsche Romantik*. It provoked a comment by a journalist from *The Independent* highly critical of the exhibition for barely mentioning the Nazi period in its treatment of German romanticism. In reaction to that omission the journalist Andrew Graham-Dixon wrote: "Hitler was not some peripheral distorter of German romantic ideas. He was, in many respects, their most extreme interpreter - the ultimate, because the maddest, of all the German romantics. It is often said, because he dropped out of art school, that he was a failed artist who turned to politics. But Hitler was a monster, precisely because he always remained, at heart, more of an artist than a politician."

Adolf Hitler left his Austrian homeland at the age of 24 to try his luck in Munich. Certainly his artistic ambitions cannot be denied. It has always seemed to me one of the greatest tragedies of 20th Century history that the Academy of Fine Arts in Vienna rejected his application to study painting because his drawings really were not good enough

and he had not completed his secondary school education. If that had not happened, we might have had Adolf Hitler as a middling to mediocre architect and a painter very much in the late 19th Century style of Bavarian and Austrian *Heimatkunst*. Instead we got the mass murderer of the Jews, the Second World War and some 35 to 40 million lives needlessly lost as a consequence.

In those pre-war years, when the seventeen-year-old Hitler came to Vienna from the Austrian provinces, he was literally intoxicated by the architecture of the imperial capital, especially by the Ringstrasse, the famous great boulevard that still rings Vienna. He earned a living or rather eked out a miserable existence copying postcards, endlessly drawing the spectacular buildings that he would gaze at for hours. He would spend his free time listening as often as possible to the operas of Richard Wagner who, of course, was an overwhelming influence on his artistic conceptions and his theatrical politics.

There is no doubt that we are talking about a bohemian dropout, about a marginalised petty-bourgeois who was living in the *déclassé* underworld of Vienna before 1914, a fantasist who had all kinds of daydreams of becoming a great romantic artist. But the young Hitler also developed, as he himself said, the "granite foundations" of his *Weltanschauung* (his world view) in those early years in Vienna - anti-semitic politics, social Darwinism, the race theory, everything that later would become the ideological core of German National Socialism: to which one should add hatred of the Slavs, the dream of *Lebensraum* and the union of all the Germanic peoples or tribes in one great Germany, *Gross Deutschland*.

The arts already then played a great role in his grandiose conceptions and they continued to do so when he moved to Munich, which was already a major centre of artistic endeavour in Germany at the turn of the century. But interestingly (and I think significantly) Hitler was totally uninterested in the new forms of avant-garde art, of innovation and experimentation which was occurring both in Vienna and in Munich. Hitler was impervious to what art historians generally regard as the most significant contributions of that era, whether it be the Viennese *Sezession*, the work of Klimt, Schiele, the architect Otto Wagner, the new music of Mahler and Schoenberg, or German expressionist painters like the *Blaue Reiter* school in Munich. All of this, passed him by. In fact in the 1930s it would be denounced, condemned, purged and excised from the Third Reich. This modernist breakthrough was pilloried under the heading of "degenerate art" - *entartete Kunst* in Nazi German.

It was not avant-garde Munich that interested Hitler. It was instead the much more conservative, Bavarian, *Gemütlichkeit* (cosiness, geniality), the carnival atmosphere, the relaxed folkloric atmosphere of the city. He liked the southern Baroque architecture of the region. Of

course he was also escaping military service in Kaiser Franz Joseph's army, since he did not believe that Austria-Hungary, the multinational Hapsburg state even had a right to exist. This cosmopolitan Empire was a betrayal of the Germanic *Volk* in his pan-German dogma. However he served with distinction in the First World War in a Bavarian regiment and he would make his future home in Munich, the one city he genuinely loved, apart from Linz where he had briefly lived as an adolescent.

Hitler's political career began in 1919 when he was sent as an officer of the Bavarian Reichswehr to monitor a number of small sectarian groupings - especially the German Workers Party, which he promptly joined and transformed into the Nazi Party. In the turbulent atmosphere of 1918-19 - a time of revolution and counter-revolution in Munich, in Berlin, in Hamburg, Austria and Hungary, above all in the future Soviet Union, Hitler finally entered politics. He came to be imbued with a burning sense of mission that he was the prophet destined by Providence to help save Germany. Salvation depended upon destroying Bolshevism, socialism, liberalism, the hated republic and parliamentary democracy. In those early years he did not quite see himself as the Fuhrer of a Greater Germanic Reich but rather as "the drummer" - he would perhaps pave the way for the future leader and saviour of Germany - someone like the First World War hero, General Ludendorff. By the late 1920s Hitler was convinced that no-one but himself could play that unique role.

I won't go into the details of his subsequent political career which are fairly well known but I would like to underline one crucial aspect, which is the creation of the Hitler myth. This is a very important phenomenon not only for the understanding of what actually took place in the Third Reich but relevant even for today. It relates to the whole question of the marketing of politicians, the building of a false image, the seduction of millions of people, the cynical packaging of demagogues.

It is worth noting, for example, the clever way that Hitler exploited his "humble" origins. Goebbels and the Nazi propaganda machine always highlighted the claim that he was a man of the people in sharp contrast to the established Weimar politicians and most of what passed as middle-class, conservative or for that matter left-wing politics at the time. He could claim with some degree of plausibility that he had risen from the ranks of the people. He had been a simple front-line soldier. He asserted that he had been a building worker (which was probably untrue) in pre-war Vienna and also that he was a writer and an artist. He was clearly not somebody who was integrated in the class-bound politics of his own society. It is very interesting that the Hitler myth focused on the qualities of simplicity and of ordinariness (at least in the early stages) - creating the picture of

someone who supposedly embodied the German nation as a whole beyond issues of class, ethnicity or religion.

Later, of course, in the Third Reich itself, the Hitler myth emphasised domestic and foreign policy successes. After all, had he not successfully freed Germany from the yoke of the Versailles Treaty and the hated reparations? He had restored German power and prestige and the Nazi regime appeared to have solved the problem of mass unemployment. Of course all these things, which had some basis in reality, were exploited and maximised to the full by the propaganda machine. Hitler was able to claim not only real economic and political achievements but something much more fundamental: that he had created a bond with masses of the German Volk which had never previously existed in German history, a kind of mystical rapport and ecstatic communication with millions of ordinary people.

Think of the pseudo-religious language used in some of his speeches in the 1930s: "You have found me... among so many millions, this is the miracle of our time! And that I have found you, that is Germany's fortune!" Hitler presented himself as the symbol of the German nation, not just of the Nazi party. He constantly invoked providence itself, to reinforce his image as the man of destiny, the redeemer chosen to liberate an enslaved and humiliated nation.

Of course antisemitism played a very important mobilising role in creating a feeling of unity, of national solidarity beyond class conflicts and religious divisions within the German people. Anti-semitism, in Hitler's mind, was an indispensable political weapon, aimed at creating one vulnerable and visible target against which people's hatreds, their anxieties and frustrations could be focused. The Jew represented in Nazi rhetoric everything that was wrong with the Weimar republic. All the social evils of the time as well as democracy itself, liberalism, communism, capitalism and the world financial system were allegedly controlled, driven and manipulated by international stock exchange Jews.

This was very convenient. It had the advantage that it could focus people's energies against a highly visible unpopular minority, one that was relatively powerless compared to the established forces of the Right, the Centre and the Left, against which National Socialism had to contend in its drive to power. Antisemitism served however, more than merely a functional or instrumental purpose - it was the existential core and dynamic of Hitler's whole being, an irrational hatred and a cosmic demonology that gave a superficial coherence to what was otherwise a set of widely contradictory beliefs.

A very important example of the anti-Jewish stereotype which Nazism exploited, was the notion that Jews were responsible for the "decadent" culture of Weimar. Most people looking back today at Weimar culture see it as one of the high points of 20th Century

modernism - a highly innovative period in German cultural history, whether we consider the Bauhaus or expressionism in literature, theatre and film. Berlin was seen in the 1920s as a very exciting, creative and innovative city. So were other parts of Germany in the Weimar period. There was a great cultural flowering which (as is sometimes the case) coincided with chronic political weakness and instability as well as economic chaos. The Nazis shrewdly promised that they would ensure not only the economic and political regeneration of Germany, but would also put an end to what seemed like a decadent morality in the eyes of many ordinary Germans.

It is worth noting that almost every form of modernism in painting, in sculpture, in architecture, in literature or in the theatre, was denounced by the Nazis both as "Jewish" and as "Bolshevik". Neither of these labels was empirically accurate to any meaningful degree. It was partly true that some of the avant-garde artists, particularly in the early years of Weimar, were also *political* radicals, who were inclined towards the left whether it be anarchist, social democrat or Communist. In other words there was some overlap. But it would be misleading to assume that most of what was avant-gardist artistic activity in the Weimar period was in fact motivated by or primarily inspired by political radicalism. This at best applied to a minority. When you look at the Munich 1937 exhibition of degenerate art (which was the signal for the final purge) you find very few people who could truly be called Bolsheviks or even Socialists among the banned artists of that time. With regard to the Jewish participation in avant-gardism again it was more true of the early years of Weimar. It certainly was not true by the time the Nazis came to power. In fact only six out of 112 banned artists at the exhibition in 1937 were of Jewish origin.

Nevertheless this did not prevent creations which the Nazis thought of as subversive and intolerable, being branded as "Jewish" and "Bolshevik" or as "cultural Bolshevism". After all the Nazi aesthetic was closely linked to their racial and political ideology. In fact it was inextricably bound up with it. The racist assumption was that only so-called "Aryans" could produce a truly creative culture. The Aryans were declared to be primarily Nordic-Germanic peoples and Germany itself was their core. Anything outside of that was not part of what was to be the new canon. The ideal of "Aryan" art, it was claimed, went back to classical Greece and Rome. The Nazis were in fact rather skilful at appropriating or expropriating the best of the Western tradition and then claiming that they were its heirs. They took the model of classical architecture for instance and asserted that what they were aspiring to and what was actually being constructed in Nazi Germany itself was a return to that perfection of form which had characterised classical antiquity. Similarly in their great pageants,

exhibitions and the kind of arts festival that was the starting point of my book *Weekend in Munich*, they insisted that they were the heirs and the culmination of 2000 years of German art and culture. They simply appropriated everything that had been produced from the period of the ancient Germanic tribes right up to the late 1930s and pretended that Nazism was its perfect consummation. Like so much else in the Third Reich it was a monumental lie but it was brilliantly staged!

On the other hand, everything Jewish, Marxist or indeed liberal was regarded as the antithesis of the Nazi ideal of form. This meant that all the major artistic trends that had appeared since the beginning of the 20th Century - Cubism, Expressionism, abstract art, Surrealism, Dadaism - in short all the isms, even Futurism, (which the Italian fascists had taken on board not only as legitimate but even as an authentic expression of the fascist ideal) - were denounced, by definition, as poisonous "Jewish" and "Marxist" products.

What does this indicate? One of the disturbing things which provokes reflection here, especially since it has some echoes in our own time, is that this was a commonplace response to modern art. What the Nazis proclaimed about art and culture may sound to most of us far-fetched and even grotesque but it had strong resonance at the time. There was some justification for Hitler saying that he was the representative guardian of public taste in this domain. There is every reason to believe that the purging of modern art went down very well in Hitler's Germany. Certainly there is very little indication of popular opposition to it.

Part of the explanation may be that the Nazis appealed to traditional aesthetic standards. They insisted that what people really wanted to see in galleries or at exhibitions were things that they could understand, that were accessible and not too complicated. They wanted an art that was a reflection of their own lives, of what they saw, touched and knew from everyday experience. Modern art did not provide this familiarity - it contradicted such reassuring certainties.

There was also the strong popular preference for bland view of social reality. This is very striking if you look at the kind of paintings the Nazis approvingly displayed in the general German art exhibitions in the late 1930s. It was forbidden to portray anything that was ugly. The people, it was said, did not want to see any portrayals of big city life, of dirty factories, poverty or illness. This disturbed natural harmony and the symmetry of perfect human athletes. Nazi painting focused on pastoral landscapes, peasant families, healthy nudes and the beauties of nature. These were the kind of anodine subjects that were generally preferred. Such conventional art, stood of course in sharp contrast to the constant challenge to tradition characteristic of the Weimar era, in the visual arts as a whole.

This conservative discourse that the Nazis used was very effective in so far as they did convey to people the idea that what they disliked and what they sought to expunge was truly sick and decadent. They were using a language that was already familiar and even respectable in Europe. For at least 30 or 40 years philistine cultural criticism had railed against "decadence" and cultural decline as part of a radical conservative reaction against everything defined as "modernist" or as modernism since the late 19th Century.

This fitted in very well with Hitler's own provincial tastes which had been acquired in early 20th Century Vienna. All the new developments in art had left him cold. What really impressed him was the grandiose and the monumental - especially the imperial architecture of Vienna. That is what he wanted to see in the new Reich when he came to power. The public buildings reflected very clearly the political drive towards the creation of a greater Germanic Reich. Hitler always considered that architecture was the key art in terms of political propaganda and leaving a long-term impact on history.

Public architecture which was essentially neo-classical in the Third Reich (or an imitative neo-classicism) had to be monumental. It was intended to overwhelm people with a sense of power, discipline and the authority of a State which had been restored to its former glory. This was one of the areas in which Nazism was very successful before 1939 in conveying to the people a feeling that the Third Reich had actually pulled Germany out of the chaos that had characterised Weimar; an anarchy that was blamed on liberal, Jewish and Marxist doctrines that were individualist, materialistic and internationalist - hence they had destroyed the "organic" unity of the *Volk*. Public architecture underpinned this new sense of order and authority with a return to the neo-classical style in its Prussian variation.

The House of German Art in Munich, was the place where the great art exhibitions and annual pageants were centred. It was the prototype of the kind of architecture and the new cultural renaissance which was expected to come out of Munich and to provide the basis of a renewed "Aryan" culture in Europe. It was actually designed by Hitler's favourite architect, a traditionalist Bavarian called Paul Ludwig Troost, who died in 1934. He was succeeded by the young Albert Speer, an ambitious designer and architect who would henceforth be part of Hitler's innermost circle.

Art and culture was to become an integral part of one of the most mesmeric propagandist exercises in history, whereby Nazi leaders beginning with Hitler himself, Albert Speer and Joseph Goebbels, sought to aestheticise politics, everyday life and social relations on a massive scale. The Nazis went to great lengths in this area. They invested enormous energy, time and thought in the organisation and design of mass rallies, in their parades, festivals, uniforms, standards -

in beautifying the workplace and creating the illusion of a homogeneous national community.

This was their kind of socialism, a "socialism of the deed", of the "co-ordinated" racial collectivity. It was based on a skilful combination of modern technology, functional design and beautification, blended with environmental changes intended to make the workers feel that they truly belonged to the nation. The Nazi aim was to eradicate any residual notion of class consciousness in the German people and to do this by creating a rather spurious sense of racial equality whereby all members of the society were supposedly comrades when defined against a demonic "other" - especially the Jews. There were some comparable trends at that time in the Soviet Union. The ideology was, however, somewhat different, emphasising in the Nazi case the racial purity of the nation and its rebirth as the frame of reference, rather than the international proletariat or the world Communist movement. However both the Stalinists and Nazis steamlined and subordinated art to the political imperatives of a totalitarian, one-party state.

Albert Speer, in charge of a cultural program that was called the "Beauty of Labour", implemented a far reaching concept of aesthetic politics, creating the impression that a solution had been finally found to the alienation of the workers in an industrial society. It was done largely through imposing a new sense of dignity associated with manual labour, through attention to form, order, symmetry, cleanliness, and a pleasant working environment full of light, air and space. Many Nazi ideas in this area were in fact quite advanced for the time and had parallels elsewhere, without being animated by their racist ideology and totalitarian obsessions.

By the end of the 1930s as Nazi Germany began to embark on a program of militarisation, expansion and conquest, the radicalisation of internal policies led to a much more brutal policy against the Jews. Not accidentally, the arts also reflected the new mood of muscular aggressive hardness, overbearing masculinity and imperial expansion.

A public expression of this ethos can be found in the monumental 1939 building of the Reich Chancellery. This grandiose structure was part of Albert Speer's contribution to the intended transformation of Berlin into the future capital of Europe and a new Germanic racial order that would revolutionise the world.

This example brings me to the final point I'd like to make here today. There certainly was a strong element of megalomania in Hitler's own conception of art and architecture. Art was ultimately subordinate to the goals of power and the establishment of what he called a 1000 year Reich for eternity. Art itself was deemed to be *eternal*, buildings were there to give a sense of permanence and the Reich was certainly supposed to be permanent. Behind this ambition was a megalomaniac Hitlerian belief in the racial mission, in the role of architecture and of

power itself. The most important legacies of all civilisations in his eyes had been the great buildings, the monuments in stone. His own preference for granite as building material was a good indication of this obsession, as was his desire to leave behind him structures that would be the largest in human history. The designs for Berlin as the future capital of the world were comparable in scale only to the ancient empires in Egypt, Babylon or Rome.

The German eagle which was to surmount the great hall in Berlin was to be perched on a globe which would crown the dome of the tallest building in the world. It would be larger than the capital building in Washington or St Peter's in Rome. The plans for the Central Station in Berlin were to surpass New York's Grand Central Station. Germany was to have the largest suspension bridge in the world. The Grand Stadium in Nuremberg was another example; naturally it was to be the largest in the world. Hitler's arch of triumph, something he had designed when he was in prison following the abortive Munich putsch in the 1920s, had, of course to be double the height of Napoleon's Arc de Triomphe in Paris.

This megalomaniac obsession with omnipotence was fundamental to Hitler's notion of art and culture. But it was officially presented as an effort of national self-assertion and revived self-confidence in a Germany that had recovered finally from the great depression and the chaos of Weimar. Many Germans appeared all too ready in the years between 1933 and 1939 to believe that Nazism was indeed what it officially claimed to be in those years - the popular movement of German national rebirth. They paid little attention to Nazi persecution of Jews, dissenters and political opponents. At the time it seemed to many a small price to pay for the new-found sense of order, prosperity and national self-respect. Nazism cultivated this illusion with uncanny skill.

In the course of writing my book I had occasion to interview Germans who lived through that period. Admittedly they were very young people at that time, yet the dominant impression even today, in speaking to such people, is a curious nostalgia for the period up until 1939. They really believed, or so they said, that they were moving towards a better, more glorious future. They thought that they had left the worst behind. They had faith in the rebirth of their nation, they believed in Hitler, they were convinced that he wanted the best for the German people. Often they expressed this view without any obvious ideological commitment to National Socialism. It's hard to say how far they'd been successfully indoctrinated at the time though I think it more than likely.

One of the sobering things for me in writing about this period is that I had to revise a few of my own assumptions in order to take into account some of the points which I've made today. For many Germans

who had lived through the 1930s (the Jewish memory of this period is very different), Hitler and the Third Reich was not only a regime that maintained itself through terror exercised against its opponents, but a society which ruled by a remarkable degree of consensus, established, of course, by very skilful and massive propaganda campaigns as well as by great successes which it achieved in its domestic and foreign policy until the end of 1941. This may now seem more obvious but it is a sobering realisation. It means that one is obliged to confront some aspects of Nazism that perhaps we prefer not to analyse too closely. It is an uncomfortable thought to realise that the Nazi regime may, at least for the first six years of its rule, have corresponded more closely to the desires of millions of Germans than we generally assume. It is this insidious and sinister power of seduction which makes the genocidal logic and ambitions of Hitler's Nazi Reich even more disturbing than we would like to think.

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*John Bannon*

John Bannon, former Labor premier of South Australia, spoke for The Sydney Institute on Tuesday 25 July 1995. In his address he drew attention to the role of the premiers in the movement towards federation for the Australian colonies. Working from archival collections of the cables sent between the premiers, John Bannon said he believed their role was very important.

# THE PREMIERS'

## *FIX ON FEDERATION: THE DEMOCRATIC DEAL OF 1895*

**John Bannon**

One hundred years ago the premiers Kingston of South Australia and Turner of Victoria were engaged in an acrimonious dispute. It was caused by efforts being made by the South Australian premier to enter bi-lateral tariff agreements with some of the other Australasian colonies, New Zealand in particular. What had heightened the concern of George Turner of Victoria was that the colonies of New South Wales, Victoria, Queensland, South Australia and Tasmania had only just agreed on a course of action to revive the languishing federation movement.

After a long period of frustrating lack of progress following the Sydney Convention of early 1891, there now again seemed to be a real possibility of achieving nationhood. Charles Cameron Kingston of South Australia had played a crucial role in the lead up to and at the premiers' meeting in Hobart at the end of January 1895. His subsequent bi-lateral negotiations, Turner felt, undermined that agreement. Kingston vigorously contested this.

Turner's first letter of complaint had been sent on the 21 February. He had specifically referred to the implications of the proposed agreement with New Zealand on the Victorian wine industry. He requested that it be held up "in the interests of Federation". Whether from a feeling of guilt or just as a result of his normal combative temperament, the reply in March from Kingston was both extensive and aggressive. He sarcastically noted that he was gratified by Turner's consideration of the interests of federation - South Australia, he asserted, had never neglected them:

The great object of Federation is intercolonial freetrade and until Federation the colonies must make their own arrangements.

He took the occasion to remind his colleague of various issues, including a dispute over the location of the border line between their colonies and Victoria's high protection barriers. The responses he received had been unsatisfactory - "the tone of [one of the replies] I have been at some pains to forget." Victoria was not entitled to complain.

Turner replied in kind in early April. With similar sarcasm he expressed pleasure that the South Australian Government was now:

... fully persuaded of the importance of presenting at least the appearance of loyalty to a cause that all true Australians place first in their political creed... [it was] not a moment too soon... From the manner in which the SA Government dealt with the Commonwealth Bill, from the frequent and most conspicuous absence of your colony from the Federal Council, and its general apparent apathy on the question there might have been some slight suspicion regarding SA's sincerity.

The treaty proposal might have heightened that suspicion, but Kingston's letter had happily dispelled such an idea.

... This latest and certainly unique production of Australian statesmanship is dictated by pure devotion to the spirit of free trade and intercolonial feeling and guided by the most neighbourly sentiments to adjacent colonies.

After dealing with Kingston's complaints in some detail he finished with a ringing peroration of reproach.

Nothing but courtesy to yourself has induced me to refer to so many of the irrelevant matters in your letter and so to extend this communication [but I]... emphatically express my sincere regret that this new and perhaps fatal step should have been taken in Australian politics... No line of political conduct could be more disastrous to Federation or more subversive of that mutual good feeling which is indispensable to its achievement than the system of aggressive alliance unhappily inaugurated by your Province... I beg to convey to you the respectful but earnest hope that our sister Province will not accept the serious responsibility of retarding, perhaps indefinitely, the Unification of Australia.

For Kingston this was close to a declaration of war. His nine page typed response began by acknowledging "receipt of yours of 2 April which from its tone I trust you will permit me to assume was written under stress of some disturbing influence." Turner's arguments from

the purely domestic standpoint may appear to some to savour of the purest provincialism... My difficulty has not been diminished by the profusion of rhetorical embellishments which characterises your reply... You appealed to South Australia to further the unification of Australia. On the contrary we will resist Australian unification by every means in our power. We will similarly endeavour to advance Australian Federation.

The confusion was so grave that Kingston charitably questioned whether Turner really meant it as he may "have been captivated by an attractive phrase which you had either misunderstood or used with more than poetic licence..." And after all this he concludes surprisingly: "With the sincerest expression of cordiality towards your Government and personal regards."

My purpose in quoting this correspondence is to illustrate three points. Firstly, the fragility of the federal movement and the difficulty, even only a matter of weeks after a major and, as it turned out, crucial step to advance the cause of federation, of getting the colonies to amicably resolve their differences. Secondly, the importance attached to the concept of federation by admittedly the premier of a small colony

but one who was among the greatest and most consistent champions of the creation of the Australian nation. Thirdly, that the conduct of intergovernmental relations in Australia has not really changed.

Although the point was made both at the time and since, it is forgotten that the concept of Australian federation was extremely fragile and its achievement at the time and in the circumstances was something of a miracle. The odds were against it. In this context it needs to be noted that over the decade of the 1890s it variously looked possible that there could be a union without Tasmania (which saw much of its interests as being in common with New Zealand); without Queensland (which did not participate at all in the Convention of 1897-8 which drafted the Constitution); without Western Australia (which was remote from the other colonies, had only just achieved responsible government, had the prospect of great riches from the Western Goldfields and in consequence was not enthusiastic for federation); or a union of Victoria and NSW only; or a broader confederation involving New Zealand and Fiji (a logical extension of a re-constituted Federal Council of Australasia which was in existence for all of the critical period); or a Confederation with agreements on a few key areas such as customs and defence; or a series of bi-lateral inter-colonial agreements; or simply no change to the status quo at all.

In this context the factors *for* federation can be seen as equally working *against* it, as the following table, which is not meant to be comprehensive, demonstrates:

Arguments for Federation	Factors against
1. Ease of Intercolonial trade.	Financial reliance on duties. Free trade versus protection. Imperial freetrade or preference.
2. Financial stability. Loan raising.	Attitude to individual colonies in the markets. Separate loan programs and aspirations.
3. Defence.	Where to locate defences? Who should pay?
4. Immigration control. White Australia.	Queensland indentured labourers. Northern Australia's needs.
5. Transport - particularly rail and waterways	Gauge differences. Freights. Cross border attractions. River Murray - navigation versus irrigation.
6. Communications.	Fees. Cables and their location.
7. Legal uniformity. Jurisdiction recognition.	Political differences - e.g. industrial laws. Regulation.
8. Rabbit plague, cattle disease, phylloxera, quarantine regulations.	Border issues. Protection of colonial boundaries.

In a sense all these arguments had been canvassed and the alternative models for inter-colonial relations had been considered and dealt with by the Convention of 1891. In April of that year delegates drawn from the parliaments of all the Australasian colonies had left Sydney armed with a Constitution for a Commonwealth of Australia to be submitted to their respective legislatures. New South Wales was seen as the key, and action in that colony was awaited by the others in the months following the convention.

Sir Henry Parkes moved his landmark resolution in May - but was forced to an election in June and returned dependent on support from the new Labor Party which was most unenthusiastic about federation. Their members believed other issues had higher priority, and in any case, the Convention Bill did not enshrine fair electorates and universal franchise. Parkes was out of office by October, and although Barton and O'Connor both joined the new Dibbs ministry on the condition that they would be able to pursue the issue, the premier himself was not interested in federation.

The depression and financial crisis of 1892 overwhelmed all the colonies and the bill foundered. Victoria introduced its resolutions in June 1891 but they were discharged by the end of the year in the absence of movement in NSW. Griffith drafted a Bill in Queensland but was not prepared to act before NSW "because of its geographical position". Tasmania and South Australia followed the same track as Victoria. Western Australia, never keen anyway, did nothing, and Sir George Grey's motion was counted out in the New Zealand parliament.

In the light of this failure, attention once again focused on the Federal Council of Australasia. It had been established by Imperial Statute in 1885, meeting first in 1886, and had the potential to at least institute a form of confederacy. The problem was that New South Wales was not a member, South Australia only briefly so, despite efforts to get it to maintain membership, and New Zealand was uninterested. (Fiji, a founding member, did not attend the meetings.)

By 1894, however, Premier Dibbs of New South Wales was looking seriously at the overall issue again. His reasons were many, not the least being that the Opposition Leader, George Reid, had discovered an enthusiasm for the subject, describing himself as an "ardent federationist" although opposed to the Convention bill. But in the aftermath of the financial crisis it had also been brought home to him by the London bankers that a united Australia could be able to raise loans more readily and cheaply than NSW alone. His proposal was a radical scheme to unite Victoria and NSW by a scheme of arrangement which would in turn attract neighbouring colonies within what he called "the sphere of our extended influence". In May and June 1894 he advocated his scheme, formally putting it to a fairly

receptive Victorian government led by Patterson which was also due to face an election before the year was out.

Many a centralist today would find his arguments attractive. The preposterous number of legislators that would result from the Federal proposals would be reduced, the huge expenditure on taking over state assets and loans would be avoided, debt could be restructured. The two colonies, would have one government, one parliament, one tariff, one excise, one debt, one railway management, one judiciary, one land-law, one tax system, one defence administration, one post and telegraph system, a regional system of local government, a distribution of administrative functions between Sydney and Melbourne, and one high commissioner in London (the contemporary equivalent of a foreign service).

Its attractiveness to present day politicians would possibly be reduced by his view that the Convention bill was "un-English in principle, among other things". But the last of his detailed points was number 15 - the union, he said, should be called:

The United Colonies... [and] when South Australia and Queensland come in could be called "The Dominion of Australia" or "United Australia".

Using "when" instead of "if" certainly signalled to the others that he saw the power of the big two as coercing them without compromise into eventual union.

Much of his analysis and a number of his proposals made sense, particularly to those who believed in the logic of unification. After an initial non-committal reply from Patterson, a more serious and interested response came from the Victorian Cabinet. It was not possible to do much more as the New South Wales election was in progress. If Reid won there would obviously be a different and more orthodox approach from the newly-converted "ardent federationist".

Whatever view he had of the outcome of the New South Wales election, Kingston was clearly sufficiently alarmed, on learning of the proposal and seeing its detailed nature, to respond. But he chose an oblique approach, perhaps to ensure that he did not give the Dibbs' scheme too great a status. On 23 June he wrote to Dibbs suggesting that SA and NSW should commence discussions on intercolonial free trade on a bi-lateral basis.

As it happened he need not have been concerned. Reid was Premier of New South Wales by August and Patterson was replaced by Turner in September. Despite some continuing adherence to the Federal Council, particularly by Victoria and Queensland, it was clear to Kingston that attempts should be made to revive the Convention process. Reid was committed to some action and if he could be induced to lead, then the others would be bound to follow. The South Australian premier embarked on a vigorous campaign from the day

before Reid was sworn in. After some false starts and there being no further signs of action, Kingston arranged for a strong resolution of support for the federation process to be carried by the South Australian House of Assembly which he then sent on 30 October 1894 with a covering letter to, as the note on the file puts it, "all Australian colonies, Tasmania and New Zealand":

The resolution may be accepted as an indication of the popular desire of South Australia for the establishment of intimate federal relationships with the other colonies. I shall be glad to hear that your Government is prepared to cooperate with us in the matter.

It was a strong indication of Kingston's desire to ensure the issue did not die again. Turner of Victoria and Braddon of Tasmania responded promptly with strong endorsements of cooperation, but the somewhat distracted Reid was silent. Owing responses to his positive messages, Kingston wired Reid again on 10 November pointing out that he had not had any advice from him since his holding reply on 5 September. He was confident, he said:

... any definite proposals on the subject of federation made by New South Wales at this particular moment would receive generally favourable consideration... [if] unnecessary delay a golden opportunity may be lost and it may be some time before it again happens that circumstances promise the same prospects of success to any attempt to advance the great cause of Federation.

The message could not have been clearer, nor the timing more fortunate because, as Quick and Garran report, on 12 November Premier Reid "was waited on by a deputation from the Federation League, which placed before him Dr Quick's scheme and the League's report on it".

On the same day he at last replied to Kingston suggesting that a meeting of premiers be held in Hobart in January which could look at questions such as federal union, inter-colonial free trade, defence and other matters. The next day he was forced to deal with a motion by Sir Henry Parkes urging the NSW parliament to resume consideration of federation. Reid told Parliament, as he had told the delegation, that he was in favour of proceeding but needed to discuss the procedure with his brother premiers. The resolution was carried 55 to 10. Reid was no doubt relieved that he had at last actually made a firm proposal on the timing of a meeting, albeit at Kingston's behest.

The Federal Council was also scheduled to meet in Hobart at this time - and of course this guaranteed the presence of the less enthusiastic federalists such as Forrest of WA and Nelson of Queensland. As it happened it also caused considerable tension, as the Council rightly saw that the premiers were seeking to upstage them and in the long run render it redundant.

In my view, by producing an acceptable and practical proposal for the advancement of federation with the political endorsement of the government leaders, this meeting marked the great turning point for

Australian federation. The critical meeting was on 31 January 1895. The six colonial premiers were in attendance and the host premier, Braddon, of Tasmania in the Chair. Reid and Kingston proposed that federation was the great and pressing issue and this was carried unanimously. A motion of Reid and Turner was carried, with Forrest dissenting, that a convention of ten delegates from each colony should be directly chosen by the electors. With Forrest and Nelson dissenting, it was resolved that there should be a direct vote of the electors of the colonies on the outcome of the convention. It was agreed unanimously that if three or more colonies adopted the proposals they should be sent to the Queen for assent. Forrest was the only dissenter from the proposition that each parliament should be presented with a bill to give effect to this scheme. Kingston was unable to get a seconder for a proposal that the Imperial Parliament should pass an enabling act prior to the constitution being framed so it would come into effect automatically on being adopted by the voters of the colonies.

It was agreed that Turner and Kingston should immediately draft a bill giving effect to the procedures for submission to the respective parliaments. (Forrest's agreement to this was conditional on a requirement that NSW must pass the bill before others were obliged to introduce the measure.) Arthur Searcy, a South Australian official accompanying the Premier to provide secretarial assistance has given an eyewitness account saying that Kingston drafted the bill himself and that Turner, while getting credit for the draft, "had nothing to do with its preparation". Kingston began work on it at eight on the evening of 31 January and completed it eight hours later. According to Searcy the only help he had was Dr Quick's pamphlet. It was adopted by all except Forrest, who had refused to attend further meetings.

Previous conventions had demonstrated that with the best intentions in the world a group without the "power of the people" in the form of direct election as delegates could not devise a Constitution which would be regarded as an expression of the popular will, and equally without the commitment and power of entrenched and confident premiers the means to put it into effect could not be found. Hence the need for what I have called the democratic deal, which needed, to be done by the premiers.

There were still many hitches to be overcome along the way. The effort to give effect to the agreement saw Kingston leading the charge, strongly supported by Braddon and somewhat more equivocally by Turner; Reid becoming distracted and blowing hot and cold; Nelson failing to deliver Queensland; and Forrest eventually only participating in the Convention on his own terms with a parliamentary rather than an elected delegation from WA.

Although it took over two years, the Convention did finally assemble in Adelaide in 1897 and in large measure due to the

leadership of these premiers. It is significant that five of the six premiers were to remain in office for the next four crucial years covering the Convention, the referendums and the premiers conferences which saw a bill sent to London. Even the odd man out, Nelson of Queensland, held office until April 1898. This could not have been anticipated - the average "life" of a premiership from the advent of responsible government until 1893-94 ranged from 25 months in Queensland to 11 months in South Australia. It was an unprecedented period of governmental stability in the colonies. Even more remarkably, as Crisp has noted, there was an "epidemic" demise of premiers between September and December of 1899, with four of the five all leaving office, but by then the die was cast and federation virtually secured.

Interestingly, the one who did not survive to 1899 was the Queensland premier whose colony did not attend the 1897-8 convention. All the others were delegates to the convention, not ex officio but, except for Forrest of WA, by popular election. All six were together in London for the Queen's Jubilee in 1897 between the Adelaide and Sydney sessions of the Convention. All but one were at the critical Premiers Conference of Jan-Feb 1899 which agreed on amendments to be put to a second referendum, thus rescuing the process from disaster again. And finally five of them were destined to be members of the first House of Representatives, four of them becoming federal ministers and one a prime minister.

I will conclude this historical excursion with some reflections on contemporary matters. The Australian Constitution is federal. It was drafted with the powers of the Commonwealth spelt out; the Senate in place to protect the rights of the states; the High Court to interpret it to ensure the intention of the framers was enacted; and a difficult amendment procedure to ensure that it was not altered on a whim, fashionably or by manipulation.

Only the last point has survived unscathed. By various means the Commonwealth has accrued powers way beyond those envisaged; the Senate as a party rather than states' house has not prevented it from doing so; and the court has endorsed the increase in powers using various principles including the application of the external affairs power to treaty provisions. It has, however, proved very hard to amend (8 out of 42 times only).

The resolution of any major current constitutional issue - the head of state, the republic, reconciliation, a bill of rights all require amendments to be carried by a majority of people in a majority of states. The need for this so-called "double majority" is critical and often overlooked.

The states will not vote themselves out of existence however irksome that may be to central governments. Alternatives such as the re-drawing of state boundaries, or their amalgamation or the creation of

new states are pretty unlikely, leaving the only option to ensure that the federation compact is reaffirmed and that balanced regional development and distribution of resources, with local service delivery is negotiated by state and federal governments as partners not adversaries.

The federal system indeed is well fitted to balance localism and centralism, national and regional interests, to bind diverse economic and social entities distant from each other into a nation.



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Photo - David Karondis

*Tony Staley*

Tony Staley is president of the Liberal Party of Australia at a time when many predict a Liberal National victory at the coming federal election. To explain what organisational reforms have been undertaken to improve his party's chances of regaining government, Tony Staley spoke to The Sydney Institute on Tuesday 1 August 1995.

# LIBERAL PARTY

## *ORGANISATION IN THE 1990s*

Tony Staley

Is there, in Australian federal elections, a defining difference which explains the result in what are almost always fairly close to very close elections? It seems to me that there is such a difference. Policies, issues, electioneering and preparedness all play their part, and they are important parts, vital parts, in varying proportions they play their parts.

But I suggest that the defining difference is this: that party whose Leader has, at that point in time, psychological superiority over the leader of the other party, wins. Now that of course is a post-hoc analysis but it does seem to me that the facts merit that is at least an interesting thesis. I suggest also to you that Keating also understands this. He finally got Hewson after, in one memorable moment, leaning over the dispatch box when John Hewson said, "Why Prime Minister won't you give us an immediate election?", and telling him, "Because mate, I'm going to do you slowly."

This is why Keating is obsessed with "getting", "doing", "destroying" John Howard.

But I suggest to you that because Keating is the bully and the braggart rather than the genuinely strong man he will never get John Howard.

Australians don't respect sportsmen who always play the man and not the ball. Because Keating, unlike Howard, plays the man and not the ball, I don't believe he will ever win genuine respect in the Australian electorate. Howard I think on the other hand has that precious quality of respect and trust which Keating with all his millions will never buy. Having made that point where I am suggesting to you that, try as he might and in a sense the harder he tries the worse it will get, Keating will never get John Howard because of John Howard's inherent inner strength and qualities.

I'm going to suggest to you that there is no-one else in the Labor parliamentary party who shows real promise of being able in the future to establish that sort of crucial psychological superiority over the other party which I spoke about a moment ago.

Now I want in further sketching the background to considering our organisational matters to say a word about role models.

In the same way that Paul Keating as Prime Minister is an appalling role model for aspiring young Australians, so is the Labor Party no role model for the Liberal Party. In particular the NSW Labor Right is a fundamentally flawed role model for any party let alone the Liberal Party. This needs to be said because implicit in so many of the critiques of the Liberal Party in recent years is the easy assumption that if only we did things the way Labor did them then we'd get things right. It overlooks the fact that we've done very well in many of the states. We are in government in most of them at the moment. But I think it overlooks many other factors also.

Clearly and certainly only a fool never learns from his opponent's successes as well as failures. But the core values of the NSW Labor Right which are the predominant values of the Keating Government are eerily close to those of WA Inc. and the greed-is-good mentality of the not entirely fictional Gordon Gekko of the 1980s. The values to which I refer are the values and outcomes which flow out of the proposition that to win you do whatever it takes. You can lie, cheat, divide, sneer, intimidate, hate - "so what", "get real", "it's only a game!"

And in fact that "it's only a game" was a comment made by Prime Minister Keating to one of my old colleagues when he was sort of apologising and he said, "I didn't mean any of it - it's only a game". Well I must say that's not how some of us see these matters of life and death. I'm talking in other words about the approach that the end always justifies the means. I'm talking here you see about the values, the key underpinning values. The trouble with these values, the values of the Keating Right of the Labor Party is that they debase politics through degrading human nature.

Now I'm not putting in a plea for softness or for the sort of ideological purity which kept Labor in the Federal wilderness for 23 years. I'm suggesting to you that it is entirely possible in politics to be both tough and straight.

I believe there is a yearning in the community for an awareness of just this sort of thing in our politicians. And I believe therefore that one of the most significant things which a Howard Government can do for Australia is to restore trust in politicians, in the political process and respect for individuals, each for the other, in this country. And I believe that only a change of government can in fact begin this process of re-establishing trust and respect and overcoming the appalling divisions which have been created in the Australian society.

Let there be no doubt about it though - a Howard Government will be a national government, a government which will express national hopes, aspirations and interests. It will in the pursuit of that be

serious about decentralisation according to the federal principle because we're serious about that as the better way to govern as in a sense we go globalising quite properly on the one hand so the importance of decentralised power is as important as ever in our political system.

I say these things because there have been attempts by our opponents to portray the federal organisation of the Liberal Party as merely a pawn of the states. It is true that until last year the Federal Executive had no formal power to intervene in any of our state organisations. At Albury last year real powers, deliberately designed as powers of last resort, were given to the Federal Executive in the areas of candidate selection and financial mismanagement. There had been efforts stretching back to the Menzies era to get the Constitution changed along these lines. All of those efforts were unsuccessful. Last year we got powers which the majority of us regarded as appropriate.

These powers are now a factor in party deliberations. They have, albeit in intangible ways, manifested a change in the party culture. These things do not happen overnight but they have manifested a change in the party's organisational culture.

Last year's Federal Council took another important decision designed to maintain the momentum of the change process. Council decided to at least double the size of the Federal Council of the Liberal Party. Broadly speaking it's about ten or a dozen people from each state and the territories and the parliamentary leaders - premier, leader of the opposition, deputy that sort of thing, and the state president and treasurer; fundamentally the hierarchies from within the states.

In deciding to at least double the size I think we made a very important decision because this will spread the representation beyond the state hierarchies and significantly increase the opportunity for party members to seek election to the supreme federal body.

Another major reform has been instituted over the last two years. This was the decision of the 1993 Federal Council Liberal Party to establish a policy partnership between the organisation and the parliamentary party.

The key feature of the policy partnership revolves around the requirement for the parliamentary party leadership to ensure that policy changes of any significance are discussed with members of the organisation in the Advisory Committee on Federal Policy. In its turn, the parliamentary party must be advised of the views of the Organisational Committee, that is, the Advisory Committee, before final decisions are taken.

I believe the sort of change that we have made for this co-operative partnership approach in matters of policy hits precisely the right note. The process involves both personal meetings and teleconferences - we regularly use teleconferences and we're finding

that they meet the need for many of our meetings though of course like all intelligent people we need to press the flesh occasionally as well.

We are doing these things and members of the organisation I have to say are splendidly unrestrained in putting their views to the parliamentary leadership. I have to say for their part the parliamentary leadership are people who are taking the process seriously and taking the whole thing in very good part.

We are also, as part of this new policy partnership approach, saying that we can guarantee that any branch which wants its matters considered by this Federal Committee on Policy will have it discussed. It may not ever become policy but we will look at everything that comes to us through this process.

We are also surveying members of branches. Every branch has been surveyed a number of times. It would seem to me to have been quite absurd if we had vested ultimate power over policy in the non-parliamentary organisation. This would have visited on us the type of outside control which still ties the Keating Government to the unions' coat-tails in vital areas of reform. You can remember, those of you who are nearly as old or even older than I am, things like parliamentary leaders of the Labor Party waiting in the hydrangeas outside hotel rooms for their marching orders from the 36 faceless men.

Now what we've done is, at least for the foreseeable future, solved the problem without going to that absurd extreme of vesting absolute veto and final power outside the parliamentary party. Some of us still believe in representative democracy.

If I might turn to the question of ideas and vision. Labor orthodoxy and some in the media, have for years perpetuated the myth that ideas and vision are alien to the Liberal tradition in Australian politics. If by this it is meant that we had never been torn by the sort of deep ideological rift which links the Labor Party in the socialist era I plead guilty. We've never had quite that sort of problem with the lunatic and increasingly irrelevant fringe in terms of the current political debate in this country.

But if we turn to the recent record, as opposed to the rhetoric of the past going back 15, 20, 30 years, if we turn to the recent rhetoric it seems to me to be clear that the actions which most made Keating famous as the world's best treasurer involved financial market and dollar de-regulation and matters like that. All of that stuff arose out of a report commissioned by our present leader, John Howard. It was not completed before he left office. From opposition Howard never made any bones about the fact that he supported these important Keating changes.

In areas such as competition policy, privatisation, telecommunications deregulation - of which I've been deeply involved - labor market reform, micro-economic reform, Commonwealth-State

relations, Liberal ideas and policies set the agenda. Labor has played catch up politics in those areas and in a number of these areas Keating has been unable to catch up as he has been caught by the still pervasive union influence in his own Party.

Clearly credit has always been given to him by Howard for some of those early initiatives of the Hawke/Keating Government but I think it's interesting that their crowing about how we don't have any ideas contrasts with Howard's generous acknowledgment of the role Keating played in bringing about major changes in the Australian economy and policy.

The truth is you see they've been in government and governments can claim credit for ideas in action just as we, when in government, were able to claim credit for ideas and action like multiculturalism. I was the minister under Fraser who began SBS Television. So many people believe Labor did it. We could in those days claim credit for those things. Now of course Labor claims credit for all the good things we ever did plus if there are any good things they did a few years ago.

This doesn't seem to me to lead to the sort of nonsense proposition that we don't have any ideas. Again, look at any area that I have been deeply involved and interested in. When I was Minister for Communications in 1980 Cabinet agreed to start Pay-TV in Australia - 15 years ago. It's been in our policy ever since. Who's been playing catch up politics? We're only this year beginning to see a halting start to Pay-TV after a most appalling mishmash of policy.

However, lest there be any doubt about our commitment to ideas, let me make it clear that we did establish the Menzies Research Centre to further strengthen our commitment to the policy and intellectual debate in the party and in the country.

Now another matter to do with the organisation. It is true that when I first was involved in politics there was no tradition whereby those who had served the party well in a professional capacity in its organisation could expect that they could take their expertise into parliament and have a parliamentary and even a ministerial career - with a very notable exception in Sir John Carrick in this city.

There are real signs developing that a changed culture is happening where those who have served the party well in a professional capacity can look forward to a parliamentary career. Witness David Kemp who ran the party in Victoria and Nick Minchin in South Australia. Most recently there was Petro Georgiou and, even though he's here tonight, I have to point out that Barry O'Farrell is included in my notes. Barry O'Farrell so admirably served the party in New South Wales and then won a safe seat in the New South Wales parliament.

The culture of the party is changing dramatically in this respect. Not so that we become a party which is dominated, as Labor is, by people who all these days look alike, they'd be Labor or union officials.

We've still got to remain open to people who've come from the community and have made a success in the community in this way or that and who simply work as honorary members of the party. Equally, we so much needed to strengthen the professionalism in the party structure to provide avenues for these people to go on and become professional politicians in the sense of the members of parliament.

The pre-selection of Petro Georgiou - one of my old students - for our most famous seat, our founder's seat, speaks volumes about a sea-change that has happened to the party's culture. Petro said to me when we were discussing whether he would stand, "No, they'd never buy me, never buy me." I said, "Petro, they will." I must say it was a very emotional moment for me.

I've never cried in politics. I once wrote a letter to Bob Hawke when he was being attacked for crying publicly and I said, "Bob, good on you mate." I think this culture where Australian men are not supposed to show emotion and cry is appalling and I reject those Liberals who say Hawke's tears were political tears or cynical tears. I've always had a very strong view about this. Funnily enough I've never cried about anything in politics but I simply broke down when I saw Petro after he'd won that seat. In a sense it was a very profound change for him to be able to win overwhelmingly that seat. It wasn't just symbolism or tokenism. Here was a man of great professionalism and tough, who happened at the age of four to have left with his family to migrate to Australia from Greece. It just happened.

I would not be surprised if, before some of the recent election results in this country, you would be inclined to disbelieve me when I tell you that we're getting an increasingly professional team of people with the political smarts running the organisation in Canberra and around the country. Those recent elections where our key people in Canberra have worked very closely with people in the states will have made you begin to think maybe they have learnt a few things. Maybe they are getting some political smarts in the Liberal Party. Just look for instance at what was said about the strategy and planning and execution of the Queensland campaign.

Andrew Robb is an outstanding leader and strategist who has surrounded himself with talents like Lynton Crosby and Mark Textor. The new director in your state Tony Nutt will, like them, make a major contribution. Yet, they all know as do I, that successful outcomes at the next election are of course worth more than any word that I could ever speak to you here tonight. There's a new level of confidence about the professionalism of our people. Bill Heffernan here is showing in the way he, with his colleagues and the executive here are getting tough about the performance of candidates. They've learnt a trick or two also. We've placed enormous emphasis on our marginal seat strategy. We've had campaign officers on the ground in key marginal seats for many

months, because it's about marginal seats. Queensland again reminded us that you can lose even with an overall majority vote. We were four per cent ahead there on the two party preferred vote but fell short in key marginal seats. We know that we've got to put all stops out to overcome the advantage of incumbency in marginal government held seats.

It's a case of marginal seat research, analysis, candidate training and community involvement - and I emphasise that. I emphasise the old-fashioned thing - foot slogging. Getting around the electorate. Meeting people. Unless of course you're no good, in which case you should hide.

I will not give you any of the detail of the sort of things I'm talking about, but I'm telling you that we are involved in the most intense discussion of what to do in all these areas. And you never give the game away before the election in these matters.

A word about research. It's another area where we've seen enormous changes over the last few years. Both our research tools and the level of analysis have become highly sophisticated. I doubt if any party in Australia today does it better than we do it. Even the Labor Party. But we will never be research driven. Research is an essential aid but it can never generate the ideas, the philosophy, the passion, the commitment and the courage which are at the heart of great government and great politics. Because in the final analysis, while politics is about numbers, it is never just about numbers. While it is about practice it is never just about practice it is always about principle and practice.

It is about passion and perspective.

It is about sacrificing yourself for what you believe in.

It is about serving the community.

And for the Liberal, in the words of one of my favourite American writers, it is about: "That lonely cry in all of us not to be nothing. To make some mark upon the universe. To matter."

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Photo - David Karomidis

*Helen Garner*

The Larry Adler Lecture for 1995, held at The Regent, Sydney on Tuesday 8 August 1995, was given by Helen Garner who is regarded as one of Australia's finest writers. Her works of fiction include *Monkey Grip* (1977), *The Children's Bach* (1984) and *Cosmo Cosmolino* (1992). Her first non-fiction book *The First Stone* (Pan 1995) has created wide debate over justice, sexual politics and power. Helen Garner was introduced by Sydney Institute Chairman Rob Ferguson and the vote of thanks was given by Premier Bob Carr. MC for the evening was Judith Wheeldon, a member of the board of governors of The Sydney Institute. The 1995 Larry Adler Lecture was sponsored by Telstra.

# THE FATE OF

## *THE FIRST STONE*

Helen Garner

Many years ago I came across a remark made by the poet A D Hope. He said, "With hostile critics of my work, I am always scrupulously and cheerfully polite." Professor Hope's subtle resolution came back to me last March, when *The First Stone* finally appeared and I had to stand up and defend it *ad nauseam*. I hung on like mad to the poet's tactic, and I'm happy to report that it's possible, in the face of the most intense provocation, to keep your temper for as long as four whole months. One of the things that enabled me to perform this feat of self-control was the knowledge that I was to deliver the Larry Adler Lecture. I bit my lip and gnawed my fist and went on taking deep breaths and counting to ten – partly because I wonder if, when the chips are down, courtesy is all we have left; but mostly because I knew that, thanks to the invitation of The Sydney Institute, I would be able to stand up here tonight, to put forward calmly some thoughts about the reception this book has received, and to tell you some of the things I've learnt from the strange experience of publishing *The First Stone*.

Our culture at large is obsessed, at the moment, with matters of sex and power in the relations between women and men. Given this, and given the attempts by the women complainants to get access to the book in the courts before its publication, I shouldn't have been surprised by the *extent* of the response to the book. But what did astonish me, and still does, is the *nature* of the response – its primal quality. Primal things lie much deeper in people than reason does. People in the grip of a primal response to the very existence of a book like this will read it – if they consent to read it at all – between the narrow blinkers of anger and fear. I realise now, having had it forced on me by this experience, that there are as many versions of *The First Stone* as there are readers of it. And yet there *are* certain words and sentences on its pages, put there on purpose in a certain order by the hand of a certain person – namely, me. So I'd like to take the liberty, here, of briefly and firmly listing a few of the things I did *not* say.

I did *not* say that the two young women who brought allegations

of assault against the Master of their college *ought* to have agreed to be interviewed by me. I was terribly frustrated that they wouldn't, and in the book I often expressed this frustration, but right up to the end of the book I continue to respect their right not to speak to me.

I did *not* say that women should "go back to wearing ankle-length sacks".

I did *not* say that the correct way to deal with sexual assault or harassment is to knee a man in the balls.

I did *not* say that women are responsible for the way men behave towards them.

And I most emphatically did not say that women who get raped are asking for it.

I know it's the fate of all writers to feel themselves misread. But it's dispiriting to learn what rotten readers a lot of journalists and academics and so-called prominent feminists are. I hoped I was writing in such a way as to invite people to lay down their guns for a moment and think again – and not only think, but *feel* again. Naively, perhaps, I wanted people to read in an alert way – alert to things between the lines, things that the law prevents me from saying outright.

The book is sub-titled not "an argument about sex and power", but "some questions about sex and power". There are more questions in it than there are answers. Because it declines – or is unable – to present itself as one big clonking armour-clad monolithic certainty, it's not the kind of book that it's easy to review briskly. Because it's a series of shifting speculations, with an open structure, it's hard to pull out single quotes without distorting it. What the book invites from a reader is openness – an answering spark.

But I found that many people, specially those who locate their sense of worth in holding on to an already worked-out political position, are not prepared to take the risk of reading like that. Perhaps they can't, any more. What is not made explicit, for readers like these, is simply not there. Being permanently primed for battle, they read like tanks. They roll right over the little conjunctions and juxtapositions that slither in the undergrowth of the text. It's a scorched-earth style of reading. It refuses to notice the side-paths, the little emotional and psychological by-roads that you can't get into unless you climb down from your juggernaut, and take off your helmet and your camouflage gear and your combat boots. It's a poor sort of reading that refuses the invitation to *stop* reading and lay down the page and turn the attention inwards. And it's always easier, or more comfortable, to misread something, to keep it at arm's length, than to respond to it openly.

Thus, several so-called prominent feminists have used the word "sentimental" to dismiss the scene in the book where the ex-Master's wife speaks, through inconsolable tears, of the devastation these events have brought to her and her family. Less doctrinaire critics have been

able to recognise, in this scene, a terrible example of the human cost of political action which narrows its focus to the purely legal, and thus divorces thought from feeling.

Many feminists, even, incredibly some who teach in universities, have declared it correct line not to buy *The First Stone* or to read it at all. This position is apparently quite wide-spread, judging by countless reports that have reached me of bitter arguments round dinner tables, in women's reading groups, and at bookshop cash registers. This sort of feminist, while refusing to sully her party credentials by reading the book, also knows, however, or has absorbed from the ether by some osmotic process, exactly what the book "says", so she is able to pontificate freely on how I have "betrayed the feminist cause", and "set feminism back 20 years". One woman, representing the student body of an institution in the town where I was born, wrote to let me know that, the minute she heard I was going to write the book, she had got rid of all my other books off her shelves. She rebuked me for having "profiteered" off other people's misfortunes, and suggested in a challenging tone that I should donate my ill-gotten gains to a worthwhile feminist organisation. Here I permitted myself the luxury of a coarse laugh.

The question of money in this context is fascinating. The accusation of "profiteering" is the last refuge of one's enemy. I've watched one so-called prominent feminist down in Melbourne step back and back, in her public pronouncements about the book, from engaging with what it's trying to say. Firstly, before I even wrote it, Dr Jenna Mead tried to block my attempts to research the story. Second, when it *was* published, it wasn't theoretical enough to be taken seriously: I didn't understand contemporary theories of feminism, and had failed to engage with these. Thirdly, the whole thing turned out to be nothing but fiction: she accused me of having "invented dialogues" and written "hypothetical meetings with imaginary characters". Most recently she too has retreated on to the money turf: she writes, "I have only one question about this book - why should Helen Garner be making any money out of our lives". Another Melburnian - and only a tenure-hungry academic would utter such a perverse and idiotic opinion - stated confidently to a friend of mine, "Of course, Helen's motivation was purely commercial." Yet another one said, "It's all right for *her* - *she* lives in Elizabeth Bay."

No doubt this person imagined me wallowing about in a fabulous penthouse with harbour views and a big fat Merc throbbing downstairs in security parking. The reproach is densely packed with psychic content. If *The First Stone* had been a jargon-clogged pamphlet bristling with footnotes, if it had sold a comfortably obscure, say, 3000 copies over a couple of years, the response to it from feminism's grimmer tribes would have been much less poisonous. But among those who

maintain a victim posture vis à vis the big world, where one can earn an honourable living by writing in a language that the person in the street can understand, nothing is more suspicious than a book which appears to have succeeded.

Crudely, there are two possible attitudes that a hostile feminist might take towards the annoying fact that a lot of people, including feminists of broader sympathy, have defied the girlcott and responded favourably to *The First Stone*. The first one is easy: Garner is a sell-out, a traitor to her sex. She's caved in to the patriarchy and joined the other side. This leaves the grim tribes feeling and looking – to each other, at least – squeaky clean. The other alternative is to wonder whether something might have happened to feminism. Maybe something's gone wrong. Maybe something good and important has been hi-jacked. Maybe the public debate about women and men has been commandeered by a bullying orthodoxy.

I'm not here to bash feminism. How could I, after what it's meant to me? After what its force and truth make possible? But I hate this disingenuousness, this determination to cling to victimhood at any cost, which seems to have become one of the loudest voices of feminism today.

Why do the members of this orthodoxy insist that our young women are victims? Why do they insist on focusing the debate on only one sort of power – the institutional? Why do they refuse to acknowledge what experience teaches every girl and woman: that men's unacceptable behaviour towards us extends over a very broad spectrum – that to telescope this and label it all “violence against women” is to distort both language and experience?

The hysteria that this book has provoked in some quarters reveals clearly and sadly that feminism, once so fresh and full of sparkle, is no different in its habits from any other political theory. Like all belief systems and religions and art forms – like any idea that has the misfortune to have an “ism” tacked on to it – feminism has a tendency to calcify, to narrow and harden into fundamentalism. The life spark slips out of it and whisks away, leaving behind an empty concrete bunker.

To disagree with a fundamentalist feminist, I've learnt, to question acts carried out in the name of women's rights, is not to challenge her, but to “betray” her, to turn her into more of a victim than she was already.

Cassandra Pybus wrote a three-page review of *The First Stone*, which was published in the monthly *Australian Book Review*. Alongside her review was a four-page transcript of the Radio National program on which she expressed in her carpet-bombing style, to me and to the nation, her criticisms of the book and her belief that it should never have been written. Shortly after these seven pages of her views

appeared, I got a call from the editor of the *Sydney Morning Herald*, a man I have never met and have never spoken to since. He asked me to write a piece for the *Herald* about the response to the book.

I told him I was saving it all up for this lecture, but I drew his attention to Pybus's long article in the *Australian Book Review*. Off he went to read it. Two days later, the *Sydney Morning Herald*, surely one of Australia's major newspapers, ran Pybus's attack on *The First Stone*, slightly edited, on its opinion page. Great – this was debate. A month passes – and lo and behold, Pybus is complaining now, in the letters pages of the *Australian Book Review*, that she has been denied, by me, what she calls her “position from which to speak”.

Next we come to the question of the so-called stolen stories. Lucy Frost is a feminist academic in Victoria. In her criticisms of *The First Stone*, she invokes a cosy entity she calls “the community of women who are feminists in Australia”. She puts forward the proposition that in telling the Ormond story against the will of the young women involved, I had committed a treachery in the same league as the betrayal of the tribal secrets of the Hindmarsh Island Aboriginal women. The Ormond women, she wrote in the *Australian Book Review*, “did not want their story told by Helen Garner, writer of fiction making a guest appearance as a journalist. She told their story anyway, has stolen the story they did not want her to have”.

I find this a piece of the most breath-taking intellectual dishonesty. Firstly, it lends to the Ormond women's complaints a sacred hue, which with all the good will in the world I can't see as appropriate. Secondly, in what sense is it “their” story? It is distorting and deeply wrong to bestow on the Ormond complainants the ownership of this story. It could be truthfully called *their* story only if they had decided to keep it to themselves, to hold it to themselves as a private trauma. I don't suggest for a single second that they should have done this. And they didn't. They took their complaints to the police. And the police took them to the courts.

Now the law covering sexual assault may still be seriously skewed against women's interests: it plainly is, and I strongly support the correction of this: but a court in a democratic country like Australia is an open forum. Painful as this might be, a court is open. It is open to the scrutiny of the citizens *in whose name* justice is being aimed at. So, once the complaints reached the courts, the story ceased *of necessity* to belong to the young women, or to the college, or to the man against whom the allegations were made. It stopped being “their” story, and it became “our” story – a new chapter in the endless saga of how we, as a community, try to regulate the power struggle between women and men.

I want now to speak briefly about something called eros.

I used the word rather loosely, perhaps, in the book. You could

define eros – if it would stay still long enough for you to get a grip on it – as something lofty and mythological, like “the gods’ messenger”, or “the life spirit”. You could call it the need of things to keep changing and moving on. The Jungians call it “the spark that ignites and connects”. Eros, most famously, comes bounding into the room when two people fall in love at first sight. But it’s also in the excitement that flashes through you when a teacher explains an intellectual proposition *and you grasp it* – or when someone tells a joke *and you get it*.

Eros is the quick spirit that moves between people – *quick* as in the distinction between “the quick and the dead”. It’s the moving force that won’t be subdued by habit or law. Its function is to keep cracking open what is becoming rigid and closed-off. Eros explodes the forbidden. Great stand-up comics thrill us by trying to ride its surge. It’s at the heart of every heresy – and remember that feminism itself is a heresy against a monolith. Eros mocks our fantasy that we can nail life down and control it. It’s as far beyond our attempts to dominate it as sunshine is – or a cyclone.

But Vivienne Porzsolt, criticising *The First Stone* in the *Australian*, wants us to accept that “the dynamics of eros,” as she puts it, “are historically produced. We need,” she says, “to reconstruct eros between men and women *on an equal basis*.”

There will always be these moments, I know, when people who think politically and types like me with a metaphysical bent end up staring at each other in helpless silence, with our mouths hanging open. Vivienne Porzsolt thinks I’m airyfairy and blithe and irresponsible. I think she’s possessed by hubris.

The whole point of eros, its very usefulness as a concept, is that it’s *not* reconstructible. Eros doesn’t give a damn about morals or equality. Though eros moves through the intellect, eros is not intellectual. It moves through politics, but it’s not political. It moves between men and women, but it’s not in itself sexual. When I talk in the book about eros, I’m trying to talk about that very thing – the thing that’s beyond us – the dancing force that we *can’t* control or legislate or make fair.

It’s an article of faith among some young feminists that a woman “has the right” to go about the world dressed in any way she pleases. They think that for a man to respond to – and note, please, that I don’t mean to threaten or touch or attack – for a man to respond to what he sees as a statement of her sexuality and of her own attitude to it, is some sort of outrage – and an outrage that the law should deal with. I find the talk of rights in this context quite peculiar. What right are you invoking here? You can only talk about rights, in this context, by pretending that it *means nothing at all* to wear, say, a low-necked dress in a bar at 2 am, or a pair of shorts that your bum’s hanging out of on a public beach. To invoke rights, here, you have to fly in the face of the

evidence of the senses. It's as if they believed that each person moves round the world enclosed in a transparent bubble of rights.

And who's going to protect these notional rights? Which regime will provide a line of armed police to make sure that no bloke looks at a woman's breasts with the wrong expression on his face? I'm inviting these young idealists to get real – to grow up – better still, to get conscious. Know what you're doing, what its likely effect is, and decide whether that's what you want. Sexy clothes are part of the wonderful game of life. But to dress to display your body, and then to project all the sexuality of the situation on to men and blame them for it, just so you can continue to feel innocent and put-upon, is dishonest and irresponsible. Worse, it's *a relinquishing of power*. If a woman dresses to captivate, she'd better learn to keep her wits about her, for when the wrong fish swims into her net.

A woman of my age knows – and it's her responsibility to point out to younger women – that the world is full of different sorts of men. Many are decent. Some are decent until they start drinking. Many have grown up enough to have learnt manners. Some have taken seriously *their* responsibility to get conscious. Many men like women, and want to be around them. Many have been taught by imagination, or by reason, or by painful or happy experience, that a woman is a person and not just a clump of sexual characteristics put there for him to plunder.

Some men have learnt to recognise and respect the boundary between their fantasy and what is real. Others, trapped in instinct, have not, and never will – and it's a sad fact that we can't depend on the law to *make* them. Nor will laws alone save us from their depredations, whether trivial or serious. Society makes laws. I am strongly in favour of tough legislation that will give women redress against assault – but around and above and below the laws, for good or ill, there is this fluid element, life. And what I'm proposing is that there's a large area for manoeuvre, for the practical exercise of women's individual power, before it's necessary or appropriate to call in the law.

In the book I describe a photograph. It's a black and white shot of a young woman dressed in an elegant and revealing gown. I wrote, "It is impossible not to be moved by her daring beauty. She is a woman in the full glory of her youth, as joyful as a goddess, elated by her own careless authority and power." In one response to this page of the book there emerged a grotesque mutation of feminist thought. Cassandra Pybus, for whom perhaps all gods are vengeful, wrote that my admiring description of this lovely, rather wild young woman was in actual fact an invocation, in modern dress, of that monstrous, punitive, man-hating figure of myth, what Pybus calls "vagina dentata in her full glory".

Other feminists have told me that by "sexualising" young women,

I had “disempowered” them. Leaving aside the hideousness of the language, you don’t have to be Camille Paglia to see that this is sick, and mad.

There’s been a lot of talk, triggered by the book, about symbolic mothers and daughters. Cassandra Pybus has a doom-laden approach to giving maternal advice. The young woman in the beautiful dress is not, she insists, in possession of any power whatsoever, potential or actual, and it is wicked of me to suggest that she might be. For Pybus, only one sort of power is admissible to a discussion of events like these and that is *institutional* power. This splendid young woman, then, so clever and lovely and full of life, is nothing but a sad victim. These traumatic events, Pybus solemnly assures her, “will blight her life”.

What sort of a mother, literal or symbolic, would insist to her daughter that an early experience in the rough adult world, no matter how painful or public, would blight the rest of her life? That is not good mothering. That is pathetic mothering. That is the kind of mothering that doubles the damage. A decent mother, when the dust had settled, would say to her daughter, “Right. It’s over. Now we can look at what’s happened. Let’s try to *analyse* what’s happened. See how much of what happened was other people’s responsibility, and then try to see how much of it, if any, was yours. Take responsibility for your contribution, be it small or large. You are not responsible for men’s behaviour towards you, but you *are* responsible for your own. Pick yourself up now. Wipe your tears. Spit out the bitterness and the blame before they poison you. You’re young and clever and strong. Shake the dust of this off your feet. Learn from it, and then move on.”

If all I had to go on, as responses to *The First Stone*, were the critiques of these prominent feminists, I’d be feeling pretty sick by now. But I’ll finish tonight with the good bit. I’ve had letters, hundreds and hundreds of long, frank letters from strangers. I estimate the male/female ratio of the letters at about 35:65. I was surprised at how few of them were from cranks or nutcases. By no means did all of these letters – and they’re still coming – express blanket approval of the book. But almost all of them were from people who had been prepared to respond to the book in the way I’d hoped – with the defences down – with an answering spark. They’re prepared to lay out and re-examine examples, from their own lives, of encounters, big and small, with the opposite sex, which at the time had bewildered them, or hurt them, or made them angry. I lost count of the people who said, “I’d like to tell you something that happened to me – or something that I did – many years ago; something that until I read the book I had forgotten – that I’d buried.”

Some of the letters were hilarious. You might recall an incident I relate in the book, about the masseur at a particular Fitzroy gym who kissed me when I was naked on the table. One woman wrote to me, “I

shrieked when I read about that masseur". She said that the same bloke had kissed *her*, and that furthermore *she'd* paid him too, so I wasn't to feel I was the only mug. A man wrote and suggested to me very disapprovingly that I must have led the masseur on. "Why did you take your clothes off in the massage room," he sternly asked, "instead of in the change rooms? What you did was tantamount to striptease." A masseur who could see as striptease a middle-aged woman scrambling hastily out of a sweaty old tracksuit in a corner gets my prize for sexualising against overwhelming odds.

Some letters, from both men and women, are full of pain, and anger, and shame. Others tell stories of the patient unravelling of interpersonal and institutional knots and of happy resolutions.

But the word that crops up most frequently is *relief*. Again and again people speak of the relief they feel that it might be possible to acknowledge that the world of daily work and social life isn't as horrible and destructive and ghastly as punitive feminists insist. People are relieved that it might be possible to admit sympathy in human terms with people on the opposite side of a power divide. They're relieved that ambiguity might be re-admitted to the analysis of thought and action. And specially they're relieved that to admit gradations of offence is not to let the side down or to let chaos come flooding in.

A lot of people have asked me if I regret having written this book – and more particularly, if I regret the letter of ignorant sympathy that I wrote to the then Master when I first became aware of the case – the letter that got me into so much trouble, and caused so many doors to be slammed in my face. The answer is no, and no.

I accept that this book has caused pain. I know it's no comfort – that it's almost a cheek – for me to say that I regret this. But sometimes a set of events erupts that seems to encapsulate, in complex and important ways, the spirit of its time. These are the stories that need to be *told*, not swept away like so much debris, or hidden from sight. My attempt to understand this story was frustrated. My version of it is full of holes. But I hope that these holes might, after all, have a use; that through them might pass air and light; that they might even provide a path for the passage of eros; and that they might leave, for women and men who want to think generously about these things, room to move.

### Postscript

In September 1995 Dr Jenna Mead addressed The Sydney Institute. She identified herself as a major figure in the Ormond events, and said that in *The First Stone* I had split her up into half a dozen or so separate characters. I acknowledged in the press, with relief, that this was so: it was done at the insistence of my publisher's defamation lawyers. I do not, of course, believe – it would be an absurd suggestion – that Mead was the sole supporter or adviser of the two young women. But this

does not mean that I think there was “a conspiracy” at work. At no point have I ever believed, nor have I suggested, that the Ormond events were fomented by “a conspiracy” of feminists. I quote in my book other people who think that they were, but I myself do not.



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Photo - David Karanidis

*Jean Foley*

Sydney's Quarantine Station at North Head is now a museum. From 1828 till 1984 it operated as a detention centre for new arrivals and/or returning citizens who came through Sydney's heads on a vessel carrying an infectious disease. The history and stories of the Quarantine Station are now recorded in Jean Foley's *In Quarantine* (Kangaroo Press 1995). Jean Foley spoke for The Sydney Institute on Wednesday 9 August 1995.

# DETENTION

## *WITHOUT CRIME - REACTIONS OF QUARANTINED PEOPLE IN THE NINETEENTH CENTURY*

Jean Foley

Amongst the writings of eminent historians on the purpose of recording the course of public events and human affairs, there is an observation which I find wryly amusing. It is that history is an unending search for the truth, with the only certainty at each man's (or woman's) end, that there will be more to be said and that, before long, others will say it.<sup>1</sup> I am sure from Helen Garner's stirring defence, last night, of her book *The First Stone*, that she would heartily agree.

Certainly, I would be the first to acknowledge that my own account of the North Head Quarantine Station's 146 years of operation entailed a very controlled selection of documentary evidence about many aspects of quarantine history. There is indeed more that could be said, and tonight I plan to say more about one particular aspect of the Station's history – how people reacted to their detention in the 19th Century, when the colonial government was actively encouraging the immigration of a skilled workforce to the Colony of New South Wales.

Until comparatively recent times, little was known about the causes of specific infectious diseases and the way in which they were transmitted. Quarantine regulations, which involved the isolation of ships and people for indefinite periods, were enforced in Sydney's Port Jackson from 1802 onwards as the only known means of protecting the shore population from infectious diseases on board newly arrived ships. That the action of detaining innocent people under guard for an indefinite period was draconian, was accepted by the colonial government as a regrettable, but unavoidable necessity. Acknowledging this, government health officials attending the first Australasian Sanitary Conference in 1884, reported that quarantine regulations differed from criminal law, in that they assumed that every person on board a foreign vessel was capable of spreading disease until he had proved his incapacity to do so, whereas criminal law assumed moral innocence until guilt was proved.<sup>2</sup>

A multitude of official letters record the various stages in the arrival of an immigrant ship in Port Jackson, and the decision to impose

quarantine. But reading official correspondence gives little impression of the drama of the arrival and quarantine of an immigrant ship after a voyage of three to four months without touching at any port. It is only in the letters and diaries of quarantined people, and the doctors who cared for them, that some impression is gained of the atmosphere of suspense as passengers and crew waited for the necessary health clearance from the Port's Health Officer, before the ship was permitted to proceed up the harbour to a Sydney wharf, and the dismay when the dreaded yellow quarantine flag was hoisted and the ship was escorted by the Harbour Pilot into quarantine at Spring Cove.

First impressions were always mixed. An entry in a diary kept by the ship's doctor on the immigrant ship *Beejapore* in 1853 noted that, "several of the emigrants were in great glee at sighting land, whilst many of them seemed greatly to regret having left their native land". Certainly one passenger's record of his first view of the Station was not reassuring:

On one side of the Bay, is an open space of ground on the side of a hill, with four black painted wooden houses which are for the reception of the healthy. Those for the sick we cannot see from the ship, except the cookhouse and surgeon's residence. A part of the Quarantine Master's house is visible through the trees. There are many white pillars to be seen, which enclose the separate grounds, also several sentry boxes commanding all the walks. When the emigrants are landed these will be occupied by troops sent over from Sydney whose instructions are to shoot anyone going beyond this boundary line, more especially the sick coming into the healthy people's ground.<sup>3</sup>

In fact, the sentries were only authorised to arrest people who broke quarantine, and I suspect that the threat that anyone who broke quarantine restrictions might be shot, was deliberately fostered by the authorities as a means of control.

For many, even the Station seemed attractive after more than three months at sea on an overcrowded, unhygienic immigrant ship. This was evident in the diary kept by Charles Moore, an immigrant on board the *Constitution* in 1855, when he wrote:

It took all day to land us... we had a few oysters off the rocks, quite a treat [sic] - dinner ready at three o'clock and very much we enjoyed it, I assure you, not having fresh meat so long. Beef and mutton baked, and boiled potatoes, and supe [sic] that is made of rice, pumpkins, cabbage, cut up carrots, and very nice it is... 14 weeks on pea supe and salt horse is no joke...<sup>4</sup>

One of the first actions taken by the doctor appointed by the colonial government to care for quarantined people at the Station, was to separate infected people from those who appeared to be healthy. This process, which invariably separated families, was described by Moore: "... all that had smallpox was taken to the ship [i.e. the hospital ship moored in Spring Cove], husbands and wives parted, and children from their mothers." Some impression of the anxiety and anguish which this separation caused, is revealed in the letters from doctors at

the Station, complaining of the difficulty of preventing contact between people segregated on the two separate grounds. During the quarantine of the immigrant ship *Minerva* in 1838, one doctor wrote that, "our best endeavours have been frustrated by the over-anxiety of some to know the real state of their friends at the lazaretto... nothing short of file of soldiers could enforce our orders".<sup>5</sup>

An incident which occurred in 1881 during an outbreak of smallpox in Sydney, illustrates the anxiety of a parent separated from a sick child. John Hughes, who had suffered a mild attack of smallpox, was quarantined on board the hospital ship *Faraway* moored in Spring Cove while his wife and children were quarantined on shore. On learning that his young daughter was fatally ill following her vaccination, he asked permission to go on shore to see her. When permission was refused, he twice paddled to shore with the aid of a plank of wood. On the first occasion, he was arrested and returned to the ship without seeing his family. However, on the second occasion, he was allowed to talk to his wife and children from a distance, after the doctor in charge had placed a large onion between them. He was then returned to the ship in handcuffs and leg-irons, remaining in the leg-irons for some days. His attitude to the punishment seems to have been quite philosophical – obviously he considered that seeing his family made the inconvenience of the leg-irons worthwhile.<sup>6</sup>

For some people, the fear of a highly infectious disease aroused instincts for self-preservation which occasionally were stronger than a sense of compassion. During the quarantine of the *Minerva* in 1838, the doctor in charge of the Healthy Ground reported that he was experiencing considerable difficulty in finding someone to look after Janet McNeil, aged four, who was suffering from diarrhoea and neglect. Janet's father had died from typhus fever on the voyage, and her mother died soon after the quarantine commenced. Finally he sent the child to the hospital amongst the typhus fever cases, in the hope that some "indulgent and kind" nurse would look after her, as proved to be the case. At the end of the quarantine, four-year-old Janet, like many other children who lost one or both parents during the voyage or quarantine, was taken to the Immigration Barracks in Bent Street and then sent to the Orphan School.

When a death occurred on the hospital ship, a bell was tolled on board to warn people on shore, who frequently included relatives and friends of the person who had just died, to stay away from the burial which was about to take place. This sad event was described in Charles Moore's diary:

I heard a bell tolling, I thought on the water. It turned out to be the death of the poor woman that was lock-jawed. She was buried in the afternoon by the emigrants on the ship. We all had to keep back... the burying ground is out of our boundary.<sup>7</sup>

Adding to the distress, the first burial ground was in full view of people quarantined on the Healthy Ground. Because of this unfortunate location, the decision was taken in 1853 to remove the headstones and level the site. A second burial ground was selected, but burials remained out of bounds – hasty, fearful affairs, which until 1881 were normally without any burial service.

One quality which consistently emerges in the correspondence, is the immigrants' concern to preserve the group's reputation. This could lead to a closing of ranks in the face of criticism, such as happened during the quarantine of the *Lady MacNaghten* in 1837, when a somewhat cruel letter published in a Sydney newspaper, obviously intended to absolve the ship's owner from any blame, described the majority of the unfortunate immigrants as "the lowest of the low". An indignant response, signed by a large number of the immigrants, made a dignified rebuttal. Again this concern to protect the immigrants' reputation was evident in Moore's diary in 1855 when, describing the Station's boundary pillars and guards, he wrote:

There is boundary stones five feet high, lime whited, and we must not go past them. There are sentry boxes for solgers [sic] in case of a queer lot. We don't want them to come if we can help it, for it is a nasty slur on us. The disease as been quite enough.<sup>8</sup>

For those fortunate cabin passengers who were not considered to have been in contact with the disease and were permitted to remain on the quarantined ship, the most common reaction to their detention was boredom and a sense of frustration, indicated by William Usherwood, a passenger on the *Beejapore* in 1853, when he wrote:

Horror of horrors, another month commenced and we are still without any news of our release. It has been a busy day amongst the shipping. Watching these arrivals... being the only change we have to witness from our prison, as we can scarcely call it anything else.

Usherwood, as a cabin passenger, had been cushioned from the misery of the sickness and deaths in steerage class between-decks, where there were 55 deaths during the voyage, mostly amongst the young children. Since he was allowed to remain on the ship, he knew little of the hardships of some 800 immigrants on shore, where 62 people died during the quarantine. But some impression of the immigrants' misery can be obtained from a letter written to the Colonial Secretary by one of the immigrants, John Reid Miles:

Three boatfuls amounting to about 150 individuals were sent ashore, notwithstanding that heavy rain fell several times during the day... [later, on going on shore] I found them in a deplorable condition from the state of the weather... many having their bedding and body clothes completely soaked with rain.

Complaining that a hospital tent for fever cases had been set up amongst the healthy people, and that the man appointed to dispense drugs had been found "in a state of intoxication," he added "a few

more days detention may sadly increase the numbers already laid in the narrow burial ground of Spring Cove."<sup>9</sup>

Miles' action in complaining to the Colonial Secretary provides a classic example of how the course of the Station's history was influenced, on occasions, by quarantined people. Miles, a teacher by profession, had a position of some authority following his appointment on the voyage as the immigrants' religious instructor and children's teacher. He took his responsibilities very seriously (his Sunday sermons were seldom less than two hours!), and he frequently argued with the immigrants' surgeon-superintendent, Dr Barnett, over what Miles considered were Barnett's derelictions of duty. Miles' wife, also a sternly religious person (described as "not having the sweetest temper in the world"), had been appointed the matron in charge of the single women. Together they made a formidable pair who dealt firmly with any impropriety, particularly amongst the single women where this involved any contact with the opposite sex.

In an incident which had some of the elements of an ancient Greek tragedy when the seaman concerned later fell from the ship's rigging and was drowned, Elizabeth Hadley, aged 22, was found one evening at 8.15 pm with cabin-boy Jack Healey, in contravention of a strict rule forbidding any form of communication between the single women and the crew. Punishment, both corporal and psychological, was swift. The following morning, Healey was given a dozen lashes, and shortly afterwards Elizabeth Hadley, who had been severely rebuked and who no doubt was suffering both from remorse and blame by her companions over the flogging, attempted to commit suicide by hanging. She was cut down in time, and handcuffed until the ship's sailmaker could make a straight jacket which she was forced to wear to prevent any further attempts to commit suicide. Seaman Jack Healey's drowning some six weeks later, on Christmas eve 1853, illustrated an ever present danger of falling overboard on a sailing ship. When Healey fell from the rigging, he was thrown a life buoy, but the seas were heavy, and a sailing ship running before the wind at 12 knots per hour, would be at least a mile away before a boat could be lowered. The Captain decided to sail on with Healey's cries fading into the distance. Describing the event, Usherwood wrote: "This, of course, has thrown quite a gloom over all the ship, and it was with sorrowful hearts we again proceeded on our course."<sup>10</sup>

If an assignation between a single woman and a young seaman was considered to be so reprehensible, then how much worse, in Miles' opinion, where the assignation involved a married man at the quarantine station! In a letter expressing his grief over the death at the Station of his 19-year old daughter, Gabriella, his anger that the doctor had permitted the landing of the single women in heavy rain, and his moral outrage over the behaviour of the immigrants on shore, Miles

wrote to the Colonial Secretary on 14 January 1853:

I am sorry to add that the Reports on shore are of a shocking kind as regards the moral conduct of the married women and men (not men and *their* wives) – and what do the Colonial Authorities anticipate from two hundred single women let loose in the bush? ... in reference to detention there, supervision is altogether impossible. No woman and her husband can supervise such a scattered number under such circumstances.<sup>11</sup>

Miles' letter was referred to the Immigration Board, which ordered the return to the ship of the single women. His letter had more long ranging consequences on the course of the Station's history, however, since at the end of the quarantine the Station was completely reorganised. Where before single women had occupied one of the buildings on the Healthy Ground, under the care of a matron, they were now moved to what was formerly the hospital buildings on the Sick Ground. A double row of fencing was erected around the buildings, with a gate which was guarded by a constable appointed from amongst the immigrants. No contact was permitted between the single women and other quarantined people. To replace the hospital, now used by the single women, a hulk called the *Harmony* was purchased for 1600 pounds and converted into a hospital ship which was moored in Spring Cove. This was replaced by the *Faraway* from 1877 to 1894.<sup>13</sup>

The decision by a government to quarantine a ship was not taken lightly, since it involved not only the infringement of an individual's liberty, but also heavy costs to shipping and trade through delays in quarantine. But balancing such disadvantages against the need to protect the local population from a possible epidemic, most governments embraced the view put forward by the British philosopher, Frances Hutcheson in 1753: "That action is best which secures the greatest happiness for the greatest number."<sup>12</sup>

While adopting this principle of the greatest good for the greatest number, successive governments in New South Wales nevertheless attempted to minimise its effect on those people who were disadvantaged by their detention in quarantine. Not surprisingly, first efforts were directed towards reducing the costs to shipping and trade by lessening the time a ship and her cargo spent in quarantine. Accordingly passengers were landed at the Station as quickly as possible, so as to allow a quarantined ship to be cleansed and released. But just how diligently governments protected the interests of the quarantined passengers is often questionable. Much depended both on the competence of the doctors appointed to the Station, and also their ability to inspire confidence in the people under their control. When they failed to inspire confidence, the attitude of quarantined people was seldom passive.

These were people whose courage, initiative and instincts for

survival were evidenced by the very act of deciding to emigrate – to leave relatives, friends and familiar places with little hope of return, to venture all in the hope of a better life for themselves and their children in a strange land. Many, nearly penniless and with only the threadbare clothes they wore, had travelled long distances to the British and Irish embarkation depots, sleeping on the way under bridges and in sheds. They had further honed their survival skills on the overcrowded, insanitary immigrant ships, and they were not prepared to be sacrificed through the incompetence or indifference of officialdom.

When they felt ill-treated, they united for protection. Generally their first reaction was to appoint a literate member of their group to write a politely worded petition to the government minister responsible for quarantine, setting out their complaints. If the response was not satisfactory, they used the time-honoured ploy of writing to Sydney newspapers. Thus, during the quarantine of the *Minerva* in 1838, a series of anonymous letters from “a quarantined person” to the editor of the *Sydney Gazette* indicate a carefully planned strategy, in what became a successful campaign to have the doctor in charge of the Healthy Ground replaced. On a number of other occasions, similar strategies resulted in the removal of medical staff in charge of the hospital.

Reflecting on the characteristics displayed by quarantined immigrants in the 19th Century, it is interesting to note how closely these resemble the characteristics which are claimed to be an essential part of the Australian ethos, in particular – toughness and resilience, a sense of mateship, a readiness to challenge authority, and a determination to triumph over adversity by whatever means are available. I find this resemblance particularly interesting because so much of the literature about the development of the so-called Australian legend traces its origins to the early, nomad pastoral workers, claiming that the struggle to survive in the outback bred the characteristics which are believed to be part of our national mystique.<sup>14</sup>

It is certainly more glamorous to identify our national image with “the man from Snowy river”, rather than with a threadbare, malnourished 19th Century immigrant. Perhaps that is fair enough for the purpose of a legend. But I would argue that the ballad writers and others have the wrong emphasis, and that the story of immigration (of which quarantine is so much a part) deserves a much greater place in our national pride. And so in conclusion I return approvingly to the observation quoted at the beginning of this paper, with some slight amendments:

History is, and always should be, an unending search for the truth, with the only certainty at each historian's end, that there will be more to say and that, hopefully, others will always be willing to say it.

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*Barry Wain*

Barry Wain, editor of *The Asian Wall Street Journal* 1988-1992 and now editor-at-large, has worked with *The Asian Wall Street Journal* since becoming one of its founding staff in 1976. He is the author of *The Refused* – an account of the refugee exodus from Vietnam. Barry Wain spoke for The Sydney Institute on Wednesday 16 August 1995.

# **THE RISE OF CHINA**

**Barry Wain**

The major challenge in international relations over the next 20, 30 or 40 years will be managing the international system to avoid wars as new powers arrive. China will rise, Russia will re-emerge, Japan will go through some kind of profound transformation and India, too, will have its day. By most measures, these changes are likely to be more portentous in Asia than in Europe.

China's progression, a process well underway, will preoccupy the Asia-Pacific region and indeed the wider community of nations in the decades ahead. Historians tell me that multitudinous problems accompany the arrival of great powers. Indeed, the United States is said to be the only one whose emergence didn't trigger serious conflict – and that's probably because it has no powerful neighbours to ruffle.

Obviously, it is going to take a sustained and creative effort to bring long-isolated China into the regional and global societies without serious disruption. The governments of East Asia are acutely aware of what needs to be done. They know they cannot do it alone. They are disturbed and not a little fearful that the United States, which necessarily must lead an attempt to influence China's future role in the world, appears to be unprepared, even distracted, at this time.

Worse, United States-China policy, often ill-conceived and executed, is starting to send the wrong signals to Beijing. The Chinese are rapidly reaching the conclusion that Washington is embarked on a new round of Cold War-style containment of China. This situation needs to be reversed urgently to avoid damaging and unnecessary confrontation between the two giants that could have serious and widespread consequences.

## **Superpower in the making**

China's steady ascendancy to ultimately superpower status is acknowledged throughout the region. The only point of argument is when the most populous nation on earth will realise its potential. Speculation about China running off the rails over the current

leadership transition, abandoning market economics, or disintegrating as wealthy regions feud with the centre, is misguided. Things could go wrong, especially if Taiwan were to declare independence, but I don't think that is likely.

China already packs considerable clout. With 1.2 billion people, a nuclear capacity and permanent membership of the UN Security Council, the country is vast, overwhelming and simply "there", as C P FitzGerald once put it. In the words of another sympathetic critic, it "suffers from the burden of greatness".

But inward-looking, convulsed periodically by domestic turmoil and pursuing socialist dreams, the People's Republic for a long time seemed destined to miss out on East Asia's economic miracle. Since Deng Xiaoping opened the door in 1978, however, China has not only joined the most dynamic area in the world, it is now spearheading the sustained boom.

Exuberance over where China is heading is largely attributable to awe over where it has come from. Deng's market-oriented reforms have caught the popular imagination and quadrupled the size of the economy in just over a decade and a half. External trade totalled US\$236.7 billion last year, more than 11 times the US\$20.6 billion in 1978, representing annual expansion of 16.5 per cent. From a world ranking of 32nd, China accelerated to 11th in 1992 and maintains that position today.

Actual foreign direct investment was a record US\$33.8 billion last year, taking the cumulative total to US\$95.5 billion. In 1993, over one-quarter of all capital flows to developing countries went to China. Japanese investments in China rose five-fold from 1990 to 1993, when total Japanese investments in Asia stagnated.

China has decided it wants all the accoutrements of power, especially a modern military. The streamlining of the People's Liberation Army, which includes all three services, has seen defence spending at least triple in seven years.

The three-million strong armed forces are being retooled to cope with low-intensity conflicts likely to arise in the 21st Century. Priority is being given to the navy and air force while attempts are made to integrate them and the army into a more effective fighting force. Rapid-reaction units that get the pick of arms and equipment have been introduced. China has bought advanced fighters and missiles from Moscow, and recruited Russian scientists to staff defence laboratories.

A lot of nonsense, at times verging on hysteria, is written about the buildup. The fact is the modernisation follows a decade of neglect and has been modest so far. The PLA is antiquated, employing a lot of 1950s and 1960s technology in an era of star wars. Much as the PLA would like to acquire an aircraft carrier soon, it probably won't get one operational for 20 years or more. Beijing is correct to describe its

military posture as defensive rather than offensive.

Nevertheless, the fact that Chinese military spending is soaring when most other major players are either holding the line or cutting back in response to reduced tensions after the Cold War causes concern. Another worrying factor is that the PLA is not only the world's largest military but probably the least transparent. Its plans, its force structure and its budget all remain mysteries.

Although China began publishing an annual defence budget in the 1980s, the numbers aren't credible. Beijing put spending at 63.1 billion yuan, about US\$7.58 billion, for the year that began 1 April, compared with 21.5 billion yuan in fiscal 1988. Western defence analysts double to treble the current budget, to US\$15 billion or US\$20 billion, to get a more realistic reading.

### **What kind of power?**

When I discussed China's emergence last week with Gareth Evans, he was quite sanguine. He told me, "I have no reason to believe that China will play other than a constructive role into the next century." With due respect to Australia's foreign minister, I think it is much too early to reach such a judgment.

One does not have to doubt China's sincerity to have reservations about its future behaviour over regional issues such as the South China Sea. China says it wants to see change occur in an evolutionary manner rather than abruptly. It certainly has a stake in maintaining a peaceful international environment in which to pursue its economic development. It is also the case, as China specialist Chas Freeman observed recently, that time is on Beijing's side in most instances. It sees no need to resolve issues until China's power has grown stronger and is perhaps decisive.

The reality is that China is the least satisfied in the entire region with the status quo. Beijing has a seabed dispute with North and South Korea; it claims the Senkaku Islands from Japan; it has unsettled land borders with India and Vietnam; its territorial claims at sea affect Malaysia, the Philippines and Brunei as well as Vietnam; it appears to be at odds with Indonesia over offshore gas resources. And then come Tibet and Taiwan.

As far as China's neighbours are concerned, Beijing has a mixed record since the Communist Party came to power in 1949. Under Mao Zedong, China promoted upheaval at home and in the 1960s and 1970s backed clandestine communist parties waging armed struggle against Southeast Asian governments. In 1979, Beijing sent hundreds of thousands of troops into northern Vietnam for the declared political objective of teaching Hanoi "a lesson". China's modernisation drive under Deng seeks internal stability and offers lucrative, two-way commercial opportunities. China has been more open to outside

investment than any other Asian country at a comparable stage of development. Beijing has joined APEC, the Asia-Pacific Economic Cooperation process, the Asean Regional Forum on security and badly wants membership of the World Trade Organisation.

Yet fear of China lurks not far beneath the surface. Watching for evidence that China has renounced aggression, Southeast Asia is left uneasy by a number of developments. Despite repeated denials by China that it is seeking to fill any perceived strategic vacuum, the PLA appears to be acquiring the means to project air and naval power beyond its borders, albeit limited, at a time when the United States has departed from bases in the Philippines and Russia has effectively withdrawn from Vietnam.

The most obvious target is the disputed South China Sea, which contains the contested Spratly and Paracel archipelagoes and important international shipping lanes. China has used force there twice in the past 21 years, kicking South Vietnamese troops out of the Paracels in 1974 and sinking two Vietnamese vessels in the Spratlys in 1988. Despite extending offers to set aside differences and discuss joint exploitation of resources, China has appeared belligerent at times. Legislation in early 1992 staking Beijing's claim explicitly asserted the right to use force to defend the area, and a few months later China let an oil-exploration contract for a block on Vietnam's continental shelf.

Late last year, China erected a series of structures that look suspiciously like a naval support facility on Mischief Reef in a part of the Spratlys claimed by the Philippines. Chinese explanations that the buildings are shelters built by fishermen without the approval of the central government ring hollow. Beijing's actions breached the spirit of the 1992 ASEAN Declaration on the South China Sea, which called on all parties to exercise restraint and create a positive climate for the eventual resolution of the competing claims. Although not technically bound by the declaration, which Beijing never formally endorsed, China nevertheless deeply disturbed its neighbours.

The Australian National University's Stuart Harris has observed that big powers tend to act in ways seen as rough by their neighbours, often without doing so knowingly or intentionally. I endorse his comments: "China has to recognise that its actions will be judged differently from those of smaller countries. Hence the importance of its acceptance of international rules and codes of conduct."

### **Reactions in Asia**

Without doubt, relations between China and the rest of Asia are the best they have been since Mao's Red Army seized power 46 years ago. Accepting the reality of China's rise, and the impossibility of blocking it, the region has decided to make the most of it. Nearby countries are encouraging China's participation in a network of regional and

international organisations, both official and second track, which Michael Leifer calls an “embryonic structure of good citizenship”.

As part of that process, the Association of Southeast Asian Nations, each of whose members now has diplomatic relations with China, has established a formal dialogue with Beijing. Whatever the extent of their doubts, ASEAN members are reluctant to voice their unease for fear of offending China and seeming to doubt its repeated assurances that Beijing will never deviate from the path of peace or seek hegemony. Only a few regional leaders, among them Singapore’s former prime minister Lee Kuan Yew and his successor Goh Chok Tong, have the courage to speak out. Mr Goh told a conference in Beijing in May, “It is important to bring into the open this underlying sense of discomfort, even insecurity, about the political and military ambitions of China.”

Privately, however, it is a different matter. Southeast Asia has indicated to China that the litmus test of Beijing’s behaviour will be how it handles the South China Sea imbroglio. When China crossed a line in the sand on Mischief Reef, ASEAN closed ranks and insisted on discussing the matter with China, forcing Beijing to abandon its position that the South China Sea is a bilateral issue and must not be “internationalised”.

### **Reactions in the US**

It is hard to characterise US reaction to China’s ascendancy. Without going into much detail, it is simply worth noting that President Bill Clinton is now tagged with what my *Wall Street Journal* colleague, Karen House, calls his “famously feckless foreign policy”. These days that is compounded by congressional meddling which further underscores the void in the White House leadership in world affairs.

Where Asia is concerned, Mr Clinton and his mediocre team haven’t engaged the region in a serious and systematic way. While the president gets marks for learning from some of his early mistakes, such as linking the renewal of China’s most-favoured-nation trading status with improvements in human rights, the overall feeling is of widespread disappointment. Far from engaging China for the long term, Washington has proved incapable of maintaining good working relations with Beijing. A combination of US ineptitude and Chinese paranoia are creating the fiction of a new US containment strategy against China. Beijing cannot comprehend a US foreign policy shaped by inattention and incompetence. So the Chinese think the worst when, for example, Taiwan President Lee Teng-hui visits the US.

### **What is needed**

While I am not optimistic about any significant improvements in US understanding in the near future, I will suggest what I think needs to be

done in the case of China. Washington must formulate a policy that injects some strategic thinking, integrates the various elements, establishes priorities and distinguishes between interests and values. The task is no less than to lead the effort, which will be welcomed by allies in Asia, to integrate China into the international system, encouraging it to observe accepted rules of behaviour and live in harmony.

While this will require patience and understanding of China, it should not involve nodding politely on every occasion. Where Beijing oversteps the mark in the eyes of the international community, be it on Mischief Reef, intellectual property or human rights, China should be told firmly what is expected of it. China should be made aware of the benefits of cooperation and the costs of transgression.

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Photo - David Karaitis

*Alan Fels*

To explain some of the work and implications of the new Australian Competition and Consumer Commission, Allan Fels addressed The Sydney Institute on Monday 21 August 1995. He told his audience that competition policy was the most important element in microeconomic reform in product markets in Australia at present.

# THE AUSTRALIAN

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## COMPETITION AND CONSUMER COMMISSION

Allan Fels

The general topic of competition policy is well worthy of consideration. First, because it is important. It is probably the most important element in microeconomic reform policy in product markets in Australia these days. There have been significant recent developments, and with the Hilmer Report and the Competition Policy Reform legislation there are more important changes to come. Second, it is also worthy of consideration because competition policy involves an intellectual challenge. It involves, in particular, the paradox that in order for a free market to work well, strong intervention at times is required by governments in the form of competition policy.

The Trade Practices Act 1974 will turn 21 in October 1995. Arguably it has been the single most important piece of microeconomic reform there has been in the Australian product market. It certainly is comparable in its effects with exchange rate deregulation, financial market deregulation and tariff reform. The Act has had a very powerful effect. In 1974, research showed that most trade associations had price fixing agreements, that restrictive practices were widespread, that cartels were the norm. Now, 20 years later, cartels are the exception not the norm although they still remain in some quarters. Restrictive practices have been greatly cut back as a result of the Act. Part V of the Trade Practices Act with its prohibition on misleading and deceptive conduct has also stimulated better marketing practices, although some shoddy practices remain and new challenges in marketing arise, this occurs particularly in areas where there is rapid technical change, product innovation and deregulation and the marketing practices do not keep up with product innovation.

The initial impact of the Act was quite large in the 1970s. Perhaps it was a bit less during the 1980s but of late there have been some quite significant developments. There has been a stepping up of competition policy, at the policy level, an intensification of its application and a broadening of its scope.

Before discussing the Hilmer Report I wish to mention some of

the recent changes. The penalties under the Act have gone up from \$250,000 maximum per offence to \$10 million maximum. The merger test has been changed from dominance to substantial lessening of competition and there have been some associated changes. Unconscionable conduct laws have been introduced to the Trade Practices Act including in regard to relationships between business. Product liability has been introduced into the Act. Section 87B allows enforceable undertakings and that makes the Trade Practices Act more effective whilst avoiding the need for firms to go to court, avoiding the need for litigation: it's basically been welcome to business.

The jurisdiction of the Trade Practices Act has been extended into areas like broadcasting, including pay TV and into some aspects of telecommunications. The government has announced that from 1997 the Australian Competition and Consumer Commission will take over the competition and economic regulatory functions of Austel. The Moomba-Sydney pipeline is a gas access regime administered under the trade practices law in effect and we know that in New South Wales the parliament passed the Legal Profession Act applying in principle the Trade Practices Act to the legal profession. The recent health reform legislation explicitly applies the Trade Practices Act to the health sector. There have been a range of other extensions of the Act.

Most privatisations are now subject to the merger provisions of Section 50 of the Act. Federal and State governments are now enacting more Trade Practices Act-friendly legislation and they are certainly far less prone than in the past to exclude the operation of the Trade Practices Act. The Commission is becoming involved in quite a wide range of areas of work. Also, at the administrative level, the Trade Practices Commission has been transferred to the Treasury from the Attorney-General's Department (in relation to the competition parts of the law).

At the level of litigation, courts have been awarding higher penalties than in the past. There hasn't been a good case yet under the new \$10 million penalties. That may happen before too long, perhaps, but there has been a change in court attitudes recently. The previous highest fine under the Trade Practices Act was \$250,000. The TPC could never get more than that in any case even if it proved multiple offences and theoretically became entitled to a higher fine. But in the TNT-Mayne Nickless case, under that old penalty level, the penalties were \$5 million for TNT and \$6 million for Mayne-Nickless and there were substantial penalties on individual executives. Then in the Toyota dealers case in Perth, the construction company case in Sydney, Sims Normetal in Melbourne there were high penalties, far beyond anything that the courts had primarily awarded.

So the courts have become even more serious than in the past

about applying the Trade Practices Act. And there have been some major litigation outcomes for the TPC. It won the Freight Express case in the face of stiff resistance from the companies for three years before they decided to withdraw their defence. The Toyota dealers case went for about three years before the defendants gave in and the Commission won in court. Very often companies are seeing these days the pointlessness of resisting these cases where the Commission has a strong case. They are more readily withdrawing their defences. And the courts are more sympathetic to the idea that penalties in these cases can be negotiated between the Trade Practices Commission and business before going into court. They are presented to the court and the court reviews them to see if they're reasonable. It has no objections any longer to trying to present it with penalties.

On the consumer protection side also there have been big developments. The AMP refunds of \$50 million over misleading and deceptive conduct were a sign of the times. The case involving life insurance companies and several thousand Aborigines had good outcomes and led to an influential report on insurance and superannuation which has affected marketing practices in that industry. The Telstra-Optus corrective advertising actions have also signalled the importance of Part V of the Trade Practices Act. There have also been important merger cases. For example, the Coles Myer-Rank Commercial proffered bid for Foodland Associated in Western Australia and the Ampol-Caltex matter.

Regarding merger policy, it is now two and a half years since the test was changed. Although it is hard to identify its exact effects, the Commission is being notified of about 30 per cent more mergers than it was before the change in the Act. This may be due to the change in the Act, or to other factors. We find that in about five per cent of cases or so that we have some objection. In most cases - 95 per cent or so - we have no objection. We have not blocked any mergers in sectors exposed to import competition. I could give you a very long list of mergers that we've not opposed - BHP-New Zealand Steel, Amcor-APPM, Sony-EMI-Warner (a joint venture). Southcorp-Hoover, Sims Metal-Affinity Metal, QUF-Port Curtis Cooperative Dairy and a whole string of dairy mergers. Nielsen-AGB McNair, Helman & Friedman Funds-Hoyts Consolidated, Carter Holt Harvey-Bowater Corporation, Bonlac Foods-National Foods, Australian Leather Holdings-Howe, Austereo Village Roadshow, AGL Moomba Sydney Pipeline and so on. In the end we went along with Caltex and Ampol. I have a very large list here which you can find in our annual report. I think it is worth mentioning because naturally the ones you hear about are the ones that we oppose. They get all the publicity. The ones we have opposed that come to mind are Santos-Segasco, Rank Commercial-Coles Myer-Foodland, Silver Top Taxis-Northern Taxis in Victoria, Goodman Fielder-Bunge,

CSR-Mackay Refined Sugar on an authorisation, Australian Wheat Board Graincorp.

People sometimes claim that the Act gets in the way of mergers that are necessary for Australia to be internationally competitive. We need to build up scale in order to be able to get into Asia. I do not think the Act does have that effect. Firstly, most of those sorts of mergers involve firms that are already engaged in international trade and subject to import competition. The TPC has in my time opposed no mergers where imports have been of any significance whatsoever. Most are not going to have a problem under the Act. Even where they do, even where the merger is anti-competitive at home but possibly has benefits in the export market, it is possible for those firms to apply for authorisation. And if they can make a convincing case, if the public benefit is found by the Commission (and the Commission's decisions can be appealed) to outweigh the detriment to competition the merger can occur. But the case has to be made. And there have been cases where people have come to the Commission with that sort of case and have failed to make it.

It is also worth bearing in mind that a good merger policy actually helps Australia's competitiveness. If a merger policy stops anti-competitive mergers, that is likely to lead to more efficient and lower cost supplies to our exporters.

Another point which is sometimes raised about mergers is that they bring major rationalisation benefits which the Commission ignores. One quite often reads this kind of comment in the press from interested parties. The answer is that the Trade Practices Act has a two stage process for dealing with mergers. The first stage is to consider whether or not a merger would substantially lessen competition. Most firms that come to us say simply that the merger will not lessen competition substantially. If they are right then they have nothing more to worry about. We take no action. But at that stage of the consideration – and this is a very deliberate policy decision written into the law 20 years ago – they cannot argue that there is some kind of offsetting public benefit to the detriment that there may be to competition. If the Commission finds that the merger is anti-competitive they can apply for an authorisation and show that the public benefit exceeds the detriment to competition. In that situation they can argue the benefits of rationalisation and that these benefits outweigh the detrimental effects on competition. But they can't really argue the public benefit point unless they seek authorisation.

Firms sometimes can give undertakings which will overcome the Commission's concerns. It so happens that of late there have been several cases where there have been undertakings or conditions or the like where the Commission has finally not allowed certain mergers or anti-competitive arrangements, notably in the case of Davids which is

on appeal at the moment. Davids actually offered the undertakings, the Commission accepted them (or didn't oppose them). There were undertakings for Qantas and Ampol-Caltex. I want to make it clear however that there has not been any change in the Commission's policy or attitude to this question of undertakings. In the Ampol-Caltex matter for example the Commission thought the merger was anti-competitive but having told the parties, they offered, after a fair bit of negotiation, a number of undertakings involving letting certain people get back into business who otherwise couldn't because of restrictive covenants; about selling off terminals so that imports for independents could occur; and a number of other elements. We thought that they were sufficient to neutralise the otherwise anti-competitive effect we saw in that merger. So the Commission is open to undertakings, preferably ones that relate to the structure of industry rather than behavioural ones about price restraint. We don't particularly like undertakings but sometimes if they sell off certain assets or something like that they may get a merger through.

It is not always recognised in public discussion that the Trade Practices Act brings important benefits to business. Over half the litigation under the Trade Practices Act is initiated by business against business. It is not just the TPC that does litigation. There is a great deal of private action taken by business taking advantage of the provisions of the Act. In addition many of the cases we deal with concern business to business relationships. They concern matters where there is some kind of detriment to other businesses. Take some of the price fixing cases that we have been involved in. In the freight case, for example, all the customers were business people who benefited from our stepping-in in regard to that price fixing arrangement. In the CSR-Mackay Refined Sugar case we thought that the joint venture looked anti-competitive and we eventually opposed it on authorisation. Following that there was a very big price war. Now, that price war would not have affected consumers going into the supermarket and occasionally buying a little bag of sugar. The main beneficiaries were the soft drink makers, the confectionery makers and the biscuit makers. They got a large benefit from that decision and it was actually passed on to consumers because 0.4 came off the CPI in the first quarter after that big price war.

A lot of other cases that the Commission gets involved in are really disputes between business. It is partly in recognition of the point I've just made, but for other reasons also, that the business community actually supports the Trade Practices Act even though at times individual businesses feel uncomfortable when it may be applied to them. There has been strong business support for not only the preservation of the Act but for its extension into the new areas.

In 1991 the Commonwealth and the states reached a general

agreement that there should be a competition policy that applied to all parts of the product market in Australia. It had the Hilmer Report commissioned and on 30 June 1995 parliament enacted the Competition Policy Reform Act. The first part of it came into operation a few days ago – on 17 August.

There are a few minor changes to the Trade Practices Act but basically it stays as is. Next, and this is important, the Trade Practices Act will apply, virtually without exception, to all forms of business. That is as a result of the fact that the states are in the process (New South Wales has already done it) of passing laws that fill the constitutional gap that exists because the present Trade Practices Act only applies to corporations or persons engaged in interstate trade and commerce. In addition the shield of crown protection of state business enterprises has been removed. The ability for State and Territory governments to write exemptions from the Trade Practices Act under Section 51-1 has been cut back. It has not been eliminated, but it has been made a good deal harder. So the Act will now start to apply, over the next 12 months, to areas like state public utilities, agricultural marketing boards, the professions and a range of other exempt areas – a very important development.

It is not enough in a competition policy to just have the Trade Practices Act apply to everything because the Trade Practices Act only applies to certain matters – price fixing agreements, mergers, other restrictive practices. It does not do anything about regulation that's set up by governments that is anti-competitive, nor about structures of public utilities that are not conducive to competition. For example, the Victorian government has judged that the structure of the electricity industry was not conducive to competition and has broken it up horizontally and vertically. There's a similar debate of course in New South Wales, also about competitive neutrality, that is, when government competes with business it often has an unfair advantage.

So there are a number of major issues that aren't tackled by just having universal application of the Trade Practices Act. And as a result, two very important further changes are going to take place. First, a new Commonwealth institution, a National Competition Council, will be established as a body to press for reform in these kinds of areas in collaboration with the states. Secondly, the states have all signed up to a commitment to review all the forms of regulation which are anti-competitive over the next five years. This is a very big commitment and if that job is done properly then the Commonwealth has promised that there will be large financial rewards.

The second institution being established of course is the Australian Competition and Consumer Commission which will be formed from a merger of the TPC and the PSA probably around November 1995. The legislation has now been passed, the

appointments are under consideration and government thinks it'll probably be in about November that activities will commence.

There has also been one other big change to the Act. A whole regime has been passed, a whole law about access to essential facilities. This is a whole topic in itself.

Let me say a few things about the Australian Competition and Consumer Commission. It has a number of functions. First it will continue to enforce the Trade Practices Act but to a wider range of businesses. Second, it will continue to handle authorisation applications. These will continue but there certainly will be more of them from the new people covered. Third, it will continue to apply Part V of the Trade Practices Act concerning consumer protection. Fourth, it will administer certain aspects of that access to the essential facilities regime that I have mentioned. Fifth, it will have the role of prices surveillance and sixth it may also have some investigatory and research role in relation to matters referred to it by the National Competition Council.

Of course the usual processes will apply. If the Commission thinks something is anti-competitive and a breach of the Act, the Commission still has to go to court and prove that. And if someone wants an authorisation they can apply to the Commission. If they want to they can appeal its decision to the Trade Practices Tribunal.

The new agency will be a national commission, not just a Commonwealth institution. It's formed by co-operative legislation from the states. The states have rather high expectations of what will be done as a result of the extension of its reach. There will be a need for much closer cooperation with State governments and with State regulators.

The merger of the TPC and PSA will enable a better balance to be achieved across a spectrum of competition policy and between trade practices and prices policy than before. A lot of new industries are starting already to be looked at but will even more so be looked at. These are electricity, gas, water, the professions, agricultural marketing boards, transport, health, communications, local government, even possibly education and others. And as structural reform occurs at state levels, for example when they split up the electricity industry, then the Trade Practices Act will be extremely important to help make those reforms work. For example, if they split up an industry and then the day after the firms want to re-merge or they want to have a price fixing agreement it is quite important to apply an effective Trade Practices Act to make sure the benefits of the reforms are not undone.

And there will be more complex tasks awaiting the attention of the new Commission. The Commonwealth has given it a 25 per cent resource increase in the coming year and it will consider further increases in later years to help it cope with some of these challenges.

The COAG agreement is historic. It's of great importance. It's a

great achievement. But I would like to emphasise that it is just the beginning not the end of the implementation of competition policy. It is worth in this regard comparing competition policy with tariff reform. Usually before tariffs are reduced there's a heated political debate. It is the same with competition policy. But once there's agreement on tariff reform, once it has gone through, there is nothing for the government to do. The minister just signs a piece of paper reducing the tariff and the market gets to work reallocating resources. The government has no further role.

Competition policy is different. Once the government decides to have a national competition policy, once it passes the law, the following day one does not observe a five per cent per annum increase in GDP as forecast by the Industry Commission when all the reforms come about. Instead the day after the law is passed regulators, lawyers, public servants, business people, economists, courts, tribunals, commissions, interest groups, politicians – federal, state and local – and many others become involved. And there are complex processes involving investigations, hearings, determinations, authorisations, court decisions, appeals and so on. There are many difficult decisions to be made. And it takes time for them to be made. When they are made there's a need for further decisions. And there are transitional provisions and it takes further time for the effects of all these decisions to be felt. So implementation is a very challenging element in competition policy.

It may sound in the light of this, that it will be very difficult for the new Commission to operate. I do not agree with that. I think there is a way ahead. The Trade Practices Act has been a considerable success over the years. It has taken time to work but it is an area where the basic objectives are clear. The law is basically about competition. Part IV is about competition. Part V is about fair trading but basically that is about competition too because competition does not work if consumers are not properly informed about the choices they are making. And many Part V problems are basically about competition. Prices policy is really about competition policy. So also are the access laws. I believe that the new Commission will have a clear focus on its work. It is about competition and fair trading to bring about competition.

The other great simplification that will help the new Commission in fulfilling its role properly is that it is an enforcement agency. It is an operational agency. Hilmer correctly judged that the new ACCC should not have a policy making role, should not basically be a policy advocate. It is true that the TPC, and I have no doubt the ACCC, will from time to time stick its neck out on certain competition policy advocacy. The present TPC occasionally has a shot at the taxi industry regulation because it knows a lot about it. But basically the ACCC is

an enforcement agency, an operational agency – not a policy advocacy body. And I believe that given that focus on enforcement of the law, and the focus on it being about competition, that it will be able to cut its way through to the key issues in making competition policies a success.

The final reason I believe that the ACCC will work successfully is the fact that there is such strong community support now for competition policy. The Federal and State governments strongly support it. An important change in the Australian policy making scene has been a much greater commitment in recent times of State governments to microeconomic reform and competition. The interest groups, business, consumers, unions, have in general all strongly supported the changes which are occurring. The institutions, the Federal court, the tribunal, the TPC, all are more serious than in the past. In these circumstances I believe that there are good prospects ahead in implementing national competition policy.



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Photo - David Karandis

*Henry Tsang*

Henry Tsang is Deputy Lord Mayor of Sydney and was a member of the National Committee advising the Federal Government on Australia's policy on population and development for the United Nations International Conference on Population and Development for 1994. In an address to The Sydney Institute on Wednesday 23 August 1995, Henry Tsang offered some fresh ideas for Sydney, Australia's largest and most multicultural city.

# THE CITY OF

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## *SYDNEY – POPULATION AND THE ENVIRONMENT*

Henry Tsang

This is an esteemed institution with a reputation for promoting incisive debate in Sydney on a wide range of issues. I appreciate this chance to talk to you about environmental issues as they concern cities – in particular the City of Sydney.

To do the very best for Sydney, I believe we need to balance two aspects of our city's future. We need to balance the need to grow, to be prosperous and vibrant, with the need to sustain a healthy environment.

This looks contradictory. How can a city grow without destroying the environment? And if we are concerned about the environment, then don't we have to freeze growth? How do we limit growth without threatening the economic future of Sydney and, indeed, the whole of Australia? Achieving a balance between the need for growth and the need to sustain a healthy environment is a challenge not only for the City of Sydney but for all major modern cities.

Unbridled growth causes urban sprawl – and urban sprawl is costing our environment dearly. It deadens the hearts of our cities; it damages the bush and our waterways on our fringes and it increases our infrastructure costs. But it is something we can fix. It is a problem we can fix if we recognise that Sydney is part of a larger picture. It is a problem we can fix if we use imagination and vision. It is a problem we can fix if we co-operate with each other for a city that works.

We need local councils to pull together and work in conjunction with both the people and the state and federal governments, with the goal of "sustainable development" in mind. "Sustainable development" is the key to a solution. Growth and development are healthy and desirable, as long as they can be sustained over the long-term. We need development. What we don't need is uncontrolled growth which depletes our vital resources and irreversibly poisons our air, earth and water.

Ecologically sustainable development is development that uses, conserves and enhances the community's resources so that the

ecological processes, on which life depends, are maintained and the total quality of life now and in the future can be increased.

There is a perception that Greater Sydney is bursting at the seams. That's not surprising. The city fringes keep expanding, spreading further and further along the coast and seeping into the mountains. But few people take into account that the heart of our city is dying. Fewer and fewer people live in the inner city. The CBD shuts down by 6pm - the cafes and restaurants lock their doors, the streets are empty and sharp winds circle the office towers even in summer.

We need to question the right of all Australians to the Australian dream - the quarter-acre block in the suburbs that is causing our urban sprawl. The new suburbs on our city fringes need all the amenities of modern life to be provided. The provision of roads, power and water - not to mention hospitals, schools and fire stations - is a heavy economic burden which governments can't always meet. With insufficient public transport, families rely heavily on cars which thicken our air with smog. And the clearing of the green belt surrounding Sydney just worsens our pollution problems.

In contrast, the Inner City is well provided for with public transport, entertainment venues and essential services. But still the population will remain static unless we can grow inner-city housing stock to accommodate the natural growth of the young generation. Otherwise, this young generation will be forced to the fringes in search of the great Australian dream.

The urban sprawl is a problem that will continue to worsen unless we take action now.

I'm not the only one concerned about these issues. As we all know, environmental issues are of particular concern to our premier. Recently, he hit the front pages of our newspapers when he suggested a solution to our burgeoning city - limiting the growth of the city and reassessing our migration policies. Migrants and refugees are often said to be the cause of our urban sprawl because they tend to cluster in the cities seeking work, support services and contact with other people who share similar cultural backgrounds and languages.

What a hornets' nest the premier stirred up. Politicians, academics and social commentators from around the country leapt into the debate. And it is a timely debate.

At the invitation of Senator Nick Bolkus, the Federal Minister for Immigration and Ethnic Affairs, I joined the Australian Advisory Committee on Population and Development. Australia has had a migration policy and a social justice policy, but we have never had a population policy. Yet, the connection between population, development and environment is obviously crucial to the future of this nation and needs to be thrashed out.

The debate started by Premier Carr drew a comment from

Senator Bolkus. He pointed out that modern Australia is a land of migrants. Over 80 languages are spoken in Greater Sydney, which has a population made up of over 140 different ethnic groups. Migrants are responsible for making this city the vibrant, exciting, prosperous place it is. Senator Bolkus pointed out the responsibilities Australia holds to the rest of the world to accept migrants. He made the point that in today's globalised economy, Australia must build on the human bridges it has made with other countries through migration, particularly in the 50 years since the Second World War.

Brian Howe, then the Deputy Prime Minister and Minister for Housing, also weighed into the argument. He contributed a national perspective regarding population changes. He pointed out that the area of most rapid population growth in Australia is Southern Queensland, not Sydney. Brian Howe put Sydney's urban sprawl down to changes in our lifestyle, not migration. He says we are living in smaller and smaller households. That 50 per cent of Australians live now in one or two person households, but at the same time we refuse to give up the great dream of owning our own home surrounded by trees and space.

Social commentator Phil Ruthven of IBIS Business Information Services also joined the discussion. His radical view is that with population levels in some of our Asian neighbours reaching crisis point next century, we will have two choices. Either we will be forced to accept more migrants. Or we can accept the reality of our position and manage our own migration policies.

It is interesting the Lord Mayor has made no comment on this issue. I know he doesn't want to offend the premier. Katherine Greiner also hasn't made any comment. I believe this is because she doesn't understand the issue or the solution to it. But we haven't all been silent at the Town Hall. The media is loath to give me a voice, preferring to see the mayoral electoral contest as being between "the beauty and the beast".

But this is an issue that goes to the essence of Sydney's future. It's an issue on which I feel strongly. And it is an issue on which I am well-placed to give my views.

In 1992 I was invited to chair the opening session of the United Nations World Urban Forum in Curitiba. I was also the Australian local government representative at the UN Earth Summit held in Rio. In my position on the Australian Advisory Committee on Population and Development I also attended the international and UN conferences held recently in Manchester and Cairo.

Put simply, Sydney needs migrants.

We need migrants because they are essential for our economic growth. They bring skills, expertise and investment capacity to Sydney and to Australia. We need migrants for the contribution to the rich

cultural life we all enjoy. And we need migrants to fulfil the humanitarian obligation we share with the wealthier, more stable countries of the world to accept people in need.

The conflict between the views of the federal and state governments is understandable. The problem is a complex one. It boils down to power and money. In this context it does well to remember that in general the federal government has all the money, the state government has all the power, but local government has all the problems.

As Deputy Lord Mayor of Sydney I know that the City of Sydney is in deep trouble as more and more businesses move away from the city core. In the 1950s, 50 cents in every retail dollar was spent in the CBD. In the 1990s that figure has dropped to 8 cents in every dollar. Over the past 20 years the city's workforce has fallen by 15 per cent.

Until World War II, 90 per cent of Sydney's population lived within 20 kilometres of the CBD. Today, that figure has dropped to 40 per cent. Sydney has been allowed to spread like treacle. It now covers an area greater than London, six times bigger than Rome and twice as large as Beijing.

From my involvement at an international level, I know that this problem is not unique to Sydney. All the major cities in the world are struggling to cope with population increases as people flock to the cities looking for jobs and services. Just because we are a young nation, an open nation, doesn't mean we can be complacent. We need to find a solution. We need to be innovative and creative in our approach to the problem.

From the Earth Summit in Rio, I learned one solution - "Think global, act local". Environmental problems are global problems. But they can only be solved at the local level, mainly through education and changes in lifestyle. I also learned that Western and Eastern cities can teach each other a great deal. Eastern cities need to learn that environmental concerns can't be sacrificed in the race to become industrialised.

But, in the West we need to waste less. We need to be efficient in the use of resources. We need to adjust our lifestyles and look to living in small lot detached housing, townhouses, 3-storey walk-ups and high density units - all housing choices which are affordable and feasible in these expensive times.

At the Earth Summit I also learned that all cities have disparities between the "haves" and the "have nots". It doesn't matter whether a city is Western or Eastern, in the northern hemisphere or the southern, all cities have groups who are homeless, poor, ill-educated or discriminated against.

These problems are to do with sharing. They are inter-twined

with the way we share our resources. We need to look at social justice issues in Sydney. We need to look at ways of sharing access to our resources and facilities. We need to look at the social and physical planning needs of Sydney to achieve a more equitable society. We have a concentration of welfare agencies in the inner city, but this may not be the area of greatest need.

It is obvious that all tiers of government must work together if we are to solve Sydney's problems. Local government must respond to our city's problems by working in conjunction with the State Government (which has the necessary powers), with the financial backing of the federal government (which has the money). No wonder my campaign for this election is: "The ALP team working together for a city that works".

So, if we work together, what do our governments need to achieve?

As I mentioned earlier, in 1994 I represented Australia at the UN Conference on Population Development in Cairo. It was clear from the papers presented there that the answer to this conflict between the need for urban growth and the need to minimise environmental damage, lies with sustainable development. We must encourage our cities to grow, but only so far as our environment can sustain them.

Statistics show that migrants are not the only group putting the major pressures on our cities. By 2021, Sydney's population is forecast to grow to 4.5 million from the figure of 3.7 million taken at the last census in 1991. In 1992-93, Sydney's rate of population growth was 0.4 per cent compared to the national average growth rate of 1 per cent. By far the highest growth rate, as Brian Howe pointed out, is in Queensland, at 2.7 per cent. Of the extra 800,000 people expected to swell Sydney's ranks in the next 26 years, about three quarters will come from natural increases, that is births outweighing deaths. Only one quarter will be due to migration from overseas.

Quite clearly, migrants are not the problem. In fact, as I mentioned earlier, they are an advantage. The latest research on migrants from Hong Kong – of which I am one – is very interesting. Hong Kong migrants are young, educated and highly skilled. The majority are younger than 35 years old. In 1991, nearly a quarter of Hong Kong migrants had a tertiary qualification compared with one eighth of the total Australian population. A similar number were working in the professions, compared with 12.5 per cent of the rest of the Australian population. And they have a high level of fluency in English.

The Hong Kong born have opted for urban life in Australia. Most, in 1991, were living in the larger urban areas compared with two thirds of the Australian population. They are the greatest investors in city apartments. The reason is, of course, because they seek a similar

lifestyle here to the one they left at home, while also wanting to be close to support services and other people with similar cultural backgrounds and experiences. These migrants are a great asset to this country and to this city. The answer does not lie with banning immigration.

So, what do we do? The solution requires us to work with the state and federal governments to achieve a balance - a balance between increased migration and natural population growth while preventing Sydney from creeping further and further along the coastline and into the mountains.

The recent announcement by Bob Carr that his government would enforce the green belt around the city is a great idea. His government is the one with the power in this area. It has the power to increase the density of settlements within the existing boundaries of Sydney. In particular, we need to increase the density of our inner city areas. In the City of Sydney the Council is doing its bit. Our blueprint for Sydney - "Living City" - encourages more life in the city centre by fostering all the activities and uses which will make it a more attractive place for workers, visitors and residents alike. The new City Plan also encourages development, while preserving the character, heritage and amenities of the city.

My personal view is that the plan doesn't allow for sufficient density in the City South. That area should be able to have the same density as the rest of the city, and that density should extend through to Broadway and along Parramatta Road.

We could achieve this by working in conjunction with other inner metropolitan councils and inner city councils. Encouraging more people to live here will promote the necessary infrastructure. Once residents reach a crucial mass, then laundries, small supermarkets, butcher shops and so on will spring up to meet their needs.

I believe the CBD should remain predominantly a business precinct. As a city, we should be looking to the Year 2000 and beyond. I have no doubt Sydney will be the financial capital of Australia in the next millennium and we must have a commercial centre with the dignity that reflects our status. We don't want laundromats in Martin Place.

We need to encourage residents into the edges of the CBD in areas such as Kent and Sussex Streets through to Darling Harbour, and Elizabeth and Macquarie Streets looking into Hyde Park and the Botanical Gardens. In those areas, we need the corresponding amenities such as childcare, delicatessens and leisure activities.

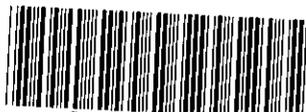
The Federal Government has a vital role to play in making sustainable development for Sydney a success. There is a need for the Federal Government to work closely with the other spheres of government by providing additional money for post-migration services. This additional money is needed for topping up major infrastructure

development such as the provision of transport, water, energy and other amenities. The "Building Better Cities" program is a good start but I believe it should be expanded.

Federal, state and local governments need to work closely together to ensure we keep Sydney on the rails. Working together is the only way to achieve what we want for Sydney. Neighbouring councils need to join together where they share common concerns, such as waterways or transport. Citizens also need to do their bit for the environment by accepting the principle of user pays for water and garbage.

So my vision for Sydney is that we can have a sustainable, amenable, attractive city if we all work together – all three spheres of government, the councils and the people of Sydney. By working together we can bear the costs and solve our environmental problems. We have a special responsibility in this city, because it is the premier city of Australia.

Let's work together for a city that works.



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Photo - David Karonidis

*Hadi Soesastro*

In an address to The Sydney Institute on Thursday 24 August 1995, Hadi Soesastro, Executive Director of CSIS in Jakarta, reviewed the developing APEC process in the wake of the 1994 meeting in Bogor and in the lead up to the next APEC meeting in Osaka in November 1995. Hadi Soesastro has been active in the Pacific Economic Co-operation Council since 1980.

# **APEC AFTER THE**

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## ***BOGOR DECLARATION***

**Hadi Soesastro**

I'm somewhat nervous at talking about APEC and Pacific Economic Cooperation issues in Australia in view of the fact that Australia was the country responsible for what we are seeing now. In 1980 Sir John Crawford invited a few of the people in the region for a Pacific Community seminar. This led to the creation of the Pacific Economic Cooperation Conference which is now called the Pacific Economic Cooperation Council. In 1989 it was also Australia that took the initiative to invite governments in the region for a meeting, again in Canberra, which led to the creation of the Asia Pacific Economic Cooperation or APEC process.

But I am happy to be asked to speak here in Australia on those issues because I have always felt that Australia, having taken the initiative to establish these various fora, these processes, has a particular role to play in APEC. Essentially, Australia's role is to create a bridge among members of the Asia Pacific Economic countries or communities which are so diverse and which have so many different views. I understand it is very difficult sometimes for Australia to sit back and look at these various different views and say, "Let's do this in order to bring these views together." Often what we see, from at least where I sit, is that Australia takes a particular stance on an issue and becomes an advocate itself. In the case of APEC maybe that's not Australia's role and I want to say this because I don't see that other countries in the region can play that role.

I was asked to talk about APEC after Bogor – after the meeting of the leaders in Bogor in November 1994. Certainly APEC today is different from what it was perhaps prior to Bogor, perhaps even prior to the meeting the year before in Seattle. And the reason is that, in both Seattle and Bogor, leaders were also present. Since then awareness of APEC among people in the region has been somewhat raised because of the direct involvement of the leaders. In Indonesia at least there is greater awareness now of APEC which is understood as something to mean open and free trade and investment in the region sometime in the

future. APEC has some political utility because government people often now refer to APEC as sort of a framework for what they are doing in the country – trying to catch up, trying to open up and so on. However, it is still very vaguely defined. People have different ideas about what APEC is. In concrete terms we have not been able to pin down what exactly open and free trade in the region means and what it is that one should do in order to reach that stage. And in fact that is where APEC is at the moment. It hasn't come to a common understanding as to what we should do. Of course the meeting in Osaka in November 1995 is going to lay down some of the ground work in the direction of implementing the Bogor Declaration.

I want to make two points on this issue. Part of the reason that there is as yet no common understanding, no agreement, no consensus as to what APEC should do, is because there are two different views on APEC. One I would define as the broad view of APEC and one is the narrow view and the two do not necessarily meet. The broad view is based on an understanding of what the essence of APEC is. What is important is community building in the region, defined in various ways. In this so-called post Cold War era the understanding, at least by people in Indonesia, (and I think also in the wider region) as to the essence of APEC is that it should be seen as an embryo for the creation of some kind of regional structure. People talk about regional architecture for the region as a whole and that APEC would be one of the pillars of such an architecture, the economic pillar of a regional structure which is essentially aimed at maintaining peace and stability in this post Cold War era.

We look around and observe that in this wider Asia-Pacific region in fact there are as yet no strong structures, or organisation at the inter-governmental level, compared for instance to Europe. To some people it looks like Europe has too many such organisations, but we lack them in the region and there is hope that perhaps the region can have a forum in which we can all meet and exchange views, discuss among each other various issues that are of common interest to us. There are many of such common interests now and increasingly so. The other pillar of this regional structure of course is the ASEAN Regional Forum (ARF) in the political and security field.

In the economic field APEC is a start in creating a regional community. The ARF in the same way serves the political and security interests. As they stand now both fora are basically consultative in nature. The objective is first and foremost confidence building because you have very diverse countries. There is China, a country which until not long ago has been isolated and therefore is still in the process of adjusting itself to being part of the regional community.

The broad view suggests that APEC is a process and that the process is what is important. So we shouldn't worry too much about

the outcome. Let the process evolve and develop into something later on. We know why it is important. At least the broad view suggests that we don't need to spend too much time defining exactly what it is. Now some would argue that engaging in such a process may be just a waste of time, or useless, because what one wants to see is immediate concrete and visible progress. Therefore there are ideas of "let's begin immediately to negotiate tariff cuts amongst us", let's for instance "formulate an APEC investment code". There are many ideas and we have seen that this is very difficult to reach a consensus on some of them.

The narrow view of APEC today is exactly the view that focuses on these outcomes. Does APEC produce an investment code or not? If it cannot produce then it's of no value whatsoever. I am somewhat concerned that the narrow view of APEC would create too much stress and tension inside APEC and would be very divisive. And here is where Australia can play a role that leads to what I have said before. Because willingly or not, consciously or not, the United States always gives the impression in APEC that it's throwing its weight around to get what it wants. And of course the smaller economies are always concerned that in fact what the United States was not able to get in the multi-lateral fora such as the World Trade Organisation, it wants to achieve through the smaller regional organisations, such as APEC, in which the weaker economies feel much weaker. So there is a problem.

One certainly must understand how United States policies are made in order to appreciate this but it makes the process difficult. There is a need for one of the APEC members to play this role as a bridge. Japan cannot play this role. Japan is too cautious. In many ways it not only follows the United States but has many problems with the United States itself. Rather than create the impression that APEC becomes an organisation that is meant to create a forum in which the larger economies can dominate over the smaller ones, we should begin to develop a process in which there will be confidence enough among the members that through APEC we can encourage various economic policies to be adopted by governments in the region. That would lead to greater openness, more free trade practices, more fair trade practices being introduced and adopted in the various countries. If that is what APEC can do then I think it is very useful.

In terms of trade, the ASEAN countries, Indonesia included, have embarked on liberalisation of trade now for almost 10 years. We all started in mid-1980s or so to open up our economies and continue to do so unilaterally – in other words we do it because we understand that it is important for all economies to do so and not because we are forced to do so. Politically it is very difficult if a government is doing these things because it is forced to do so by outsiders. There is always a cost to the domestic economy, to some groups in the economy from opening up but we have to do so.

There have been many examples in the past six months or so. Malaysia, in October 1994, announced another round of substantial trade liberalisation involving 2000 tariff items, many of them going to zero. Thailand did the same early this year involving 3000 items in their tariff lines. Only last May, Indonesia, after an absence of a number of years of liberalising its trade, has announced another trade deregulation package involving 6000 tariff items – 60 per cent of all the tariff items with a schedule that these tariffs are going down to zero and five per cent by the year 2003. We are doing this because it is important for us. There is of course also the effect of APEC, AFTA (Asian Free Trade Area) and so on. Countries in ASEAN want us to continue with this process at the pace we are ready for. What APEC can do is help accelerate that pace through cooperation.

As I said before, APEC can be helpful in influencing economic policies. There are many ways to do so. There was a recent meeting of ASEAN and Australia/New Zealand under the CER (Closer Economic Relations) umbrella. The meeting was considered to be useful because through that meeting ASEAN became interested in a number of issues, including competition policy. On our side we want to learn more from the experience of Australia and New Zealand. It is this learning process that is so important. Otherwise, as you may have seen in the past, if there is an issue being brought to APEC's agenda and the ASEAN countries are not yet prepared then of course the immediate reaction would be to say no. And this happens all the time. That should not be the pattern in which APEC should develop.

Let me conclude by suggesting to you that as a process APEC now has many tracks. First of all is the normal track, the activities of an intergovernmental nature and basically at a senior official and ministerial level. That is what APEC proper is. This involves an annual meeting of ministers and these meetings are prepared by senior officials that meet four or five times or so. The normal track becomes a major focal point in the region. APEC is already the most important intergovernmental organisation in the region although it continues to be a consultative forum rather than a fully fledged organisation.

The second track is of a non-governmental nature. This is very unique in the Asia-Pacific region. You won't see this in Europe or in the Americas. It is largely perhaps because non-government initiatives began before the governments were ready. In 1980 the Pacific Communities Seminar was held in Canberra and afterwards Sir John Crawford went around briefing the various governments. He asked for government support for the establishment of a standing committee or steering committee and was turned down by many governments because they weren't ready for it. So the second track played an important role, in the form of the Pacific Economic Cooperation Council (PECC). In addition you have PBEC (Pacific Basin Economic

Council) for the Business Group the PAFTAD (Pacific Trade and Development) which is a forum of academics, both dating back to the late 1960s. Also in the political security field, before the governments were able to establish the ARF, there were already meetings of a second track nature which later became the Council for Security Cooperation in the Asia-Pacific, or CSCAP.

It is this second track that now provides an input to the normal track. Essentially it produces ideas but also tries to form a consensus on views which then makes it easier for governments to pick up once they come from PECC or CSCAP. And we have this within ASEAN. An initiative sometimes comes from the ASEAN second track because a paper looks more neutral rather than if Singapore comes up with an initiative or Indonesia coming up with an initiative. Sometimes it is very difficult bureaucratically to do so. So it went through a second track, incorporating the views of the various countries. One example in the APEC case is of course the APEC investment principle which began outside APEC and later on was adopted by APEC.

Thirdly there is the fast track in APEC. This has been created by the involvement of APEC leaders. The meeting in Seattle and especially the meeting in Bogor introduced a fast track in the process. The Bogor Declaration is basically a result or a product of this fast track. It was prepared by the so-called assistance to the leaders and therefore can be bolder and more visionary than something which is the outcome of the normal track. The Bogor Declaration, however, also creates a lot of tension and stress with APEC, exactly because it is the product of the fast track. Maybe sometimes you need it. For any organisation to move ahead you must create a certain tension but you can't do it every year.

The immediate tensions resulting from the Bogor Declaration are within ASEAN itself – between Indonesia and Singapore on the one hand with the rest of ASEAN which thinks that Indonesia and Singapore are moving too fast ahead of the others. It is also a result of a lack of consultation. Some of the ASEAN leaders are not very happy with the result. They asked President Suharto for an ASEAN summit meeting before Bogor so they could have a common stance. President Suharto refused this. His argument was that being a host it wouldn't look right for ASEAN to have a separate meeting. It would look like ganging up against the others. In fact it should have been necessary in the ASEAN context.

Now senior officials in ASEAN have come together and they've said, "Let's forget what happened in Bogor; let's look to the future". The problems have been eliminated in a sense partly because the Japanese, in preparing for the Osaka meeting, went back to the normal track which as you would expect is the practice in Japan. For Japan it has to come from below and reach the consensus at the top so it is a

“bottom up” process rather than a “top down” process as was the case in Bogor. The leaders meeting is in fact not yet a part of APEC proper. It is not part of the APEC organisation. It is prepared by a so-called group of special assistants to the leaders – the sherpas. Only in a few countries are the sherpas also the same senior officials in charge of the normal track. It was the case in Japan, but it is not so in Indonesia and many of the ASEAN countries, nor the United States. So you have totally different groups of people preparing the leaders meeting. That created a problem for APEC. Now in preparation for the Osaka meeting the process is more participatory, and that in fact is necessary. If one talks about implementing the Bogor Declaration ultimately it is the bureaucracy that we have to implement and because of that we have to have them participate in the process.

ASEAN has also come together now and agreed to prepare itself better than in the past. That is important. I call this the ASEAN sub-regional track in APEC. It is the fourth track. And it could play an important role so long as the ASEAN countries are not organised in APEC and become a blocking power. They will always say no because they can't come to an agreement amongst themselves. Therefore they need to prepare. What I have observed in the last year or so is that the APEC agenda has now penetrated into the ASEAN. New areas like competition policy and intellectual property rights are very new issues. If ASEAN members do not come together and talk on these issues in parallel then it would make it very difficult for the APEC process to continue. So this is important.

The ASEAN senior officials in their meeting in Jakarta this year agreed to use the normal track, the second track and also the ASEAN track to begin to organise themselves better. It is in this regard that even a discussion of an East Asian economic grouping or caucus should also be seen. I know it is sometimes a very emotional issue when talking about EAEC. ASEAN sees EAEC in the context of the so-called concentric circles of cooperation which is an ASEAN strategy. If it is implemented the way it should be then there can be smaller caucuses within the larger grouping. The smaller grouping can assure a better position in the larger grouping. Having seen this in operation in the past I do believe that by strengthening the smaller ones, the larger ones also get strengthened.

An additional point I want to make is that this can provide an example for business participation in APEC which is one of the issues in the APEC agenda today. They have never come to an agreement as to how to do this. I would like to mention just one thing. Everybody thought that business participation, business input, is so important in APEC. After all the philosophy is that they are the major players and governments should stand back and try to facilitate them. But governments can only facilitate if they know what the business

community wants and needs. In fact the bureaucracy is creating their own clientele outside. One such example is the so-called Asia Pacific Business Net (APB-Net) which is seen by some as a one and a half track. The Pacific Business Forum (PBF) which was created by the leaders is also seen as a one and a half track. And there is always a question of who should represent the business. There are so many groups in the region. I think that these different business organisations should better compete and try to give their input to all these different tracks – the first track, the second track, the fast track and even the ASEAN track. That perhaps is how I see the APEC process continuing for some time.

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Photo - David Karonidis

*Hilary McPhee*

In an address to The Sydney Institute, Hilary McPhee, Chair of the Australia Council, expressed her misgivings at the lack of generosity among Australia's arts community, describing the debate about the arts as sometimes more like "the pettiness, envy and provincialism of a two horse town". Hilary McPhee spoke for The Sydney Institute on Tuesday 29 August 1995.

# CREATIVE TENSION

Hilary McPhee

Some of you might have watched the ABC Young Performers Awards last week. There was something rather old fashioned and nineteen fifties about them – with the fruity voiced quintessential arts commentator Charles Southwood and the dapper quintessential artist/composer Carl Vine sitting up in the gods like the old characters in *The Muppets* passing judgement on the performers.

It was a fantastic show. Two hours of television have not made me feel so good for years.

Here you had four young Australians of extraordinary talent and virtuosity, an orchestra and a conductor enthusiastically supporting them, an audience rapturously applauding them, and the commentators in the gods offering not a word of gratuitous criticism.

I remembered why I liked the arts.

For the emotional charge they give you – for the hit to the heart and the head. For the uplift that human effort and excellence bring – especially when they're combined with something close to genius. And it was all there on this show to an environment of total support.

The young artists sang and played Liszt, Bruch, Gluck, Bellini, Donizetti – and, absolutely without apology, the winner performed an extraordinary piece by Australia's own Richard Mills.

These were Australians of Asian, Irish and Anglo extraction – and much more I'm sure – but multicultural considerations seemed to be a long way from their minds, as they were from ours. None of them gave any sign that they were aware of what the real world of politics and the arts was all about. It was almost as if they were pre-envy.

At the end of it, when you have watched 13-year olds playing Bruch's violin concerto and Liszt's piano concerto, or Gluck and Bellini sung by a 17-year old who grew up singing country and western round the piano with her family, and a stylish and intense teenager playing Mills' mesmeric Soundscapes on half an acre of percussion equipment – you have to ask yourself, how does it happen that the arts so often seem to be poisoned with bitterness and feuds of Biblical proportions.

You have to ask yourself why very little of the debate about the arts is ever about the concerns of truth and beauty they are supposed to contain but rather seems to reflect the pertiness, envy and provincialism of a two-horse town.

To which we might add bureaucracy, crippling political modishness and an impenetrable language to match.

One of the first things that struck me when I agreed to become the Chairman of the Australia Council was the number of features in common artists have, regardless of whether they are painters or musicians or circus performers or poets.

Unsurprisingly, they all need an income to sustain them. They all need copyright protection. They all flourish when they can achieve some time out from their normal lives to focus solely on their art. They all need a market which most of them prefer to be supported than by an irregular trickle of public subsidy. They all want audiences to keep coming back for more.

But I was also immediately thrust into the world of the disgruntled, and disaffected, of people who felt they'd been hard done by, of some people who felt they were entitled to government funding for most of their lives. Of some people who seemed to use funding as, to borrow Hugh Mackay's illuminating phrase, a kind of iron lung. Some – a vocal few, and clear cases of biting the hand that had fed them over many years – thought of the Council as the enemy.

Others managed to get the media to listen to their schemes for artists being on state pensions, without doing the sums that would prove once and for all that this would require an injection of tax payers' funds at something like four times the present level – or an official proclamation that claimed a handful of artists as geniuses – and the rest as unworthy of any support.

Others, motivated most probably by envy more than anything else, flayed around regularly at the decisions made by the panels of their peers of the Australia Council who, it would seem, could never be trusted to make decisions that were even half-way decent and honourable.

This was all, I must confess, rather a shock to me. I was certainly not expecting a dream run. Any organisation, and that includes publishing companies of course, that is in the business of rejection more often than not is going to be in the gun.

The Australia Council these days rejects something like 80 per cent of applicants. There are many more foes than friends out there after any one grant round. And, while I don't subscribe to the notion that artists should be funded from cradle to grave – I certainly do not underestimate their difficulties in a place the size of Australia.

Two pieces of research struck me forcibly when I first joined the

Council. One was the evidence for a perhaps unsurprising fact that young and emerging artists have overall a lower success rate in gaining support for their work than do those applicants over 40. The baby boom generation who received free education and much else besides that no other generation ever had, has gone on receiving the lion's share of the funds available for their creative development.

The second was a research report issued at the beginning of this year by Professor David Throsby and Beverley Thompson, called *But What do You do for a Living?*

They revealed the remarkable statistic that Australia has at present 40,000 professional practising artists – not would-be or hobby artists but people who had already had a public airing of their work, been published or exhibited or recorded or appeared in a professional production of some kind. About 17 per cent had received some kind of Australia Council direct funding but others would have received income of some kind from arts companies given funding support.

The incomes of these artists are declining – in fact they now earn on average only \$11,800 from their art form, another small percentage from activity related to their art form, teaching, and so forth, and the rest from anything they can get together to bring their income up to on average a meagre \$20,000 a year.

Thus, while the number of professional practising artists in this country has greatly increased, their incomes have dropped in the period under review, their incomes from arts related activities are also declining and their average total income makes them one of the most poorly paid groups in Australia.

Ironically, this is at a point in our history when the culture of Australia in all its manifestations is starting to be highly valued.

My first response to this was disbelief that we had so many people persisting with their creative work despite the poor rewards. My second was a kind of pride that we had such a large creative talent pool in this country – and a steadily growing conviction that we should try to make more of them – for the good of us all.

It would seem to follow that we need to expand the market for that talent by growing up the arts industries, the media, the forthcoming multimedia – by finding ways to increase the opportunities to create Australian content in production industries based here.

We need to fertilise the ground for the poppies to grow. Then maybe, and this is wishful thinking, if we grew a lot it might be harder to engage in the great Australia sport of lopping the tall ones.

The institutionalised gripes in the arts in Australia seem to me to be in a domain which might be peculiar to this country. This is a strange and bitter place we inhabit at the end of the earth. Arts communities and intellectuals everywhere are famous for their venom. Leunig at the weekend had even the suavest of them capable of

“quickly filling whole beakers with venom at the slightest provocation or opportunity”.

The lack of generosity here seems to me to be unique. It has more in common with a provincial town than a serious nation. It's almost certainly symptomatic of something else. Artists and intellectuals deep in their bones seems to me to wish each other ill. Only rarely do you meet one who delights in another's success.

Subject matter is jealously guarded. The occasional fat royalty cheques and big public commissions, films that people queue for almost guarantee scorn and derision. Prizes are the last thing you need if you're going to stay friends with other artists. And we are starting to develop a star system here which suits agents and promoters – but can do a fair bit of harm to those in the spotlight.

I'm talking about the world of artists and ideas people here, the people who move us – or shake us into seeing things differently – in language familiar, in landscape we recognise. We need these people just as much as we need the images and cadences of somewhere else.

But these people quite often spend a great deal of energy tearing each other apart.

You can see it in the glee with which 24-year old Helen Demidenko is being demolished and reviled having been drastically over-praised, it seems to me. Here is a young woman who is clearly learning to write but who, most benightedly, chose as her subject scarifying material way beyond her reach. Surely she needed much wise counsel and judges, I suspect, less influenced by the notion that because they were presented with an “ethnic” voice it had to be authentic.

It's not clear yet who played the trick on whom. Was it the writer – or did we trick ourselves? Perhaps the desire for a seamless multiculturalism backfired on us all. There's always a danger, in any case, in heaping laurels on people before they are ready.

Arthur Phillips came up to me in 1976, I think it was then, when McPhee Gribble was a baby publishing house with our second book miraculously shortlisted for the *Age* Book of the Year. This happened to be Helen Garner's *Monkey Grip* and wise old Arthur was one of the judges.

Imagine how cross I was when he whispered in my ear that Garner was the writer that year with the most potential the judges had thought – but they'd also decided that the writing wasn't yet good enough and she was too young to win with her first novel – *it would be bad for her*. Perhaps he was right.

That same Helen Garner, who addressed her critics here last month, is now seen by many of her former fans to have crossed a line and to the wrong side.

As her publisher, I was well aware of the extraordinary lengths

some people went to to try to intimidate her into not writing the book they imagined and feared she was writing. And there were times when they got to her and she felt she could not complete the work.

But she blundered bravely on as best she could with the material to hand and in her head. Which is what most writers do after all.

These recent outbursts of literary violence, one clearly about heresy, the other quite possibly about something worse, have been sentimentalised in some quarters as thrilling signs that literature is alive and well, and making headlines. I find them rather more depressing indicators of fear and loathing and provincialism in the two-horse town.

Writers do each other in better than most, I guess, because they're handy with words that sting and stick.

But the art world is also riddled with rage and revenge. Some painters I've known have given up in despair – stopped painting when savaged once too often. Others drink on into the night mumbling vengeance on coteries and curators.

Musicians and composers are more disciplined, perhaps because they have to be, but the odd outburst of venom about each other's work or prizes sometimes takes my breath away.

I get letters from a lot of furious artists these days.

One of the difficulties about direct subsidy of the arts, necessary in a small market which has yet to develop mechanisms of private patronage – is that it tends to feed envy and resentments, it seems to me, almost as much as it feeds the culture.

I suspect one of the major problems in leading a life of art is its isolation. There is no one between you and the page. Or the picture plane, or what you can get from the notes your fingers and brain are calling forth. It's the loneliest life in the world. It's also a desperately insecure one.

And it's presumably not easy to be generous when you're suffering from one of the hardest fears of all to deal with – that your life's work mightn't amount to much, that what you have to say may, in the end, be second rate, that you're not the great artist you hoped to be.

Bigger places have majored intellectual disputes – but they usually seem to swell and subside within a continuous debate. Here they erupt and burst like boils. And it might be in part because the dialogue is too confined in universities, that we have many commentators but few of consistent substance, that we have few forums like this one for the exchange of ideas, and no journal like the *New York Review of Books* or the *London Review* through which to channel the serious debate.

So furores and furies take us by surprise – like Manning Clark's publisher waiting in the wings to do him in soon after his death, like the reception awaiting Giles Auty from some local ideologues, like *The First Stone*.

All of this must go some way towards explaining why the Australia Council is under constant attack.

Established as it was, under the Australia Council Act of 1975, as the government's arm's length funding body for the arts, whose governance must be driven by a majority of practitioners of various art forms, I guess we have part of the answer.

I also suspect that another part of the answer might be to decide that we have gone far enough down the direct subsidy road.

We have a couple of generations of artists for whom it has been a boon and a lifeline. We have new generations coming up who deserve part of the cake – and we urgently need to share it with them.

Recently I spent three days locked away in a hotel just around the corner from here with a small group of people.

We were engaged in the task of trying to imagine what Australia's future could look like if it became a fully fledged player in the wonderful world of multimedia. Since we are about at the same stage the inventor of the typewriter was at in the 1860s, we are bound to have got a bit wrong but, as an exercise in group imagination, I found it illuminating.

The time frame we were working with was the next 48 months in this country and we had images of present day American multimedia to help us. Not too hard to visualise the future in lots of ways.

You know the kind of thing. The satellites of the great powers are about to start beaming down on us the products of their global conglomerate media industries. And we with our tiny pockets of production, and multimedia innovation, are not ready to compete.

"We need more time," we'd like to shout to anyone who's listening. But no one is. And already takeup of PCs ready to receive and interact with us is there. Cable is being laid to bring us broadband services within the next few years.

Then PCTVs will be able to deliver a huge variety of functions direct to our homes – functions we now get from a multiplicity of outlets – like libraries and video stores and shopping malls and newspapers and the Yellow Pages and visits to art galleries – plus a lot of functions we haven't yet wrapped our brains around.

By next June, 66 per cent of white collar houses will have one or two PCs with modems and CD ROM capacity. In blue collar homes and in the schools their kids go to, the takeup will be 36 per cent. About half.

And that's not bad when you consider the fact that a third of the world's population has yet to make a phone call, and even in Australia 18 per cent of the population has never been on a plane, and at least half of the children born in the world in the next decade will never learn to read.

Even in this country we are just waking up to the fact that one in

four of our secondary students are functionally illiterate and the language of the bureaucracy suggests that a new form of illiteracy is spreading like a virus among educated adults. Even so, we are embracing with alacrity – and because we have no choice – the implications of the satellite footprint, the borderless market, the possibilities of infotainment and cyberspace.

So, we've got to reinvent ourselves as a smart country – no longer lucky – but rather as a creative nation with plenty of talent to draw on.

When I was at school we used to write school essays on what Australia would look like in the year 2000. It was a regular favourite in the 1950s.

We had clear images of cloudless skies and cars with big tailfins whizzing along superhighways on automatic pilot. Inside, happy nuclear families with perfect teeth played Spacelotto at white kidney shaped tables while the treeless landscape covered with strange disks and domes sped past the tinted windows.

The air above the superhighway was filled with people with propellers on their heads and wings on their shoulders going about their day clutching briefcases and shopping bags.

The future was very clean and orderly and laminex coloured – and everyone had an abundance of leisure.

We also wrote essays about Leisure in the fifties. This was a kind of Paradise where everyone was young and sun-bronzed eternally throwing translucent beachballs at each other on the decks of ocean liners which also had tailfins, while below in bars of unimaginable glamour people sipped purple drinks and gazed at television screens as big as picture windows.

There wasn't a book in sight. And everyone spoke mid-Atlantic English.

It's easy enough to see the origins of this fantasy in my brother's space comics of the period, in early James Bond movies, in the chaos of family life in an old weatherboard house in the hills at the end of the trainline where we read each other books at night and gathered around the wireless to listen to the serials through the static of distance and weather.

Well – the Future has arrived but Leisure hasn't. We didn't know much about consumerism, stress and overload in the 1950s. The orderliness is missing and so are the tailfins. But the propeller heads are among us and angels are making a comeback.

The transition from present to future was never going to be easy. The PCs have arrived at home alright but one of them is on the blink and is not worth fixing and the printer only works some of the time. And you keep getting the dreaded bomb icon when you try to upgrade your system to interface with the office.

Your desk is a mass of cables and you spend half your time under it trying to work out which plug is which. And you've got machinery where you once had flowers and your ancient *Brewer's Dictionary* and *Fowler's Modern Usage*. And deep in your bones you know you have your best thoughts when you're alone with a pen and sheet of paper.

The personal paradox has a national parallel, it seems to me. There's going to be a great deal of money spent on hardware for a lot of chaos and not a lot of content that's worth the effort. But people will buy because they're sold them and our schools and universities are already being restructured around screens.

We've got used to the idea that we've got to invent a whole new multimedia publishing industry in this country. But there's not a lot of brainpower going in to content production yet, it seems to me. There's not much yet on the World Wide Web that takes your breath away except the fact that you're on line to the Smithsonian and your kid seems to have established an e-mail relationship with someone in Alaska.

And irony of ironies, we are going into this at a time when we are becoming aware that our powers of communication with written and spoken words are far from what they should be – after a century of compulsory education. And among those with higher education, these skills are probably rather worse than they were a generation ago.

*Creative Nation* allocated some money, much to some people's annoyance, for things other than the Arts. There was short term funding for commercial development for an Australian Multimedia Enterprise and some Cooperative Multimedia Centres for training and skills development. And this will help us make a start.

But we have to face the fact that right now the sum total of our book publishing, film, television and music industries is about four per cent of global turnover. To match that in multimedia – infinitely more easily distributed and accessed by those who can afford it – is not going to be easy. And multimedia will rapidly replace a lot of the production of our traditional local content.

We will need to produce a great deal of Australian content for the international market as well as our own because the sums won't work if we don't.

We're going to need thousands of content producers to get us to the same level of Australia production in multimedia that we are at in other media production. The US industry recognises this:

Publishers opting to create *original* content for a multimedia title will need to hire employees or freelancers who can handle chores such as writing, filming, recording, drawing, photographing, composing, animating and creating 2D and 3D images. When *acquiring* content, a multimedia publisher's team usually includes an individual or group of researchers or acquisition specialists in: audio, video, text and images; a copyright clearance expert and the

services of an intellectual property attorney. (Simba, *The Economics of Multimedia Title Publishing*, 1995).

We've got to accelerate the skills of the future content producers. Many of them are still at school or are playing interactive American baseball for \$8 a go at Intensity. Many of them are among our arts community some of whom are already making the transition to screen-based art forms in strange and wondrous ways. The local media landscape is as chaotic as the domestic desk top, it seems to me.

Our television production industry is reeling from cutbacks and takeovers, our free-to-air broadcasters and their commercial arms are struggling to make sense of themselves. Our advertising industry, the source of much innovation and production talent for so many years, was deregulated long ago and now competes with imported material. The majority of players in our book publishing industry, dominated as ever by the R and D policies of their parent companies somewhere else, are putting only the tip of their Australian toes into the safest shallows of CD ROM infotainment.

Our universities may well be doing the research we need into how we can ensure multimedia materials do good rather than harm. That we gain rather than lose by their introduction. Academic researchers may well be coming up with the pedagogical framework the multimedia needs in order to add value to materials destined for schools and retaining programs here and in the markets to our north. But if they are they're keeping rather quiet about it.

Our copyright laws, like everyone else's, are inadequate and we are still waiting for some legislators to be prepared to take a great leap – rather as the British did years ago with their territorial copyright in the shape of their Empire – to perhaps declare Australia, even maybe its region, a copyright zone within which individual copyright holders of imported material as well as home grown can have their work both protected and fully exploited for remuneration.

This year has seen the Australia Council take the first big steps towards reshaping itself for the future.

Our charter encourages us to promote the arts and creative work in order to stimulate and enrich the cultural life of the nation – within an arts environment very different from that of five, ten or fifteen years ago.

I should perhaps emphasise that the changes have not been embraced because the previous practices of the Australia Council were misguided. Rather, there is a widespread recognition that we are working in a vastly changed landscape.

The Australia Council's policies have always tried to reflect the current arts environment – thus the decision in 1982 to put in place a Multicultural Arts Policy. This was in recognition of the fact that art and artists were emerging from our cultural diversity, that our arts were not monocultural, if indeed they ever were.

This policy was regularly mocked by a small band of critics as cultural engineering, just as the Council's decision five years ago to promote Australian arts into our region as well as into the more traditional English language and European markets was derided loudly by some.

The Council will always have its critics. Any organisation in the business of sitting in judgment on the work of peers and colleagues, of accepting or rejecting applications for funds, will be in the firing line. Although Council has always endeavoured to apply the best practice and to have procedures in place to avoid conflict of interest, the poison darts are let fly.

The year 1994-5 has been in many ways a turning point for the Australia Council but it has also been a great affirmation of the work of past peers and the staff. Peer assessment is still, we believe, the best possible way to spot emerging talent. The principle has received overwhelming support during this year of review. It will remain central to the work of the Australia Council in the years to come. Artists can spot the real thing given half a chance.

The arts environment we are working in now is about to be drastically altered by the new broadcasting technologies. And Australian artists and scholars and producers could provide much of the creativity the new technologies demand – if we get the copyright legislation right, if we ensure our young artists are fostered, if we encourage partnerships between the new media and our creative people, if we ensure the full range of producers and publishers – as a mature industry in charge of its home market and export markets – survives and indeed flourishes.

The Council's task, as I see it, is to somehow steer a course clear of both the new fangled and the old fashioned, between animosity and suspicion between groups and generations. Between the fashionably correct and the fashionably incorrect.

We'll never do it perfectly, of course, and if we did there'd still be howls of rage from the old fogies or the new hucksters. But the fact is that ideas and the arts and the ways they are transmitted are of their nature an amalgam of the old and the new, of tradition and experiment.

And we'll do it best if every now and again we withdraw from the battlefield and remind ourselves what it is we're fighting for, what all the effort is about – which was – if you like – contained the other night in the image beamed into households across the land of a kid with a violin who was playing like a dream.

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Photo - David Karonidis

*Leslie Hosking*

Les Hosking is Chief Executive of the Sydney Futures Exchange and has worked in the Futures industry for 26 years. On Tuesday 5 September 1995 Les Hosking addressed The Sydney Institute and discussed the issues at stake in the derivatives business especially in the light of the saga of the collapse of Barings Bank.

# DERIVATIVES: SIX

## *MONTHS AFTER BARINGS*

Leslie Hosking

Six months ago, the 233 year old British Bank, Barings PLC, collapsed with losses of US\$2 billion in Japanese stock index futures and options trading. This event capped off a series of losses in derivatives trading, which had rocked financial markets over the preceding twelve months.

The most publicised losses were the US\$150 million incurred by consumer products manufacturer Procter and Gamble Co on a product sold to it by Bankers Trust New York Corp; a loss of US\$1.5 billion by German conglomerate Metallgesellschaft AG in oil futures and other oil derivatives and the Orange Country Municipal Authority loss in California, reported to be US\$1.7 billion on an over the counter deal called an "Inverse floater".

The media seized on derivatives, or the "d" word, as it has been termed in the USA, portraying them as a combination of instruments creating extreme risks. It was widely promoted that the increasing use of derivatives would eventuate in such serious losses that the whole banking and financial system could be threatened. Systemic risk was the new word to be added to the already extensive jargon used in financial markets. By the time Barings collapsed, risks associated with the "d" word were so exaggerated that in board rooms and government agencies all over the world, the questions were being uttered, "Are we into those things?", or "Could that happen here?". A four letter "f" word had been adopted by the media describing derivatives – fear.

Predictably there were calls from media scribes, grandstanding politicians and other intelligentsia that something had to be done about these "dangerous markets". Spurred into action, a plethora of various agencies, including central banks, securities and futures regulators, not to mention numerous parliamentary committees, held lengthy investigations and issued weighty reports.

The findings in these reports would have surprised some. It was the deals, not the instruments, which were at fault. It was human beings not markets acting irrationally.

For instance, several trillions of dollars were transacted in 1994 in

bond derivatives as the world saw the end of a four year bull run in bond rates. Large numbers of fixed income portfolios remained well hedged, by the continuous use of bond derivatives markets. These deals were not involved in any "Freddy Krueger" style blood-bath, as depicted by one Australian daily financial tabloid in a portrayal of derivatives. But speculative losses incurred by Orange County Treasurer Robert Citron did make the headlines. It was found that lack of internal control over Citron's deals allowed him to speculate that interest rates would stay low forever.

Just recently the Commodity Futures Trading Commission, the US futures markets regulator, also attributed lack of internal control when it found that MG Refining and Marketing Inc, the unit responsible for marketing energy-supply agreements to Metallgesellschaft's customers in the US, was selling what amounted to illegal off-exchange futures contracts. What was central to the losses was the fact that Metallgesellschaft failed to understand the cash flow problems of hedging long term oil deals with shorter dated futures contracts.

And, finally, the Bank of England recently released its report into the collapse of Barings. Providing 337 pages of detail, the Bank found that to blame was Nick Leeson's speculation on a rise in the Japanese stock market, allegedly unknown to the senior management of Barings.

In its report the Bank listed five lessons which were to be learnt from the Barings disaster. I draw your attention to the fact that not one of these lessons related specifically to derivatives. They were:

- Management teams have a duty to understand fully the businesses they manage;
- Responsibility for each business activity has to be clearly established and communicated;
- Clear segregation of duties is fundamental to any effective control system;
- Relevant internal controls, including independent risk management, have to be established for all business activities;
- Top management and the Audit Committee have to ensure that significant weaknesses, identified to them by internal audit or otherwise, are resolved quickly.

These so called lessons are no more than common sense practices for any type of business. Yet neglect in these practices is a common theme in derivatives problems.

Lack of senior management's understanding of financial derivatives has been an inherent problem in what is a relatively new industry. One quite simple explanation is that today's typical director, treasurer or corporate officer, does not have extensive hands-on experience in financial derivative markets. The instruments in these markets are a creation of the 1980s, and have only had real global

exposure for the last ten years. Today's directors and senior executives are responsible for vast sums of investment capital, but have not grown up learning to use the risk management tools essential in today's environment. Subsequently, many boards and senior executives are entering commitments that they neither understand, nor of which they are fully and continuously informed. On the other hand they are well aware that they must use the instruments or face possible disaster from unhedged financial positions in the rapid ever changing markets that now exist.

In response to these particular weaknesses, regulators and participants in the derivatives markets across the world have issued at a minimum best practice guidelines for the management and control of derivatives trading. In some instances regulations have been implemented or tightened relating to customer dealings and financial adequacy provisions.

These measures might be sufficient to appease politicians and regulators, but they do very little to redress another more fundamental problem which has been the bane of futures markets since time immemorial, namely the demonising of derivatives trading. As the father of financial futures, Mr Leo Melamed said in a key note address before the American Enterprise Institute in Washington DC in 1985, "Derogatory comments, defamatory innuendoes, inflammatory jokes, false accusations, misleading opinions, half-truths, out and out lies: these represent the fate and burden of futures markets. Thus it has been through time, thus it will no doubt continue." Six months after Barings, ten years after Leo Melamed's speech, this problem remains. There continues to be a common perception which is paramount to – hide the matches, there are derivatives around.

To state the obvious, derivatives have a marketing problem! The June 1995 edition of *Global Investment* very effectively described the derivative industry's dilemma. "The challenge before the industry is: how to demystify instruments which can behave like a double edged sword. On the one hand they offer a highly valuable cutting edge tool for delivering portfolio performance. On the other if used improperly they can have some very undesirable effects – a consequence that greed and avarice seem to have given the upper hand, which the many stories in the press illustrate. It is time to free the scapegoat and deal with the real problem".

The culprits of the Barings collapse and the other derivative related problems deserve a vote of thanks for demonstrating once again that greed and avarice, not the markets, create chaos. The media however cannot be congratulated as they continue to blame the traditional scapegoat. There were far more headlines deriding the derivatives markets for losses and chaos than there were exclaiming "the collapse of Barings was caused by Barings" or "the losses at

Orange County were caused by Orange County”.

The frustration lingering between the lines of Leo Melamed's words is understandable, and is, as you might gather, shared by me. The mystification of derivatives fuelled by defamatory publicity born of outright ignorance is not only frustratingly irrational, it is obscuring their importance.

An importance which if acknowledged and respected in Australia by government, business and the public, will enhance our domestic economy and assist in developing Australia as a competitive regional centre.

Empirical evidence produced by leading academics in the USA in recent years has established that there is a positive correlation between financial market development and economic development. Efficient, developed financial markets attract confident investors, creating robust capital markets. Derivatives assist in this process by efficiently allocating risk.

Clear demonstrations of this are disclosed by a United States Federal Reserve Board report issued in the 1980s with the following findings:

Financial futures and options serve a useful economic purpose by providing a more efficient way to manage risk; the liquidity of related cash markets such as those for Treasury securities and common stocks has been improved by the presence of futures and options; a central bank's ability to conduct open market operations in an orderly manner across a range of maturities in government securities has been enhanced by futures and option contracts; the Treasury's ability to conduct debt management operations has been similarly enhanced; the improved liquidity in the Treasury securities market means interest rates paid by the taxpayer on debt incurred by the federal government is lower than it would be without financial futures markets; the ability to hedge corporate bond underwriting results in a lower all-in cost of funds for the private sector.

Australia has high ambitions as a regional finance and commodity centre. To achieve that goal we must have an efficient finance sector that pools domestic savings and mobilises foreign capital into productive investments. Underdeveloped or poorly functioning capital markets are illiquid and expensive and deter foreign investors. Any investment is adversely affected if raising capital is difficult and costly. Illiquidity and high transaction costs also hinder the capital raising efforts of large domestic corporations and tend to divert their capital raising to foreign markets. The remedy to these economic ailments in modern financial markets are efficient low cost and diverse derivative markets both of the over-the-counter and exchange-traded variety.

Whilst Australia enjoys a high reputation for efficient domestic capital formation enhanced by the mature markets of the Australian Stock Exchange, the Sydney Futures Exchange and the general

Australian financial sector, our competitors in Tokyo, Singapore and Hong Kong, are more successful in facilitating global capital market flows.

The fact that the problems of the *British Bank*, Barings, occurred on the *Singapore International Monetary Exchange (SIMEX)* in the *Japanese* stock index product, the NIKKEI 225, demonstrates the point that Australia is out of the loop in these markets.

Australia is equipped and capable of providing similar markets. We have skill in commodities and financial markets trading and engineering. We have well equipped and experienced treasury operations, state of the art communication and exemplary regulation. However, to date the majority of our commodity exports are priced on the basis of northern hemisphere markets and the pricing of foreign equities, currencies and debt also slips by us to the north. Many well meaning reports issued in recent times identify and debate Australia's regional centre shortcomings. Very little mention is made up in these reports regarding initiatives to develop derivatives markets as a key to effective and efficient capital market activity.

In contrast, SIMEX was intentionally developed in 1984 by the Singapore Government via the Monetary Authority of Singapore as an essential plank in Singapore's regional financial centre initiatives. To this day the government, the Exchange, and the business community work hand in hand to promote their derivatives markets.

It has frequently been put to me that it would have been an embarrassment to the Singapore Government, the Monetary Authority and SIMEX, that the Barings collapse occurred in Singapore. If it can happen in the toughly controlled and closely supervised environment of Singapore couldn't it happen anywhere they ask? Do we need these markets and their problems they conclude?

My response to these questions also attempts to put what happened into perspective. Futures exchanges in the United States, United Kingdom and elsewhere, through their long history, have developed experienced management, exacting procedures and special controls which can detect and manage incidents like Barings. I put the Sydney Futures Exchange in that category because of its long history, very experienced management, refined rules and aggressive supervision of its markets. However, no marketplace is absolutely secure from determined fraud mixed with incompetent management as apparently occurred with Leeson and Barings on SIMEX.

What also must be added to the evaluation of the Barings incident is the ultimate net result. The facts are that the systems used by futures exchanges to assure financial protection of innocent participants in the event of a default of a member worked perfectly well at SIMEX, despite the deception and the magnitude of the Barings loss. No member of SIMEX, except Barings, was affected by the Barings

default. All customers of Barings were segregated from the losses and their positions transferred to other members intact. SIMEX suffered no monetary loss. The robustness of the futures market systems were severely stress tested and were not found wanting.

More importantly, going forward, such an event has not distracted Singapore from fostering the development of more derivative instruments, further enhancing Singapore's already significant participation in the burgeoning regional capital markets.

If Australia is to be a serious contender in commodity and financial markets, the government, business community and the public must quickly come to grips with derivatives, as is the case in Singapore. The economic efficiency rationale expounded by the US Federal Reserve Board in relation to derivatives over US equity and Treasury markets applies over many Australian markets. Australia's production of wool, wheat, sugar, cattle, cotton and other farm products and our production of coal, oil, gas, gold, silver, metals and other commodities will all benefit from efficiently priced derivatives markets operated in Australia. Foreign capital will be raised more effectively in Australia if efficient derivatives markets are operating here. Our regional ambitions will be substantially enhanced if derivatives markets in Asian equity and debt are actively traded in Australia.

It is not difficult to come to grips with derivatives. Begin by ignoring the grossly unfair prejudices which have no factual basis. Acknowledge that whilst human characteristics such as greed and cheating exist, derivatives markets will be no utopia, but are no different to other market places in that respect. Learn to expect that when risk is incurred, derivatives markets are essential to manage that risk, not increase it. Arrive at the conclusion that derivatives are a fact of life essential to efficient markets and are a cornerstone to an improved economy. Accept derivatives for what they are.

Otherwise as it stands now, six months after Barings, whilst many in Australia continue to wring their hands as to what to do about derivatives trading, our competitors are getting on with business and forging ahead of us.

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Photo - David Karondis

*Margaret O'Sullivan*

The history of the Sisters of Charity (RSC), who arrived in Sydney in 1838 and later founded St Vincents' Hospital, has shed new light on relations between the Catholic hierarchy and the laity during the term of office of Sydney's first Catholic Archbishop - John Bede Polding. Dr Margaret O'Sullivan RSC, author of "*A Cause of Trouble*" - *Irish Nuns and English Clerics* (Crossing 1995) addressed The Sydney Institute on Tuesday 12 September 1995 and challenged some of the assessments of Polding and his order of Benedictines in Australian Catholic history.

# ARCHBISHOP

## *POLDING AND THE CATHOLIC CHURCH – ANOTHER VIEW*

Margaret O'Sullivan

There are good and solid reasons for seeing Archbishop John Bede Polding, the first Catholic bishop in Australia, as one of the shining stars of the Australian Catholic church and yet this paper claims that a less eulogistic view of his reign is justifiable.<sup>1</sup>

Many of us older Catholics were raised on St Thomas Aquinas and pride ourselves on being logical and rational in consequence. That is why our attitude to our clergy is so consistent. They can do nothing right. When they have a strong voice, as in early Australia, we say we're priest-ridden. If they keep quiet, as often in Australia today, we complain that they give us no leadership. So it's not surprising that we look again at the past to see what we can find to criticise there when the novelty of fault-finding with the present wears thin. Historians call this revisionism. For the past ten or fifteen years, Archbishop Polding has endured this historical itch.<sup>2</sup>

### **Polding's place in early Australia**

Prominent members of the Catholic church like Cardinal Edward Bede Clancy in Sydney and Bishop Bede Heather at Parramatta are named after John Bede Polding. They are living evidence of the high regard in which Archbishop Polding is regarded by Catholics.

Polding was quite willing to admit his own importance. When he wrote to ask for funds from the French Society for the Propagation of the Faith, he told them that he saw himself "as the foundation stone on which, humanly speaking, this Church, in this country almost as extensive as Europe, must be founded".<sup>3</sup> That blithely left out of account all clerics and lay persons who had planted the faith before him.

In equally cavalier fashion, in the draft answer written by his secretary, Thomas Makinson, to rebut 1859 accusations against Polding's administration, there is the claim that,

Whatever there is of permanency in the religious and charitable institutions of Australia, whatever beauty and solidity there is, is

mainly due for its origin and its continuance to [Polding's order] the Benedictines.<sup>4</sup>

This kind of ungenerous exaggeration ignores the worth of their predecessors, like Rev J J Therry and Fr John McEncroe. It can be argued that Polding's attitude to his own Benedictine order proves that monastic priests, or religious, should not be made bishops. Monastic life sometimes gives weight to small matters. For example, Brother Edmund Moore, who arrived in Sydney in 1848, wrote back to a friend at Downside, Brother Augustine Morrall, about being obliged to change his religious name to Cuthbert and being required to wear hats and have long hair.<sup>5</sup> Rather than fussing about such minutiae, a bishop needs a broad outlook.

Born in 1794, Polding arrived in Australia as its first Catholic bishop in 1834 and began work that has earned him his pedestal in the Catholic Church of Australia. His instructions to groups of Catholic convicts<sup>6</sup> and Irish female orphans, and his tireless and difficult journeys to remote districts<sup>7</sup> prove his zeal.

Polding's appeals for funds show a grand vision for the future. He hoped for useful missions to the Aborigines and for a place in which Australian-born priests could be trained. He wanted at least two priests in each locality to prevent loneliness and he planned to educate the young.<sup>8</sup>

Polding's successes were remarkable with the poor and uneducated and he remained popular with all kinds of people until his death. My thesis tonight is that the fact that he had been a member of a religious order for most of his life nevertheless made him ill-equipped to rule a church in which there were diocesan (or non monastic) priests and educated people with liberal ideas unwilling to be treated like children. Put in different words, the period of Polding's administration is an object lesson in the dangers of obedience. Excessive insistence on obedience in a church provokes either rebellion or apathy, neither of which is healthy.

From the age of eight, Polding's whole life had been monastic. His parents were both dead and his uncle, Fr Bede Brewer, president general of the English Benedictine Congregation, took over his education. Polding was totally socialised into religious patterns with little experience of life outside the monastery. He was admitted to membership before he was sixteen.<sup>10</sup>

### **Polding's Benedictine hopes**

All of Polding's visions turned on his determination that Australia and – when that proved impossible – then just Sydney should remain under Benedictine control. In a letter to the President of the English Benedictines in 1848, Polding made the extraordinary claim that he did not care about the prejudices of the secular clergy against religious

clergy, as he was “not dependent on them”.<sup>11</sup> Only a year later a more realistic Benedictine, Bishop Charles Davis, wrote to England that “our [Benedictine] forces are totally unequal to our work”.<sup>12</sup>

Although Polding recognised that the Council of Trent demanded diocesan seminaries, his letter to the Society for the Propagation of the Faith on 27 November 1846 told them that “our Seminary shares the monastic character”. In fact, the Benedictines in Sydney believed that “no native of the Archdiocese can become a priest unless he joins the Order”.<sup>13</sup> Priests who arrived in Australia as diocesan were encouraged – even pressured – to become Benedictines.<sup>14</sup>

Benedictine monks themselves recognised that Polding’s determination was impractical. A few who lived in St Mary’s monastery went so far as to send a petition to Rome to explain why living as religious actually made them less effective as priests. They wrote:

We feel firmly convinced... that this Australian mission will never succeed unless it comes more into the hands of a secular clergy, or at least until it is less in the hands of the present (the Benedictine) Regular body.

The reasons they gave were that as Benedictines they did not live amongst the people, had no money with which to help the poor and had their time taken up by monastic duties.<sup>15</sup> How many of these restrictions also hampered their bishop?

Since Benedictines take only a vow of obedience instead of the three vows of most other religious, the abbot is particularly important, although – as those of you who are Brother Cadfael fans know<sup>16</sup> – important matters are meant to be discussed by all the monks in chapter. When Polding was bishop, he emphasised to Rome how useful it was to have his priests obey him as their religious superior.<sup>17</sup> What did this attitude mean in practical terms?

In the first place, Polding saw himself as the father of his people. A fatherly approach is good, but not if it means treating adults as if they are children. That was precisely one complaint that the Sisters of Charity had against him, that he and his vicar, Dr Henry Gregory, wanted the Sisters to be “like children”.<sup>18</sup> Dr Gregory’s Benedictine sister repeated the same thought, though with approval, saying a year later that Polding treated the Sisters of Charity “as his children and all love and esteem him as their father and superior”.<sup>19</sup> She evidently did not know that the Constitutions of the Sisters of Charity kept the role of superior for one of their own members.

As St Mary’s was a school as well as a monastery, Polding copied a practice that had prevailed in the Middle Ages: young boys were accepted as candidates for religious life. This reflected Polding’s experience. However, the boys were expected to follow all the adult monks’ religious practices. This in effect stopped them from having a real childhood. One Benedictine monk protested that boys of that age

needed time for play but Dr Gregory rebutted this, saying that the boys were to be ruled with a rod of iron.<sup>20</sup>

### **Polding's rule as despotic**

In 1858 the *Freeman's Journal* believed that Polding had lost the capacity to act in any way but despotically. The editor, J K Heydon wrote:

It is true, that when we place ourselves in his Grace's position, and trace step by step, for so many years, the autocratic rule in every department, we feel how hard would be the task for us to accustom ourselves to any other rule of action.<sup>21</sup>

Polding's treatment of critics of his administration reveals an authoritarian attitude. When he objected to certain letters and editorials in the Catholic paper, the *Freeman's Journal*, he addressed a *Pastoral Admonition* to the clergy in Latin, telling them to forbid people to buy the paper.

The *Freeman's Journal* cheekily published a translation of this threat of "annihilation"<sup>22</sup> and commented on it both in editorials and correspondence. The *Freeman's Journal* response to the "fulmination" had the tone of a teacher disappointed with a naughty child. Polding must have been struck – and enraged – by the contrast between the intemperate language that came from him and the mild, reasonable arguments that met it.<sup>23</sup> One correspondent insisted that:

If we persevere as we have begun, with that manly independence which is perfectly consistent with due submission to legitimate authority, and without which the best authority would soon sink into a vile despotism, there is no doubt that all our reasonable desires for the interest of the Catholic body will in due time be fulfilled.<sup>24</sup>

In spite of the seeming reasonableness of the articles, it is easy to develop some sympathy with Polding because the attacks were so sustained. It must have been irritating when critics of his administration even quoted *his* words to support their case, as in the matter of avaricious priests.<sup>25</sup>

Even though Polding is commonly judged kindly and sympathetic, some of his words and actions do not synchronise with that view. For example, when one of the Benedictines, Edmund (Thomas) Caldwell, was unhappy at St Mary's and wanted to transfer to another bishop, Polding boasted to his Benedictine cousin in England:

I took him at his word – spoke to Dr Murphy (Bishop of Adelaide) who agreed to take him and to let me have another in his stead... Caldwell read in the morning (in the *Gazette*) his appointment to Windsor and found himself – in the evening on board the *Phantom* for Adelaide.<sup>26</sup>

Even worse was Polding's request to Rome that they treat a priest who wanted to leave the Benedictines as Peter treated Ananias and his

wife Sapphira.<sup>27</sup> For those of us who cannot immediately recall all the details in the Acts of the Apostles (5:1-11), the happy pair were struck dead after lying to Peter about property they sold in order to contribute to the common purse.

Polding's harshness to the two Benedictines who went to Rome with an appeal against their vows in 1854 was brought up against him as late as 1866.<sup>28</sup> The two Benedictine nuns that he brought to Australia in 1848 were instructed to work as hard on feastdays as on any other day because

no service will be deemed too menial or too laborious or too engrossing of their time – which has for its object the saving of expense to the Church.<sup>29</sup>

Is it any wonder that the younger was dead two years after arriving?

Sr Veronica Brady recently wrote that the "question of authority, of the claims of obedience is ... the central question of religion".<sup>30</sup> Though Brady is dealing with the whole church, Polding is a classic exemplar of her point for Sydney. One of the Benedictine nuns who travelled to Australia with him in 1855 summed up his attitude at one point as, "What he wants, he wants".<sup>31</sup>

We could partly excuse Polding's behaviour to the Benedictine monks and nuns by saying that religious take on a special form of life by their own free will and they should expect superiors to be unreasonable at times. However, to expect the same kind of obedience from diocesan priests and people who are not vowed religious is quite misplaced. Perhaps without realising it, Polding did expect unquestioning obedience from clerics and laity.

### **Rejection of lay participation**

From the lay point of view, it seemed as if Polding thought his Catholics incapable of thought or capacity for action. When we see how active leading Catholics were in every area of life, it is amazing that Polding wanted to avoid making use of their talents in the administration of the church. On the contrary, he, with Bishops Goold and Willson, took umbrage at suggestions made in the *Freeman's Journal*. Its editor summarised the episcopal response to suggestions for improving church administration:

We are set down as followers of Luther and other heretics, and revivers of the Synod of Pistoja. Not only, is it asserted, are we givers of scandal, but tainters of the very fountain of knowledge. We are said to be scoffers of the faith of the humble – men whose sacrilegious audacity is carried to such extremes as to strike on the face again the Son of God. We supply unhappy souls with poisonous pasturage. We are foxes, laying waste the vineyards; nay more, we roaring lions, the name given by St Peter to the Devil.<sup>32</sup>

### Favouritism

While the laity and diocesan priests were undervalued, Benedictines had the key role in Polding's regime. An excellent priest like Fr John McEncroe, loved by priests and people, respected even by those of other denominations,<sup>33</sup> was never given the recognition that he deserved because he had not agreed to become a Benedictine, even after living at St Mary's for many years. When Polding and his vicar general were overseas and his assistant bishop, Charles Davis died in 1854, the priests elected Fr McEncroe to look after the church in the interim. In spite of – or was it because of? – his popularity. Polding removed him in favour of Dr Gregory again in 1855.

A great deal of opposition focussed on Polding's Benedictine vicar general, Dr Gregory, whose high-handed manner of dealing with other Catholics made him unpopular with many. Polding's affection for Gregory was such that he could not see his faults or hear criticism against him. He once wrote about Gregory to the prioress at Princethorpe, describing how he was "strongly and gratefully attached" to him, lamenting Gregory's absence overseas and trusting that after Gregory's return "we shall never again be separated".<sup>34</sup>

One of the priests complained that Gregory had as much influence on Polding as Lord Melbourne had over the young Queen Victoria.<sup>35</sup> Even after Gregory had left Australia for good, an English bishop was appalled by the way in which, during a visit Polding made to England, Gregory made him change his retreat arrangements.<sup>36</sup>

Polding lamented to Gregory that after his departure there was no one he could talk things over with comfortably.<sup>37</sup> Polding's evident partiality for Gregory and Benedictines in general would be one factor that led to a rumour in Europe that "in Sydney the hostility of feeling is scarcely less determined against Englishmen than it is against Benedictines".<sup>38</sup> It was rare that Polding praised any priest but a Benedictine.<sup>39</sup>

Understandable, but unforgivable in a bishop, Polding's care for the Benedictines absorbed much of his time and attention. As early as 1851, Fr McEncroe could write to Pope Pius IX that Polding spent too much time and trouble on his own Order; that the Irish were neglected spiritually; and that priests were overworked.<sup>40</sup> The lay petition to Rome in 1859 inevitably repeated McEncroe's 1851 charge that the "Abp has sacrificed clergy & people to the one end of establishing a branch of the Benedictine order".<sup>41</sup>

First of all, Polding was superior at St Mary's monastery. Even though he handed over most of his authority there to his vicar general, Dr Gregory, that was almost a token gesture, since the two acted in tandem and Gregory usually went with Polding on his visitations over his vast area of responsibility.

One Benedictine establishment where Polding kept total control,

except for a brief spell when Bishop Davis replaced him, was the Benedictine nuns' convent at Subiaco. He was the nuns' ordinary Superior. The Benedictine who tried to manage diocesan finances after Gregory's departure, complained that Polding spent too much time at Subiaco.<sup>42</sup>

Earlier glimpses of life at Subiaco give some idea of what was involved. Even buying a pair of scissors or sewing needles depended on permission from the Benedictine superiors.<sup>43</sup> Bishop Davis, in the brief span in which he stood in for Polding there, managed all the convent "business *spiritual* and temporal".<sup>44</sup> The time it takes to act as spiritual director for enclosed nuns makes it a task that is quite incompatible with all the other calls on a bishop's time.

Paradoxically, because – according to the saying – a favourite has no friends – Polding's obvious bias toward his own order, however understandable, led to its destruction, in spite of the good done by the Benedictines and the love most of its members – Polding included – inspired.<sup>45</sup>

The greatest flaw in Polding's absorption with the Benedictines was one that another bishop, a fellow Benedictine and a former vicar general of Polding's, pointed out to Rome. The writer, Bishop Ullathorne of Birmingham, received letters and visits from Australia and so was in touch with the situation. He wrote:

It must be remembered that a complaint is made about Mons. Polding, that he has not placed himself openly at the head of the secular clergy, but that he has always shown a preference for the Benedictine clergy. This is a general feeling. And since the seculars do not, and cannot, have any other head than their Bishop, while the religious always have their superior, hence if the secular clergy finds that the religious state is given preference to them by the Archbishop himself, naturally they will not come to show full trust, or a spirit of sacrifice. Undoubtedly the Benedictines, my brothers, deserve all the praises that the Archbishop gives them; but it can easily be seen from his letters that he has not such great care for the secular clergy of which he is the special head, and which must always be the body on which mainly depends the care of souls.<sup>46</sup>

A dispirited letter that would give weight to that judgment from Ullathorne came from Wollombi in NSW. Fr Joseph Martin believed that Polding was "so old and always so occupied with the problems of the City of Sydney, as not to have time nor strength left for supervising the diocese" or watching over the priests in isolated areas.<sup>47</sup>

### **Conflicts over money**

Similarly, some of the conflicts between the Sisters of Charity and Church authorities in Sydney rose from Polding's refusal to let the Sisters control the money and property that generous Catholics tried to give them.<sup>48</sup> At the same time, he bought properties for the Benedictine nuns and for a Benedictine school and monastery. As he gave no

account to the people of how their contributions were spent, they began to believe that a disproportionate amount went to Benedictine causes, in effect robbing other needs which they described to Polding in an address on 29 July 1858.

The group of lay representatives<sup>49</sup> in this address asked for clergymen of all orders, religious sisterhoods, religious teachers, the establishment and endowment of primary and grammar schools, the appointment of school inspectors and churchwardens as well as giving the latter and the local pastor control over the receipts and disbursements of their respective revenues. They also hoped that the colony would be subdivided into bishoprics with resident bishops, and have regular synods, yearly bishops-clergy conferences and ecclesiastical and lay administration of church property.<sup>50</sup>

Money was an especially sore point. One of the complaints sent to Rome by W A Duncan and E Butler in 1864 was that since all money was in Benedictine hands, on Polding's death it might be deemed Benedictine property instead of property of the Sydney church.<sup>51</sup> Ironically, after Polding's death, so thoroughly had the Benedictines become accustomed to regarding Sydney money as Benedictine money that one wrote to protest about its loss.<sup>52</sup> The laity in 1859 had been anxious to make Polding accountable in finance but he had resisted. As late as 1864 Duncan and Butler wrote that "His Grace will not allow any of us to make the least allusion to this matter".<sup>53</sup>

### Race and class

One way to escape coming to terms with the real flaws in Polding's way of running the archdiocese, including his overspending on the Benedictines, is to say that the Irish resented him and the other Benedictines because they were English.<sup>54</sup> That is not true.

Among Polding's most strident critics were a Scot, W A Duncan, and an Englishman, J K Heydon, while the Englishwoman Caroline Chisholm made a character in a serial she wrote criticise the government paid clergy for not visiting the poor. Even the 1854 petition to Rome from the Benedictine monastery itself alleged that:

[Gregory] does not try to gain the affections of his people - he does not go amongst them - he does not preach to nor publicly instruct them. One would imagine he has a dislike to them: at least so the poorer members of the catholic community think.<sup>56</sup>

Polding was really stung by a question from Rome about anti-Irish bias and asked two prominent Irishmen to defend him. John Hubert Plunkett's letter was richly ironical. There are two points to recall when reading it. First of all, Polding and Plunkett had at times been at odds, especially in 1859. Secondly, articles in the *Sydney Morning Herald* had made much of the lack of skills and education among Irish orphan girls sent to Australia, using them as an excuse to

ridicule Irish ignorance in general. The Irish Plunkett's defence of Polding, the educated Englishman, was, then, not a statement that Polding did *not* discriminate but a claim that:

I believe that there is not one of my Countrymen, among his (Polding's) large congregation who does not hold him in as much respect and regard, as if he were a native of Ireland.<sup>57</sup>

The struggle between Polding and some of the most prominent Catholics in his jurisdiction was not a matter of race but more of class: Polding, whose mother belonged to an old Catholic family, was on the side of the establishment and had a horror of democratic movements. His reason for composing his own rules for the monastery in Sydney instead of using those adopted by the English Benedictine Congregation was that he found the "forms of the English B Cong ... too complex and the democratic principle too prevalent".<sup>58</sup>

The years 1857-1860 were a turning-point for the church in Australia—the head of the church demanded unquestioning obedience whereas the leading laymen wanted a say, particularly in the disbursement of what they contributed. The threat of excommunication, so easily used, made Polding's victory sure and the Sydney church has suffered in consequence.

To take for granted that Polding was right and the laity wrong in those years may stifle change in the present century for the *ecclesia semper reformanda*. If we compare the aliveness of the Melbourne laity as described by Vincent Buckley in *Cutting Green Hay*, remembering that Edmund Campion's *Rockchoppers* describes how Cardinal Gilroy in the same era stifled the Melbourne-born anti-Communist Movement, we see how Sydney's laity remained subordinated. We have returned to seeing Catholics prominent in all walks of life and, thank God, some are passionately and publicly attached to the value of their faith. Geraldine Doogue, in the Veech Lecture of 1 September 1995, spoke of ways in which the Church could reach out more effectively to Catholics today. May God grant that she has a more receptive hearing than the laity of Polding's time.

## Endnotes

- 1 A careful look at Bede Nairn's praise for Polding's success in "the important things" is significant. He goes on to cite increased numbers of priests and churches and yet it was Frs J McEncroe and J J Therry who did as much or more here, by paying for their training. Bede Nairn, article on Polding in *The Australian Dictionary of Biography (ADB)*, vol 2.
- 2 Some historians who have included Polding's mistakes (not just his achievements) in their works are W T Southerwood, for example in "The Other Pioneer (Father Philip Conolly)", *Australasian Catholic Record* vol LIX (1982), pp 442-56; Frances O'Donoghue, *The Bishop of Botany Bay: The Life of John Bede Polding, Australia's First Catholic Archbishop* (Sydney, Angus & Robertson, 1982); John Hosie, *Challenge: The Marists in Colonial Australia* (Sydney, London, Boston: Allen & Unwin, 1987).
- 3 He wrote that he saw himself "comme la pierre fondamentale sur laquelle, humainement parlant, cette Eglise, dans ce pays presque aussi etendu que l'Europe, doit etre fondee", on 20 October 1845. Archives of the Society, Lyons, France.

- 4 The lay petition was sent to Rome in 1859 so the date of February 1862 on this document seems too late. DA N388.
- 5 Moore to Morrall, 18 February 1848. Downside Archives, England (DA) M71.
- 6 This is mentioned even by John Dunmore Lang in *Popery in Australia and the Southern Hemisphere and How to Check it Effectually: An Address to Evangelical and Influential Protestants of All Denominations in Great Britain and Ireland* (Edinburgh, Thomas Constable, MDCCCXLVII).
- 7 Writing to the Society for Propagation of the Faith on 21 August 1850. Bishop Charles Davis, Polding's assistant, described how the orphans usually arrived in groups of about 200. Polding provided a week of spiritual exercises, during which they were instructed by the clergy and "the good Sisters of Charity", admitted to communion and confirmation, and persuaded to make a pledge of total abstinence. Lyons.
- 8 These journeys were noted in the Catholic paper, the *Freeman's Journal*. They have also been the topic of an article, "The Bishop in the Saddle", by Bernard T Dowd, Sheila Tearle and Sr M Gregory Foster in *tjurunga: An Australasian Benedictine Review* no. 13 (1977), 5-296.
- 9 See, for example, in his correspondence with the Society for the Propagation of the Faith: On 10 May 1845, he described the southern part of his diocese where Melbourne now had 1600 inhabitants, and there were three other towns of 500-2000 people but places were so isolated as to need two missionaries in each; on 20 October 1845, he sent pages describing what he needed for the expenses of missionaries for the Aborigines and whites; what would help toward the erection of a seminary, toward the costs of sending his vicar general to Europe and back, toward a school for female Aborigines, especially orphans, toward the erection of churches and schools. In another document, which may have accompanied a letter to France of 30 December 1845 from his English agent, Fr Thomas Heptonstall, Polding wrote about the "Aborigines of Moreton Bay", describing how he had learned some of their language. On 27 November, from London, Polding still pleaded for money to build a seminary in order to give "a permanent existence to the Church of Australia". His reiteration of the same plea on 11 September 1858 proved its importance in his eyes. Lyons.
- 10 Reading a great number of letters from a Benedictine nun, Dame Magdalen Le Clerc, who came to Australia from Stanbrook Abbey in 1848, is one way of becoming aware of how all-important were monastic affairs to its members. Stanbrook Abbey archives, England. Details about Polding's upbringing are from Nairn, *ADS*.
- 11 Polding to Fr Barber, 18 November 1848. DA M108.
- 12 Davis to Fr Wilson, Prior at Downside, 12 December 1849. DA M231. He repeated this belief in a letter to a confrere on 28 February 1850. DA M245.
- 13 This is stated in a petition from a few Benedictines, dated 19 March 1854, and taken to Rome by two of them. Anselm Curtis and Nellitus Corish. DS M453.
- 14 Osmund Thorpe. *The First Catholic Mission to the Australian Aborigines*, pp 191-2, when commenting on Polding's restrictions on the Passionists, referred to Polding's statement that missionaries needed to be Benedictines (to Fr Thomas Heptonstall, 9 June 1843) and his intention of making religious of All Hallows graduates who came to Australia (to Archbishop Murray of Dublin, 19 October 1843).
- 15 Quoted from the Benedictine petition, dated 19 March 1854. DA M453. As early as 11 July 1838, the then Vicar Apostolic for Australia, William Ullathorne, had told Polding's cousin, Heptonstall, that "to do anything Benedictine now in the Colony is now out of the question: because there were not enough Benedictines ready to come there. DA K77.
- 16 Edith Pargeter, writing under the pseudonym of Ellis Peters, set a series of detective stories in a medieval abbey in Shrewsbury. They include *The Leper of St Giles*, *The Sanctuary Sparrow*, *The Virgin in the Ice* and *The Hermit of Eyton Forest*.
- 17 On 14 Decemer 1845, Polding assured Propaganda that just having one Order was best, when he had to justify his treatment of the Marist Fathers. When he gave a review of his diocese (probably in January 1846), he said that there was an advantage in being the priests' religious superior as well as their bishop and that, if all missionaries were Benedictines, there would be no disputes. Propaganda Fide archives (PF). OCEANIA 1842-5, p 1057, 1846-7, p 14.
- 18 This is what Sr M Xavier Williams wrote to her sister in Dublin in 22 June 1847. Sisters of Charity archives, Dublin.
- 19 Sr Scholastica Gregory to her former prioress in England, Madame du Chastelet, 22 March 1848. Fernham archives, England.
- 20 Edmund Moore to the President of the English Benedictines. Fr Barber, 19 October 1849. DA M222.
- 21 *FJ* 3 July 1858.

- 22 This was the expression in the *FJ* editorial for 21 April 1858.
- 23 For example, in the *FJ* editorial of 3 July 1858.
- 24 The pseudonym "Isidore" was under this letter in the *FJ* of 14 July 1858.
- 25 This was the case in Peter Pilgrim's response to Fidelior in the *FJ* of 29 December 1858.
- 26 Polding to Heptonstall, 20 October 1848. DA M103. He wrote to Dr Barber, President of the English Benedictines, on 18 November 1848: "I have dispersed in a summary way all the grumblers." DA M108.
- 27 Polding to Propaganda, 20 March 1854. PF OCEANIA 1853-7, pp. 426-7.
- 28 Writing to Monsignor Talbot at the English College, Rome, on 9 September 1866, Bishop Brown mentioned Polding's "severity" to Corish and Curtis as part of his proof that Polding was "not a man adapted to govern". English College, Talbot papers, Rome.
- 29 This is taken from an "undated letter of Dr Polding to the Benedictine nuns of 'Subiaco' concerning customs, observances". Fernham.
- 30 "Every Christian in her own place: Women's writing and theological understanding". Maryanne Confoy *et al.* ed., *Freedom & Entrapment: Women thinking theology* (North Blackburn, Victoria: Collins Dove, 1995), p. 66.
- 31 "Ce qu'il veut, il le veut". From the record made by one of the nuns, possibly Sr Scholastica MacCarthy, during the 1855 voyage. Fernham.
- 32 Heydon's editorial for the *FJ* of 3 July 1858.
- 33 A remarkable tribute in the usually anti-Catholic *Sydney Morning Herald* (See, for example, 13 March 1850) which said that McEncroe had won "the respect of all" was copied in the *FJ* of 17 November 1959.
- 34 Polding to du Chastelet. 14 March 1857. Fernham.
- 35 Patrick Serenus Farrelly to Propaganda, 2 August 1852, claiming that the notion was given to him by the superior general of the Passionist Fathers. PF OCEANIA 1848-53, pp. 1004-5.
- 36 Bishop Brown wrote to Talbot on 7 January 1867 about an encounter Polding had with Gregory in England. "It became apparent that he possesses almost irresistible influence over the Archbishop and insists upon submission. Actually Dr Polding lamented the thwarting of his movements by Dr G whom he seemed unable to resist – and wept at being compelled by him to leave St Michael's where he wanted to make a retreat of a few days." English College, Talbot papers.
- 37 Polding to Gregory, 19 May 1868. DA 0256. Cf. Makinson to Gregory, 22 September 1861: Polding was less confident in his own decisions without Gregory. DA N337.
- 38 Brown to Talbot, 25 November 1864. He repeated this opinion in another letter on 11 May 1866. English College, Talbot papers.
- 39 For example, in a letter of 19 April 1861, Polding wrote to Gregory: "Fr Maurus (O'Connell OSB) is doing glorious things at Maitland" (DAN323), whereas he could ignore all the good work in recruiting that Fr McEncroe had done in Ireland.
- 40 7 March 1851. PF OCEANIA 1848-52, p. 639.
- 41 A copy of the petition was sent to Ullathorne and point 8 is used here. Dated 18 April 1859, it seems to be in the handwriting of R O'Connor and claims to result from a meeting of 900 persons, a number well above the probable 200-300. DA box 756.
- 42 Fr Bede Sumner to Gregory, 21 August 1861. DA N335.
- 43 Dame Magdalen Le Clerc to a Benedictine priest in England, possibly the President General, on 14 February 1849. Stanbrook.
- 44 Le Clerc to the Stanbrook abbess and community on 14 March 1853. Stanbrook.
- 45 The *FJ* of 18 September 1858 unfavourably contrasted "the spirit of Australian Benedictinism" with priests trained at All Hallows, Dublin; that of 16 October 1958 commended the "zeal and efficiency" of Fathers McAlroy and Birmingham at Wagga Wagga, Gundagai, Tumut and Boorowa with the small progress in the rest of NSW. An admirer of Polding, Fr Timothy McCarthy, when reporting to Propaganda after Polding's death, defended the early days of the Benedictines in Australia and blamed Polding's "successive and inevitable absences" for its decline, 5 August 1878. PF OCEANIA 1877-8, notes taken from microfiches in the Sisters of Charity archives, Sydney.
- 46 Ullathorne to Propaganda, 16 December 1859. PF OCEANIA 1858-60, p. 871.
- 47 PF OCEANIA 1858-60, p. 477.
- 48 This is discussed in M M K O'Sullivan, *A Cause of Trouble? Irish Nuns and English Clerics* (Sydney, Crossing Press, 1995).
- 49 The Hon J H Plunkett, E Butler, R O'Connor, R Macdonnell, J K Heydon, James Hart and W M Davis.

- 50 The *F7* of 31 July 1858 reprinted the letter to Polding with the requests.
- 51 This was in a letter to Propaganda on 19 March 1864. PF OCEANIA 1861-7, p. 1105.
- 52 A M Sullivan OSB to Propaganda, 31 [?] December 1883. PF OCEANIA 1882-4, p. 956.
- 53 See endnote 51.
- 54 Arguing against this view is one of the themes of *A Cause of Trouble?*
- 55 *Little Joe* (originally published as a serial in *The Empire*, 1859-60). ed. Joe Moran (Ashgrove, Preferential Publications, 1991). p. 22.
- 56 19 March 1854. DA M453.
- 57 Plunkett to Polding, 21 December 1863. Archives of the monastery of Saint Paul's outside the Walls, Rome.
- 58 Polding to Ullathorne, 22 October (1855). DA box 756.



Photo - David Karonidis

*Jenna Mead*

Dr Jenna Mead was a central player in the Ormond College sexual harassment case – the story behind Helen Garner’s *The First Stone*. In her 1995 Larry Adler Lecture, Helen Garner accused Jenna Mead of trying to “block my attempts to research the story”. Dr Mead has denied this. Jenna Mead put her side of the case to The Sydney Institute on Wednesday 20 September 1995.

# THE FIRST STONE

## *FEMINISM AND NON-FICTION*

Jenna Mead

I'm going to be talking about the events at Melbourne University's Ormond College surrounding complaints of sexual harassment made against the then Master of the College, Dr Alan Gregory. In Helen Garner's book, *The First Stone*, the Master of Ormond is represented by a character called Dr Colin Shepherd. For reasons that I'm going to explain, *The First Stone* turns real life into a confusing narrative of changed names, confused events and unclear meanings. It's sometimes difficult to follow who Helen Garner is talking about and this is a real problem both in the book and in real life. So I'm going to be talking about truth and writing, particularly non-fiction writing. I'll also be commenting on a version of contemporary feminism that's circulating, especially in the print media, at the present time.

We have all heard about *The First Stone*. Helen Garner, "eminent novelist" and Walkely-Award winning journalist, announces her intention of writing her first book of non-fiction. The book will be about the events surrounding allegations of sexual harassment at Melbourne University's prestigious Ormond College. Peter Craven, writing for *The Australian*, said *The First Stone* is "a remarkable book... It is a narrative which is remarkable for the almost embarrassing disarray (sic) of its truth telling". Garner, he says, "has changed the names, even Gregory's, presumably as an act of kindness." But, Craven continues, "I trust this will not function in such a way that this fiercely evidential book is mistaken as a piece of faction... It should be emphasised that *The First Stone* is no sense a work of fiction. Garner's book," Craven claims, is "art as well as engrossing investigative journalism."<sup>1</sup> And to provide the book with international currency, he compares *The First Stone* to Janet Malcolm's book on Sylvia Plath. This of course is a *literary* allusion.

But the book by Janet Malcolm that sheds real light on *The First Stone* is a study of the ethics of journalism called *The Journalist and the Murderer*.<sup>2</sup> In it Janet Malcolm has a few things to say about fiction and non-fiction and their place in journalism:

... the writer of fiction [Malcolm says] is entitled to more privileges [than the writer of non-fiction]. He is the master of his own house and may do what he likes in it; he may even tear it down if he is so inclined... But the writer of non-fiction is only a renter, who must abide by the conditions of his lease, which stipulate that he leave the house – its name is Actuality – as he found it. He may bring his own furniture and arrange it as he likes (the so-called New Journalism is about the arrangement of furniture), and he may play his radio quietly. But he must not disturb the house's fundamental structure or tamper with any of its architectural features. The writer of non-fiction is under contract to the reader to limit himself to events that actually occurred and to characters who have counterparts in real life, and he may not embellish the truth about these events or these characters. (153)

Recently a number of journalists have noticed Helen Garner takes a few liberties with the House of Actuality, with the truth about events and characters, in a book that was shortlisted for the New South Wales Premier's Award for Non-fiction. Rosemary Neil, Matthew Ricketson and Brian Toohey have all written about what happens when what you thought was fact turns out to be fiction.<sup>3</sup> After the crackle and pop about Helen Darville-Demidenko an uncomfortable silence has set in about Helen Garner. The embarrassment is palpable.

Now I'm not actually interested in telling a room full of journalists or the people who bought the 60,000 copies of the book that they've been had. Or that they should have known better. No amount of soul-searching or warnings "to be careful next time" will change the fact that *The First Stone* is out there in people's homes and on library shelves. It has been read on the way to work and in bed late at night. What does interest me is what this book says about sexual harassment, about feminism, and about the young women who became Helen Garner's target. The lesson is that this book and its popularity tell us some pretty disturbing things about the culture we're living in.

The story about the allegations of sexual harassment at Ormond College broke in the *Age* newspaper. The chronology of events, the names of the main players (with the exception of the complainants), the sequence of legal actions, the press releases made by both parties were all reported in the general news section.<sup>4</sup> The case was reported comprehensively in the Melbourne media though not in Sydney. So people in Sydney have taken the Garner book on trust as a truthful account of the case.

*The First Stone* turns this newspaper chronology into a confusing, murky and slippery tale. The book substitutes hearsay and innuendo for fact and evidence. Analysis of the events and their consequences is displaced in favour of Helen's own fantasies about what might have happened, accounts of her dreams, muddled transcripts of interviews, bits of documents, uninformed attempts at understanding sexual and institutional politics, caricatures of feminism and foggy dates. Real

people rub shoulders with invented characters – some people, like the High Court Judge get no name, others have a new one, some people (like me) get six or seven names, only Helen remains herself. The story of Helen-as-feminist-victim shadows and repeats the one about the Master of Ormond, Colin Shepherd, – as feminist-victim until her story becomes much bigger than his. In her much bigger story the fictionalising of me into six or seven individually named characters creates the impression of a feminist conspiracy.

Now there may be some sophisticated legal reason why Helen has turned a set of events reported in the press into this intricate patchwork of fact and fabrication. But for my money the simple reason for this confusion is Helen's own ignorance. Adele Horin, commenting on the book, said she found it an "entertaining book". "But," she said, "I'd really like to see what an investigative journalist would have made of the story." Helen spends two years on the phone, going round Melbourne and talking with "men of status", as she calls them, who "had arrived rather quickly at the conclusion that one person lay behind all the trouble; and that this person was most likely to be a woman" (77). But at the end of the day I'm not at all convinced that Helen knows the *dramatis personae* of the Ormond case.<sup>5</sup>

Dr Alan Gregory, senior lecturer at Monash University, was appointed Master of Ormond by the Council chaired by Sir George Lush, a retired judge who was also Chancellor of Monash University. The subcommittee formed by Sir Daryl Dawson, another judge, to formalise the students' complaints against Dr Gregory was chaired by Mr Bill Rogers, at that time a senior partner with a large Melbourne law firm. Mr Rogers had not only been on the selection committee for Dr Gregory's appointment but also succeeded Sir Daryl Dawson as Chairman of the Ormond Council and then succeeded Sir George Lush as Chancellor of Monash University, a position he still holds. Another member of the subcommittee had also been on Dr Gregory's selection committee. So that made two out of the three subcommittee members who had a potential conflict of interest, if not a conflict of loyalty. Dr Gregory has a long time association with the Liberal Party having served as Chairman of the Higgins Electoral Committee. Professor David Penington, Vice Chancellor of Melbourne University, was a character witness for Dr Gregory. In a recent letter to Melbourne lawyer, Mr Geoffrey Gibson, Professor Penington writes, "I knew much more of the details of what was going on than is apparent from Helen Garner's book." He's not the only one. Most people involved with the case have been surprised at how little fact is actually in the book:

I knew much more of the detail of what was going on than is apparent from Helen Garner's book and I became involved through offering advice to the then President (sic) of the Council of

Ormond College, Sir Daryl Dawson, at a much earlier stage than is noted in the book. I believe... that one member of the Council of the College and others associated with her were determined to make a cause *celebre* as part of what they saw as the feminist crusade against *the patriarchy*... I believe that many of them were students rather than staff... Not only did it destroy the career of Dr Gregory but it has, almost certainly, damaged the careers of the two women concerned.<sup>6</sup>

So while Helen is busy reporting the number of times the young woman won't speak to her, she completely misses this network of powerful men with institutional connections. This is the network the students were up against in their attempts to get a fair hearing for their complaints from October 1991 to March 1992. This is the same network I was up against when, as a fellow member of the Ormond College Council, I tried to have the students' complaints addressed.

The reason for this ignorance is not that Helen couldn't interview the complainants. The reason is that she doesn't want to know what happened. On page 40 Helen writes "the guilt or innocence of Colin Shepherd was to me the least interesting aspect of this story. What I really wanted to know was why the girls (sic) went to the police." This is an extraordinary thing for a journalist – armed with a notebook, an instinct and a tape-recorder – to say. It means that the truth about the events is irrelevant; that the facts don't matter. It's an even more extraordinary thing for a feminist – any kind of feminist – to say because it means that Helen – unlike the courts – gives no veracity or credibility to the claims of the young women.

Ignoring the facts proves convenient, though. Helen doesn't have to bother with the sheaf of documents disclosed by the *Four Corners* program on the Ormond case.<sup>7</sup> Statements from more than seventeen witnesses which included both an eyewitness account of the events in question and a first-occurrence witness account. She can ignore the dodgy position of the Vice Master who, Colin Shepherd claims, was there on the night with him and presumably saw what there was to see, but who is not, in the book, called as a witness in Dr Shepherd's defence.<sup>8</sup> She simply doesn't comment on the discrepancies in the dates when Dr Shepherd claims to have been informed about the allegations. His police statement says 10 March 1992 (12); the Judge says December 1991 (74); the Vice Master says January 1992 (94). Someone's not telling the truth here and it's important because otherwise where is the conspiracy?

Helen can also ignore the central fact that she doesn't know what sexual harassment is. Of the examples she hauls up from her own experience – on the train, in Trinity College, at the masseur's – only the incident at the masseur's constitutes sexual harassment but Helen remains entirely unclear on this point. She never sorts out the relationships between employer, institution, economic dependence and

power that define sexual harassment. She simply doesn't realise that the Master's control of bursaries, references and economic factors means that he has power and influence over the economic and professional prospects of the students. Is it any wonder then that the phrase "duty of care" or the legal requirements of "fiduciary responsibility" don't get a mention in this book? Even the Ormond Council, who are not a bunch of feminists by the way, came to see that the Master of a residential college has a duty of care towards the students who are residents. And, admittedly after almost eighteen months, the Council recognised that the Master of Ormond had contravened this basic requirement of the job. This explains, as Peter Singer has noted, "Garner's failure to explore [the] ideas [of sex and power] in any depth."<sup>9</sup>

The key to *The First Stone* is this lack of interest in the truth. Helen's book doesn't discover "archetypal figures" or "deeper truths". It doesn't ask "some questions about sex and power" either. This is not about facts or information or ethics or truth. This is a book which presses buttons. These buttons are labelled "feminist conspiracy", "a man's career", and "wounded victim". The book works by turning the ugly, corrupt, brutal facts of the Ormond case into what Meaghan Morris calls "a beautifully sculpted emotion"<sup>10</sup>. That emotion is called panic. *The First Stone* pitches one kind of panic to the men who read the book and another kind of panic to the women.

The pitch to men is the one about the feminist conspiracy that's going to get any poor bastard who makes a mistake. The politically correct ratbags are out there, mate, and they're watching every drink you take. They're out to ruin a man's career. They're not real women, mate, they don't care about what our Helen calls "the terrible fragility of men's egos" (150). And what's more they're all dressed up mate, "got up, like chocolates about to be opened" as one older Ormond man says (134). The lure of *The First Stone* is that for the first time someone has got these "ghastly, punitive, puritanical feminists", a whole conspiracy of them, and exposed them in print.

Now, there are two problems here: Helen quotes Elizabeth Rosen saying "her three aims in life were to own a Ferrari, a diamond necklace, and for someone to have her name tattooed on them" (18). This does not sound to me like any kind of puritan I have ever read about or met. It doesn't sound much like one of those feminists "stuck in [the] fucking university... with the heads up their own arses" who wants to ban sex from the campus either – as Helen Garner said.<sup>11</sup>

Second, since all the fictional conspirators are versions of me and, as Helen says repeatedly, I wouldn't speak to her how does she know whether I am ghastly, punitive, puritanical or politically correct? How does she know whether I "got the Ormond blokes on the run" by yelling at them, as she claims on page 71 or if I am "afraid of life" as

she asserts on the last page of the book? Of course, Helen doesn't know these things. But she's not interested either because it's not facts that push buttons; it's panic.

This is not the House of Actuality, folks. This is one of those places the estate agent describes as solid as a rock, loads of period detail, a sunny aspect, stunning views and a family room. And then when you get there you find the estate agent – who's called something like P Craven & Company – hasn't said a word about the rising damp or the sinking foundations, the holes in walls boarded over, the dark decaying rooms, the stinking drains or that the rent hasn't been paid for months.

The pitch to women readers is much more adroit. Helen sets herself up as the ethical and moral centre of the book. She sets out to turn her "gut reaction" of "so much sympathy for the man in this story and so little for the women" into "a searching and fearless moral inventory" (39). Now this is impressive. To pull it off Helen has to convince her women readers of her motives and here she plays the card of her famous "candour". She wonders whether "at fifty, I might have forgotten what it was like to be a young woman out in the world, constantly the focus of men's sexual attention" (40). "I thought that I might be mad at these girls for not having taken it like a woman – for being wimps who ran to the law to whinge about a minor unpleasantness instead of standing up and fighting back with their own weapons of youth and quick wits" (40). These are what the media calls "motherhood" statements. Who would want to argue with this image of the honest older woman and the feisty younger one?

But if the name of the game is candour then why does Helen leave out the final, crucial sentence of the letter she wrote to Dr Colin Shepherd? Those of us who have seen the original letter – and there are quite a few of us all up – know that the last sentence reads "I hope I'm not speaking out of turn when I send you and your family my sincere sympathy and warmest good wishes". I think this is the sentence that convinced Dr Shepherd and his family to co-operate with Helen's book. My guess is that Dr Gregory and his family were convinced by the same sentence. In the context of a journalist writing a bestseller, this sentence is a dead giveaway for getting the story not conducting an ethical inventory.

The point of this strategy comes after Helen's interview with the Vice Master when she fantasises about the possibility of conciliation. This is what women readers have been waiting for – the possibility of an acknowledgment and an apology handled confidentially between the Master, the students and some third party (92). There's only one question a journalist or a feminist would ask here; what did the young women want? Helen doesn't put this simple question to any of the people who dealt with the students; not the Vice Master, or the Judge,

or Mr Andrew McA, or Mr Donald E, or Janet F, the conciliator from Melbourne University. She certainly doesn't ask it of herself.

In Helen's version of events the students reject all possibility of conciliation. This is an astonishing distortion of the facts. As an eyewitness to these events, I saw the students constantly rebutted and pressured. Those students spent six months from October to March trying to resolve their complaints within Ormond College, confidentially, by every means the Ormond Council offered including writing informal statements, seeking advice from Sir Daryl Dawson, addressing their concerns to the Vice Master, formalising statements, dealing with an antagonistic subcommittee and going through a less-than-satisfactory conciliation session. For their trouble they were denied fairness, impartiality, and equality and treated instead with suspicion, distrust, and contempt.

Helen knows these facts; they are disjointed and scattered throughout her book. So it's extremely difficult for a reader – any reader – to assemble them into some kind of coherent pattern. By ignoring these facts Helen creates a no-win situation where the woman reader is pulled between two wounded victims: between the man whose career is being ruined and the young women, like her own daughter or herself when young, who is the victim of a sexual grope. The phrase sexual harassment becomes an occasion for nothing short of panic. This is not an ethical dilemma – feminist or otherwise; it's simply a fake one.

Helen has two targets in *The First Stone*: the two young women (represented as Elizabeth Rosen and Nicole Stewart) and “what feminism is becoming in the hands of her daughter's generation” – as the back cover says. In a recent review, Ann Curthoys tracks Helen's language through the book. “Garner,” Curthoys comments, “finds it harder and harder to contain her anger... The narrator's stress on the young women's beauty and sexuality reveals,” Curthoys argues, “a curious envy, along with what usually accompanies it, hatred and a desire for revenge” (206, 207).

I guess it's this anger, hatred and envy that makes Helen stone deaf too. The most insistent question in the book is “why won't the young women talk to her?” The second most repeated question is “why did they go to the cops?” One of the complainants answers this question clearly and simply on page 18. “Going to the police was the last resort after the college failed to deal with [the complaints] adequately”. But the book still has two hundred and four pages to run and so Helen simply doesn't listen to what she doesn't want to hear.

Once she made up her mind – having “so much sympathy for the man ... and so little for the woman” – Helen pumps up the high moral tone and rolls over everyone in sight (39). Everything about these two young women is grist to her mill – their bodies, their supporters, their

reputations, the purple hands of one, the Jewishness of the other. Helen assumes she has the right to access, control, describe and own all of this. She rings their solicitor and, in a fit of rage, screams down the phone, "But don't they realise who I am?"<sup>13</sup>

In desperation, Helen rings her daughter. This conversation – even if it is complete fiction – is devastating. She rings her daughter not to talk about feminism or the Ormond case or Generation X or her daughter's opinion. Helen rings her daughter to talk about herself. In such a situation, Helen asks, would her daughter grant her an interview? With an exquisite combination of tact and savvy which is completely lost on the mother, Helen's daughter replies, "That would depend on who was writing the book, of course" (212). This is called getting it from the horse's mouth.

This conversation, ten pages before the end of the book, is the last piece in a theme that has been building since the opening pages. This is the theme of family relations and it's the biggest problem Helen has with what she calls her feminism. The young women are constantly portrayed as daughters in need of a mother's advice (20). Their supporters are the bad mothers who mislead them by teaching them to be unfeminine. These bad mothers are responsible for "the mingy, whining, cringing terror of sex as manifested in the Ormond story" (193). Helen meanwhile sees herself as a mother to this generation of young women. "I was her political mother" she says of the Women's Officer she interviews (97). Dr Shepherd is a kindly, domestic, fatherly man whose name represents pastoral care. Helen herself feels like a "prodigal daughter" when she interviews Mr Douglas R who winds up telling her what to think (191). In a perverse twist, Helen dreams of Dr Ruth V, one of the women's supporters, as a sister (198).

What's going on here is a version of the middle class family romance in which men as fathers rule and are obeyed and flattered by women as mothers. The payoff is that the mothers control the daughters by telling them what to do as advice on being feminine. One threat to this family setup is incest and this word circulates obliquely in *The First Stone* (38, 135, 151). But the other word for this arrangement is patriarchy. Helen's problem is that she seems to believe that the traditional family should be the model for public and private relations between men and women, especially older men and younger women. Feminism in the 1990s, as well as feminism in the 1970s, rejects this model because it precludes equality between men and women. This is not, by any means, a radical feminist platform. Equality between men and women regardless of age, ethnicity, race, religion or pregnancy is, after all, the basis of the Equal Opportunity Act (1984). But it's one of the compelling reasons why Helen has such difficulty thinking through the questions about sex and power raised by the Ormond case. She simply doesn't see the power of economic and institutional relations

that operate between men and women in public life.

*The First Stone* isn't a work of investigative journalism or feminist inquiry. The character called Helen poses as a pseudo-intellectual claiming the high moral ground of truth and the credentials of feminist activism. What Helen Garner calls this "more personal", "less objective book" turns out to cannibalise the lives of real people, licenses misinformation and prejudice and encourages misogyny and panic (Author's Notes). All the while claiming to tell ordinary people buying the book how women ought to behave, that young women are at fault in sexual harassment cases, and all about the proper human relations between men and women. As the media of the last six months has shown, the effect of this book has been to polarise public opinion into absolute baloney about non-existent political correctness on the one hand and hysterical accusations of heresy on the other.

But I doubt that Helen Garner has turned feminism into a dirty word with this book. Feminism has always provoked controversy, disagreement, and debate. That's one of its basic aims: to provoke men and women into rethinking what they've always just taken for granted. Nor do I think Helen Garner has discouraged anyone from using the different kinds of feminism that are current now to think through what's going on around them. Recent commentary in the print media proves that this issue is not a catfight among feminists. Professor Graeme Duncan, reviewing *The First Stone* for *Quadrant* magazine – which is not any kind of radical journal – commented that "it reads as a book written to please a man."<sup>14</sup> Former Senator Chris Puplick, in a Letter to the Editor, argued the need for legislation to deal with sexual harassment. Professor Don Edgar's recent column in the *Age* rebutted P P McGuinness' claims that radical feminists were out on a witchhunt against men.<sup>15</sup>

Paul Gray wrote a column in the Melbourne *Herald Sun* telling Helen Garner that she'd got it all wrong. "Sexual harassment should be seen as a serious charge," Gray wrote. "Thanks to Garner and other critics we now face the danger that a gang mentality will develop where individuals are vilified if they take the brave step of going to the law when they feel wronged."<sup>16</sup> This commentary indicates that men – as well as feminists – are able to recognise the power relations in sexual harassment complaints and how difficult it is to achieve a remedy.<sup>17</sup> Ray Martin's interview with Helen Garner – in which he got her to admit that she thought a man's career was more important than a sexual grope – was a convincing example of what a man doing feminist analysis looks like on television.<sup>18</sup>

Throughout all of this a whole range of feminists – women of colour, black women, white women, gay women, young women, middle-aged women like myself and older women, all those ones who have written me letters of support – have kept on doing what they do.

Doing their jobs, bringing up families, working in the public and private sectors, on their own or as part of a community, having fun, having sex, being funny, making lives for themselves. Being a feminist is pretty ordinary really.

The big difference for feminism in the 1990s is just that: difference. Being a feminist now doesn't mean you have to be like someone else just to prove that you're a feminist. Like women, feminists come in all kinds. As Kaz Cooke might say, "Lighten up, Hermoine, there's more than one way of being a feminist". The Helen Garners of the world lament the loss of what they call solidarity, the sisterhood of the 1970s. No-one is forgetting the achievements of those feminists – including the Equal Opportunity Act. But the point is that feminism keeps on changing. Without change it would become nothing more than an old-fashioned orthodoxy – cracked and useless and out of date.

The two young women in the Ormond case have made a real difference. This particular case was about a university institution, sexual harassment and the option of legal remedy. The actions of these two women exposed a practice of discrimination against women that was so much a way of life at Ormond College that no-one questioned it until these two students stood up and said "no" to being ignored, disbelieved and pushed around. They proved that women – even young women – as citizens have the right to legal remedy. This has been one of the achievements of feminism. For that these young women deserve our thanks. They certainly have mine.

## Endnotes

- 1 Peter Craven, "Fighting the furies." *Weekend Australian* (25-26 March 1995) 7.
- 2 Janet Malcolm, *The Journalist and the Murderer* (New York, Alfred Knopf, 1990).
- 3 Rosemary Neil, "Garner hype goes too far," *Australian* (17 August 1995) 11; Matthew Ricketson, "The Media Report", "ABC Radio National (24 August 1995); [Opinion analysis] *Australian* (19 September 1995); Brian Toohey, "Stone's bad throw: Six-into-one doesn't go," *Financial Review* (5 September 1995) 17.
- 4 For example, Simon Mann, "Ormond master facing three sex counts," *Age* (14 March 1992).
- 5 This phrase, *dramatis personae*, is used by Mr Douglas R in his interview, *The First Stone* 190.
- 6 David Penington to Geoffrey Gibson, 6 June 1995. A further letter, 26 June 1995, reads "You may certainly feel free to share my letter of 6 June with anyone you believe may be interested."
- 7 Screened 17 March 1995, reporter Mick O'Donnell, producer Chris Gann.
- 8 The Vice Master, Mr John Nelson, was called as a witness to the first hearing in the Magistrate's Court.
- 9 Peter Singer, "Academic lashes media book debate", *Weekend Australian* (16-17 September 1995) 9.
- 10 Private correspondence, early September 1995.
- 11 Interview with Elissa Berg, *Farrago* (vol 74, no. 3).
- 12 Ann Curthoys, "Helen Garner's *The First Stone*", *Australian Feminist Studies* (21 Autumn 1995) 203-11.
- 13 Private communication, Andrea Lester, personal notes.

- 14 Graeme Duncan, *Quadrant* (May 1995) 77.
- 15 Don Edgar, "New grit for men's old mill", *Age* (1 August 1995) 13.
- 16 Paul Gray, "Generations apart". *Herald Sun* (1 April 1995) 18.
- 17 Chris Puplick, Letter to the Editor *The Australian*, 11 August 1995.
- 18 Ray Martin, *A Current Affair* 29 March 1995.