



FICTION OR

NON-FICTION? THE WRITER'S RESPONSE TO HISTORY

Susan Varga

Fiction or non-fiction? Tonight I want to talk about the choices writers make when their subject matter is, if you like, common property – when much or all of their background material consists of facts in the public arena. These facts can be either in the recent past or already transmuted into “history”. Is the choice of fact or fiction ever as clear-cut as it at first seems? And what are some of the implications and consequences of making that choice? The differences between fiction and non-fiction are perhaps more blurred and problematic than they have ever been, as more and more writers are playing with the boundaries.

Apart from my own book, I’m going to look at the way two other controversial, books have chosen to deal with factual material. Can you possibly guess which other two books?

I will try not to be overly polemical in dealing with them, but to throw up some questions and reflections. And I am not going to be taking sides; neither of these good, flawed books requires or deserves that.

First, my own book, *Heddy and Me*, had, I suppose, three factual bases: my mother’s recollections taken down on tape, known historical fact mostly gleaned from books, and, for about half the time span covered by the book, my own memories. My choice, which I will talk more about later, was to write a non-fiction book which had elements more often but not exclusively found in novels – a strong narrative line, movement backwards and forwards in time, and a personal often introspective voice, that of the writer.

For those of you who haven’t read it, *Heddy and Me* is the story of my mother’s life (although covered in any detail only until the age of 45 or so). Heddy is a so-called ordinary woman who has been through sudden poverty as a child, the Holocaust as a young woman in hiding with two young children, and the traumas of immigration. But I wanted to do a lot more with the book than write my mother’s biography in a quasi-historical framework. Interleaved with her life is an account both

of my interviews with her and of our relationship, (thus *Heddy and Me* – to that extent the book is autobiographical), and some other themes and dimensions; the emotional repercussions of the interview process, the long-term effect of the Holocaust and immigration on our family, and related problems of conflicting identities, belongings, prejudice, and so on.

Helen Garner's book *The First Stone* is grounded in recent events, splashed all over the papers. Garner used this material, her own involvement in the affair (the letter of sympathy to the master of Ormond) her own interviews, her observations of court proceedings, her reflections and emotions. She turned this mix into a non-fiction book with a strong narrative line (herself following the trail of the story) with a flavour almost of memoir. She could have used the Ormond College incident as a taking off point for a novel loosely based on these events – a course that probably would have landed her in far less hot water. She chose instead to write her first non-fiction book.

Helen Darville's chosen material was based heavily on the history of Eastern Europe in the thirties and forties: on the forced famine in the Ukraine, and the events of the Holocaust, particularly in and around the camps in Poland. She chose to write fiction, in a, at times, heavily documentary style. She relied far more than most novels do on factual material. She read a lot of books, and I presume that she interviewed Ukrainians now living in Australia.

And just briefly, a fourth acclaimed book, *The Orchard*. It's winning awards in non-fiction categories, but really, what is it? It's autobiographical and not, factual and not, fictional (but in which parts?) reflective, picking up diverse historical themes and personages. The lines between all these elements are deliberately blurred. The readers' pleasure and frustration is in the guessing game; which bits are really about her? Who/what is made up? Modjeska has not got into trouble, because she has not put her book in any category. It is deliberately a genre-hopper, and the "facts" in it are non-controversial. Mine does something similar, but without the extra titillation of possible fiction. It is when you write something that doesn't quite fit your "genre", that spills out of the allowable boundaries, that there can be trouble. So Darville's "faction" which turns out to be really fiction, is in trouble, partly on its facts, and Garner's book on the facts of a recent case, has a little more of fiction than we first realised.

But I am here to talk to my own book. If I stray onto others, it's because these recent controversies have made me look again at my own choice in handling factual and historical material.

First, why did I choose non-fiction?

I get asked this question a lot. I never really saw it as a choice, although I did consider the advantages of both forms.

I felt there was no real choice for me, for a number of reasons.

My factual source was close, contemporary, alive, and willing. The backbone of the book was my mother's life story. She never asked me to fictionalise it. It's possible too, that one of the reasons Garner chose not to fictionalise is that the events were too close both in time and to her personally (the letter of sympathy which lost her the novelist's usual camouflage, the emotions it raised about her own life) to make fiction profitable for her in this case. And it is possible that Darville's book chose fiction for the obverse; if the characters and facts in it had indeed been as close to her as many presumed, would a work of fiction have been the result? But more on that later.

I also chose non-fiction because at least part of my mother's life had a natural drama and forward momentum. To my mind, one reason to turn to fiction is when real life is too dull, or you don't have the skills to tell it as it actually happened, but need the props and devices of fiction. But as much as in fiction, a good writer of non-fiction will know where to compress, where to expand, where to dwell with loving detail, where to skate. For example, the only time in *Heddy and Me* that I gave an almost week-by-week time scale is for the eighteen months or so when my mother's and sister's and my own life was in mortal danger, when the reader wants and needs to know as near to everything that happened as is possible. It is also the time that history's grip is most feverish, when terrible events on the largest scale have us by the throat. In other parts of the book, ten years might be dismissed in a paragraph or two.

Is this distortion, or lying, or is it art? In both fiction and non-fiction there is always endless material. The selection is all. The reader will first sense whether the selection process has been one of integrity, and then whether it has been one of skill. These are fine aesthetic and moral judgments, and readers will make different ones according to the baggage they bring to a book. So some will say that Darville's "stealing" of one starving young Ukrainian woman's story only adds to the stark feeling of authenticity that at least parts of the book carry. Others will see it as proof that the book has no moral centre, as they thought all along.

Another reason for my choice of non-fiction was that I was awed by the vast historical landscape my mother's life span, stretching across two continents, from 1916 to the 1990s in Australia. Fiction or non-fiction, I had to learn about that background, assimilate it, choose what to retell, and how to interpret. I had to constantly remind myself that I was not writing a history of Hungary or of the Holocaust or of Australia in the 1950s. Extraordinary events were merely the backdrop to my mother's life, intersecting dramatically with her from time to time. Thus it seemed less intimidating to me, and infinitely more effective, I hoped, to interweave starkly factual material on the historical record,

with events on the smallest scale – one individual's fight for survival. I thought that I could use the facts, even the statistics, in a dead pan way for dramatic effect, much more easily than if I'd tried to weave the same historical facts into a work of fiction. Non-fiction gave me the ease to use other people's words, on occasion, to say for me what needed to be said. For example, I could quote Hungary's Army Chief-of-Staff during World War II, who said the following in his defence statement after the war:

The Jewish question had a catastrophic effect on the armed forces . . . a terrible corrupting effect. Every value underwent a re-evaluation. Cruelty became love for the fatherland, atrocities became acts of heroism, corruption was transformed into virtue; under such conditions, we well-thinking individuals, could not understand events. There emerged two types of discipline. One was applied to Jews against whom any action was permissible. . .

This was more effective, I thought, than any amount of rhetoric from me. It's the "other side" speaking for itself. Of course I could have invented a fictional character and put similar words into his mouth. But having chosen non-fiction, I didn't have to go to that trouble. These words had the ring of authenticity, spoken by a real, historical entity.

Some of Darville's biggest triumphs in her work of fiction come from when she interweaves her historical fact successfully, and her biggest boo-boos occur when she fails. When her history is well digested, well integrated, there are powerful passages. When the mix is crude, and the fact and fiction sit uneasily, or when she's got it wrong, the failure is embarrassing. Sometimes you'll find examples of both, cf page 75.

I think different kinds of emotional and intellectual honesty are required of the fiction and non-fiction writer. The non-fiction writer's are closer to the surface: to be as faithful as possible to the facts, to tell the story with the minimum of self deception, to preserve the integrity of your real life people, not to destroy or slander them and yet be honest in your own perceptions of them. The last is the most delicate and the most challenging, and one of the main reasons I chose non-fiction. It seemed to me dishonest to take so much from life and then give it a fictional veneer. One rationale for using fiction is that you don't hurt people if you fictionalise. Of course you do! Worse. You change their names and hair colour, and then you can go to town. That's not fiction, that's cruelty.

Another reason for using non-fiction is that, perhaps more than in fiction, you can bring a reader incredibly close, a here-you-are-close-by-me feeling; this really happened. You can do that well with distant events as well as close ones. It's called "making history come alive". So, from *Heddy and Me*:

At the end of June, 1944, not long after Heddy left Budapest, Eichmann had completed the task he had begun only three months before. All known Jews had been cleared from the country areas and deported to the concentration camps.

Then after a few paragraphs describing what was happening in the capital, we come back to Heddy hiding in a remote village.

Little real news filtered through to the isolated and muddy village. What news did come, Heddy knew, was propaganda, with defeats not admitted to, reverses alluded to weeks after the event. There was no news of Feri, no news of Pali.

The village heard that Rumania had changed sides and joined Russia, then that a combined Rumanian and Russian force had inflicted a huge defeat on the Germans. Heddy exulted in secret. The rest of the village lived in fear. Even the staunchest anti-Nazis feared the Russians – an advancing army, any advancing army, threatened the peasant's livestock, their precious horses, carts and bridles.

Heddy waited for the Russians as for her saviours. Dreaming of their victory she dreamed of Jutka returned to her, the baby healthy again, and Feri coming home to an orderly and serene flat on Pozsonyi Rd. And she fantasised about toilets. As she crept out the back on ever colder nights and sat on the wooden plank in the stink, she said to herself, "The day will come when I again sit on a toilet that simply flushes when I pull the chain".

The understanding between writer and the reader which gives the reader that extra frisson, is, "and I'm not making it up. This is for real".

But in that too, is scope for disingenuousness, if not outright lying. The question is, when does it matter? For example, I don't mention that one of the incidents referred to in Part Four, my return to Hungary in the early 1990s, actually took place eighteen months later than the others, on my second, shorter trip. I don't mention it because it makes no difference to the reader's perception of the actual incident to know this. There is no difference in the emotional content, nothing crucial in the fact omitted. For me, time and space and tedious explanation were saved. Technically, though, I lied by omission, by telescoping time and events.

In *The First Stone*, Garner doesn't mention that six people are really one, Jenna Mead. This is crucial on two fronts. One is because of the style of the book, which is "here you are with me in the very recent past; this is how it happened". Well, it turns out, not really. The other is because of the ideological position of the book. The reader is more likely to take sides against a cohort of humourless feminists surrounding the young women in court than if there is in fact one brave and conscientious older woman. This distortion of fact has the capability of distorting the readers' relationship to the material, and eventually twisting the overall argument of the book.

But how much to blame Garner, (although blame is becoming too loaded a word to use with either of these books) and how much her publishers and advisers? Even if she were in danger of a libel action, some note at the front of the book would have alerted the reader, saved misunderstanding. Similarly, including a bibliography would have

saved Darville a lot of heartache, and acres of newsprint. But then an illusion important for both of them would have been destroyed – that Garner's is entirely a work of fact, and Darville's entirely a work of fiction.

In fiction, somewhat different, more fluid standards apply. There are no boundaries, nothing you can't say, nothing you can't make up, except perhaps what's on the historical record. Although even that is problematical. Which history book have you read? Which record have you perused? Whose oral history have you listened to? Through which political lens do you interpret what you read?

I suspect that you can be an awful, lying person with politically incorrect views, and you can write a book of great emotional truth and integrity. Your persona in life is not what it is on the page. Your persona on the page is far more considered, schematised, aware, literate, than who you are in life. It also contains parts of you that never surface in daily life – and that applies to non-fiction as well as fiction writing.

For example, Helen Darville may or may not be an anti-semitic in life. The evidence is not looking good. But it is still perfectly possible for her to have written a book that is not in its essence anti-semitic. In the fiction, on the page, it is the characters who are anti-semites, and they are shown as limited, prejudiced, clearly wrong. The author's voice, i.e. the closest you can get to it, the narrator's voice, with the possible odd exception, takes no part in prejudice.

It is even possible to be an anti-semitic, and hate it in yourself. Take that incredibly sophisticated book, Gregor von Rezzori's *Memoirs of an Anti-Semite*. Here the narrator, who may/may not be identical with the author, avows his anti-Semitism, analyses it in himself. The overall aftertaste of the book is not anti-semitic, but a savage indictment of the phenomenon.

Darville's book is not so sophisticated, but it does try to show that evil and prejudice are not confined to the Germans, or the Ukrainians, or the Jews, the Serbs, the Khmer Rouge, or white Australians. She abhors, on every page, racial stereotyping. She spreads the evil around. She sees a world that is not split into good people and bad people but is made up of ordinary flawed people capable of evil deeds. Read for yourselves just one example, the horrific description of the massacre of the teachers by the Volksdeutch and the Ukrainians at the Marxist-Leninist school (pp 110-111).

But to return again to the writer's choices when faced with facts that are inescapably part of the story you want to tell. For me, the essential question was, how will this story be told best? I felt an enormous sense of responsibility to some of the events that had to be in the book. There was no getting around the Holocaust as part of my mother and step-father's life. It was the cause of my father's death. I would rather not have written about it; there is an enormous literature

already, much of it stuff that you would rather not read, let alone write. My solution was to talk of the Holocaust as it impinged on one life, while at the same time sketching in what was happening to hundreds of thousands of other lives in that less well known arena of the carnage, Hungary.

I felt no need, no desire to fictionalise. Fictionalising an all too awful reality would have only made my problems with history more complex.

As it turns out, Helen Darville had to fictionalise. If we are to believe that she is in fact purely English, with no hint of Ukrainian in her background, she was not close enough to her subject matter to have any real choice. She researched and read, and made up, from various sources, characters to carry a story.

But even before the shock-horror revelations, I always assumed that, just as Darville says in her disclaimer at the beginning of the book, there are no counterparts to the Kovalenko family in reality. Just think about it. If your own father or uncle were indeed a war criminal of the ilk of the Vitaly character, could you write a piece of fiction about something so horribly close, so utterly real? I suppose you could. For some, it would be the only way. But would you do it when you have barely turned 20 and it is all so very close in time and war crimes trials are a real possibility? Would you at the least fictionalise far more heavily? Would you be more likely to write nothing at all?

Perhaps this is one of the reasons Darville promoted the book as a work of fiction – to give that extra frisson, that extra edge of authenticity. I, Helen, got it from the horse's mouth. Perhaps it is for a similar reason that Helen Garner never let on that she split Jenna Mead into six different women. Acceptable, of course, in fiction, not acceptable in non-fiction. The question is, why are many of us prepared to forgive Helen Garner for this rather major whopper in a book of fact, when we are not prepared to forgive Helen Darville for some factual slips in a work of fiction?

When I mention factual slips here, by the way, I am not talking of the allegations by some of Darville's critics that her historical thesis is the vicious lie that all Bolsheviks were Jews and all Jews were Bolsheviks and that Jewish Bolsheviks caused the Ukrainian famine. The author's voice does not say that; you can only jump to that conclusion on the crudest possible reading of the book. The characters do say it, repeatedly. But anyone who has spent time in Eastern Europe and has heard the latest versions of the deep-seated anti-semitism that resides there, will recognise that Darville is merely recording a common popularly held anti-semitic dogma.

I suspect that one of the reasons some of us are prepared to forgive one Helen and not another, is to do with the havoc both play with our deepest emotions. Garner collides head on with sex, how to

handle it, what it means in our lives. Darville's book is about brutality, and how we handle it in ourselves. In Garner, sex is everywhere, an uncontrollable, unlegislatable force. In Darville's world, we are all teetering, not just "drunken Ukrainians" and "evil Germans", on the edge of brutality.

Perhaps then, it is not so much whether a writer chooses fact or fiction, but the material itself and the sensibility we bring to it. Darville has chosen the largest, most public theme of the 20th Century, the nature of publicly committed evil. She has not written a history book, or an analytic work. She has chosen to tell the story of some of the perpetrators, and she has dared to give them human characteristics, life, loves, babies, friendships.

When I first read Darville's book, well over a year ago, before any controversy, I thought it a good companion piece to my own. I still think so.

Despite the fiction/non-fiction divide, which as I've tried to show, can be pretty thin, I think comparisons can be made between the two books.

I hope that one thing I achieved with *Heddy and Me* was to make all those numbed by the statistics of the death camps care once more and in a different way about the fate of millions because they were there with, caring about, one woman and her two small children. I believe that any sane reading of Darville's book serves a similar purpose. If we get to know, and heaven preserve us, even like some parts of Kateryna and Vitaly, it only throws into relief the horror of their deeds.

Because it is as important that we see an individual face for the perpetrator as for the victim. The perpetrators were not few. They were many, thousands, hundreds of thousands in their varying degrees of complicity. They were, potentially you and I.

In Darville's book, Magda, Vitaly's Polish girlfriend says: "The camp was a shameful place. But it did bring prosperity to our village, and you shouldn't complain about prosperity, or you get the opposite, you know - the Evil Eye. Bad times." (P 143). Such, I suspect, was the reaction of thousands of harmless citizens across Europe who knew - something - and thought it best to do nothing. Again, on p. 125, when Magda witnesses the beating of fellow Jews by the Jewish Kapos she asks, "How Vitaly, how do they? Is it because the Kapos were poor, and the others rich?" Vitaly says, "In my village, the Kommissar was Ukrainian. He always sat before a loaded plate while we starved. We could see him through the window. It is like that."

I'd like to think that mine is a better book than Darville's. It should be. Although they are both first books, mine was written when I was in my mid forties, Darville's when she was in her early twenties. So my book should show greater consistency, maturity, better taste, more discriminating research. But hers, as befits the young, shows great

daring, great dogmatism, great imagination. If a few of her scenes are half-consciously taken from elsewhere, good luck to her. All writers assimilate and vacuum up detritus from others. As my friend the poet and playwright Jennifer Compton says, next time around she'll hopefully steal from real people, not from other writers.

You see, whatever else Helen Darville may be, or has done, she has had the courage to attempt to understand the evil-doers. She has not tried, in my view, to exonerate them. It's not enough for a Susan Varga to make us feel compassion, sympathy, identification – all comfortable emotions. If we only have compassion for and understanding of the victims, how are we to progress? It's not good enough just to see evil. Until we try to understand that evil, as *The Hand That Signed the Paper*, for all its flaws, tries to do, we are in danger of repeating the very worst things in history, over and over again.



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Photo - David Karonidis

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WHAT DO WE

MEAN BY WILDERNESS? WILDERNESS AND TERRA NULLIUS IN AUSTRALIAN ART

Marcia Langton

This paper raises some issues in the cultural and economic construction of "wilderness" in Australian history. The relationship between cultural expressions, especially art, and conquest is surveyed from the early colonial landscape paintings as emblems of colonial conquest, to the trivialisation of genocide in kitsch "Australiana" and, finally, to the essentialist notions of Aboriginality which trap us today in a cultural double bind. That double bind, for example, does not permit real Aboriginal people to manage national parks but emphatically requires that Aboriginal culture serve as the advertising emblem to international tourist markets of Australia as the wilderness experience in the last great frontier. Reading cultural works as barometers of colonial anxiety unmasks cultural constructs and their effect on the shaping of the Australian nation state and makes accessible Australians' perceptions of Aboriginal people and the possibility of the continuity of Aboriginal culture today.

The constructs of landscape and inhabitant are intertwined throughout Australian colonial history in direct representations and in erasures, portraits and landscapes, narrating the colonial stance. There is a consistent ambiguity and opposition of the twin caricatures or *tropes* of the "noble savage" with the "degenerate native".

Similarly, the colonists themselves appear as *tropes* in the visual and mythological narratives, Captain James Cook, the beneficent explorer, the valiant pioneers of Fred Williams' landscapes, or Conrad's Kurtz, in the modern environmental movement, all heroes and heroines who face the adversary.

Native and landscape

Just as there is no such thing as a primitive, there is no such thing as a "natural" landscape. They exist only as representations and constructions, but it is in these distinctly Australian conceptions of people and land that we find some clues to understanding why so many Australians struggle for a sense of their own place in this continent and

manifest anxiety and antagonism in their relationships with the original owners.

Representations of natives and landscape, especially those which are symbols of conquest and colonial history, are bound up in Australian artistic and cultural traditions, especially as themes of pioneer dominance and progress.

However, Aboriginal cultural concepts and forms continue to challenge this hegemony of the white male hero and the march of "progress" in representations of being Australian. Hegemony is by definition contested, incomplete. It cannot be doubted that many Aboriginal people are aware that they are posing oppositional emblems of their difference. One category of such Aboriginal expressions of resistance is the diversity of ways of opposing the neocolonial search for the "authentic" in things Aboriginal and the opposition to the obsessive demand for doing business with "authentic" Aborigines. In cultural and political representations, this is instanced in the refusal by Aboriginal people to allow archaeological research of ancient human remains, the assertion by Tasmanian Aboriginal people of their survival and their political and cultural rights, the nation-wide demand by Aboriginal people for management of protected areas, the proliferation of contemporary art, writing, music, dance, theatres and films such as the works of Harry Wedge, Ian Abdullah, the novels of Archie Weller, the theatre works, *Bran Nue Dae*, and those of the Bangarra Dance Theatre, and the film works of Tracey Moffatt, such as *Bedevil*.

Postcards from the edge

From earliest times, images of indigenous peoples have served as souvenirs for explorers returning to their imperialist centres. From the time of the Spanish conquest of the "New World", indigenous peoples were taken to Europe for display as entertainment, as the living spoils of European plunder, in the Royal Courts of Europe. The traditions of this exercise of displaying proof, ie living human beings, as "postcards from the edge" continued in the 19th and 20th Centuries in circuses and vaudeville tent shows, sideshows, travelling menageries and carnivals. In Australia, Aborigines and "part-Aborigines", especially children, Mark St Leon points out, were apprenticed or adopted into the circuses training as performers to supplement the family owners and employed artists of the circuses. Many became exceptional performers. By the 1870s the Aboriginal performers were billed as South American, Brazilian or "Wild Indian".

As freaks, Aboriginal people gained an opportunity to work, travel and escape the drudgery of being persecuted people excluded from colonial society, albeit joining the fraternity of showpeople, another marginalised group (St Leon, 1993:25). But the cultural meaning they symbolised for their audiences was one they could hardly be aware of:

they were the quaint oddities and remnants of an extinct society, inevitably passing out of existence in the path of progress and civilisation. Critically, they were degraded by their status as ethnographic curiosities, stripped of human dignity under the gaze of gloating petty colonists – and hence removed of any mark of that Rousseauian ideal of nobility.

Bernard Smith's works, especially *Imagining the Pacific, In the Wake of the Cook Voyages*, analyse the art works of the colonial period which preceded this stripping of the Aboriginal person of dignity. He writes:

. . . the source of Europe's own imaginings of the Pacific, lies in its own original "primitivism", the civilisation of ancient Greece and the enduring cultural model which that civilisation produced (1992:9).

Depictions of Aborigines, Maoris and Hawaiians from this late eighteenth century period show the exotic peoples of Oceania as replicas of the Greek gods, dionysian and magnificent, drawn as if by young aristocrats or their retained professional artists on the grand tour as "an appropriate conclusion to a classical education". The cultural activities of the aristocratic grand tour laid the foundation of a "correct" aesthetic taste based largely upon classical precedent (Smith, 1992:1). And yet at the same time, while the naive convict painters may have produced ugly caricatures of Aboriginal people, here were strange people still unknown and wondrous.

By the early 19th Century, when Bennelong had returned from London to Port Jackson hopelessly addicted to alcohol to find his society devastated, the image of the "dark brethren" had altered dramatically:

Soon they were being regarded pictorially almost everywhere as objects of cruel fun, clad in European rags boozing and fighting, divested of the last traces of that nobility with which the eighteenth century had once clothed them. (Willey 132)

As frontier violence, disease and starvation took their toll on Aboriginal societies one after another as the white settlers moved with their herds and flocks across the continent, even these degrading images of the indigenous inhabitants faded from the colonialist imagination. They were replaced by a cult of landscape painters, depicting heroic pioneers and their stoic wives, their adversary now a harsh landscape, tamed by axes and bullock teams. Beams of sunshine stream through tall forests onto scenes of arduous labour, rough conditions, but valiant effort. Landscapes revealed, like the earlier classical portraits of the noble savage, a reticence to render the Australian vistas, the quality of the light, the flora, other than in the traditions of Europe. The pastoral idyll of home appeared on the canvases and soon wherever settlers took their herds and axes. At this time, Aboriginal people were referred to as "vermin" and this was no

mere justification for high head counts in the frontier wars. In newspapers, speeches in Parliaments and settlers' letters and diaries, there were calls for the annihilation of the Aboriginal race as quickly as possible to allow the advance of colonisation.

A major theme of Australian art thereafter has been landscape, and only with a few exceptions, such as Elizabeth Durack, Sidney Nolan and Russell Drysdale, the landscape art has been a visual representation of the myth of terra nullius (see Gary Lee, 1994). The poignant depictions of Aboriginal people in Durack and Drysdale's work coincide with the introduction of administered reserves and the sentiment of "smoothing the pillow of the dying race".

In the craft movements and in the kitsch of popular culture, however, a search for Aboriginal imagery as a marker of Australian identity remained a consistent theme. In the 1950s, as ethnographers collected bark painting collections for museums, Australian cultural life was marked by an enthusiastic appropriation of Aboriginal motifs. Richard White notes the effect of social change in post-war Australia on the use of Aboriginal imagery:

. . . there was a tension between the sophistication and skill of craftspeople, their numbers boosted by migration from Europe, and the amateurism and commercialism of the souvenir trade. Both extremes ransacked Aboriginal cultures for motifs, elite culture in works such as John Antill's ballet *Corroboree*, popular culture in tea-towels and garden ornaments. (White 1993:23)

The tea-towels and garden ornaments depicting the vanquished native were emblems of suburban security, as one million migrants poured into Australia from war-torn Europe, and "open land gave way to suburban streets" (White 1993:20). The 1947 census showed a higher proportion of the white Australian population being born in Australia than ever before or since. Migration had been a norm in Australia from 1788 to the 1920s, but migration had fallen dramatically in the 1930s and 1940s. By the 1950s, with the arrival of one million people, Australians, for the first time, began to talk about an "Australian way of life" – to which the new arrivals should assimilate. Richard White notes:

This "way of life" was never satisfactorily defined, but lack of definition was made up for by saying it loudly and often (White, 1993:21)

And critical to getting a grip on a situation culturally out of control was, not the denigration of continental Europeans as "wogs" and "weirdos", but the attempts to normalise Aboriginal people with a combination of cosmetic propaganda about "their place in the civilised world" and intensified administration and institutionalisation.

During 1956, the Australian National Travel Association, which marketed Australia as an attractive migrant and tourist destination, commissioned leading artists and designers to produce posters for its

publicity campaigns. These were in use for a full decade, and underlined, in contradistinction to the industrialised cities of Europe:

. . . the natural attractions of Australia, its climate, its "outdoors", its plenty and its opportunities for people to settle in a more or less British atmosphere and way of life. Later in the decade the emphasis shifted towards representing Australia's unique fauna, flora and scenery, and its ancient heartland and Aboriginal heritage as ways of appealing to the burgeoning international tourist market. (Van de Ven, 1993:38)

This tension between assimilating Aboriginal people by extraordinarily brutal means in reality, and yet at the same time depicting them as fascinating primitives, reflected the ambiguous need of the older colonists for security and their need for emblems of cultural uniqueness and difference from Europe. And the meaning at the heart of these depictions of quaint natives was that of the British conquest and the genocide better forgotten. Their security depended on a belief in outright conquest, and thousands of resentful coloured people destabilised that dream. Once the natives were safely at a distance in far away reserves or normalised as opera singers – such as Harold Blair – or water colourists – such as Albert Namatjira – suburbia as conquest was a believable dream.

Eileen Mayo's suite of designs included one titled *Discover Australia* using traditional Aboriginal art designs. Gert Sellheim's boomerang poster for the Australian National Travel Association, published in the 1957 edition of the prestigious international annual of advertising art *Modern Publicity*, was dense in Australian symbols:

While the poster includes the Southern Cross, a surfboard, the figure of a female swimmer, palm trees and a ram, it also incorporates animal and fish totems of the Aboriginal people and the boomerang . . . the most notable of Sellheim's designs, however, was the flying kangaroo symbol of the late 1940s that Qantas carried to all parts of the world. (Van de Ven, 1993:39)

In 1952, the Australian Trade Commission's display shop in the Rockefeller Building in New York mounted an exhibition entitled Australian Aboriginal art. Alongside the bark paintings and artefacts were high culture representations of white Australian interior decoration and cultural production: textiles by Annan Fabrics of Sydney, designs for textiles by Maurice Holloway of Melbourne and Dahl Collings, ceramics from the Martin Boyd pottery in Sydney, monotypes by Margaret Preston, photographs of ballet costumes designed by Robin Lovejoy for Corroboree, and stills from the Australian National Film Board's movie of the ballet. The real marker of authenticity in this exhibition however was not the paintings and artefacts, but a map of Australia showing the areas inhabited by Aboriginal people and the numbers surviving (Van de Ven, 1993:39).

Designers such as Sellheim, Beck, Annan and others continued throughout the fifties to appropriate Aboriginal art designs for the

covers of the literary magazine *Meanjin*, Qantas' inflight magazine *Airways* and Oswald Ziegler's book *This is Australia*. (Van de Ven, 1993:39). The adaptation of Aboriginal art to commercial design became characteristic of post-war modernism in Australia, though it had been vigorously promoted decades earlier by Margaret Preston. Coins, stamp designs and the imagery created to give the impression of a distinctive Australian way of life all incorporated Aboriginal images along with the faunal oddities, the kangaroo, the koala, the platypus, etcetera, in an imperial signification of the dominion of civilisation over nature. It can be seen too that there was, and remains, the motivation of an insecure colonial population to create a mythology which allows its participants to presume innocence in the colonial process. The association of Aboriginal images with Australian fauna had less to do, in this period at least, with the still virulent eugenicist and social Darwinistic notions, than with the need to associate images of the victims of genocide with the more pleasant and distracting images of cuddly, furry creatures. Kangaroos, koalas and Aborigines alike – were evolutionary oddities, but they were *nice* evolutionary oddities, harmless and entertaining. Images of primitivism marketed overseas summoned up the sentiment that these beings were untouched by the spread of the Empire.

Ann Stephen (1993:54) reminds us too that in 1952, Axel Poignant, cinematographer on *Namatjira The Painter* and one of the camera crew on *The Overlanders* of 1946, lived in the newly established Aboriginal communities in Arnhem Land photographing Aboriginal subjects. He produced from this work one of the most popular children's books in Australian history, *Piccaninny Walkabout*, published in 1957. It sold more than 100,000 copies. Stephen (1993:55) writes:

. . . the black and white photographs highlighted the children's lithe, near-naked bodies against the scrubby beauty of the mangrove coast and bush. While the children act out their roles unselfconsciously, there is a magnificent climax on the final page showing the boy, painted up for a dance with a completely white face, grinning directly into the camera.

The intention was to vary the popular theme of children's stories of the children lost in the bush. In the photographic essay, *Piccaninny Walkabout*, no European presence appears in the photographs, and there is enormous attention to detail in setting the scene of an untouched paradise, and while Stephen interprets this as the construction of the Aboriginal adviser to Poignant, it is not clear that he is the authentic auteur. Poignant's letter to his wife to be recalls that:

[Taapitye] . . . has attached himself to me for my stay here (on salary and rations) and what a stroke of luck that has turned out to be. Beulah and I started to tell him the story, got just a little bit past the beginning, and he took it up and told us the most terrific authentic tale you could imagine. It has quite changed the whole attitude to the job. It has suddenly become an epic story, far far

better than any we could do. [Taapitye] has taken charge, organising details of props (goannas, wallabies, weapons, etc., including making special pubic coverings as used in the bush). (Letter from Poignant to Izatt, 2 November, 1952, as cited in Stephen, 1993:56)

Who is telling whose story? This is the question which must be asked of most colonial and neocolonial representation.

Since the fifties, not even political correctness has abated the production of tourist kitsch, including plaster of paris figurines of Aboriginal people, porcelain ashtrays with images of "piccaninnies in coolamons", portraits of sad figures, and the works of Pro Hart. On the other hand, the portrayal of Aboriginal people in "high" Australian art has been more problematic, leading to cultural debates in the 1970s and 1980s, as Aboriginal art itself became a global commodity, on the question of whether intimations of Aboriginal life in contemporary Australian art constituted appropriation. Imants Tillers, Tim Johnson and others experimented but it was the bark painters and desert painters converting their traditional sand sculptures to acrylic on canvas which excited the global market.

"Aboriginality" as an expression of cultural convergence of contemporary Australian nation-ness and Aboriginal culture and images, the evocation of an atmosphere of "Aboriginality", is not a new idea, as Imants Tillers points out (Art and Text 6):

The Antipodeans in the 1950s and the Jindyworobak poets in the 1940s as well as others before them like Margaret Preston (who suggested it should form the basis of a "modern" Australian art) were attracted to it – the difference today is that contemporary art forms and media particularly in the areas of informal sculpture and performance can approximate more closely the "look" of traditional aboriginal [sic] artefacts, rituals and environments.

The imperative amongst curators and museum and gallery collectors was the acquisition of "authentic" Aboriginal art, described by Aboriginal curator, Djon Mundine, as the "spot the primitive" syndrome. This myth of authenticity was dismissed in this way by Sutton and others in *Dreamings*, the encyclopaedic catalogue publication which accompanied an international touring exhibition in 1988:

To a large extent, though, authenticity in art has become a Western myth. If "authentic" merely means that a work purportedly by artist X is indeed by artist X, then it is a harmless factualism. But if it means that the only real, true, and proper Aboriginal art is that which was made beyond the influence of capitalist markets, Western governments, and the influence of outside art traditions, it is of little relevance to most of what attracts attention as Aboriginal art. Australia's major art and ethnographic museums, as well as its more prominent private collectors of Aboriginal art have long collected works that according to that orthodox view of authenticity would be defined as inauthentic. (Sutton, Jones and Hemming, 1988: 203-204)

There is a trope of the hero in landscape and in nature texts, often a heroine, but never an anti-hero or anti-heroine. This characteristic metaphor of the heroic lone white male or female throughout colonial history in texts, images and ideas derives from the earliest myths of apotheosis of the white explorer/conquerors, such as Cortez and others, all of whom in Western history are relieved of any blame for their part in the demise of great civilisations. Purportedly scholarly arguments have been advanced, despite the facts, that these civilisations were doomed to extinction by their own internal contradictions.

As Toni Morrison acutely demonstrates in *Race-ing Justice*, the role of Boy Friday in *Robinson Crusoe* is a model explaining the fate of Federal Judge nominee, Clarence Thomas, and in *Gone Primitive*, Mariana Torgovnich dissects Joseph Conrad's character, Kurtz, and the character of Tarzan, the Earl of Greystokes, and their ambiguous, yet finally crucial, relationships with the Empire. Crusoe, Kurtz and Tarzan are variations on the caricature of the heroic adventurer, each etching out supremacy for the master race in his respective relationship with Darkness: the Black Slave, the Heart of the Darkness, the Darkest Continent. Their contemporary male descendants, metaphorically speaking, include Crocodile Dundee and the Bush Tucker Man, while their female descendants include Marlo Morgan, author of *Mutant Message Down Under*, which tells of an overweight American housewife who walks with an Aboriginal tribe across a desert to learn their secrets, and Robin Davidson, author of *Tracks*, the story of a "lone" woman's trek with her camels across the deserts of Australia, now to be played by Julia Roberts in the Hollywood film version.

Take for instance, the bush wisdom of Mick Dundee. Aborigines don't own land, the land owns them. This supposedly sympathetic insight into the special relationship between Aboriginal people and their land, makes us unique in the diverse range of human societies. In the colonial imagination, we have become the only people on earth who don't own land. We're part of the fauna, part of a culturally reconstructed wilderness.

For Aboriginal people, the Bush Tucker Man's message is: we've come to take your food. And you should not be surprised if I tell you that we perceive the young white male green activist calling us environmental vandals, as a remake of Tarzan, King of the Jungle, struggling to teach those stupid natives to recycle and take a large string bag to Woolworths. The new Tarzan no longer lives on a platform in the jungle with monkeys for playmates, but he does have his native companion. The new age reinvention of the Noble Savage figure as typified by, say, Burnum Burnum, is a matter of serious consequence.

The ambiguous relationship of Australians with the persistent Rousseauian ideal of the savage in cultural forms, images, representations, ideas, politics and laws, has significance for how

indigenous people are able to advance the restitution of their traditional territories, jurisdictions and control of resources.

New Age-ists in particular, but many others, including scientists, bureaucrats, politicians and journalists, along with their audiences, are caught in the trap of essentialism, a belief that there are ineluctable features of "Aboriginality" based on the tradition of "primitivism". Young Western middle class visionaries have imagined delimited territories of "nature" as a wilderness from which humans and human intervention have been removed. Stanñer labelled this way of making Aboriginal people invisible, like the nocturnal fauna of the Australian eucalypt forests, as "zoomorphic". The New Age-ists and the environmental zealots who oppose Aboriginal presence in the land have revived old Enlightenment ideas such as Rousseauian notion of the "noble savage". But where are these imagined noble savages?

Torgovnich defines this fascination in the following terms, and thereby enlightens us as to the beliefs and practices of New Age-ists and some interior designers:

To study the primitive is thus to enter an exotic world which is also a familiar world. That world is structured by sets of images and ideas that have slipped from their original metaphoric status to control perceptions of primitives. Primitives are like children, the tropes say. *Primitives are our untamed selves*, our id forces – libidinous, irrational, violent, dangerous. Primitives are mystics, *in tune with nature* part of its harmonies. Primitives are free. Primitives exist at the "lowest cultural levels"; we occupy the "highest", in the metaphors of stratification and hierarchy commonly used by Malinowski and others like him [in] a discourse fundamental to the Western sense of self and Other . . . The real secret of the primitive in this century has often been the same secret as always: . . . It tells us what we want it to tell us (1990:8-9; emphasis added)

We can deduce what terms like "nature", "wilderness", "landscape" and "primitive" mean by interrogating the images and texts which draw and write these conceptions, as well as the social forms which give a social appearance to their conception. In manufacturing representations of "Nature" and "wilderness", the human mind constructs a relationship with the non-human. It is in this cultural paradox of "Nature" or "wilderness" signified as both human and non-human that certain kinds of cultural meaning are found. Like the gods and totems, being human involves being non-human. Locating "Nature" in this way, enables us to examine it as a contested site of power between Europeans and Aborigines. The very valorisation of Aboriginal art and other expressions of cultural life as a manifestation of the "noble savage" is also the fetishism and stereotyping which prevents understanding. The valorisation of "wilderness" has accompanied an amnesia of the fate of indigenous peoples.

Thoreaux' *On Walden Pond*, Edward O Wilson's *The Diary of a Naturalist*, and other nature movement literature, including the early

texts of Australia's own bush-walking movement, all valorise a wilderness devoid of any reference to indigenous people. The theological status of these texts lies in their erasure of indigenous peoples.

The wilderness cult which developed in America last century and in the Volkische movement of pre-Nazi Germany, has been revived by New Agists, retro hippies and environmentalists alike. Leni Riefenstahl, cinematographer to the Third Reich, who valorised Hitler to the world with powerfully constructed propaganda films, was chosen for her task by Hitler and Goebbels because of her star status in a series of feature films about the conquest of nature by a pure Aryan village maid who climbs an alpine peak seeking the purity of mystical crystals. The theology implicit in this Aryan myth, along with Siegfried and other Aryan heroes, explains some of the appeal of Fascism and the role of Hitler Youth and other instruments for creating the ideals of the Third Reich.

The early nature film genre including Walt Disney's sentimental repackaging of "natural wonders" and works like "Nanook of the North", were sentimental narratives of the blessings of nature for humanity, again theologised by appealing to emotional concepts such as wonder, beauty and renewal. They were beamed into suburbs around the planet with television technology and subsequent generations have grown up with this representation of nature. The current representations of Aborigines in Australia have a great deal to do with these reconstructions of "the wild".

The popular definition of "wilderness" excludes all human interaction within the allegedly pristine areas, even though they are and have been inhabited and used by indigenous people for thousands of years. Like the legal fiction of terra nullius which imagined us out of existence until the High Court decision in the Mabo case, popular culture imagines us out of existence. The modern proponents of this wilderness cult dichotomise Aborigines into two extremes, the Noble Savage in harmony with the environment and the modern Aborigine who poses the threat of extinction to rare and endangered species by virtue of wearing shoes, driving a Toyota and hunting with guns. The first High Court finding on the characteristics of an Aboriginal person was in the Franklin Dam case in which environmentalists and archaeologists were pitted against Tasmanian Aboriginal people who did not fit the caricature of the noble savage who was imagined to have inhabited the caves of the so-called Tasmanian wilderness. That finding in the High Court decision on the Franklin Dam Case revealed acutely for the first time that the Australian use of the term "wilderness" was a mystification of genocide. Where Aboriginal people had been brought to the brink of annihilation, their former territories were recast as "wilderness".

Tourism – the audience comes to us

Australia is the home of the world's oldest living cultures. This makes us something of a world oddity and it is a feature of our attractiveness as a tourist destination.

Altman (1990:10) cites Pooles' estimates of international tourist visitation figures to Australia: "There will be 4.85 million overseas visitors to Australia in the year 2000, assuming a most likely scenario of an annual average increase of eight per cent during the period 1990 – 2000. . . There would be a natural tendency for this sector of the Aboriginal arts market to grow . . . into sectors of the market that have emphasised the sale of Australiana. It is likely that in the next decade this sector of the industry will at least double and there is a great potential for its Aboriginal component to grow".

As an influence on the development of an Australian nationalist ideology, Aboriginal artistic endeavours represent for the Australian identity a sense of being unique in the world, and it is probably this aspect, rather than the dubious critical or commercial success of Aboriginal arts, that is the impetus for the high esteem in which the Aboriginal arts or cultural influences are increasingly being held. Their value is a diplomatic tool, a mark of identification, a statement about the liberal social and political climate in Australia (in comparison to the ethnic troubles of other parts of the world). Yet, foreign visitors whose experience of Aboriginal society was gained only from souvenir shops, from the kitsch to the up-market "tasteful" variety, could be forgiven for believing that all is well in Australian cultural policy, given this high profile of Aboriginal cultural influence.

From the earliest period of Australian history to the present, Aboriginal contributions to the arts and to the entertainment industries have been a significant influence and feature of Australian cultural life in general. It was not until the 1970s that this contribution received the economic and policy attention which it deserves. The most startling example is that of the visual arts: the history of the changed status of Aboriginal visual artists from anonymous artefact makers whose works were collected by museums, anthropologists and pastoralists, until the 1970s, to that of serious acceptance in the global art industry in the 1990s (see Jones, 1988: 176–179) is a tale of modern art movement of enormous significance to modern Australia.

Aborigines as entertainment has come full circle from the days when indigenous men and women were exported as trophies of imperialism. Today, we entertain the tourist who comes to see us in our "natural" habitat.

Cultural tourism has ridden on the back of the success of the Aboriginal art industry. Some of the Aboriginal tourism projects which have been established over the past decade, such as the small Aboriginal tour companies, Aboriginal ownership of major tourist

infrastructure in Arnhem Land, the Wilderness Lodge at King's Canyon (a joint venture), and the Pajinka Wilderness Lodge at Cape York (owned by the Injinoo Community), have had greater success and seem to have stayed in the black because of the narrow and specialist sector of the national and international tourist market for high quality, "authentic" experiences with Aboriginal people.

It is this desire for "authenticity" whether in art or tourist experiences (a largely imagined "authenticity"), which is perhaps the source of some of the commercial success of the Aboriginal cultural industry to date as well as one of its greatest limitations.

The necessity for Aboriginal images in the advertising of Australia's natural beauty to tourist markets has been an important trigger for Aboriginal involvement in national parks. The impact has been limited however, with only four national parks under joint management regimes with traditional Aboriginal owners.

The post colonial effect of the now universal Yellowstone model of the national park is a disguised and politically acceptable dispossession of indigenous people.

The concept of a national park has changed during its diffusion from a United States experiment to a worldwide institution and there have been several innovations by Aboriginal people in this country to more successfully integrate natural preservation with respect for indigenous rights.

The first Aboriginal claim over a protected area was the 1978 Warlpiri and -*Kartangaruru* land claim over the former *Tanami* Wildlife Sanctuary in Central Australia. This claim, eventually successful, was followed by claims over other conservation areas - the Gurig, Uluru, Kakadu and Nitmiluk National Parks.

There was orchestrated opposition to these claims including a Ku Klux Klan group in Katherine which mounted a highly visible and intimidatory campaign against the claim over the Katherine Gorge National Park. Despite this the claim succeeded and Nitmiluk National Park has now taken its place with Uluru and Kakadu as internationally renowned examples of protected areas owned by indigenous people with majority indigenous representation on their boards of management.

These need to be understood as models which should become minimum standards for parks which are inhabited or used as indigenous rangelands to preserve ecosystem viability and cultural integrity through an understanding of both indigenous cultures and western resources management. This may seem self-evident to the Keating generation, who grew up with *Midnight Oil* and *Yothu Yindi* videos and buy tapes of Kakadu bird sounds. But it's not that straightforward.

There is still a virulent redneck movement against Aboriginal ownership of national parks and increasingly, since the Ayers Rock of All Australians campaign in 1985, rednecks have appropriated the language of the environment movement, particularly in their arguments about the threat to endangered species which Aboriginal people are alleged to represent.

It is difficult for an indigenous Australian to ignore the presumption and arrogance in the arguments of many environmentalists, even those who claim to support Aboriginal traditional interests in land under conservation regimes. It seems to us that they are usurping the Aboriginal right of stewardship of the land, its ecological systems and biodiversity in their anxiety to assert the supremacy of western resource management regimes over indigenous culture.

The case most detrimental to Aboriginal interests was the Sanctuary Petition which tipped the scales against Aboriginal ownership of national parks in the drafting of the Aboriginal Land Act in Brisbane in 1991. The environmental network in Queensland which calls itself Sanctuary, collected over 13,000 signatures in a petition to ban traditional hunting in national parks. The result is a Clayton's joint management regime. The national park successfully claimed by Aboriginal people must be leased back to the state in perpetuity with no rental payments to the traditional owners, no Aboriginal majority on the boards of management and ministerial control over park management.

Thirteen national parks have been gazetted for claim under the Aboriginal Land Act in Queensland, including all national parks in Cape York. But the politics of Aboriginal claims over these areas have been bitter and detrimental to Aboriginal interests. In the last four years, some environmentalists have alleged an Aboriginal threat to ecological systems in national parks, the same ecological systems whose development has gone hand in hand with Aboriginal occupation for tens of thousands of years. These extraordinary allegations have revealed the fears of some environmentalists about Aboriginal control of park areas.

For instance, the National Parks Association claimed in a Northern newspaper that Aboriginal people were, and I quote, "lining the forest floors with cassowary feathers". These allegations were timed to torpedo any improvements for Aboriginal people in the drafting of the provisions for Aboriginal involvement in national parks.

Apparently Premier Goss feels that the views of one or two redneck park rangers, trained in the Forestry Service in the days of Smokey the Bear, are more legitimate than the views of thousands of Aboriginal traditional owners. In reality, the only threat to the cassowary is the tourist developers.

National parks and the cultural construction of wilderness

Wilderness as a partial construct of Nature is husbanded in the institution of the national park in contemporary Australia. The national park is an institution of power which governs and commodifies "nature" and thereby culturally constructs an imagined wilderness. The institution of the national park itself derives from a number of other institutions:

- state control or intervention on the management of resource use, exploitation and planning; the public or state-controlled land estate and its management;
- notions of leisure and enjoyment of "nature", the worker's holiday, and the exploitation of landscape and "nature" in the tourism industry.

Historically, "nature" and natural resources, "primary" products, were commodified by colonialism, and with the realisation that resource exploitation should be planned and managed, areas of land or territory which were perceived as relatively uneconomic were partially decommodified but later recommodified as tourist attractions.

"National Park" is only one designation (or sometimes title) amongst a range of such designations. Others include "marine park", "nature reserve", "parks", "gardens", "forestry reserves" etcetera. A precursor to the national park is the common, an area defined as "land belonging to a community, esp. unenclosed waste land" (*The Concise Oxford Dictionary of Current English* 1964). Many national parks in Australia are not unlike commons, especially those which are resumed pastoral leases which have failed. Alexander Wilson in *The Culture of Nature* (1992, 223) writes:

The parks that form green patches on our North American roadmaps have many origins. Some derive from the ages old communal spaces of large and small human settlements the world over; cemeteries, market squares, temple precincts, and commons. In Europe the first established public parks – originally called promenades, pleasure gardens, or Volksgarten – were private reserves that by the late eighteenth century gradually allowed public access. In the nineteenth century, an owner of extensive private property in or near a city sometimes bequeathed land to the city to be used as public park.

Urban parks have always had an explicit relationship with the less-settled lands outside the city. But the idea of locating a park outside the city – in nature, so to speak – was quite foreign, certainly in North America, until the mid nineteenth century. The earliest rural parks in Europe were established to protect game from being hunted by the peasantry. When Europeans began to settle North America, the hinterlands were variously described as a wilderness or desert – often as an ugly place – inhabited by savages. While in contemporary culture "desert" retains its connotation as a wasteland, "wilderness" has undergone a number of shifts in meaning over the course of this century.

What does "National" mean in this designation?

In examining the history of national parks in Australia, one would have to examine the origins of the notion "park" in British history, originating in Rome, and later elaborated as private and religious institutions in the Middle East, in France, and other places, and eventually taking hold in Britain, rather as museums did, in order to exhibit the bounty extracted from the far flung lands of the Empirical domain.

The aristocracy created parks on their estates in Britain as monuments to a particular religious and economic interpretation of the environment. These parks were manufactured creations, developed over generations, but from their beginnings they were imagined gardens of the gods, replete with false, and sometimes actual, Roman and Greek "follies", reconstructions of temples. The religious and iconic cultural content of the gardens are a reflection of the "divine" principles of the land tenure system, emanating from the Crown as the divine source of legitimacy in British law.

Like the cases of classified fauna and flora, so famous in the tragically gorgeous, but ultimately brutal butterfly cabinets in the museums, the botanic gardens arranged plant species sometimes according to their original habitat and sometimes in the garden style of the English aristocrat, and even in glass conservatories which controlled the climatic condition for exotic species. Museum fauna and flora displays, unlike the National Parks, are a grotesque twist on the fable of Noah and his wife who saved two live specimens of each creature on the ark, shipping them to safety from the Great Flood. The museums of the old imperial regimes were intent on having one of every genera and species identified of the possible 100 million different species on earth dead in a cabinet.

Together, museums, zoos and national parks, and increasingly genetics laboratories, are the institutions of the global economy which collect, identify and store the global inventory of the biological and natural resources of the planet. The most crucial feature of these institutions is their colonising nature: indigenous or traditional knowledge systems are seen as largely irrelevant to Western classificatory schema, and native title rights, including intellectual property rights, are nullified or marginalised. In many countries, particularly in South America and Asia, indigenous peoples, like the non-human inhabitants of lands not yet subsumed into the "productive economy", find their rangelands or habitats decreasing at alarming rates. In Australia and North America, and in Norway, the indigenous peoples by legal and political means have been able to reclaim varying, but always only some, lesser proportions of their original territories.

The Sovereign, under English land law, issued *beneficial* titles to the subjects, but preserved to her/his Divine self areas which were variously designated under the rubric of Crown land. Indeed, botanists were sent with the British ships which "explored" or reconnoitred the distant potential parts of the British Empire. Dr Banks who came to Newfoundland with Captain Cook sketched, described and discussed the flora in order that a clear picture of the value of the land to the agricultural colonists might be assessed.

In a sense the national park estate is a modern descendant of the English botanic garden. It is a representation of modern Australian nation-ness, acting in its own right as the guardian of the *beneficial* title over the land estate, in contradistinction to the manicured emblems of the floral trophies of the dynastic realm of the British sovereign.

The rapid increase in the designation of National Parks in response to a strong electoral lobby is a particular stage in the mapping of this continent. National Parks can be understood as a part of the colonial repertoire when they are understood as the further delimitation, naming, and categorisation of Terra Australis Incognita. It is a further conquest. A national park in South Australia was officially labelled the No Name National Park as the Conservation Department waited for a suitable "Aboriginal" name. Like the census and museum, the national park estate shapes

... the way in which the colonial state imagined its dominion – the nature of the human beings it ruled, *the geography of its domain*, and the legitimacy of its ancestry. (Anderson, 1991: 164; emphasis added)

One should add that in the late 20th Century with the possibility of life-threatening rupture in the global ecological system, the national park estate legitimates the conquest of the continent. The state proves itself to be a responsible custodian of the land it has not yet allowed to become degraded (although this is not always the case in practice). It is seen to be managing its estate according to the new ecological theory of the human place in Nature.

Borders – the industrial and economic limitations and dilemmas for National Parks as conservation zones

National Parks are bordered territories, borders with internal socio-political meanings. Their borders are the outer limits of permissible expansion of Anglo-Australian urban, suburban, pastoral and industrial expansion. These borders have been demanded by a large proportion of the electorate which has been educated by the leadership of the environment movement to understand that life on earth is a fragile ecological system which may be irretrievably degraded by the human population explosion, land and sea degradation, pollution, ozone depletion, the green house effect, wars, and particularly by the

hyperconsumption of the Western world. However, there is in fact a great deal of mining and other economic development in national parks, contrary to the popular view obtained from the marketing strategies of the national park and wildlife services of the Commonwealth and States. Proposals for more mining and development in national parks are constantly on the agenda of the peak bodies of the mining industry.

Wilson (1992:228) describes park boundaries in the United States and Canada as "buffers and barriers":

Boundaries are important, because they limit the meanings parks are allowed in the culture. They establish the privileged status of nature reserves by restricting access to them and physically separating them from other land uses, although policies change, boundaries go on prohibiting certain kinds of development and providing a buffer against the demands of a market economy. Perhaps most importantly, park boundaries usually prohibit human habitation as well.

In Australia, with few exceptions, National Parks fall geographically within the interstices of parcels of land issued by the Crown during the period of colonial expansion for pastoral, industrial, extractive or residential purposes. As remaining examples of "Nature", examples of local biological diversity, they are merely remnants of what once existed. Sometimes what has been preserved bears little resemblance to the environment of precontact times. The clearing of forests, introduction of exotic species which have become feral, such as the fox, rabbit, cat, camel, donkey, buffalo, horse, dog, prickly pears, mimosa, lantana, blackberry bush, exotic grasses and "weeds", the use of herbicides and fertilisers, have all taken a heavy toll everywhere, even in those places imagined to be "virgin" – "virgin" rainforest, "virgin" temperate forest, the wetlands, etcetera. Eric Rolls' bestseller, *A Million Wild Acres* (1981) informed the nation of this in his examination of the dramatic changes to the environment in areas of New South Wales, which appeared to be "natural", that is without intervention from humans. In fact, the heavy intervention of the Anglo-Australian settlers of previous times had been long forgotten, and the effect of Aboriginal society not recognised. He wrote: "The wilderness we now value and try to protect came with us, the invaders. It came in our heads, and it gradually rose out of the ground to meet us". Ann Stephen (1992:8) makes a similar point:

Modern mass media campaigns showing pictures of devastated forests alongside apparently "virgin" wilderness have led to rainforest areas being valued for their wilderness as much as for their ecological diversity. Significantly, in the now very popular genre of rainforest photography, there is seldom any sign of how forests have been modified by humans, whether Aboriginal people or post-contact Europeans.

The most significant aspect of the degradation of particular zones of biological diversity is that so little of the original extent of the land mass covered by these ecological zones is left. For instance, in 1788 rainforests ran the length of the east coast of Australia. These were rapidly removed by pastoral expansion and even in the remote mountainous regions removed with the spread of the timber industry.

But Australian governments continue to create national parks, partly in response to the pressures from the environmental movement in general and on a case by case basis. Even though the political strength of the environmental movement in Australia has been very great on the federal and some state governments in the past (greater than now, in times of recession in 1993), resulting in the obtaining of major political commitments, such as increasing the percentage of land field as National Park or as a conservation tenure, some of the motivations, and the limitations on acquiring land for national parks, are economic. Wilson writes, in comparison, on the motivations in North America, in these terms:

Establishing park boundaries has become a formidable task since the enactment of the first environmental protection legislation in the 1960s. These laws have by and large been the state's response to the conflicting demands of the resource industry, the environmental movement, and indigenous peoples. One of the results of the legislation has been the classification of lands that lie outside of the traditional productive economy. This takes place through a legislative process that resembles the investment decisions of a corporation. Any land considered for a park is first reviewed for its resource potential. Government agencies regularly take inventories from air and land, research the future conditions of the resource market, and determine how much they're able to offer as incentives to private resource industries. ("Like the grocer who has to know the amount and variety of stock on his shelves," a Saskatchewan government forestry pamphlet begins.) It is difficult today to preserve land that contains timber or ore deposits that might be valuable in the future. When the Canadian federal government established Pacific Rim National Park on the west coast of Vancouver Island in 1970, for example, the British Columbia government delayed the enabling legislation long enough for much of the area to be logged.

The colonised land as anthropomorphic emblem

The conquest of the Antipodean pastoral idyll, which the invaders believed they had discovered in the 18th Century, within a century resulted in a replication of industrial urban England, but not without many setbacks. The terrain, climate and resources were found to be far more difficult and unpredictable than at first imagined. The dominance of the pastoral tradition in the early twentieth century was displaced in the 1940s by encroaching suburbs and desert. The lessons of living with the Australian land were not passed on down the generations, and

only in the last decade has there been a recognition of the fragility of the Australian ecology. Their hardest lesson, and one with which they still grapple, is how to conceive of and relate to Aboriginal people.

The British conquest of the continent was also executed by writing the continent into the British legal system, particularly under the system of land law, which was somewhat adapted to local circumstances. The system of legal signs which enabled its conquest consisted of titles, maps, boundaries, and registries, all of which were institutions of power which shaped, named and categorised a largely imagined, at that time, "Terra Australis Incognita":

The importance of the land in conceptions of Australia, by both Aboriginal people and Australians of European and Asian origins, stems in part from questions of size and the sparsity of settlement. . . The perception of Australia as a virtually uninhabited continent, with unenclosed land as its greatest asset, captured the European imagination. Europeans, who for centuries had been developing systems of land ownership and leasing, quickly moved to impose such a system in Australia, in much the same way as they restructured land ownership in the United States, Africa and South America. (Spearitt, 1992:1).

The extreme Australian urbanisation, in which "more than 80 per cent of the population living in six coastal capitals and their adjacent satellite settlements" or "[a]lmost 14 out of 17 million people live in less than 100,000 square kilometres of a land mass of over 7.5 million square kilometres" is an uncomfortable feature of the self-consciousness of "Australians", particularly the Anglo-Australians who imagine at least a part of their national image as that of a confident male conquest of a vast wild land. Peter Spearitt, in the *The Lie of the Land* (1992:1) places land at

. . . the centre of Australian consciousness. Australia first emerged in European consciousness as the world's only island continent, starting its imaginary and then cartographic life as the great south land and becoming by the time of European exploration, Terra Australis Incognita. The world's only island continent has also been, at least for the last 50,000 years, the least populated continent. This was the case in 1492, in 1788 and in 1992, 500 years after Christopher Columbus.

The notion of Australian "nation-ness" (Anderson, 1991:5-6) was depicted in a white male metaphor at the turn of the century: an urban myth of origin to do with "the little boy from Bondi", a cartoon character representing the infant nation at the time of the federation of the colonial states in 1901. In the spirit of that myth, the Australian nation today is a maturing sexual adult which has undergone *his* post-oedipal separation from Mother England. Interestingly, in the popular imagination, the little boy from Bondi has grown up into a full-blooded surfer boy, who apparently has never left Bondi Beach. The mature Australian nation has been characterised as a sexually curved anthropomorphic landscape. The reference is to Max Dupain's *Sunbather*, the

now famous image of the shapely male shoulders of a European man lying on Bondi Beach:

The coast is the most "sexed" of landscapes, with nubile bodies never far from view. Max Dupain's *Sunbather*, whose sweaty sensuality has become an icon of this genre, suggests how the body has come to represent an entire landscape. (Stephen, 1992:7).

He, however, has been informed by experience of other cultural, national and post-national visions. But at this juncture of historical development, particularly in relation to the proposed Republic of Australia, the nation-state thesis is being contested by *alterity*, by the marginalised redefining of themselves into the centres of a post-national Australia.

Locally and globally, another competing thesis against the nation-state as the "legitimate international norm" (Anderson, 1991:113) is that of the "green movements" or the "environment" movements which have asserted that a global consciousness is required to prevent the irretrievable degradation of the planet's ecological system. In Australia this realisation has come with a post 1980s edge. Again, commenting on the Dupain photograph of the *Sunbather*, Stephen writes:

. . . Recently, however, such hedonism has been overshadowed by environmental pollution and health hazards. The idyllic deserted beach of cigarette advertising now has to compete with images of oil-slicked animals and syringes in the sand. (Stephen, 1992:7).

So like the Aborigines and Indians, the white Australian imagination envisions an environment as a cultured environment, albeit a degraded one.

Conclusion

Rather than persist with this fundamentally colonialist notion of wilderness, there is an urgent need for recognition that many protected areas and many areas proposed for protection in Australia as elsewhere in the world, are inhabited and used by indigenous peoples. The consequences of this simple fact is that the notion of wilderness and the institution of the National Park must be radically redefined in response to indigenous demands for ownership and control of land and resources. The oldest and most ecologically stable human groups are at risk because of the colonising effect of the expansion of National Parks.

Over 200 years ago Europeans arrived on the shores of a continent which would later be described as wilderness, a land empty of people. These Europeans proceeded to tame the wilderness in their own image – that of the English country garden bordered by the landed estate of the squattocracy.

Just as *terra nullius* was a lie, so was this European fantasy of wilderness. There is no wilderness, but there are cultural landscapes, those of the environmentalists who depict a theological version of

nature in posters, and those of Aboriginal people, present and past, whose relationships with the environment shaped even the reproductive mechanisms of forests.

The education campaigns, membership drives and political campaigns of environmental organisations are an important barometer of colonial anxiety, inasmuch as they are the representations of the new generation of Australians seeking to establish a cultural security to landscapes full of colonial memories.

However, despite the efforts of an army of culture police, it seems impossible to rid a vast array of cultural representations of the mythological presence of colonial Australia in this supposedly post-colonial contemporary society.

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THE ELEVEN

SAVING VIRTUES

Ross Fitzgerald

Virtue is nothing if not difficult – Ovid

The eleven deadly sins are like the seven dwarfs. If people try hard enough, then they can usually remember five or six.

The situation is even worse with the seven saving virtues. Most people are hard-pressed to name four or five. For the record, traditionally they are as follows: faith, hope, and charity (or love), plus prudence, justice, fortitude and temperance. As Gerard Henderson, then a Catholic Jansenist, was taught in suburban Melbourne, so at St Mark's East Brighton Church of England Sunday School I was told that the first three were the theological virtues which have God as their object and which are caused by Him directly, while the last four are the so-called cardinal virtues. These, the Reverend Woolnough explained, were not to be confused with Catholic Cardinals, who were not to be trusted.

A teacher of mine (himself an atheist) pointed out that the sins people can't remember are almost always those that most affect their own lives and people around them. Whether the same explanation applies to the saving virtues is a moot point. Perhaps the truth is that virtues, because they are so difficult to practise, are not as memorable as the sins. If Aristotle is any guide, the saving virtues involve not only behaving rightly, but having the appropriate attitudes, feelings and intentions. This is quite a different approach to the theologically suspect but, some, eminently sensible dictum that "There are no wrong reasons for doing the right thing".

For Aristotle, and numerous ethicists and philosophers since, a key characteristic of the virtues is acting rightly for the right motives. Now that *is* difficult, without a great deal of external, not to say divine, help. It is therefore not surprising that as a child I imbibed the belief that the deadly sins had more *strength*, and indeed more cachet, than the virtues.

Some of you may know that I think there are eleven deadly sins. These are often matched by their supposed opposites, the eleven saving virtues. However, just as psychodynamically the negation of love is not hatred, but apathy, so the deadly sins and saving virtues frequently partake of and are a disguised form of each other. Sometimes, if pursued assiduously enough, the deadly sins and saving virtues can be converted one to the other. Hence, Henry David Thoreau's maxim, "We cannot well do without our sins, they are the highway of our virtue".

As with my previous collection *The Eleven Deadly Sins*, the contributors to *The Eleven Saving Virtues* were not chosen as role models, in this case of virtue, but rather to present a range of responses both to the nature of virtue, a notoriously tricky topic, and to the characteristics of their specific saving virtue.

Gerard Henderson's wife Anne and my partner Lyndal had similar responses to us writing about our respective virtue. "But you know nothing about Gratitude/Affection", said Lyndal/Anne in a half-serious, yet caring and personally informed way. It is perhaps some comfort to recall that St Paul knew almost nothing about charity (or love), yet in his epistle to the Corinthians he was able to write so gracefully about love's nature and its importance.

For the record, apart from Gerard's wickedly funny piece on Bob Hawke's narcissistic affection for himself, it is the eloquent essay on Truth by my friend Dr Trevor Jordan that impresses me most. Trevor's revelation about discovering that he was adopted only after the death of his "mother" and when he himself was a parent, powerfully demonstrates both the necessity for a commitment to truth in human relations, and the way in which the deadly sins and the saving virtues so often intertwine.

As I mentioned, my own saving virtue is Gratitude, about which I know a little, unlike its corresponding deadly sin Envy about which I know a lot.

Gratitude, my mother taught me, is the memory of the heart.

"Count your blessings one by one", Edna would sing in our neat East Brighton home. "When dawn appears and day has just begun, Count your blessings while you may, For we are here but little time to stay". Although, as a sickly asthmatic child, the final words seemed to me somehow ominous, I loved the timbre of my mother's voice.

It was Mum - an atheist - who told me that as a Christmas Day child I had a guardian angel who looked over and protected me. The year before last, for my forty-ninth birthday, my daughter Emily gave me a golden guardian angel. Being something of a primitive and deeply grateful for the gift, which is a symbol of her care and affection, I have worn it religiously every day since.

"Have you been counting your blessings lately, laddie?" asked Broken Hill Jim. I was 25 and I'd been free of alcohol and other drugs for about twelve months. I, of course, knew it would be a *good idea* to count my blessings, but no matter how hard I tried, then I couldn't seem to do it.

I was better at utilising Jack's oft-repeated statement that "Feelings are not facts". I could understand intuitively that the fact I *felt* I was hopeless didn't mean that I was. "Do you know the definition of a fortunate man?" Jack once inquired in those gender specific days. Although he was physically small, I looked up to Broken Hill Jack who, unusually, was a good listener. Like an Alsatian dog, habitually when he listened he cocked his head. I answered "No". "A man who thinks he's fortunate", was Jack's staccato response. That statement still makes a lot of sense today.

Really being able to count your blessings, deep inside, is not something that can be achieved by merit or brought about by an act of will. A sense of gratitude is not something we can *make* happen, or consciously will to happen ourselves. It is, I suppose, a grace. Some would say one of the lost graces!

For the past twenty-five years I have drunk no alcohol and have been free of other drugs. In other words, I have nothing in my blood but blood.

Quite a few years ago, without consciously willing it, I was grateful that I no longer needed to drink. Despite still being restless, irritable and dissatisfied about many things, that sense of gratitude has never left me.

Twenty-two years ago, a friend of mine, Lil, worked in Bullens Circus as an acrobat and as part of a knife-throwing routine. Her German knife-throwing husband was prone to fits of rage. When he was particularly angry he'd throw the knives extremely close. Not unnaturally, Lil was terrified. A circus friend suggested that a brandy or two might calm her nerves. As Lil tells it, after four or five brandies she couldn't have cared less where he threw the knives. Within two years, Lil lost her job as an acrobat, her husband had left her, and she was thrown out of the troupe. All she was left with was a tatty sideshow stall. Her entire act featured a little hamster running around and around in a cage. When Lil stopped the hamster, a table tennis ball would drop in a numbered slot and one of the 50 cent paying public would win a prize.

One Sunday when the circus was closed, Lil was drinking Penfold's Purple Para with a friend. Lil was mesmerised watching her little hamster run continuously around in its cage. "What's it running for?" Lil asked her friend as she took another swig. "Because it thinks it's getting out, that it's escaping. Just like you."

At this, Lil burst into tears. That night she went to a meeting of Alcoholics Anonymous, where she found a real way out of her problem.

She hasn't had a drink of alcohol since. What, in a flash of insight, Lil saw mirrored in the hamster, was her powerlessness. Having seen this, she stopped fighting the booze and became sober.

Like Lil, I am fortunate that no matter how tough or painful life is, nothing can actually damage me as much as alcohol and other drugs damaged me. This doesn't mean that I can't feel devastated and terribly hurt. But the fact is that in situations of crisis and uncertainty, I can now be of some use. This is both a valuable yardstick and a cause for considerable rejoicing. For apart from a burning desire not to drink alcohol, I have also been given a deep love for that movement of people who have helped me stay sober.

Actually, my map of the world is comprised of alcoholics who have stopped drinking. When I think of Adelaide I call to mind Broken Hill Jack and my Aboriginal friend Lillian, while London conjures Margaret the novelist, Barry the comedian and Dick L, who is currently visiting Sydney, where Steve from Gordon, and Barbara the actor live. Melbourne translates as Ukulele Jimmy and my best friend Lee; Ireland – Michael G in Athlone; Bali – the remarkable Bogart lookalike Logan Judd; Lisbon – Jorge, the middle-aged flight attendant after whom my daughter Emily named her first doll, a girl.

Brazil now means "Beatrice" whom we called Expo B after his first real job in sobriety, and thereafter ex-Expo B. Brisbane, where I live, features David the policeman and Nanny Neal, while Salamanca temporarily houses my longest-standing friend Ross C who, despite my ridicule, successfully taught himself to speak fluent Spanish by playing tapes at night while he slept.

Some sober alcoholics like Sydney's Incinerator Herbie (named after the incinerator in Moore Park where in winter he often slept), and Little Marg from Kings Cross, all people I never met and now all dead, are the stuff of legend, precisely because they helped those who helped others including me. They are part of the chain of recovery which includes friends like Brisbane's Sister Kate, Melbourne's Antique Harry and Ricky Beal, Sydney's No-God Bill and Ken from Newtown who, although also dead, remain etched in my heart and head and on whose love and support I can draw in time of need.

These are people who have taught me by their example that alcoholics, with extremely rare exceptions, cannot recover alone. Whatever their degree of enlightenment, standard of education or personal resolve, alcoholics are almost always unable to stop drinking, and stay stopped, on the basis of self-knowledge and willpower. Yet by "surrendering", by accepting defeat in depth, an alcoholic is able to undergo a psychic turnabout, sometimes quickly, sometimes slowly. This major shift in attitude is able to unlock powerful forces which produce new positive feelings, especially hope.

Surrender is the acceptance of defeat. It involves the letting go of

control. Thus at meetings of Alcoholics Anonymous, one often hears speakers say "I've thrown in the towel". As Broken Hill Jack's sponsor, the late great Australian light-heavyweight champion boxer Bobbie Delaney used to declare, "I'm not a retired alcoholic, I'm a defeated one". To let go in surrender is totally different from fighting alcohol, or life. It is a giving up of the battle. Despair and hopelessness, not personal strength, is at its source.

As one of Margaret Mead's many husbands, Gregory Bateson, points out, alcoholics who attempt to use "self-control" to fight alcoholic addiction, "will not, or cannot, accept the premise that, drunk or sober, the total personality of an alcoholic is an alcoholic personality which cannot conceivably fight alcoholism".

An awareness that "I cannot go on, I've had it", is so often an integral part of the crisis experience that leads an alcoholic to seek help. Rather than being denied, this assessment is reinforced by the first and most basic of AA's Twelve Steps: "We admitted we were *powerless* over alcohol, that our lives had become unmanageable". This expresses with clarity the life experience of nearly all alcoholics by the time they are ready to stop drinking. It verbalises a surrender at depth in which volitional consciousness plays a very small part. In terms of "letting go", few alcoholics who have been released from the obsession to drink would agree that they could have made it happen or consciously willed it to happen themselves. The experience of letting go in surrender is not the "doing" of anything; it is a "not doing". With regard to an alcoholic, it is a giving up. While the act of surrender cannot be consciously willed, the shift from the level of *making* things happen to that of *allowing* them to happen, is almost always part of the process of recovery.

In contrast to a Western sense of self-power which suggests that the individual has, or should have, the "will" or "control" to fight the "temptation", an alcoholic needs to realise that she/he is *powerless* over alcohol. This not only represents a fundamental and necessary change in attitude, as Bateson explains it is actually a movement from an incorrect assessment of the situation ("I can fight the bottle") to a correct one ("I am beaten, I cannot overcome this on my own"). In AA language, the person has accepted the need for some power greater than himself. The way in which this power is conceptualised is quite unimportant. What matters, if (s)he is to remain sober, is that an alcoholic comes to rely on something other than the isolated ego. As Bateson further argues: "The experience of defeat not only serves to convince the alcoholic that change is necessary: it is the first step in that change. To be defeated by the bottle and to know it is the first 'spiritual experience'. The myth of self-power is thereby broken by the demonstration of a greater power (that is, alcohol)".

While the contextual structure of alcoholic "pride" places

alcoholism *outside* the self – as in “I can resist drinking” – in order to achieve and maintain sobriety, recovering alcoholics need to place alcoholism *within* the self. That is why it is important that no matter how long a person has been sober, an alcoholic like myself needs to use the present tense about alcoholism, ie. “I *am* an alcoholic”.

There is nothing surprising about an alcoholic drinking. What is surprising and gratifying is observing alcoholics who don't need to drink. That is why, for me, every day free of alcohol and drugs is a bonus.

Everything else is grounded on the fact that I am sober. From this, all other blessings flow. That I am 50 and still alive, married for 18 years to my partner Lyndal, a good or good enough father to Emily; the fact then I can write, when once I couldn't hold a pen; that I am employed and not in yet another hospital; that I am able to work as an intellectual who, when the time and circumstances require it, can “speak the truth to power”.

That I am invited to places and usually invited back; that I can arrange to meet someone and be on time; that I have friends and can be personally loyal; that Emily and I can play with Belle, our beautiful West Highland White terrier; that in the gardens of our old Queenslander I can help rear penny turtles and little stingless native bees and reintroduce to our suburb marsh frogs, tusk frogs, green tree frogs and graceful frogs.

That I have learnt to say “Yes” and “No” and mean it; that I can make reparation; that I survived long enough to see Collingwood blitz Essendon 13.11.89 to 5.11.41 in the 1990 Aussie Rules Grand Final – our first premiership in 32 years; that when the Mighty Magpies come to the Gabba in Brisbane or when I am visiting Melbourne or Sydney or Perth or Adelaide, I can actually get to the football, and remember the game; that I can laugh and sometimes not take myself too seriously.

All these are blessings and many more that other people might take for granted. Yet being fickle, prone to emotional oscillation, and almost always wanting *more*, my appreciation fluctuates markedly about them all, save one. Perhaps because it is the one big thing I never take for granted, the core gratitude remains constant. Whatever else may have transpired, there has not been a day in the last 25 years that I have not been delighted and amazed that I do not need to drink.



Photo - David Karonidis

David Pryce-Jones

Travelling extensively throughout the former Soviet Union, David Pryce-Jones met with the major players in the drama that saw the collapse of the Soviet system. In his book, *The War That Never Was* (Weidenfeld & Nicholson), David Pryce-Jones records the opinions of Party leaders and decision makers to narrate the end of an empire. David Pryce-Jones addressed The Sydney Institute on Wednesday 18 October 1995.

RUSSIA TODAY

David Pryce-Jones

Following the collapse of the Soviet Union, political, moral and psychological assumptions right across the globe are no longer as they were. The richest country in the world in terms of natural resources, the Soviet Union was an empire, a super-power with its famous "military-industrial complex" controlling 2,500 sites – some of them towns and even secret cities – producing arms, at least four million soldiers in the field and a nuclear arsenal far larger than that of its American rival. One feature which set it apart from other empires and powers was the Communist Party, which since 1917 had erected a monopoly of power, deployed to centralise the Soviet Union by every means at its disposal, including compulsory famine and mass-murder. The Soviet Union had presented itself ideologically as the supreme champion of the collectivity against the individual. That this centralisation for ideological purposes has been so discredited in practice is perhaps the most striking feature of the collapse.

By means of the party, the collectivity had expressed itself and acted through only a small number of individuals, the party managers or Nomenklatura. "Democratic centralism" was the slogan devised to obscure a structural defect no less destructive for being so obvious. This typical misuse of language was brilliantly deceptive. In actual practice, the Nomenklatura divided among themselves as they saw fit posts and privileges in the party and state hierarchies which were one and the same. The executive, the legislative and judiciary were so many branches of the party, as were the civil service departments at every level. Those belonging to the Nomenklatura staked out a field of speciality but otherwise they could move or be moved more or less interchangeably in the tight network which held the party and state together in a single whole. All in all, they had the entire Soviet Union and its resources at their disposal with no checks or balances except those imposed by the clash of personality.

Centralisation in such circumstances was thieving organised and sanctioned by the thieves themselves. It is characteristic of despotisms

everywhere. "Thieving" was the single word with which the great historian Karamzin summed up the Russia of his day in the early 19th Century. "If people in our country would cease stealing for even a single day, communism would have been built long ago", said Nikita Khrushchev. Replacing Tsarism, the Communist Party had maintained and fortified the old despotic grip on the state and everything in it. Here was the prototype of the post-colonial regime familiar in the Third World whose proclamations of liberty and independence conceal the grabbing of the spoils by those proclaiming the fine words.

Mikhail Gorbachev was, indeed remains, the last believing communist, with something now of the status of a protected species. Right up to the last minute, and even beyond, he liked to refer to Lenin for authority. To him, centralisation was the necessary context of progress just as the sacred texts decreed. An intelligent man, he could also observe production falling in all spheres. The Soviet Union could no longer finance its expansionist imperial role and was already failing to satisfy the needs of its citizens at the humblest levels of food and clothing and shelter. The thieves, in plain language, had to be stopped.

Only two alternative courses were open: to prove an even bigger thief robbing all rights and liberty in the manner of previous general secretaries of the party, or resorting to law. Whatever mistakes he made, whatever misconceptions he had, whatever compulsions he was under, it is to Gorbachev's ever-lasting credit that he chose the latter alternative. He was also navigating without a map. Instructions do not exist for the conversion of a despotism into a law-based society. Seemingly, Gorbachev thought that he could do it with the cooperation and the approval of the party, only to find that the Nomenklatura delighted in their vested interests too greatly to give them up willingly. His rule came down to a struggle to marginalise and by-pass the Nomenklatura. He saw this as an essential modernising of Communism but he also seems to have had some Americanising model in mind. At any rate he turned himself into a President, he built an embryo parliament which immediately started haggling about legislative powers, and he laid theoretical steps to make officials accountable for their actions. Quite how a man who had climbed to the top of that particularly greasy and blood-stained pole, came to have such an imagination will no doubt be discussed for a long time to come.

When Disraeli was invited by Lord Derby, then leader of the Tories, to become Chancellor of the Exchequer, he declined on grounds of ignorance of economics. That was quite all right, Lord Derby reassured him, "They give you the figures". In private Gorbachev likes to say that he realised that the figures were falsified as he thought by a factor of 50 per cent either way. What he had not realised, he goes on, was that the figures were totally bogus, proving only what party managers wanted them to prove. How could a genius,

let alone a party general secretary, plan for the future on the basis of fictions concocted by his officials? Lies of that type and scale are really dictated by the thieving endemic in a system detached from the market – without firm concepts of profit, inventories, accounting and so on. The extent to which the Nomenklatura had been ripping off the economy was to take even the most cynical Russians by surprise.

However well-intentioned, Gorbachev's plans bore little relation to reality. Reform in the direction of law clashed head-on with institutionalised lying and stealing. The Soviet Union came to a standstill in utter contradiction. In all likelihood Gorbachev lies awake at night going over in his mind quite how he had come to undo everything he had stood for, as it was check-mating himself.

Boris Yeltsin was cut from the same cloth as Gorbachev. The rivalry between the two was personal, an issue of ambition, a joust between champions. Since Gorbachev occupied the position staked out by party ideology, Yeltsin had to find other grounds upon which to rally support, and those available to him included Russian nationalism and democracy and the market. Thanks to the August 1991 coup, he succeeded in ousting Gorbachev, whereupon he treated the world to the truly paradoxical spectacle of a former party first secretary, a member of the Central Committee and of the Politburo, banning the party, in other words negating everything that had made him what he was. Nationalism was an easy card to play but there is little evidence that he had sympathy or understanding for the values and concepts of democracy.

Nobody can say with any degree of certainty what Yeltsin really understands when he uses his new vocabulary. One of his economic advisors described to me how he had tried to explain to Yeltsin that the state was being ruined by thousands of unprofitable enterprises which it was obliged to subsidise. Anyone who took these enterprises off the state's hands was doing it a favour. Half the new owners would be crooks, he told Yeltsin, and their factories or enterprises would become even more derelict, but the other half would make a go of things. If the proportion were wrong, and ninety per cent were crooks, a ten per cent would be enough for a kick-start. But, Yeltsin replied, why should they make money out of what we already own? The economist concluded, "I couldn't get him over that hurdle".

To ban the party was also to paralyse the state. The comprehensive organisational and administrative machinery which the party had erected for its monopoly was cancelled, completely deprived of legitimacy and authority. On the back of Gorbachev's reforms, Yeltsin had managed to be elected President of the Russian Federation, to be sure and there was a Russian Congress of People's Deputies, otherwise a parliament, a Constitutional Court and a Prosecutor General with a staff. But those were so many improvisations and manipulations which

had arisen out of the power struggle at the top. Nobody could have any clear idea of whether or not legitimacy and authority had indeed passed to these new and still embryonic arrangements, and if so how, and to what effect?

Power struggles, coups, the sudden loss of legitimacy and authority, have reduced other countries to similar zero-hours. What with ethnic diversity, a rural population excluded from the urban mainstream, unbalanced economic development, Russia shares a number of their characteristics. But in terms of size and wealth, it is not to be compared to Sudan, Liberia, Lebanon, Somalia, or even Yugoslavia. Germany in 1945 is a closer parallel. The Nazi regime's legitimacy and authority had been destroyed through war and invasion rather than internal events, but it was still crucial to determine what exactly the relationship of the present to the past ought to be. In the event, a fresh start was made. The so-called Basic Law, promulgated in 1949, introduced in the zones of the three Western allies the foundations of the constitutional society which evolved into Germany. In 1990 the Soviet zone could be incorporated with none of the misfortunes at present afflicting Russia.

Constitutional law in Russia is a subject restricted to a tiny handful of academic specialists with no practical experience. Examples exist of countries which have adopted foreign constitutions lock, stock and barrel, and adjusted them afterwards according to need. In the aftermath of the August coup, several Russians, including Yeltsin, instead set about devising constitutions from scratch. Yeltsin naturally advocated a strong presidency and a weak, rubber-stamping parliament. Parliament on the contrary wanted a figure-head or representative president, with legislative and even executive powers reserved to itself. The Constitutional Court and Prosecutor General tried to ensure that final arbitration of any legislative or executive dispute of power lay with them. In proceedings much like a Punch-and-Judy Show, Yeltsin as power-holder had his way. In terms of its constitutional capacity to legislate or exercise power, the Russian parliament must be one of the most limited of any which declare themselves to be democratic.

From the moment when Gorbachev was visibly about to paralyse the party-state, the Nomenklatura had taken precautions for the future. It was only prudent to obtain as large a share of the spoils as possible, while the going was good. In collectivist doctrine, everything belongs to everybody. Ergo, nothing belongs to anybody. Ergo, whoever controls or enjoys something material is doing himself a favour while harming nobody else. In the gathering twilight of the party, the trick was to convert that control or enjoyment into outright possession, which as everyone knows is nine tenths of the law. The plundering of property which has accompanied the fall of the Soviet Union amounts to the

asset-stripping of a nation. Innumerable dodges and devices have landed what had been public property, funds, allocations, factories, whole industries, docks and harbours, art treasures from museums and churches, in the hands of those clever enough and well-placed enough to divert them into their own pockets. Stealing acquired the fresh description of "privatisation". It is a safe assumption that a new Russian millionaire is a thief, unless and until proven honest.

The functioning of competition, writes F A Hayek in that lapidary masterpiece *The Road to Serfdom*, requires adequate organisation of institutions like money, markets and channels of information and "depends, above all, on the existence of an appropriate legal system, a legal system designed both to preserve competition and to make it operate as beneficially as possible. It is by no means sufficient that the law should recognise the principal of private property and freedom of contract: much depends on the precise definition of the right of property as applied to different things".

No definition of property rights exists in Russia because communism positively denied that there could be any such thing. That was another of its major defects. Did property belong to the party in some Platonic sense, or to the particular branch of the party made to operate its usage, or to the workers who were actually employed there, or perhaps to the locality where it was situated? All could, and did, make claims too muddled to be clarified. This is the gap through which everyone has rushed to lay hands on state property apparently left lying around to be picked up by anyone who realises it is there. The failure to debate and then to agree some equivalent of the German Basic Law of 1949 means that there is still no definition of property rights, no proper law of contract, no way to ensure accountability, no bankruptcy procedure, no profit and loss balance sheets publicly available for inspection, no assured legal redress for those swindled. Even so purist a marketeer as Hayek was careful to emphasise the role of regulation in the creation of wealth. Without regulation there is no trust. Every commercial and civic transaction therefore has the nature of a test of strength. The stronger party has his way, the weaker either goes to the wall or exacts vengeance through unexpected violence.

In the resulting nation-wide free-for-all Yeltsin proved merely the burliest and loudest-voiced participant. How was he to enforce his way? What administrative machinery could be devised in the absence of the party for translating his nominal power and his many prescriptions into policy? From January to August 1995, three thousand decrees and orders have flowed from his office, but only out into something resembling an administrative black hole. What passes for law, as published in the gazette is indicative but not obligatory.

Nobody in the West seems to have anticipated this outcome. In former days, devoted supporters in the West praised whatever the party did, no matter how criminal. This strange phenomenon, known as fellow-travelling, has continued right into the present under new auspices. Gorbachev's creation of chaos and contradiction was hailed as democracy. Yeltsin's impotence to do anything about the consequences is applauded as privatisation, modernisation, the entry of Russia into the civilised world. Some thoughtful commentators who are not in the least fellow-travellers find positive aspects in this "privatisation", considering it as revenge, natural justice for the expropriation of the nation's wealth in 1917. It may be sensible to allow the strong and powerful to enrich themselves when nothing can be done to prevent it. Professor Anders Aslund, one of the West's foremost authorities on the Soviet and now Russian economy, argues that the enrichment of the strong at the expense of everyone else is akin to a gold rush, and once those who need to do so have made their fortunes they will insist on the rule of law to preserve them. Edward Luttwak, another informed observer, holds that those who are enriching themselves through privatisation are no doubt crooks and thieves, but should more importantly be considered as entrepreneurs. Even simple theft, he writes, can be highly productive in a counter-productive system. Thieves and consumers come together in their own market. There are at least 5,000 separate criminal organisations – and maybe many more – comprising what is loosely called the Russian mafia, and although they are wasteful in terms of adding hidden costs to businesses, they are in his opinion by and large fulfilling a progressive function.

Argument on those lines can be met only by confronting the reality of daily life for the man in the street. The simplest of all measurements, that of life-span, shows an alarming decline: the Russian man can expect to live only 54 years and the Russian woman hardly longer, which are Third World levels. So primitive is the distribution system that people still throng on pavements or in underpasses holding up a single tap to sell, or a shoe, or two eggs. Many hundreds of widows living alone have been persuaded in return for a vacation to make a will assigning on their death the lease of their state-allocated apartment to operators who then kill them, activating the will and acquiring the vacant living space. Hoards of children live in underground sewers and scavenge at places like railway stations. An impatient driver at a red light chucks a hand-grenade in order to have right of way. Yesterday, runs a London *Times* news item from 29 July 1995, "Oleg Kantor, the president of Yugorsky Bank and his bodyguard were found stabbed to death at his country villa south of Moscow. Another banker, Sergei Parakhin, was beaten to death at the weekend in Russia's first "base-bat" murder, while the Russian National Bank was warned by racketeers that its board members would

be killed one by one unless they paid protection money". Murder, in short, is how a borrower converts a loan into property. In mid-August Ivan Kivelidi, one of Russia's leading business men and president of the Round Table of Russian Business, a group which lobbies the government, was killed through poisoning by cadmium salts hidden in his telephone receiver. The prime minister, Viktor Chernomyrdin, was among the mourners at his funeral. A new round of cash privatisation is due to start and the Round Table's spokesman Igor Khazanov had a prediction to make about this - "Excuse me for saying this, but there will be a harvest of corpses this autumn".

Back in 1993 Yeltsin convened a conference on crime at which he said, "Crime has been problem number one for us. It has acquired such scale and character that it poses great danger . . . for the whole Russian state." Meanwhile Alexei Ilyushenko, the Prosecutor General, has been accused by his own staff and the press of personally interceding to smother investigations into the affairs of corrupt officials and an allegedly crooked company run by his in-laws. There is, according to another *Times* report, on 15 August 1995, a total failure of the law enforcement authorities to stamp out corruption within their own ranks everyday: "Fraud and bribe-taking are rampant in Russia from the most junior traffic policeman pocketing fines on the street, to the highest ranks of government where generals, ministers and politicians are involved in multi-million dollar transactions . . . the weekly *Obshaya Gazeta* even published a league table of bribes as a public service to its readers." At the end of the month a new interior Minister, Anateli Kulikov, arrested two of his own first deputy ministers.

No privatisation of land has yet begun. This year's harvest is the worst for decades, in large part through shortage of fuel to bring in the crops - and this is in a country with a good chunk of the world's oil. This description of the Prioshky collective 120 miles from Moscow comes from *The Daily Telegraph* of 24 August: "It is midsummer but nothing stirs. Houses are boarded up and sheds stand derelict, their roofs open to the elements. In the surrounding fields thistle and grass dwarf stunted barley and oats. 'All the tractors have been embezzled by the big wigs long ago, for as little as 300 roubles (5 pence each),' objected Zinaida Goryacheva, a member of this collective".

What may be called the micro-level of politics engenders this free-for-all in which no holds are barred. Whoever decides that the morality of such conduct is too distasteful and compromising puts himself at a disadvantage: finer feelings are simply self-injurious. That was another of the major structural defects of communism which has extended from the past into the present. The envelope may have changed but the message carried inside it remains the same.

The whole society had to decide what price it was to pay for Communism in general, and Stalin and his legacy in particular.

Nobody will ever know for sure but the number of victims of communism seems to be around 50 to 60 million, far higher than estimates made before 1991. No other regime has ever inflicted such mass murder – political cannibalism – upon its own people, either in absolute numbers or proportionately. The act of banning the party, and labelling it a criminal organisation, logically should have entailed some attempt to bring the whole overwhelming horror of the past into the realm of law and accountability. But the macro-level of politics determines once again that whoever is a swine, anti-social and indeed criminal, emerges not only unscathed but rewarded.

In Germany, in the aftermath of the war, everyone who had joined the Nazi Party after 1937 was deemed unfit for public life and excluded accordingly. Some fourteen million dossiers were opened by the Allies. A variety of courts and tribunals tried the arising cases leading to several hundred convictions of death, duly carried out in the case of leading Nazi criminals, with prison sentences for thousands more. No doubt the process was imperfect but Nazism was to that extent held to account. Taking responsibility a stage further, the Adenauer government accepted the principle of compensation for victims and their families in respect of lives that had been destroyed or blighted.

In a speech in October 1987 Gorbachev broke ground. "Through mass repressions and lawlessness Stalin and his entourage have sinned before the party and the nation. Their guilt is enormous and unforgivable". The consequence of that admission was the foundation a few months later of Memorial, a voluntary association. Although officially launched, Memorial's status remained typically ambiguous. After its founding, Memorial held an exhibition in Moscow which revealed and indeed dramatised the Gulag experience. Branches of Memorial have been set up throughout the country. Their activity consists of compiling lists of the Gulag camps and establishing names of the dead and deported. The curious process of rehabilitation then occurs, whereby the modernised KGB sends out a slip of paper to survivors, or the relations of those who were murdered, stating that they had been innocent of any wrong doing and had been killed on false charges – one can think only of the way that after the conversion to Christianity of the Emperor Constantine, numbers of Christians who had been thrown to the lions were suddenly canonised as saints and martyrs. For rehabilitated Gulag victims there is no compensation.

Nobody knows how many former KGB men are now living in untroubled retirement on state pensions. Perhaps hundreds of thousands, if informers are included, perhaps a few million with among them Gulag camp commanders, investigators who falsified accusations, guards and the Eichmann-type clerks without whom mass murder would have been impossible. Now and again one of them appears on television, boasts of his crimes and justifies them in the name of the old

ideology as due measures taken against enemies of the people, and leaves the studio a free man.

Former communists are obviously not likely to act as impartial judges in their own cases. A view is now spreading that the chief feature of totalitarianism is that everyone was caught by it, so that the line between oppressor and victim is too blurred to serve much useful purpose. This is a fellow-travelling type of apologetics in sophisticated clothing. Certainly only the exceptional few found the courage and willpower to remain fully moral beings by refusing all collaboration with the party. The majority no doubt felt helpless in the grip of Stalinist terror. Its purpose was to compel mass-obedience, and it succeeded. But many also devised strategies to stay out of harm's way, to lie low, to tell falsehoods with enough truth in them to be acceptable to pretend to zeal while cheating and lying, as Luttwak would have it, constructively. Above all to refuse to denounce their neighbours and to disbelieve the accusations against them. Each such person contributed a mite towards the rotting of communism from within.

To judge each case carefully, dossier by dossier, is to draw the moral distinctions which are unmistakable between oppressor and victim. To abandon the issue or to divert it into an act of memory, is to establish communism as an enormity too awful to deal with. Nobody knows how to judge the past, present or future. If really nobody was responsible for communist crimes, then everybody is equally victim and oppressor and there is no right or wrong. Personal and civic conduct becomes a matter of negotiation. Each person is responsible only for himself. Altruism, trust, decency, self-sacrifice, become indistinguishable from foolishness. The incapacity or refusal of Yeltsin and his administration to bring the whole phenomenon of terror within the rule of law leaves oppressors and victims on the same footing. The practices of communism, in all their moral failings were carried over unchallenged into the successor society. That is the source of the moral and political miasma which has engulfed Russia.

The conspirators of the August 1991 coup called themselves the State Committee. A few committed suicide and a trial was held of the others. Nothing came of it. Within months all were at liberty. In October 1993, Yeltsin's own vice-president Alexander Rutskoi and Ruslan Khasbulatov, the speaker of the Congress of People's Deputies, tried to dispossess Yeltsin as he had dispossessed Gorbachev. Yeltsin brought out tanks to shell the parliament building and to arrest Rutskoi and Khasbulatov and their supporters. Nothing came of that either. They too are at liberty. Acts of violence including attempted coups, are as negotiable as everything else.

As they used to in the old days, the huge black limousines swirl up with special passes to the Kremlin. Our step Gregor Yavlinsky, Yuri Skokov, General Grachev, the Minister for Defence, Arkady Volsky, a

veteran from the Brezhnev era, the Prime Minister Chernomyrdin and a dozen others. They meet in panelled rooms where party bosses proceeded them. They are served tea and drinks and delicacies and they sound each other out. Outsiders are not privy to the process. The power-brokers are at work, compacting, dealing and bartering, exercising patronage, calculating who has staked himself on what, granting some favours and cashing in on others. What is required from these sessions are signatures authorising this course of action or that.

Depending on those signatures, someone next in line can release one of the state's resources, a quantity of oil or natural gas, a concession for mining rights or construction, the sale of building land, factories, conversions of once centralised assets into private profitability. On the wielding of influence, and then on these signatures, depend fortunes but the huge majority are only vehicles for some actual or would be power broker. Scores of political parties are running in the December parliamentary elections. So fluid and personal is this manoeuvring that eventualities and outcomes further down the line cannot be properly anticipated and may even be contrary to intention. Other rooms, other signatures. Nobody need be held responsible, nobody need pay for a mistake or a theft which is uncovered.

How did the brutal Stalinist decision come to be taken to invade Chechnya and destroy its capital city of Grozny? The sale of nuclear reactors to Iran was furiously denied, only to be admitted later. The state arms trading company, Rosvooruzheniye, is proposing to sell the new S-300 surface-to-air missile system to the Pentagon, and has already sold a version of it to China, the two states against which the system was primarily designed. Prime Minister Chernomyrdin is said not to have known in advance about so sensitive a sale.

The arms company is accused of bribery, tax avoidance and failure to obtain licences. What starts out as back-scratching and alibi-mongering finishes down the line in money drafts, credit-notes, transfers abroad, in the immense tidal wave of wealth pouring illegally out of the country. Somewhere around 80 billion dollars a year is stolen, according to best estimates. The six billion dollars proffered by the International Monetary Fund would thus plug the stealing of six or seven weeks. Once Russian princes and counts were a by-word for conspicuous consumption in London, Paris and the Riviera. Now Russians whose salaries are ostensibly 50 dollars a month are returning to those haunts as well as to the East Coast of America, Turkey, Scandinavia, Switzerland to buy sumptuous villas, to smuggle and deal in drugs, to launder suitcases of cash, setting up prostitution chains as far afield as the Persian Gulf, sharing turf with gangsters everywhere.

How does Yeltsin govern it all? Life and death decisions certainly rest with him. He is a man who has flattened not one but two parliaments with artillery fire. He has a private militia. That militia has

occupied a newspaper building and killed a banker subsidising a political party. Evidently Yeltsin can command the loyalties of armed men. He has his retinue of loyal supporters; he sends them out as delegates, as governors to provincial cities. These men encounter former first secretaries of the party who may well still be occupying their old headquarters, the emblems and statuary probably but not necessarily removed or defaced. These former first secretaries knew the ropes, had the local apparatus of administration in hand, controlled promotion and patronage and pensions, had access to intelligence and KGB friends from the old days who are today secret policemen, never mind their civilian suits.

Reorganised and rechristened the KGB may be, but still it is not subjected to the rule of law. If Yeltsin's men and the former hierarchy maintain good relations, then things will be arranged between them. Otherwise a power struggle is engaged to see which of the two is capable of commanding obedience. Should both be strong characters, people will start to disappear. In Sverdiovsk, Yeltsin's home base, for instance, there seems to have been a shoot-out leaving some 30 dead. Solemn faces appear at the funerals but silence descends, nobody is arrested for such incidents, and fear is once more present. Waiting in the wings are what the Russians graphically call the "night party", the likes of Vladimir Zhirinovskiy, General Alexander Lebed lately commanding the fourteenth army in Moldavia, General Sterligov of the KGB.

Nationalism is the one part of Yeltsin's original program which retains its appeal. Nationalism alone unites the men in the Kremlin black cars, the "night party" and the people. It is the instrument available for recovering what was lost so needlessly in the great power struggle with Gorbachev. Fifteen new republics emerged out of the Soviet Union. In the Kremlin perspective, nationalism supporting people other than Russian has to be nullified by the usual blend of subterfuge and force. Ukraine and the Baltic republics alone have refused to come to heel. Belarus has reunited in all but name. Riven with tribalism and factionalism the Muslim republics have accepted the stationing of Russian troops to guard their borders conceding what is in effect suzerainty. Armenia and Georgia need Russian help to subdue minorities or neighbours. Surreptitiously Yeltsin and the fourteen lesser presidents are dealing and bartering like everybody else, over pipe-lines, and garrisons and arms for independence.

This is the point at which those who live in a Western value-system suffer a failure of imagination. They project on to this scene the kind of ending which their experience suggests. In that time-honoured choice, tyranny is preferable to anarchy. The communists will return, fascism will sweep the country, a Russian General Pinochet or Franco will establish order, and the price to be paid for that is a reintegrated

empire. Or else perhaps the Russians will prove skilled in the complicated strategies of survival elaborated down centuries of unrelieved despotism, comfortable with these black arts. Russian democracy will then turn out to have the same sort of inbuilt pretence as Soviet communism once had, in which the declared intention hid the brute reality. With this pioneering difference, that crime, now accepted openly as the avenue to every successful career, commands a more or less general consent.



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Photo - David Karonidis

Sandra Hall

A film critic with *The Bulletin* for more than 20 years, Sandra Hall has now written a novel about what goes on behind the scenes. *A Thousand Small Wishes* (Allen & Unwin 1995) is set on location in India. Sandra Hall reflected on the world of film in an address to The Sydney Institute on Tuesday 24 October 1995.

CELLULOID

DREAMING - FILM, FICTION AND THE MORAL RESPONSIBILITY OF THE ARTIST

Sandra Hall

I've come late to writing fiction. I've always been a great reader of novels but for years never imagined writing one. As a journalist, I was already writing about things that interested me. Yet, as time went on, journalism didn't seem quite enough. There were ideas I wanted to express, characters I wanted to write about. Things that were not accessible to me as a journalist. So I started trying . . . and trying.

A Thousand Small Wishes is my first published novel. But it's left a very long paper trail. A small forest, in fact has gone into its making. Part of it being an unpublished novel at home in a cupboard. Where it's never going to be allowed out.

That one was inspired by the campus novels of Malcolm Bradbury, David Lodge and Alison Lurie. I liked them because they were so good at exploring the often vast gap between the ideals people profess to have and the way they actually carry on their lives. It's the kind of character David Williamson depicts so well in *Dead White Males*. The example I like best from the campus novels I'm talking about is Howard Kirk from Malcolm Bradbury's *The History Man*. Howard is described as a radical professor and a professional radical. He's also a great manipulator, a hypocrite and a bit of a bully.

My campus novel didn't turn out. Although I knew a few Howards, I didn't know enough about campuses. But as a film reviewer and long-time student of film, I did know something about film-making. *A Thousand Small Wishes* is about a film company on location in India but it's also a book about artists and the way society regards them. I've always been fascinated by our attitude to artists - by the moral leeway we allow them in public life because we expect them to express our worst instincts as well as our best. Think of that long line of hard-living artistic tearaways. Actors like Richard Burton and Peter O'Toole. Lionised not just for their talent but their taste for life on the edge.

Yet when artists do behave badly, we enjoy being shocked by them. Or pretending to be shocked. Think of the actor, Hugh Grant,

forced to perform public penance on the talk circuit after the Divine Brown scandal. And it worked. He was given absolution in the form of some very healthy box-office figures for his current film.

I think of my novel as being about artists behaving badly; it also touches on the question of morality in art. Art itself behaving badly if you like. Can art be amoral – or even immoral – and still be art? And it's about the intensity of film as a medium of expression. Its title – *A Thousand Small Wishes* – comes from the work of the American film critic Parker Tyler. Tyler wrote criticism full of pop psychology – depicting cinema as part daydream, part religious experience. The full quotation, from his book of essays, *The Hollywood Hallucination*, reads: "Hollywood is the mass unconscious – scooped up as crudely as a steam shovel scoops up the depths of a hill, and served on a helplessly empty screen. A thousand small wishes are symbolically satisfied by the humblest and worst Hollywood movie. . ."

He means by this, I think, that quality is often beside the point where film is concerned. That sometimes just the romance and luminosity of the filmed image is enough.

I first heard about Parker Tyler through Gore Vidal's transsexual satire, *Myra Breckenridge*. Myra was a great Parker Tyler fan. Parker Tyler quotations kept occurring like a mantra through the book. Like a lot of other readers, I thought at first that he was a fictional character – a high camp creation. Then I read him. And discovered that the deep purple prose and the delirious approach actually got very close to capturing the kinetic energy of film.

The emotional effect of those great magnified faces hanging above you in the dark. He wrote about actors not just in terms of the roles they were playing but their effect on him as larger-than-life personalities. He analysed their looks and referred to their previous screen incarnations. They might have been living out a continuing story running in his head.

In his introduction to *The Hollywood Hallucination*, Richard Schickel talks about Gore Vidal's appropriation of Tyler and his work and thinks it must have caused Tyler some pain. "On the other hand," he writes, "there is no critic in America better equipped to understand and appreciate the irony of this transformation of himself from a living reality into a symbolic fiction".

These themes really came together for me when I went to India. There I learnt about the nexus between religion, politics and the screen as embodied in India's film star politicians. One or two of them have become famous by playing Hindu gods and heroes, which is a real blending of fact and fiction, of romance and real life. I also came across India's movie magazines. America has the chat show, we have the tall poppy syndrome; India has the movie magazine. They offer the film stars of Bollywood – Bombay's Hollywood – idolatry. But the price is

high. As far as I could tell, India's show business reporters have no shame at all. They demand the right to know. About everything. The boozing, the womanising, the weight problems, the lot. They show none of the smarminess that we Western reporters tend to resort to when the going gets embarrassing. None of that "this hurts me more than you" rubbish. Like gods, the stars are permitted to behave very badly indeed. But they have to own up afterwards. Otherwise it's no fun for the worshippers. The Hugh Grant syndrome again.

My novel is not about the excesses of Bollywood. It would have been nice to try but my imagination wasn't really up to doing them justice.

The film company I write about is made up of Australians and Americans on location – a set-up which appealed to me because a film company working far from home becomes a community unto itself – a political entity with its own rules, customs and conventions. Yet it's also open to outside ideas and impressions.

My film director is the kind of character I was talking about earlier – a sort of Howard Kirk variation. The artist as politician. Charming, manipulating, and when necessary, being a bully. He's wholly committed to what he does and as artists often are, he's ruthless. In getting his artistic vision up on the screen, he behaves very badly. Everything is grist to the mill. His mill. His vision. He doesn't count the cost – to himself, or to others. India, to his mind, is there for the taking. Available material. He's a cultural imperialist as determined as any Conquistador. Plundering sights, sounds and other people's insights and shaping them to his own view of the world.

He's also very gifted. Very good at his job. He knows exactly how to make his vision come to life. To make it seductive and convincing. He's a true artist. Somebody with a coherent point of view who's in full command of his chosen medium of expression.

But is his artistic vision a moral one? Maybe. Maybe not. Daring to disagree with Keats, I'd say that art may be about truth and beauty but they're not necessarily the same thing.

Take the case of Leni Riefenstahl. Here's an example of the artist behaving badly. Or at least amorally. Read Riefenstahl's autobiography – listen to her talk – and you're presented with somebody so devoted to aesthetics as a way of life that the whole of World War II slid by without her – a series of noises off, to hear her tell it – while she got on with reality. Her own reality – distilled through the camera lens and the editing machine.

And she did produce art. Elegant, highly charged images which can, if you like, be viewed as moral-free zones. Look at *Olympiad*. Look at *Triumph of the Will*. And you do see beauty. You see a series of beautifully composed sequences. Sequences with forests of marching bayonets or graceful athletic bodies – all treated as so many abstract

design elements. Pure aesthetic. But look a bit harder and you see an aesthetic glorying in images of power and domination. The kind of images that characterised the Third Reich, infused its art, its architecture – even the uniforms of its armies.

When Riefenstahl's autobiography came out a few years ago, the arguments about her worth as an artist started raging all over again – a reflection, I think, of an increasing interest in the question of morality in art. In film these days, it tends to focus on the issue of violence and its depiction on the screen. Film-makers seem more and more obsessed by psychopaths, by the mechanisms of evil. Indeed the most fashionable of these film-makers slide around inside the criminal mind with an agility that suggests they're very much at home there. No neat moral endings for them. No sharply defined goodies and baddies. Moralistic has become a dirty word. Dull, didactic – conjuring up visions of censorship and Mother Grundyism. These film-makers like to keep their audiences off balance. They also like to point out that evil may be closer than most of us imagine.

The number one proponent of this sort of thing is, of course, Quentin Tarantino. *Reservoir Dogs*, *Pulp Fiction* . . . with just two films, Tarantino has become the hottest director in Hollywood, establishing a world of thugs and hitmen who go about their grisly business while chatting about everyday things. About tipping in restaurants, the price of a cup of coffee, how to ask for a hamburger in French. They're charming, funny people. Good company. A pleasure to be with. Right up to the moment they take out their guns and blow somebody's brains out.

And Tarantino is far from being the only gifted film-maker covering this particular stretch of the waterfront. In his film, *Heavenly Creatures*, the New Zealander Peter Jackson, looks inside the heads of two adolescent girls locked in a kind of folie a deux that eventually results in matricide. And in the new British film, *The Young Poisoner's Handbook*, the director, Benjamin Ross deals with the true story of a 14 year-old schoolboy – a brilliant chemistry student who used his talents to set about systematically poisoning his family.

It's not hard to guess where the fashion for stories like this has come from. Every day in the news, we're confronted with events that conjure up all over again Hannah Arendt's famous phrase about the banality of evil. Television has also sharpened our taste for the specific, the individual story. It offers evil in close-up. Unremarkable faces projected on our living room screen for observation and analysis. How could such an average-looking person have done such a thing? We wonder. And Tarantino, Ross, Jackson and company set about trying to tell us. They show evil in the act. And they do it very vividly. Very believably. They're brilliant stylists. So brilliant that their films present those of us who review and comment on film with a special challenge.

Moralistic may be a dirty word but it seems to me we still have an obligation here. To look beyond technique, performance and narrative structure into the murkier region of artistic intention. To have an opinion as to whether films of this kind have a moral centre. I don't mean a cut-and-dried ending in which evil is shown getting its just desserts. But that somewhere in the piece, you get a sense that the filmmaker is operating within a moral framework.

With Tarantino, it's not so hard. Despite initial appearances, a moral framework is discernible after a while. He may make you empathise with his hit-men up to a point – but he also makes it very clear that the world they inhabit is one without heroes – anarchic, hysterical, totally out of control. Liable to self-destruct at any minute.

Heavenly Creatures, too, is a morally complex piece of work. While told from the murderers' point of view, it treats its characters – both victims and perpetrators – with dignity and humanity. It also makes a coherent and poignant try at comprehending the causes of the crime. *The Young Poisoner's Handbook* is much tougher proposition. Also told from the murderer's point of view, it extends absolutely no compassion to its victims. I also feel uneasy about the way it appropriates real people and real-life events as fodder for its highly stylised and grimly satirical depiction of British suburbia. Shifting the blame, if you like. Yet it doesn't shift it altogether. Its lethal 14 year-old is definitely not a nice person. Nice never comes into it. He just doesn't connect with human beings. We step inside his mind all right and it's a cold, creepy place to be. Yet in the end, there are glimmerings of guilt and the result is credible and affecting – even tragic in the classic sense. It also sends you out of the cinema with plenty to think about on the question of determinism versus free will.

For every Ross, Jackson or Tarantino, though, there are a score of inferiors and imitators making films about homicidal lovers, bank heists gone wrong, serial killers on the run. Films which use Tarantino's mannerisms, his milieu, and his tough talk, yet miss out entirely on the meaning of his work. Films which set up their stories with enough vigour and technical assurance to deserve the name, art, while lacking a moral centre.

Certain actors have become type-cast in these kind of films. See Amanda Plummer on screen and you know straightaway that she's up to no good. She doesn't act. She doesn't need to. She's developed a set of tics and twitches which instantly spell psychopath. Juliette Lewis is another. The low point of her career was her role as Woody Harrelson's partner in crime in Oliver Stone's truly dreadful contribution to the genre, *Natural Born Killers*. Like Tarantino, Stone has loads of technique. What he chooses to do with it is another matter.

In *Natural Born Killers*, Lewis and Harrelson play a couple of glamorous crazies privileged to conduct their lives at a heightened level

of experience. So they kill people. All right they're not perfect. As Stone would have us see them, there's a touch of the noble savage about them. And anyway, they're not really to blame for what they do. It's all the fault of the media. The jackals of the press. Savage but definitely not noble. All the same, not quite ignoble enough to be entirely beyond the pale. They came in very handy, for instance, when Stone set out on the promotional trail. Selling *Natural Born Killers* with just the kind of hype and doublespeak he professed to deplore. The artist behaving badly again.

Film can be a frightening manipulator. There's no doubt about that. Nothing equals the power of the camera in converting the general to the particular. Zoom, cut, close-up. The grammar of film is shaped to one end – heightening emotional effect. Leading the eye. But the answer, I think, is not to use it as a convenient scapegoat for everything from mass murder to poor standards of literacy in schools. The answer is to become more interested in the methods it uses.

A few months ago, a piece came up on *A Current Affair*. A piece about the wedding of a dying woman who'd decided to marry to make it easier for her boyfriend to adopt the child she was leaving behind. She was hours away from death yet had checked out of hospital for the day to take part in a church ceremony. Every movement she made was excruciating for her and almost unbearable to watch. I couldn't for very long. I switched it off, angry at the program for yet another bit of exploitative journalism. The media behaving badly again.

I thought about it later, though, and decided that it probably meant something very different for the woman herself. Validation. Her way of saying she was here. An assertion of her humanity, painful to make, painful to watch. Yet somehow I don't think she'd have been pleased that I chose to turn away.

I think again of Parker Tyler's phrase, "Helplessly empty screen". We all want different things from it. We all bring our own perceptions to it. That's all we can do. And there are many who want nothing at all to do with it. Who write off both film and television as trivialising media. Naturally I think they're wrong. Just as I think the Prime Minister is wrong when he talks about creating a television ghetto called "family viewing". It's too late for that. The filmed image is well and truly here. Conditioning and commenting on so much of what we experience, both in fiction and real life. And in the future, I think it's going to play a bigger part in our lives than ever. The more expert we become at using and interpreting it, the better. The more we learn about the grammar, the syntax, the whole process of reading film, the better. *Including* the moral standpoint of those who put a film together.



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Photo - David Karonidis

Kathleen Townsend

The United Nations Women's Conference in Beijing in September 1995 drew thousands of women from around the world. Kathleen Townsend, head of Australia's Office of the Status of Women, was a participant at the conference. To discuss the outcomes from such a large gathering which was addressed by Hillary Clinton, wife of the President of the United States, Kathleen Townsend spoke for The Sydney Institute on Wednesday 8 November 1995.

BEIJING: SEX, LIES

AND VIDEOTAPE

Kathleen Townsend

Only that it would have ruined the metaphor I should have really added "and the Royal Easter Show" to the title of tonight's speech – but never let reality interfere with art.

But indeed if I am to set a context for tonight's speech about the United Nations Fourth World Conference on Women in Beijing, then I ask you to conjure up the image of the Royal Easter Show, on one of the rare days when it rains in April. That's right, the tents, stalls, mud, crowds and queues right down to the portable toilets.

The absence of animals was perhaps the most startling contrast between that of the Huariou Conference site and the Sydney show-grounds but the ambience was about the same. It was here that for two weeks in August this year, in excess of 30,000 women from around the world representing countless Non Government Organisations (NGOs), gathered to attend workshops, plenaries and planning sessions of issues as diverse as the rights of detained persons conducted by the Women's Circus from Melbourne and the Virgin Mary as a Role Model for Women, conducted by an Iranian women's organisation.

Despite the very difficult conditions exacerbated by unseasonal weather and overzealous security, these women participated to the fullest in an atmosphere charged with empathy, energy and optimism. The 500 Australian women attending the forum represented the diversity of women's interests in Australia today from the Girl Guides and the YWCA through to Women in Sport and the Older Women's Network. Sixty Aboriginal and Torres Strait Island women attended the NGO forum, enthralling international audiences with the ancient notions of women's business and modern dilemmas of dealing with violence in indigenous communities.

For the first time in the UN NGO context, Australia took its place in the Asia Pacific tent cementing close ongoing ties with our regional neighbours. The growing sophistication of Pacific Island NGO's stimulated by the horror of the French nuclear tests was particularly notable.

However the focus of my speech tonight is not the ferris wheel, or should I say the roundabout at Huairou, but the main game – the formal Government Conference at the Beijing International Conference Centre – definitely an up-market version of the Cumberland Pavilion but on the outskirts of Beijing.

This was the focus of my work as Deputy Head of the Australian Government delegation to the UN Fourth World Conference on Women.¹ The task of the conference was to produce the *Platform for Action*, a document produced by assent, comprising a description of the way it is for the world's women and a prescription for change.

The conference was attended by delegations from 189 countries numbering approximately 5000 in all. Four thousand of the attendees at the NGO forum were granted accreditation as observers (read lobbyists) at the government conference and the international press contingent numbered around 3000. This was the largest UN conference ever held which is hardly surprising when the topic under discussion was more than half the world's population.

However it is important to acknowledge that this was a government conference and not a women's conference. If Piers Ackerman² had done any homework at all, he would have been disappointed to find that his "Beijing Sewing Circle" had been infiltrated by men. Indeed, a quarter of the delegates at this conference were men who, like me, came charged with producing a university acceptable document, armed with a thorough knowledge of domestic policy and a clear mandate not to agree to international language which would be unacceptable back home.

The first draft of the *Platform for Action* had been produced by the UN Conference Secretariat and had been the subject of sometimes turgid but mostly passionate debate at the second preparatory meeting to the conference which I had attended in New York in March this year.

The focus of the document is 12 areas of concern ranging from poverty through to education and training, violence against women and human rights. Whilst the structure of the document was agreed at New York with the addition of a Declaration and a chapter on the Girl-Child, much of the text was highly contentious. Indeed the draft document which was 70 pages long at the beginning of the New York prep com, grew to around 120 pages at the beginning of the Beijing conference due to the 400 pieces of text which had been bracketed because of their contentiousness.

The Holy See and its quasi-satellites, Honduras, Malta and Guatemala and the delegation from Iran had dominated the New York talks bracketing everything to do with sexuality, fertility control, abortion, and even the term "gender". Whilst "gender" had been sorted out through a New York based intercessional working group, I

was not confident that in Beijing we would manage to condense the brackets satisfactorily to produce a document that was at all meaningful and which represented progress in the enhancement of the status of women.

The Australian delegation had two main objectives at this conference. The first was to insist as a baseline, that we did not agree to any language which represented a backward step on those gains made at recent UN conferences on Human Rights in Vienna, Population in Cairo and the World Social Summit at Copenhagen. The recalcitrance of some delegations at the New York prep com had clearly flagged that this would not be an easy task.

The second Australian objective was to ensure that this conference would result in practical, observable improvements for women. Many of those who remain cynical of UN processes complain that these conferences are little more than talkfests where delegations agree to a document which is essentially the lowest common denominator and everyone goes home to the status quo.

To ensure that this Conference would focus on outcomes, Australia proposed at the first prep com in March 1994, that the Beijing conference should be a Conference of Commitments. That is, within the 12 areas of concern, countries would announce in Beijing, three or four practical initiatives which would improve the status of women in their own countries.

Despite the logic and inherent attractiveness of this notion, it was seen as radical and even counterproductive by some countries. Clearly the idea of making domestic policy announcements in a multilateral forum was a novel idea but Australia persisted with the concept driven by the need to get away from the "shopping list" fallout which so often emanates from these kind of conferences - "Here are 400 things wrong for the world's women - which one do you want to fix?"

After a great deal of backroom talking, a bit of arm twisting and the embracing of the concept by Conference Secretary General Gertrude Mongella and her Secretariat, we managed to get the Conference of Commitments notion into the draft Platform, where countries were invited to make public their domestic commitments during their opening statements to the Plenary session, an occasion normally reserved as a public relations exercise performed by heads of delegations.

Armed with the daunting task of keeping the Commitments concept on the agenda and the need to move forward on broader issues, we arrived in Beijing, with 30 delegates representing government officials who were specialists in the most contentious areas to be debated, representatives of women's organisations and members of parliament, admirably led by Dr Carmen Lawrence.

I'm sure that if I presented any of you with the task of producing a document such as the *Platform for Action*, you would get out a whiteboard, have a general discussion, jot down the key concerns and charge a working group of no more than four with the task of rewriting the thing. Not so the United Nations. The document is actually produced in committee by representatives of all delegations working sentence by sentence through the entire draft.

You don't need to be a mathematician to figure out that this means your working committee can comprise 1000 people. That's one spokesperson and three advisers per delegation and a healthy smattering of NGO lobbyists hanging about at the end of the room mingling with the press and assorted onlookers. The whole thing is conducted simultaneously in six different languages and it all operates on an incredibly flexible notion of "rubber time". Everything starts late and finishes at times which made the old parliamentary sitting hours look like nine to five.

It is probably also a quirk of human nature that a process as laborious as this attracts people who like to drag it out even further. Here of course I refer to the pedants and the UN attracts more than its fair share of them. The highlight for me was the non English speaking delegate from the European Union who at 2.30 am drew the attention of the meeting to an inappropriate gerund in paragraph 238!

Rather than amble on unstrategically, using our position as a vice president of the Conference and a member of the Bureau, Australia worked with the Secretariat to reconfigure negotiating groups to avoid irresolvable debates in front of mass audiences. Our solution was to create two working groups which broke into contact groups which, in turn, broke into even smaller drafting groups. The end result was more workable fora but a delegation absolutely stretched between drafting groups for the entire length of the conference.

Negotiations in UN fora are always constrained by the fact that delegations have to represent official government policy which at times makes it very difficult to find compromises between opposing government views.

This is particularly difficult for those countries who belong to negotiating blocks which work well for economic debates but which are problematic when the issue is social policy. This was particularly the case for the G77, 135 relatively newly independent countries which have a degree of economic disadvantage in common but little else. The task of the Philippines as leader of the G77, to present a common view on gender when their members come from countries as divergent as fundamentalist Moslem and Catholic states and Cuba was no mean feat. Similarly the European Union, still adapting to the new kids on their block, the more progressive Nordics, presented Spain³ with a complex task of representing their common view.

Australia, not tied to a negotiating block but a relatively important player in the non binding JUSCANZ and SOPAC⁴ groups were able, on occasions, at the request of the UN Conference Secretariat, to play the honest broker in seeking compromise.

Despite the difficulties inherent in the process, we did produce a document which is worthwhile. The document is testimony to the degree of commitment and goodwill of delegations rather than the good management of the UN but nevertheless it does record some important international benchmarks which acknowledge key indicators of the status of women.

For the first time, the UN member states have agreed that discrimination against women doesn't begin at adulthood or even the menarche. The focus on strategies to combat the abhorrent practices of son preference, female infanticide and genital mutilation are testimony that discrimination against women is for many, a birth to death experience. The inclusion of a chapter on the Girl-Child, at the instigation of the G77 was significant acknowledgment of this.

Despite concerns that the Conference would not be able to defend women's rights to express their own sexuality, control their own fertility and have access to appropriate health services, appropriate text survived weeks of deliberation although more than 40 countries expressed reservations on these parts of the text. It is disappointing that as we move into the next century, the right of women to decide when they will have children and how many, is still an anathema to so many. The supremacy of husband, extended family and even community in these matters may have been challenged by the debates but the vehemence with which these paragraphs were opposed, illustrated starkly the vested interests which impede life chances for so many women.

The *Platform for Action* did not endorse the principle of sexual orientation, despite intense lobbying culminating in a passionate debate between two and three in the morning on the last day of the Conference. Arguments prefaced by the notion that discrimination per se is abhorrent, as put forward by South Africa were well and truly matched by the passionate rantings of Guatemala on the immorality of homosexuality. The progressives did not win but everyone, the lobbyists included, concluded that the debate in a forum such as this, was a victory in itself.

Many of the significant achievements at the Beijing conference will have little impact on women in Australia. This is because the status of women here is significantly above the lowest common denominator agreed to at the UN. We are well ahead of the rest of the world in many respects. The keeping of gender disaggregated data, particularly the counting of unpaid work in the national accounts is already common practice here, as is the ratification of anti discrimination treaties and the

enactment of domestic anti-discriminatory legislative instruments. Equal pay for work of equal value, committed to for the first time for some nations in Beijing, has been mandated here since 1972.

However there were two areas of concern raised frequently in Beijing on which Australia still has plenty of work to do.

Violence against women has been the subject of national action in Australia since 1987, but if opinion polls and specific research are accurate, violence and the fear of it are a major factor inhibiting the participation of women in public life.⁵ My office has been working with the states to address this issue but clearly we still have a long way to go.

The absence of women in decision making, in parliaments, boardrooms and indeed backrooms also drew international attention at the Beijing conference. While Australian women have achieved much since the 1970s and are no doubt even more than "half way to equal" as was concluded in 1992,⁶ we are still extremely poorly represented in the decision-making bodies in this country. This was made even more glaringly obvious in comparison with some of our regional neighbours, and particularly those women of the Caribbean who drew resounding applause when their significant achievements on getting women into parliaments was announced in the Plenary.

Aware that these two areas were part of Australia's Achilles heel in our record on gender equity, the Prime Minister and his Minister Assisting on the Status of Women chose these as two of the five areas on which to announce domestic commitments at the UN conference in Beijing. Initiatives to increase the numbers of women on private and public sector boards were balanced against the announcements of a new program to address significant problems of Aboriginal and Torres Strait Islander women's access to appropriate health care. Collaborative strategies on violence, the extension of working women's centres nationally and a commitment to assisting Pacific Island women comprised Australia's package of commitments - relevant actions targeting areas of greatest need, with realistic programs of action.

Along with Australia, 65 of the 150 states who made speeches at the conference, announced national commitments to the plenary. Ranging from legislating to share child rearing and household work (Austria) to setting targets for female literacy (Zimbabwe), the commitments concept gained significant support bilaterally and a foothold in the UN environment. While member states would not agree to the UN documenting the commitments in an appendix to the *Platform for Action*, the fact that so many delegations, NGOs and the Secretariat embraced the concept should be seen at least as a partial victory for Australia. We have subsequently been working with the UN Habitat Conference to be held in Turkey next year to formally adopt the notion of commitments.

I can't finish however without mentioning the issue which captured the interests of the Australian press, and indeed of the Australian public if feedback to me is any indication, and that was the omnipresence of the Chinese Security forces.

For those of us who have never lived under surveillance or indeed obvious military presence, the Beijing conference was a real eye opener. Apart from the platoons of armed and uniformed army officers who surrounded the conference site daily, the presence of plain clothes security people, distinguishable because their plain clothes were more up-market than everyone else's, was to many, very disconcerting. The multitude of cleaners, noted for their lack of uniforms, Ajax and cleaning rags who were found loitering in rooms already cleaned by more traditional looking cleaners earlier in the day was never really explained. However the fact that a hotel employee sitting outside the lifts annotated, in an exercise book, the whereabouts of the entire delegation 24 hours a day did have its spin offs. She certainly always knew where my staff were even if I didn't.

The Australian press' obsession with security was excited further by the presence of an alleged listening device in the control panel of my television set which appeared to turn itself on during daily press briefings in my hotel room at 11.00 am. Add to this the nightly videotaping of the events at the Womenspeak function sponsored by Westpac and organised by the Coalition of Active Participating Organisations of Women at the Kun Lun Hotel and one couldn't help wondering what all this attention was for. Christine Jackman hit it on the head when she wrote in *The Courier Mail*, wondering whether the future of Sino-Australian relations, would, in the future, be dependent on a Chinese bureaucrat's interpretation of a video tape of a phalanx of middle aged women doing line dancing to the tune of Madonna's *Hanky Panky*.

Perhaps more alarming was the unnamed journalist who in response to Carmen Lawrence's suggestion that our first female prime minister may be sitting in front of her in the audience at the Kun Lun, was reported in *The Sydney Morning Herald* as "having the eerie feeling that one day an employee of the Chinese security forces would one day be inhabiting the Lodge".

We all know that when we have guests of government, they are often subjected to protective surveillance and clearly there was an intention to ensure no harm befell any of us during the sojourn. My only conclusion is that given the numbers of foreigners needing protection, perhaps numbers of qualified surveillance operatives were exhausted and, in addition to those who had completed Surveillance 101, they had to employ people who had only managed a few night classes.

Whilst the surveillance was initially annoying it was not debilitating and most people managed to completely ignore it. Not so the Tibetan Australians who attracted more than their fair share of attention, on one occasion in front of the Australian Minister, the Ambassador and television cameras. This was indeed unpleasant, inappropriate and counterproductive to the impression China was attempting to promote as amiable hosts to the Conference. It seems not everyone was following the instruction on banners around town reminding locals to: "All Hail the Convocation of Women" and "Be a good host to the women's conference".

So what was the point of all this? Was it just a talkfest, a sewing circle or worse still, a mega IDC? (Inter-Departmental Committee). Clearly it was not.

The world now has an internationally agreed statement that acknowledges that women's rights are human rights and that they are indivisible. Significantly, the world has taken notice of this.

Some governments will examine the strategies for action outlined in the Platform and take domestic action. Others will use the document for comparative purposes and respond more discreetly. Others will take no action at all. Australia, through my office, will be analysing the strategies and line Departments will be charged with taking action in areas where we have scope for improvement.

But the outcome should not be judged solely by the document itself. Whilst I decry those who value process over results, the value of this conference was as much in the incremental advances made in the debates, as it was in what was finally agreed. To listen to the women from Iran pleading for moderation in the overall document in order that they may make monumental advances on the minutiae was extremely significant. To hear the male delegate from the Sudan describe his "road to Damascus" experience while negotiating text on women's right to inherit made staying up till 5.00 am worthwhile.

But I would be naive to think that governments like leopards had changed their spots at this conference, if it wasn't for the bastards who will continue to keep us honest and that was the omnipresent NGO contingent. The NGOs at the Beijing conference illustrated a degree of sophistication and political understanding that was far more influential than any heart on your sleeve fervour had ever achieved in the past. Their use of communications technology, capacity to use international networks and strategic lobbying made the Beijing conference more relevant and its aftermath more long-lasting than any of its predecessors.

The relationship between the Australian Government and NGO delegation in Beijing was significant in getting the Commitments concept accepted and indeed much contentious text agreed upon. My only regret was that other UN member states did not acknowledge the

value of such a working relationship and failed to achieve the co-operation almost always evident in the Australian camp.

But more importantly in the domestic context was the new energy breathed into the women's movement by the Beijing conference. Two years of consultations by my office, the Australian Council for Women and the NGO movement had heightened awareness of the conference to such a degree that more than 20,000 women attended functions celebrating the conference here, while almost 600 of us were in Beijing.

More encouraging still was the nature of the activism inspired by Beijing. Gone are the days of women as victims or worse still, those who are pathetically grateful like Lazarus getting the crumbs from the rich man's table.

The Beijing conference exemplified the era of political women, undaunted by earlier eras of being shut out, determined to flex their political muscle and very well aware of how to make their voices heard.

The Beijing conference may be physically over the reverberations have only just begun.

Endnotes

1. The first conference was held in Mexico in 1975, the second to mark the beginning of the UN decade for women in Copenhagen in 1980 and the third in Nairobi in 1985.
2. *Telegraph Mirror* 7 September 1995.
3. Spain took over the leadership of the EU from France between the prep com in March and the Beijing conference in August.
4. JUSCANZ - An internal network comprising Japan, Canada, the United States, New Zealand and Australia. SOPAC - South Pacific Applied Geoscience Commission.
5. Violence or fear of it, is one of the top four concerns for women in all consultations conducted by or for OSW since 1987.
6. This was the conclusive title of the report of the parliamentary Inquiry into Equal Opportunity and Equal Status for Women in Australia completed in April 1992.



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Photo - David Karandis

Richard Hall

How significant are secret societies to the world of crime? Is their importance magnified by prejudice against minority groups? These and other questions were posed by Richard Hall, author of *Tiger General: The Killing of Victor Chang* (Pan 1995), in an address to The Sydney Institute on Tuesday 14 November 1995.

URBAN AND

NATIONAL MYTHS – MOSMAN, THE BALKANS AND SECRET SOCIETIES

Richard Hall

Tonight I propose to get to the killing of Victor Chang, the long way around, that is with several detours.

Last week I was writing a piece for *Good Weekend* on a series of events in war time Brisbane, a running series of clashes between Australians and Americans which has passed into the Australian folklore as the "Battle of Brisbane". In the trade, an opening of an article or for that matter a news story, is known as the "intro". Usually one weighs up a couple of alternatives. But last week I had no doubt what the intro would be.

I started out with a letter from a young Australian Sydney woman, who married an American staff officer on General Macarthur's staff (I think she was fairly middle class, and probably had a relatively closed and sheltered life) and the letter was sent to her mother. It gave a stark account of what had happened to her and her husband when they had been mobbed just after leaving a cinema where they had seen *Mrs Miniver* one Friday night in 1942. When they came out it was still light in Brisbane and they were surrounded literally by hundreds of Australian soldiers. I don't think it's exaggeration. The whole letter is honest and straight forward. The soldiers shouted out that they wanted to kill the American by kicking his head in and kicking his brains out. The couple were lucky, a chemist gave them shelter in his shop. Oddly enough the old Navy and army rivalries were, for once, useful. Two Australian sailors fought alongside them to get them into the shop. But as the woman struggled towards her husband, she kept trying to tell the mob that he hadn't done anything. The response was, and I quote, "It doesn't matter, kid. We're going to kill him like they murdered our lads, only not with guns but kick him to death." So, the mob had a justification, as hatred, in whatever country it is, usually has.

What had actually happened the night before, was that an American MP seemed to have lost his nerve and fired a shotgun three times into a crowd of rioting Australians outside the American PX, that is what the canteens were called in the city. One Australian soldier

was killed. The firing by the way, as is often the case, didn't quell the riot.

The city was under censorship, and the leadership of the Australian army, and for that matter the American army, seemed to be inept and incompetent. There was no attempt to keep people confined to barracks and there was no attempt to tell troops what had happened. The rumours ran amuck overnight and the following day, Friday. You will notice that the soldiers use the plural, "lads and guns". On the streets of Brisbane it was believed that more than one Australian had been killed and that it had been hushed up. Many of them believed the story that an innocent Australian girl (innocence I suspect, defined as not being accompanied by an American) standing in a cinema foyer had been killed by a stray American bullet. The street believed that Tommy guns (again the plural) had been used on their mates and the shooting had been large scale and deliberate, not the act of one panicky American losing his control.

So the mob believed it had the right to take vengeance on the Americans. It was of course useful that the object of revenge was so identifiable by the different accents and uniforms. The young wife, aged 23 in the letter to her mother, ended up saying, "I can't explain the terror of all these hundreds yelling, 'kick him, kill him, kick his brains in', in a civilised country you cannot imagine anything like this."

Civilised country? Well this century, of all centuries, has reminded us how thin the veneer of civilisation is.

My next detour is to Macedonia. It's not a country very well known in Australia but I spent some time there about eight weeks ago. About three years ago Macedonia was under such a threat from Serbia, that the United Nations established a cordon of border posts between the two countries, about half of which were manned by Americans. When I was there, as it happens, the settlement was agreed with American mediation. As well as the Serbian threat the Greeks had imposed an economic boycott because they didn't like the Macedonian flag, or even the use of the name.

As well, to my surprise I found a significant number of people talking about a perceived internal threat from the Muslim minority - the Albanian Muslim minority within Macedonia, which is about one in four of the population. In this case when you asked why Muslims, the argument was pretty much a simple circular one, well they're Muslims.

In the wake of the Cold War, we still have to realise that a number of Western countries have sought to find a new threat. In looking around they have resorted to the demonisation of Islam, and the presence of a fundamentalist revival in various parts of Islam. In the Balkans the wars between the Muslims and the Christians are as yesterday. Conversations came very quickly. History in the Balkans is

very complicated. This was invoked again and again. After a while, one became exhausted by the resort to the history, always one hundred years ago, two hundred years ago, etc. I commented to one historian, after a couple of hours, that he was in danger of choking on history. He paused only for a moment and then returned to the fourteenth century vigorously.

When that kind of person invokes history they are using it as an excuse for claiming that the present situation is no different from that of one hundred or two hundred years ago. It's a case for pessimism. In terms of policy, things must be the way they are in Bosnia today because that's the way they were one hundred or two hundred years ago. To listen to a number of the Macedonian Orthodox Christians (for most of them Christianity was fairly nominal I might say) was to realise that they knew very little about the Muslims. They are very proud of the fact that there are separate Muslim newspapers, separate gypsy newspapers, but when you moved around among the journalists and you asked that crucial question about whether or not there were any Muslim journalist colleagues coming to their homes, there was something of a silence.

In the streets of Brisbane on those couple of days in World War II or in Macedonia today it's easy for people to focus on the *other*. In fact when you actually move around Macedonia and look about, you don't feel that extremists are running the Muslim community. Even in the Muslim quarters on Saturday night (the night out) most of the daughters didn't wear anything like the head scarf, only the mothers. But when you are talking to people, one of the things that feeds the fear about the Muslims, is the idea that they are involved in a conspiracy. Well fair enough I suppose. Everybody who seeks to demonise an enemy sees a conspiracy. The Macedonian one was a rather curious one. They are reputed to be part of an Albanian plot to take over parts of Macedonia. Well you and I would have thought Albania was a basket case after the overthrow of the communist regime. They didn't have an army capable of overrunning anybody. But of course there had to be a puppet-master. In this case I was told the United States and the Albanians were combining to dismember Macedonia.

I pointed out the United States had in fact been very good for the Macedonian state. It had brokered a deal which had just been made with Greece and for that matter the US was providing troops for the UN force on the border with Serbia. In reply I was told that that was not the White House United States. But it was the Pentagon which was working with the Albanians. I winced and pointed out that one thing we could say about the Pentagon was that it had wriggled and wriggled not to do anything about Bosnia, hardly indicting enthusiasm for Balkan plots.

But what matters to some Macedonians is finding the “other”. And the notion that the “other”, the Muslims, don’t change.

There is a film by a Macedonian director called *Before the Rain*. It portrays vicious warfare between the Muslims and Christians in a remote village. Nothing like this has happened yet. And it’s true the film was a bit overdone but at least it had focused on the problem.

Now on the face of it you would say, well Australia is a long way from the Balkans. However, I am still convinced that, as the young woman in Brisbane in 1942 realised, the veneer of civilisation can be fairly thin. Australia is still an infinitely more tolerant society than it was say in 1942 when Australian soldiers were trying to kick people to death in the streets of Brisbane. And you don’t have to be an enthusiast for some of the overblown rhetoric that surrounds multiculturalism to acknowledge those changes. Along with the changes come, I think, a very important convention about what is acceptable in public discourse and what is not. No newspaper headline writer today would get away with the kind of racist headlines often used in the old *Bulletin* or Ezra Norton’s *Truth* when I was growing up.

But, at last, to *Tiger General* and Victor Chang. One of the things that struck me when I was writing the book, and again with an incessant drum beat after the publication of the book, and talking to people, is that there was a common thread, a sense of the waste. In our time doctors who are spectacular lifesavers have become something like secular saints. But there was another thread in the notion that there must have been something more to it, the sinister Chinese connection – the Chinese in this case being the “other”. This was not just because the crime was great, but because Victor Chang was Chinese, wasn’t he? It’s worthwhile recollecting what I wrote at the time in *Tiger General* about how far this part of the urban myth about Victor Chang had continued and persisted.

Extract from *Tiger General*

After the shock of the waste and brutality of the murder, the darker undercurrents of Australian public opinion started to stir. A violent, apparently purposeless death drives people to seek deeper explanation, as the neverending controversies over the Kennedy assassination so clearly demonstrate. On a lesser scale Sydney has its own perennial, the Bogle-Chandler case. The death of Gib Bogle and Margaret Chandler in the bush at Lane Cove National Park on New Year’s Eve 1962 has spawned a stream of rumours of CIA involvement and dark plots, starting from the fact that Bogle had worked at a nuclear establishment. As a city of rumour which likes to think the worst of its politicians or any other tall poppies, it was unsurprising that within 48 hours of Victor Chang’s death the rumour mills of Sydney ground out the name of a prominent politician who was said to have taken out a contract on

the doctor. Like most of Sydney's political rumours there was not a skerrick of truth in the story.

But more typical, and indicative of the old attitudes, was the emergence of the theme of the Triads, with all the overtones of far-reaching, all-powerful forces controlled by Fu Manchu stereotypes. Most urban rumours are grafted onto some recent news event to give them a take-off point. In this case the stories of a world trade in body organs were readily to hand. The morning after the murder the *Age* was to print:

Dr Chang is believed to have been under pressure from people who said they could provide hearts from China to reduce the transplant waiting list. Sources say Victor Chang told a meeting [that] he had been approached and was under pressure from people who could provide transplant organs from mainland China.

A few days later another story in another newspaper suggested that the Triad had wanted Dr Chang to auction his services, presumably giving them a commission. The police, despite much effort, never found anyone who could give evidence of this alleged meeting.

In any case the matching of hearts to recipients is a complicated process which requires a great deal of information. Further, the logistics of extracting hearts secretly in China, transporting them (while sustaining life) over thousands of kilometres, smuggling them off a plane at Mascot, to end up in a refrigerator – where? P&O cold stores? – is simply a fantasy which owes more to Dracula than the state of modern medicine. Dial-a-heart is not on.

In the murky world of myth the slant-eyed entrepreneurs running this scam would not think of selling to a European doctor. It had to be a Chinese doctor, who would cooperate because he was in their powers. So we were back to the Fu Manchu Chinatown of old Hollywood, where even the educated Chinamen were in the grip of darker and larger forces. Even the apparently assimilated are at the beck and call of the Triad. There were, of course, even rumours about Chang himself. I heard of a surgeon who announced, in a hospital corridor in Melbourne on the day of the murder, that "of course, he was head of the Triads in Australia".

Telephone messages taken by the police on big murder investigations are always interesting manifestations of the undergrowth of society. Often they don't have much to do with solving the murder, but they allow the caller to pass on stories, embroider them, and in the process show something of their own fears and prejudices.

In the Chang case these calls began immediately. On the morning shortly after the first news broadcasts, a call was taken at Mosman police station:

Anonymous male, possibly Chinese, middle-aged. Dr Chang has been dealing in illegal body parts. A wealthy Chinese man's son died as a result of this practice and he sent a man to Australia to

kill Chang. The caller hung up before he could be questioned.

There was a woman caller who had spoken to an American doctor at a cocktail party at Government House, and "the conversation revolved over spare body parts and . . . a suggestion was made of bringing in body parts from Asia". Late on the night of 4 July there was another anonymous caller:

The murder of Dr Chang stems from Tiananmen Square, China. After demonstrators are rounded up and executed their vital organs are harvested and sent to Hong Kong for transplants to wealthy recipients. Hearts were worth \$50,000 and the Triads tried to enlist Dr Chang to work on transplants in Hong Kong.

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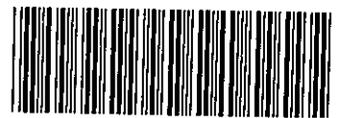
Conclusion

For all the ways in which Australians like to congratulate themselves on multiculturalism and the comments that go with it, the gullibility of those who published (and they were published) and peddled the Triads body organs story, which in effect tarnished a national hero by racial association, demonstrated that still in Australia, stereotypes of sinister Asians are easily aroused.

So in a sense when I was reading about the battle of Brisbane and the hatred for the Americans, and sitting there in those conversations about the sinister Muslims in Macedonia, there was present in my mind the death of Victor Chang and the subsequent rumours. And the emergence of the Triads allegedly running the drug business of the world.

Now the utility of the Triads as a bogey, I would suggest is a regression to old prejudices. It's not as dramatic as the Macedonian fears about the Muslims or as nightmarish as the hateful scenes on the streets of Brisbane in 1942. But it seems to me that those reactions to Chang's death underline that the veneer of civilisation is thin. The price of tolerance is eternal vigilance and an eternal suspicion against those kinds of vicious undercurrents and urban myths that were stimulated by Chang's death.

I suppose my notable conversion, arising out of all of this, was that I had always been rather against the racial villification legislation. I was cautious about lawyers finding more statutes. Well I suppose I've reached the paradoxical position where I'm in favour of the legislation although I think prosecution should be pretty rare.



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Photo - David Karonidis

Ann Galbally

Ann Galbally, author of *Redmond Barry: An Anglo-Irish Australian*, addressed The Sydney Institute on Tuesday 21 November 1995. In her address Professor Galbally described the early Anglo-Irish Australians as contributing to the "establishment of cultural institutions, the judiciary and to political life . . . out of all proportion to their numbers." Professor Galbally is Associate Professor of Fine Arts at the University of Melbourne.

REDMOND BARRY

AND THE ANGLO-IRISH IN AUSTRALIA

Ann Galbally

Redmond Barry, who was born in 1813 at Ballyclough near Fermoy in north east County Cork and died in Melbourne in 1880, can be seen as epitomising the characteristics of the Anglo-Irish immigrants who settled in 19th Century Australia and who became involved in public life.

Although looked upon with a certain antagonism in the 20th Century by those Australians of Irish republican descent, the Anglo-Irish made excellent settlers and contributed to the establishment of cultural institutions, the judiciary and to political life especially in Victoria, out of all proportion to their numbers.

Because of their own history of being descendants of colonisers in a foreign land, they had developed personal characteristics which served them well when it came to establishing and fostering the basic structures of a civilised society in a new settlement. Their strength lay in the high value they placed on education, their sense of authority, their tough intellectual calibre and ferocious energy.

As a class they identified strongly with England, seeing themselves as British citizens above all and were almost totally lacking in imaginative sympathy with their Catholic tenant farmers. Coming from the landowning class they regarded property rights as the basis of society and jealously guarded them for themselves when it came to such things as writing a new political constitution for the state of Victoria.

Such was the class that Redmond Barry came from. His background was one of total loyalty to the British Crown and the military was the chosen career of the male Barrys. The family was of Norman origins who became protestanised in the 17th Century under Cromwell to retain their properties. He was a younger son – the third son in a family of 13 – growing up in the aftermath of the Napoleonic wars in which his father had fought for the British as a General. Barry's youth coincided with a period of economic deflation in Ireland and military retrenchment in England. Although five of his brothers obtained commissions in the British Army, Redmond did not. An alter-

native career was sought for him in the Law – he studied at Trinity College and King's Inns, Dublin and then at Lincoln's Inn, London.

The end of his studies coincided with his father's death in 1838 – but even with a profession to hand there seemed little prospect of real advancement at the overcrowded Dublin Bar.

His situation was not unusual. It may be difficult to imagine now but Ireland's population in the pre-famine year of 1841 when the first reliable census was taken was 8,175,000 – that is, twice the present population – so Barry's situation was paralleled many times over by other well-born, well educated and highly motivated younger sons of Anglo-Irish families.

From the Australian perspective, we are inclined to think of Irish immigration in the 19th Century largely in terms of assisted passages of the impoverished landless or luckless tenant farmers. These did arrive in Sydney and Melbourne in a steady stream in the pre famine years but the real story of mass Irish immigration belongs to the late 1840s, 1850s and 1860s.

But Redmond Barry was not of this class or situation. He and the other Anglo-Irishmen who were to leave such a strong cultural, political and judicial mark on the development of Melbourne were cadets of well established Anglo-Irish families who sought careers and preferments for their younger sons in the British colonies at a time when career opportunities were severely limited for them at home.

The acid test for the real colonist was the temptation to make quick money and return Home. These younger sons of Anglo-Irish families passed this test largely because they had nothing much to return to. They could see that their future lay in their adopted land and the energy and commitment they showed it actually derived from their lack of familial prospects. They came – some with capital such as Foster and Stawell, some with experience like George Higinbotham and some with just ambition and education – like Redmond Barry.

He arrived in Melbourne on 13 November 1839. Sydney may well have been his first choice but because of his scandalous behaviour on board ship with the wife of a fellow passenger, his reputation preceded him to Government House and Governor Gipps all but ignored him in the six weeks he spent in Sydney being admitted to the New South Wales Bar. In Melbourne he got on well with Lieutenant Governor Charles La Trobe and started practising as a barrister lamenting – from the very start – the lack of a law library.

A Supreme Court was established in the Port Phillip District in 1841. There were six barristers admitted – and four of them were Anglo-Irish. Indeed the Bar being established in Melbourne was one with a strongly Irish character – quick, irreverent and volatile. The backgrounds of Brewster, Croke, Barry and Stawell were Trinity College and King's Inns, Dublin. Throughout the 1840s they, together

with others of a more fleeting nature, acted as an informal Senior Common Room, dining and socialising together and generally supportive of their own brand of legal manners. Some had squatting interests or were involved in partnerships on the land and it was not unusual to see these two areas of power and influence – landownership and legal practice – coming together over these years in matters of self interest.

Others with a similar background were – John Leslie Foster born in Dublin in 1818, the second son of a Tory MP who gained a BA at Trinity College, Dublin, in 1839 and then set sail for Sydney. In 1841 he overlanded to the Port Phillip District where he took up a pastoral run near Avoca. Foster had both capital and political intelligence. He set himself up as a pastoralist, identifying with their interests when he became the member for the Port Phillip District of the Legislative Council of NSW from 1846-50.

William Stawell, another younger son from Mallow in County Cork arrived in the Port Phillip District in 1843 with his relatives the Greenes. The Greenes established a holding “Woodlands” in the area where Tullamarine airport is today. Stawell, as well as joining in a squatting venture with his cousin who had preceded him, John Leslie Foster, was admitted to the Melbourne Bar going on to become the State’s first Attorney-General.

Foster did not make a success out of sheep and so turned to a career as a civil servant. He returned to England where he found a wife and published *The New Colony of Victoria* something of a prospectus for new settlers and applied for the position of Colonial Secretary. He was granted the post in 1853, returning to Victoria. With Stawell he was largely responsible for Victoria’s first Constitution – both men seeing to it that established interests were safeguarded and establishing the infamous Legislative Council whose membership was dependant on a property franchise.

Like Barry they were strong anti-democrats, especially of the feared American variety that began to appear in Victoria during the gold rushes. Indeed the Gold Rushes cost Foster his job the following year when the autocratic and politically inept Governor Hotham refused his advice as to the removal of the licence fees and their substitution with a tax on gold. This led to the disastrous Eureka stockade in Ballarat and Foster as Colonial Secretary was made scapegoat for the whole affair. His cousin Stawell as Attorney-General (and who was to go on to become Chief Justice, much to Barry’s chagrin), was the Chief Prosecutor at the Eureka trials in 1855 over which Redmond Barry presided as judge. They resulted in not a single conviction by the juries. There were some forces in history that were too strong even for these Anglo-Irish powerbrokers.

Both Barry and Stawell were great builders, inheriting a taste for the 18th Century Neo-Classicism that dominated the building types in the Ireland of their youth. But whilst Redmond Barry was only able to indulge his passion by commissioning public buildings – the Public Library, the University Quadrangle and by being involved in the plans for Melbourne's new Law Courts, based on Dublin's Four Courts, Stawell in his early years as a parliamentarian began to build the magnificent house in Footscray bluestone, *d'Estaville*, situated on a hill in the suburb of Kew. Its severe lines, harmonious proportions and Dublin fanlight over the door can still be admired today although the house has been severely neglected.

One of the features of the Anglo-Irish was their intermarrying and feelings of social exclusiveness. So many families were connected that the term "Irish Cousinage" was used to describe them. As I said at the beginning of this paper, they never identified with Ireland, recognised no such thing as Irish culture (I speak of the period before the Celtic Revival) and idealised all things English.

Redmond Barry's Aunt Arabella fostered these qualities in her favourite nephew and worried that life in the frontier society that was early Melbourne might mean that he would lose the social polish she had fostered in him as a young man. In her letters to him in Melbourne she warns him about developing an accent: "You know a brogue is horrid – indeed every accent is vulgar that tells where the person has come from." Her greatest worry however was the effect that the constant mixing with other Irish barristers would have on him: "I fear that you often mix with very unpolished youths. . . Irish barristers in general are particularly disagreeable in good company – perpetual jokes and quizzing and taking the lore of every word you utter... you have too much good sense and good taste to sing Irish songs in English company they don't understand the wit and are disgusted with the vulgarity." (27 Nov 1840, Barry papers, Box 601/1(g) La Trobe Library, State Library of Victoria).

Barry was appointed Solicitor-General for the new state of Victoria in 1851 and toyed with the idea of a political career – claiming that he stood for anti-transportation and that he would "resolutely oppose Universal Suffrage and Vote by Ballot" – before accepting La Trobe's offer to become Victoria's first puisne judge of her new Supreme Court at 1000 pounds per year. Barry identified strongly with this role – he was hard working and efficient – if a little severe. He made a point of delivering a speech at the opening of new circuit courts at Ararat, Maryborough and elsewhere in which he would expound the basic principles of the British judicial system, trial by jury, etc. It was his deep faith in this system that lay behind his wish to stop transportation and his antagonism to ticket-of-leave men and Van Diemonian ex-convicts who flooded into Victoria in the 1850s. For Barry had little faith in redemption and rehabilitation. For him, if the

justice system was to work for the benefit of a new society then it would do better without the influx of a criminal class.

Indeed his ideas on society and the law were closely intermixed. He saw his role and that of his class – the overlords in Ireland – as running society for its own good. In a new society where public institutions of law and order had to be created and sustained these things could not be left to chance or to the vagaries of new ideas or any sort of disruption – otherwise the colonial project would collapse in chaos. Barry was a vehement anti-democrat in most things but as regards those institutions which bound society together and which could lead to individual self-improvement – libraries, museums, places of education – he was unfashionably democratic.

Barry became involved with Melbourne's fledgling cultural institutions almost as soon as he arrived. He delivered a lecture "On the Art of Agriculture" to the Mechanics' Institute in 1840 and followed this with others on "Architecture, Sculpture and Painting" in 1847 and "Music and Poetry" in 1849.

He was a great reader and kept this up throughout his life. He brought a small library out with him from Ireland and augmented it in the colony, letting it be known that those who wished could make use of it in the back room of his first house in Bourke Street. The Mechanics Institute (which was operated through a fee paying subscription) also offered a library but with an overwhelmingly practical orientation. Melbourne's Public Library which was established in 1852 was virtually the creation of Redmond Barry assisted by La Trobe and civil servant Hugh Childers. Belief in the moral value of such an enterprise was at its height in the early 1850s – in England the *Report* from the 1849 Select Committee on Public Libraries had resulted in the Public Libraries Act of 1850 – and support was found locally from a government spurred on by fears of social dislocation introduced by the diggers.

Barry was responsible for several unusual features in the workings of the new library. Free access was allowed to all over the age of 14 years; no letters of introduction were required. No attendants intervened between the readers and access to the books. Such a system of freedom and trust was recognised as unusual at the time. Sydney for instance had to wait until 1869 before it developed a government-funded "free" public library.

Barry even inserted advertisements into the newspapers asking the public to suggest material for purchase. When he had no response he went ahead and allowed himself the privilege. He compiled the famous "first list" of works to be acquired which he sent to the Agent-General in London. Later, he requested a London bookseller to supply all the works cited in Edward Gibbons *The History of the Decline and Fall of the Roman Empire*.

The classics had been the backbone of Barry's education and he continued to see learning in these terms – an attitude which was to put him at odds with other educationalists in Melbourne before too long. But when government was persuaded to vote monies for the founding of an art gallery and it was Barry who prevailed in making the first selection of purchases. He went for examples from the Ancient World, in the terms of his submission:

. . . casts of some of the choicest statues, busts and Alti relievi by the most celebrated sculptors; of coins, medals and gems . . . and representatives of remarkable works of Architecture of all countries taken by the process of photography. . . It is proposed to adopt the plan of illustrating the historic development of art. Commencing with a few of the most striking productions of Ninevah, Egypt and Eritrea, to proceed through the Grecian schools . . . etc

This was nothing if not grand and fully utilising his belief that all Western culture derived from the ancient world.

Yet he was no stick in the mud. Later, when the lobby for a picture gallery was met with a government grant it was Barry, on the Select Committee who argued against the prevailing preference for copies of Old Masters and strongly in favour of original works by contemporary masters. He won the day and the first pictures entering the collection of the new National Gallery of Victoria in 1864 included works by mid-nineteenth century British masters depicting major incidents from British history and literature, such as Charles Cope's "The Departure of the Pilgrim Fathers", the original cartoon done for a mural decoration in the Peer's Corridor in the newly built Palace of Westminster, and John Bedford's "La Belle Iseult".

Barry felt strongly that he had a mission to implant a love of English culture in the new community. His intent – that the widest possible base for community participation in cultural activities should be established was fuelled by his belief in their socially adhesive qualities – and in particular in the ties that bound those with a common English ancestry. This is the thread that runs through the speeches and papers he delivered throughout his life. Shakespeare was a particular hero and British architecture and British history were themes he drew on constantly.

His efforts to establish a University in Melbourne in 1853 were perhaps premature but were certainly the result of a passionate belief in the benefits of education and were but part of his overall vision for the new colony. Barry became its first Chancellor and stayed at his post until he died in 1880.

The University of Melbourne, unlike those he had known in the Old World, was to be a secular institution and would thereby, it was hoped, avoid the sectarian difficulties that plagued government in the 19th Century. None of its professors could be in holy orders nor could they lecture on religious topics either within or without the university.

Barry was a nominal Anglican but seemed unfussed by the sectarian issues of the day. He enjoyed the company of the Catholic Father Geoghagan of St Francis' Church in Melbourne and was not above poking a little sly fun at the earnestly low-church Anglican Archbishop Perry (who reportedly blocked the admission of Barry's oldest illegitimate son Nicholas to the Melbourne Grammar School).

The University, along with the Law were the greatest career attractions for the Anglo-Irish. Redmond Barry managed to combine both in his life. A Trinity College Dublin degree was a common link between these Anglo-Irish immigrants including the brilliant George Higinbotham, barrister, journalist and maverick politician. From ideas grounded in 18th Century civic humanism he developed his own brand of democracy believing that the fully developed individual recognised his social obligations and behaved accordingly. Like Barry he threw in his lot with Victoria and although Britain gave the Australian colonies self-government and withdrew all British garrisons from Australian soil from 1870 – Higinbotham felt that the colonies had no real autonomy from Britain and that the power of the colonial governors was latent and unsuccessfully pressed claims for popular sovereignty.

The attitudes of the Anglo-Irish to women were unequivocally patriarchal, grounded in the belief that men and women inhabited separate spheres, the public realm for men and the private and domestic, for women. We see this most dramatically in evidence in their attitude to education. Redmond Barry resolutely opposed the admission of women to the university and they did not gain entrance until after the death of its first Chancellor in 1880. Alexander Leeper had a more ambiguous attitude. Under him, Trinity College at the University of Melbourne became the first college in Australia to admit non-resident women to college lectures in 1886 – but he fiercely opposed the siting of a women's residence adjacent to Trinity, insisting that social contact between the sexes be severely restricted.

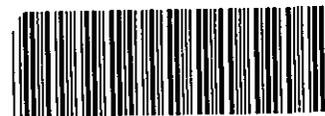
But by the time we come to Alexander Leeper times had changed in both Ireland and Australia. The Dublin born son of an Anglican curate Leeper graduated BA from Trinity College Dublin in 1871 and went on to take an LLD from St John's College Oxford. His life was dominated by four particularly Anglo-Irish passions: the Church, the Classics, the 1801 Act of Union between Great Britain and Ireland and the British Empire. Emigrating to Sydney in 1874 with the reputation of a renowned classics scholar, he then came south to Melbourne. Two years later he was appointed Principal of Trinity College, the first College to be affiliated with the University of Melbourne.

Unlike Barry, Higinbotham, Stawell and Foster this Anglo-Irishman of a later generation was not interested in local politics. His outlook was Imperial. In many ways his attitudes epitomised those of the Anglo-Irish in the declining stages of their ascendancy. He was strongly

against Home Rule for Ireland and his irate response to Asquith's Bill of 1912 saw him leading the Ulster and Loyal Irish Association to defend the integrity of the Empire – in his words “the main bulwark of civil and religious liberty in the world”.

Hardening attitudes led to xenophobia. In 1914 he campaigned in the University Council for the dismissal of German staff and tried to de-register Lutheran schools. He seemed to veer out of control at the time of the First World War. When the local referendum for Conscription was held in 1916 – coinciding as it virtually did with the Easter Rising in Dublin – Leeper campaigned frantically, seeing a “No” voter as betraying all that the Anglo-Irish represented. He claimed that the “No” vote represented the views of “the shirkers, the pro-Germans, the Sinn Feinners, the Marxists, the I W W traitors, the pacifists and the cranks against the imperious moral obligation to defend the Empire”. (*Australian Dictionary of Biography* Vol 10).

But if Leeper's hysteria is a reflection of the dying days of Anglo-Irish in Ireland it should not detract from those civilised and civilising men of the mid 19th Century of whom I have spoken and who, I think, we must acknowledge, contributed greatly to their adopted country.



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Photo - David Karonidis

David Jenkins

Sydney Morning Herald columnist, David Jenkins has reported on Indonesia and its relations with Australia over many years. On 28 November 1995, the twentieth anniversary of Fretlin's unilateral proclamation of Independence in East Timor, David Jenkins addressed The Sydney Institute to assess current relations between Indonesia and East Timor.

INDONESIA AND

EAST TIMOR AFTER 20 YEARS

David Jenkins

In the opening sentence of a paper on the Javanese science of burglary, Dr George Quinn makes an important observation. "Random conjunction of events," he tells us, "is unknown in Javanese society. The cosmic order links all events in a pattern only imperfectly understood by men".¹ This has far reaching consequences. Javanese have a sometimes bizarre predilection for linking events which others might see as quite unrelated and making much of the supposed connections. That goes hand-in-hand with a readiness – at times almost an eagerness – to accept conspiracy theories. In Australia, Labor Party folk law tells us that if you have a choice between a foul-up and a conspiracy, you go for the foul-up every time; in Java, it's the other way around. I'm very conscious of all this as I speak today about Indonesia and East Timor. After all, today is the 20th anniversary of Fretilin's unilateral declaration of independence and I have no doubt that some of my more sceptical Indonesian friends will be wondering why speak on this day, of all days, about such a contentious subject. For the record, this was the date nominated by Anne Henderson. Put it down to the random conjunction of events.

Having made that disclaimer, let me indicate briefly the five areas I would like to examine. First, the situation in East Timor today. Second, the role of the Indonesian Armed Forces (ABRI) in the territory. Third, the role of the Roman Catholic Church. Fourth, the impact of the so-called "newcomers" – Indonesians who have moved into the province since it was declared open in 1989. Finally, Indonesia's policy options in East Timor and Australia's possible responses.

The situation today

It is 20 years since Indonesia launched a full-scale invasion of East Timor, on December 7, 1975. And while Jakarta has been pouring money into the province, building new roads, bridges, schools and public health centres, the most striking legacy of Indonesian rule is the

pervasive resentment, distrust and fear which the East Timorese feel towards their new rulers. Former US Secretary of State Henry Kissinger, who was in Jakarta with President Gerald Ford the day before the invasion, acknowledged in July this year that there had been "a terrible human tragedy in Timor . . . there's no question that it is a huge tragedy". Dr Herbert Feith of Monash University, a sympathetic observer of Indonesia and author of the definitive study of Indonesian politics in the 1950s, has suggested that recent rioting in the territory is "an expression of desperate detestation of everything Indonesian".² John Haseman, a recently retired US Army colonel who served in the US Embassy for 10 years between 1978-94 and who made 13 visits to the territory in the four years to 1994, speaks of "a pervasive and deeply felt dislike of the Javanese-dominated Indonesian Army".³

Today, Indonesia's main problem in East Timor is not the small Fretilin guerilla force in the mountains, which is down to about 200 men, but the East Timorese community as a whole, particularly the embittered, unemployed youth of the major urban centres.⁴ Indonesia has sought to deal with this problem by sowing divisions within an already divided East Timorese community and maintaining a truly extraordinary network of agents and informers. East Timor was always riven by a certain amount of clan rivalry. It was also riven, in the dying days of Portuguese colonial rule, by intense ideological rivalry. The Indonesians continue to exploit and sharpen those rivalries, turning Timorese against Timorese, buying off one man, coopting another, intimidating yet another. "They all spy on one another", says a foreigner who visits the territory on a regular basis. "No one trusts anyone. You wouldn't. You couldn't. Everyone is afraid of informers".⁵

Today, as in the past, East Timor gives off the depressing aura of a land under foreign occupation. In a rare public statement, the local representative of the International Committee of the Red Cross recently described conditions in the territory as "tense", with a number of unexplained disappearances and killings. Foreign Minister Gareth Evans has said there is "an oppressive military presence in East Timor". The Pope has expressed "the fervent hope that ever more appropriate measures will be adopted to ensure that human rights are respected and that the cultural and religious values of the people are protected and promoted".

Returning to East Timor recently after an absence of 15 years I was struck by the degree to which the territory has been Indonesianised. Dili was a town of 20,000 at the time of the Indonesian invasion in 1975. It now has a population of 120,000. Slowly but surely, the Timorese are being squeezed out. In the words of a foreign missionary, "Dili has been colonised by Javanese and others. The Timorese are short of money and sell their land and move to the mountains. Soon they will be like the Aborigines in Australia. The

Timorese are being forced to the outskirts. Dili is no longer a Timorese town. In Baucau, where I lived for three years, there are whole new suburbs of Javanese. I went there recently and got lost".⁶

The Indonesian administrative presence seems formidably large for such a small province. There are scores of new offices in Dili, housing not just the Indonesian army and police but officials from the prosecutor's office, the justice ministry, the health ministry, the education ministry, the information ministry, the finance ministry and all the other manifestations of the modern Indonesian state. Outside each office is a large signboard identifying not just the building but the local branch of Korpri, the Indonesian civil servants association, and Dharma Wanita, the association of civil service wives. You could be anywhere in Indonesia. Then there are the officials – the Javanese, the Balinese, the Bataks, the Menadonese – who have come to administer the newest of Indonesia's 27 provinces. They are buying up land and building themselves grand houses, often with massive Corinthian columns, which are all the rage among Indonesia's new middle class, and laying out gardens full of tiny hills and hedges. Below them are whole concourses of middle-level and lower-level officials from outside the province, who have been deposited in ugly housing complexes around the main towns.

So many newcomers, perhaps 120,000 so far. So much change. And to what purpose? To make the East Timorese better off? To make them happy? They are not better off, except perhaps in a material sense. They are not happy. How could they be? There were about 690,000 people in East Timor on the eve of the Indonesian invasion. About 1,500 died during a brief but bitter civil war in mid-1975. Between 100,000-200,000 more were to die over the next five years, mostly through disease and malnutrition as Indonesia set out to crush all opposition to its rule, no matter what the cost. During this nightmarish interlude, as many as 300,000 Timorese sought refuge in the inhospitable mountainous backbone of East Timor, with not one doctor among them. They were bombed by Indonesian aircraft. Their food plots were put to the torch by Indonesian troops. Jakarta sealed the area off from the International Committee of the Red Cross, just as it had sealed off Ambon during the Republic of the South Moluccas affair in 1950. Today, the population of East Timor is 800,000. If you subtract the figure of 120,000 newcomers, the population of the territory is lower now than it was in 1975.

In defending their claim to rule East Timor, Indonesian officials make the point that 350 years of Portuguese colonialism left the territory pitifully underdeveloped. Jakarta, they say, has put East Timor on the fast-track to economic development. It is true that Portuguese Timor was underdeveloped, although in some ways it appears to have been less underdeveloped than the neighbouring Indonesian province

of West Timor. It is also true that Indonesia has pumped resources into the territory. There were, as a Western newsagency noted recently, only a dozen or so East Timorese with a higher education when Indonesia invaded; now there are 700. There was only 20 kilometres of paved road; now there is 1,000 kilometres. Between 1976 and 1992 illiteracy fell from 93 per cent to 25 per cent. Over the same period, school attendance jumped from 7 per cent to 75 per cent. Per capita income went from US\$18 to US\$225.⁷

All of this is impressive, even if a visitor is left with the feeling that non-Timorese are enjoying a disproportionate share of the economic pie. But there are several flaws in the "we-spend-more" argument. Heavy spending on infrastructure is hardly a justification for foreign occupation; if it were, the Dutch would still be in Java. Besides, a good proportion of the spending has gone on roads, which serve a clear military purpose, rather like the system of military roads and forts that the Romans established in places like Wales. Nor can the Timorese be expected to appreciate spending programs carried out by a government which subjugated them at such a terrible price in human life and whose development program is linked to an "open province" program that leaves many Timorese with the feeling they are strangers in their own land.⁸

The army

Indonesia's defence forces, which were designed primarily to fill a constabulary role, had not seen any significant combat for more than 10 years at the time of the invasion of East Timor. Units were poorly-trained, poorly-equipped and poorly-led. ABRI was not prepared for an elaborate combined air, sea and land operation of the type devised by the planning staff in Jakarta. To no one's great surprise, the operation ran into trouble from the start. More than 30 soldiers from Battalion 502 of Kostrad, the Army Strategic Reserve, were dropped into the sea and drowned. Others exchanged fire with the Indonesian Marine Corps battalion, which was advancing inland from the beach. In combat for the first time, troops sprayed automatic weapons in all directions filling the tree-lined streets with spent brass casings. They soon found themselves short of ammunition. Nor was any more at hand; the fierce resistance put up by Fretilin soldiers prevented ammunition and supply transports from reaching the beach. Nor did the Indonesians save their fury for Fretilin. "The soldiers who landed started killing everyone they could find," the late Apostolic Administrator of the Diocese of Dili, Monsignor Martinho da Costa Lopes ("The Bishop"), recalled in 1983. "There were many dead bodies in the streets – all we could see were the soldiers killing, killing, killing".⁹ That was Day One. It took another four years of heavy fighting before the army had finally broken the back of Fretilin.

At the height of the guerilla war in the late 1970s, ABRI had roughly 42,000 troops in East Timor. The numbers fell to around 12,000 in the early 1980s but rose again following several successful Fretilin actions. As of late 1988, there were more than 20,000 Indonesian soldiers in East Timor.¹⁰ According to Major General Adang Ruchiatna, who was until recently the head of the Bali-based Udayana Command, which encompasses East Timor, Indonesia has seven "territorial" battalions in the province and detachments from two combat battalions of Kostrad. That could mean about 5,000 men.¹¹ According to Western military sources, Jakarta has 6,000 combat troops in East Timor, plus another 3,000 troops serving in the territorial apparatus. On top of that, there are about 3,000 police. That makes a total of 9,000 or 12,000, depending on how you classify the police.¹² By way of comparison, neighbouring West Timor, which has a larger population, has only one battalion. The presence of so many Indonesian troops sustains an atmosphere of fear and distrust in East Timor.

But the problem goes beyond mere numbers. Today, as in the past, there are two lines of command in East Timor. In theory, the Korem (Military Resort Command) Commander is the key figure, answerable to the Bali-based commander of Kodam (Military Region) 9 and presiding over 13 separate Kodim (District Military Command), each with its own detachment of troops and with a reserve battalion of two in Dili. In practice, greater power seems to reside with the military intelligence/Kopassus (Special Forces) establishment, which operates independently in East Timor and which is under the Kopassus commander, Brigadier General Prabowo Subianto, 43, the up-and-coming son-in-law of President Soeharto. The intelligence network, which maintains close links with former Apodeti members in the provincial administration, has been linked to the hooded ninja gangs which terrorised Dili in 1991. (The ninja gangs appear to be a linear descendant of the *nanggala* of the late 1970s and 1980s; the *nanggala* have been described as "East Timorese collaborators given special training by the Special Forces for intelligence, interrogation and assassination work".¹³

The Roman Catholic Church

Although it is often assumed that 400 years of Portuguese rule transformed East Timor into a bastion of Roman Catholicism, that is not quite the case. Of the 520,000 people in the territory in 1972, according to a church source in Dili, only 121,000 – or fewer than a quarter – were baptised.¹⁴ The reason is that almost all activity in East Timor, including that of the Roman Catholic Church, was subsidised by the Portuguese Government, which paid priests a monthly stipend. And while the government was prepared to allocate the church 3-4 per cent of the money raised through income tax, Lisbon made it clear that

the church should not ask for too much. In effect, according to local church sources, the Governor of East Timor and the Bishop of Maucau came to an agreement that the church would not baptise too many people because it would impose too great a strain on resources.¹⁵ Today, 83 per cent of the population is baptised. In 1972, there had been only 22 catechists. Now there are 1,700.

There are several reasons for this dramatic turnaround. First, Indonesian citizens are obliged by law to choose one of five recognised religions. The fact that anyone professing no religion may be labelled a "communist", a potentially fatal charge anywhere in Indonesia but especially so in East Timor, gives people a powerful incentive to declare their adherence to one of the accepted religions. Second, the Church has won support and sympathy because it has served for many years as the only cushion between heavy-handed Indonesian officials and ordinary East Timorese. Third, there have been important changes in language policy. After the invasion, Jakarta banned the use of Portuguese. The East Timorese Catholic Church was not keen to adopt Bahasa Indonesia as its major liturgical language and opted instead for Tetum, the lingua franca of East Timor.¹⁶ That said, not everyone has opted to join the Roman Catholic Church. About 36,000 East Timorese have become Protestants, mainly as a result of the activities of missionaries from Kupang and Maluku. Another 23,000 have become Muslims. This is a sore point with some in the Christian community, who claim that some Timorese have converted to Islam because of financial inducements or because their children have been offered places in pesantren (Islamic boarding schools) in East Java.

In the mid-1970s, some church leaders were profoundly sceptical of Fretilin. They were opposed to Communism and socialism. They feared confiscation of Church lands. Some seem to have favoured the idea of integration with Indonesia. That changed after the Indonesian invasion. Church leaders were appalled by the behaviour of Indonesian troops, who took out their vengeance not merely on Fretilin but on ordinary men, women and children. In an interview in 1980, the Apostolic Administrator of the Diocese of Dili ("The Bishop"), Monsignor Martinho Costa Lopes, said that at first "all the people" had liked Indonesia. "Fretilin had committed a number of abuses and people thought the Indonesians would free us from Fretilin. So when the Indonesians came and behaved this way, oh, the people were greatly disillusioned."¹⁷ The new Apostolic Administrator, Mgr Carlos Filipe Belo, a young Timorese priest who spent 13 years in Portugal and Rome, has proved no less outspoken than his predecessor. He has condemned abuses, sheltered victims of torture and abuse and rebuked Indonesian officials for looking on the East Timorese as backward and ignorant.

On New Year's Day 1985, the Council of Priests in Dili, representing the East Timorese clergy, produced what John Taylor has called "its most trenchant criticism yet" of the Indonesian occupation:

Having experienced with the people all the events which, since 1975, have deeply affected the social and political life of this same people, the Church bears anxious witness to facts that are slowly leading to the ethnic, cultural and religious extinction of the people of East Timor.¹⁸

As one horror after another has been visited on the territory, the East Timorese have attached themselves even more firmly to the Roman Catholic Church, the only institution, apart from Fretilin, which is not under Jakarta's thumb. On Sundays, worshippers flock to the picturesque Motael Church on the Dili waterfront, their hymns drifting out across the docks where, on the day after the invasion, Indonesian troops lined several dozen people up to be shot. Needless to say, this attachment to the Church does not please the Indonesian authorities. Some army officers see the Church not as a last refuge of a suffering people but as an engine-room of resistance. In April 1992, after a five-man ecumenical delegation representing the Christian Conference of Asia and the World Council of Churches visited East Timor, it reported that Brigadier General Theo Syafei, the military commander of East Timor, "identified the Roman Catholic Church as the principal source of tension in the province and declared that he would take a hard line against all voices of dissent".¹⁹ In Jakarta last July, a prominent Indonesian general suggested privately that the widely-respected Bishop Belo, who was in retreat in Portugal, had been inciting young people to demonstrate against the government. He went on to make the extraordinary claim that the bishop was motivated by political ambitions. "The bishop wants to become the ruler of an independent East Timor," the general insisted, giving every indication that he believed what he was saying. "He goes around telling people that with the Timor Gap oil East Timor will be another Brunei."²⁰

The newcomers

The East Timorese have suffered twice-over as a result of Indonesian invasion and annexation. First, the indigenous population has decreased by anywhere from 15-30 per cent, as a result of wanton killing and war-induced famine. Now, adding insult to injury, Jakarta has allowed Indonesians to flood in from other parts of the archipelago. Newcomers are taking up land, cornering petty trade. When I was in East Timor in 1980, there were very few non-Timorese in the province, apart from soldiers and officials. Today, there are by conservative Indonesian estimates 110,000 non East Timorese in East Timor. Many are tough-minded Buginese traders from South Sulawesi, who have made their presence felt in many parts of Eastern Indonesia and for whom East Timor is relatively close at hand. Referring to the problem,

an Indonesian priest in Dili pointed out that a one-way ship passage from Ujung Pandang (Makassar) to Dili was Rp 58,000, or about US\$25.

As in Irian Jaya, the arrival of successive waves of newcomers is generating intense resentment. The fact that the newcomers are mainly Muslim adds a religious and political dimension to a serious social and economic problem. In recent months, the religious aspect of the problem has become increasingly evident. When Indonesian troops killed two civilians at Viqueque on 24 August, local youths went on a rampage in the town, burning four mosques and destroying stalls owned by Indonesian traders. On 4 September, angry Catholics burned Muslim homes, vehicles and shops in the border town of Maliana after Sanusi Abubakar, a warder at the local jail, allegedly described Catholicism as a "nonsense" religion, insulted the Virgin Mary and questioned the immaculate conception.²¹ The anti-Muslim violence spread to Viqueque, where a mosque and a prayer hall as well as two Protestant churches were put to the torch, and Liquica. It then reached Dili. In the week to 14 September, Timorese secondary schools students set fire to a mosque and other structures, including the Comoro market, where Muslims dominate trade, in what has been described as the biggest outburst of anger to hit urban centres in East Timor in the past 20 years.²²

This has attracted the attention of Indonesia's often prickly Islamic community. Instead of recognising that the influx of Muslims is generating social unrest, Muslim leaders are taking the line that it is time to come down hard on the East Timorese, an ungrateful people who have been coddled far too long. In a column in the journal *Ummmat*, Amien Rais, chairman of the modernist social and educational organisation Muhammadiyah, Indonesia's second largest Muslim body, wrote that it was time for "a sharp change" in direction. "Up until now", he said, "we have been so defensive, so cautious, so good-hearted, and very much spoiling our youngest province. Like a small child who has been spoiled too long with the utmost patience and tolerance, that child begins to disobey us". Those with "evil intentions toward the republic", Rais concluded, "must be wiped out."²³

It is, of course, disturbing that a prominent Indonesian is unable to see beyond the roads and bridges and the other signs of material advancement and that he is able to persuade himself that Indonesia has shown "the utmost patience and tolerance" and that the long-suffering East Timorese are simply "spoiled". But this view is widely held in Indonesia. In Jakarta during the APEC meeting in November 1994, I found myself in a taxi on Jalan Merdeka Selatan. As we passed the US Embassy, where a group of young East Timorese men were staging a highly-visible sit-in, the driver volunteered exactly the same sentiments as Amien Rais: the Timorese were spoiled and should be dealt with

firmly. Nor is that all. When human rights groups were slow to express concern for the welfare of those Muslims who had been driven out of East Timor, Dr Jusuf Habibie, who is Minister for Research and Chairman of the Indonesian Association of Muslim Intellectuals (ICMI), accused them of double standards. He had a point. But looked at from an East Timorese perspective, that was like a Japanese politician seeking sympathy after World War II for those Japanese settlers who were being forced to give up perfectly good land and businesses in Manchukuo.

As Dr Herb Feith of Monash University has noted, there was something new about the September 1995 riots:

There had been rioting against Javanese and Buginese newcomers before, especially in November 1994. But these ones were larger and had three new elements. Many of the targets were religious, as were many of the precipitating events. A lot of the newcomers targeted by the rioters, probably over 1,000, fled the territory, some saying they feared for their lives. And there were strong responses from Muslim figures in Jakarta and other parts of the country".²⁴

The policy options

Indonesia would appear to have three possible policy options in East Timor:

- an internationally supervised referendum, which might lead to a vote for independence and an Indonesian withdrawal;
- the conferring of some form of autonomy or special status on the territory, with or without international guarantees;
- more of the same, with all that that entails for both the East Timorese and the Indonesians, who are just beginning to recognise that they have a major problem in East Timor.

As things stand, Jakarta is highly unlikely to agree to an act of free choice. Indonesia has invested a great deal of national pride in support of the argument that it intervened in East Timor because the East Timorese were overwhelmingly in favour of "reunification". An unfavourable referendum outcome would involve an unacceptable loss of face. President Soeharto, who is nothing if not stubborn when he has made a decision, has shown no willingness to reverse himself on this. Nor would any successor be in a position to change policy, at least initially. Indonesia's next president will not only enjoy far less power and authority than Soeharto; he will almost certainly come from the army, which has lost more than 5,000 dead in East Timor and which has much to lose financially. Nor does Indonesian public opinion favour withdrawal; Indonesians have been fed so much disinformation about East Timor that people genuinely believe that most East Timorese are pleased to be part of the large Indonesian family. As we have seen, Indonesians resent the money they see being spent on their

East Timorese "brothers", who insist on embarrassing Jakarta. Moreover, there are many, including Timorese, who quite justifiably fear that an Indonesian withdrawal could precipitate a bloodbath.

Many members of East Timor's pro-Indonesian elite, including the Jakarta-appointed Governor, Abilio Soares, have pushed hard to have East Timor proclaimed a *daerah istimewa* (Special Territory). But President Soeharto knocked that idea on the head in November 1994. As a result, the increasingly disenchanted members of the local elite have little to do other than snipe at the Indonesians behind their backs and get on with the business of making money.

Finally, there's the "more of the same" option. Indonesia will probably try to muddle through in the same old fashion. But that is likely to prove far more difficult and costly over the next 20 years than it has been over the past 20 years. Anti-Indonesia sentiment is not only as strong as ever in East Timor. It is manifesting itself at a time when Jakarta's actions are being scrutinised by increasingly effective Indonesian and international human rights movements, backed up by the resources of censorship-free electronic information systems.

What approach should Australia take?

Australia, like the United States, put the telescope to the blind eye when Indonesia embarked on its clandestine war against East Timor, stressing quite properly the need for a genuine act of self-determination but in effect sending the signal that if it were done, then "twere well it were done quickly". In this way, the two countries whose good opinion mattered most to Indonesia washed their hands of Timor. Today, there is not a great deal either country can do, beyond making the usual diplomatic noises about the importance of a reduction in troop numbers and the need for a more enlightened response to continuing East Timorese unhappiness.

At a recent seminar in Canberra, Dr Harold Crouch, a leading authority on Indonesian politics, took the view that the Indonesians were not going to withdraw. Therefore, he argued, the emphasis in Australian policy should be on human rights and autonomy rather than self-determination and independence. We should avoid providing any assistance to Indonesia which helps strengthen its capacity for repression. We should be less ready to help Indonesia to get off the hook when it faced international criticism; we should instead "let Indonesia stew in its own juice". We should adopt a liberal policy towards refugees.²⁵

Dr Feith takes a more optimistic approach. East Timor, he says, has produced some impressive leaders, especially Bishop Belo and the imprisoned Xanana Gusmao. If Jakarta were to negotiate with Xanana, as Pretoria did with Nelson Mandela, it could pave the way for a settlement which satisfied Indonesia's own minimal demands as well as

those of the Timorese. If Xanana is as mature and realistic a leader as some who have been watching him claim, Dr Feith argues, it might even be possible to hold a referendum of a basically uncontested kind, a poll in which a formula backed by both Soeharto and Xanana gets 99 per cent of the vote.²⁶ In the view of Dr Feith, some of the more progressive and influential army officers would be prepared to concede a substantial degree of autonomy. Their only non-negotiable demand is said to involve retention of the Indonesian flag and retention of the Indonesian rupiah as the unit of currency. There are two difficulties with this approach. First, there is no guarantee that ABRI would ever settle for such an outcome. Nor is there any guarantee that Xanana has the power to persuade young and increasingly embittered East Timorese to settle for anything less than a complete Indonesian withdrawal. Xanana could conceivably serve as a Mandela figure. But he could just as easily find himself an East Timorese Arafat, having to contend with something like the radical Islamic movement HAMAS.

Interestingly, on a recent visit to Jakarta Dr Feith found that the tone of private discussions of East Timor had changed:

The topic seems to be much closer to the forefront of people's attention than 18 months ago. I found far more people initiating discussion of it than on any of my previous visits. More importantly, it is no longer unusual, in those sections of the political public to which I have access, to hear people comment that the best thing would be for the government to find some way to pull out of East Timor. A pragmatic version of that is "with an investment that is losing money it is best to cut your losses". An angrier one is "why don't we just get out of the wretched place and let the Timorese stew in their own juice?"²⁷

Indonesia has paid a heavy price internationally for its occupation of East Timor; the United Nations continues to recognise Portugal as the legal administering power, as does the European Community and the Vatican. But it is difficult to foresee any significant change in the short term. The situation brings to mind G M Trevelyan's description of the Irish problem in the later Middle Ages. Beyond St George's channel, he wrote, "England effected not a conquest, but a lodgement in medieval Ireland, and hung on like a hound that has its fangs in the side of the stag".²⁸

Endnotes

1. George Quinn, "The Javanese Science of Burglary", *Review of Indonesian and Malayan Affairs*, Volume 9, No. 1, January-June 1975, page 33.
2. Herb Feith, "East Timor, September-October 1995: The anti-newcomer riots and the Muslim backlash", unpublished paper, 10 November, 1995.
3. Colonel John B Haseman, "Catalyst for Change in Indonesia: The Dili Incident", *Asian Survey*, Volume XXXV, No. 8, August 1995. The fact that Colonel Haseman was obliged to make 13 visits in four years is itself an indication of the scope of the problem and a reflection of US concerns about abuses in the province before and after the 1991 Dili Massacre.

4. According to the Indonesian Armed Forces (ABRI), there are only 214 Fretilin guerillas, 104 of them with weapons. Interview with Major General Adang Ruchiatna, 19 July 1995. According to some foreign sources there could be as many as 1000 guerillas. Even if the figure of 214 is correct, Indonesia seems to be making little headway in its drive to eliminate the guerilla movement; during a visit in 1980, officials put Fretilin strength at 150–200 armed men.
5. Confidential communication, Dili, 20 July 1995.
6. Confidential communication, Dili, 20 July 1995.
7. According to an article in *Kompas*, East Timor now has 667 elementary schools, 107 junior high schools, 35 senior high schools and 12 vocational high schools. The number of elementary school pupils has risen nearly tenfold, from 13,501 to 126,455. The number of junior high school students has gone from 315 to 22,651, the number of senior high school students from 122 to 16,311. See "Education in East Timor: Quantity vs Quality", *Kompas*, October 31, 1995. By 1993, according to the Foreign Ministry in Jakarta, the number of hospitals had gone from 2 to 10 and the number of doctors from 3 to 104. See Philip Shenon, "In East Timor, Fear is Almost Palpable", *New York Times*, 20 April 1993.
8. It is also true that the literacy figures are not all they seem. Many Timorese with a rudimentary education drift back into illiteracy. Many with a good education become embittered because they can't find jobs and drift into the resistance movement.
9. John G Taylor, *Indonesia's Forgotten War: The Hidden History of East Timor*, Pluto Press, Sydney, 1991, Page 68.
10. Colonel John B Haseman, "Catalyst for Change in Indonesia: The Dili Incident", *Asian Survey*. Volume XXXV, No. 8, August 1995.
11. Interview with Major General Adang Ruchiatna, Aileu, East Timor, 19 July 1995.
12. Confidential communication, Jakarta, 13 July 1995.
13. Current Data, *Indonesia*, April 1992, page 99.
14. Confidential church source, Dili, 19 July 1995. The figure of 520,000 given by the church would seem to underestimate the population, which was put at 688,000 on the eve of the Indonesian invasion three years later. As James Dunn has shown, village populations were often understated for tax purposes. If this is the case, the population is likely to have been less than 18 per cent Roman Catholic at the time of the invasion. On the other hand, many would have considered themselves nominally Catholic.
15. Ibid.
16. In a recent study, George Aditjondro ascribes the dramatic rise in those professing Catholicism to the language changes. See George Aditjondro, *East Timor: An Indonesian Intellectual Speaks Out*, Australian Council for Overseas Aid, 1994. While language seems to have been a contributing factor, it is unlikely to have been decisive.
17. Interview with Monsignor Martinho da Costa Lopes, Dili, 28 April 1980.
18. John Taylor, *Indonesia's Forgotten War: The Hidden History of East Timor*, Pluto Press, Sydney, 1991, page 154.
19. Report on a visit to East Timor by an ecumenical delegation representing the Christian Conference of Asia and the World Council of Churches, 16–18 April, 1992, page 3.
20. Confidential communication, Jakarta, 4 July 1995.
21. Jenny Grant, "Jakarta to Raise East Timor Issue at Vatican", Agence France-Presse, Jakarta, 23 October 1995.
22. See Margaret Cohen, "God and Country", *Far Eastern Economic Review*, 26 October 1995, and *Tapol Bulletin*, No. 131, page 1.
23. Ibid.
24. Herb Feith, "East Timor, September–October 1995: The anti-newcomer riots and the Muslim backlash" unpublished paper, 10 November 1995.

25. Harold Crouch, "Australian Policy: A Case for a Low-Key Approach", Canberra conference on East Timor, July 1995.
26. Herb Feith, personal communication, 17 December 1995.
27. Feith, *op cit*.
28. George Macaulay Trevelyan, *A Shortened History of England*, Pelican, Melbourne, 1960, page 161.



QUESTIONS

ABOUT SUPERANNUATION INVESTMENT

Rob Ferguson

The role of fund managers is a big subject and with many aspects. Given the time I have, I have chosen to talk about three issues, and I pose these as questions. First, why are fund managers getting more involved in the so-called corporate governance issue? Two, are fund managers too short-term orientated? Third, why don't we have a more vigorous, small business venture capital industry in Australia like the USA?

Before I get on to those questions I'd like to set the scene by talking a little about the role of the fund managers. We are all aware of the impact of the superannuation guarantee levy in increasing the profile of fund managers. This is something that has gradually come upon us more recently largely because of high profile matters such as the Coles Myer case. It is something that has been building up over quite a long period of time and I'd like to go back and look at why.

Historically it used to be that the banks had a special role in the community with regard to sources of funds whereas fund managers never had the same profile. We're now seeing fund managers moving to share the profile that the banks previously had. As we all know the banks were often the ogres of the community – to some extent that was to do with their role but to some extent it was to do with the way banks handled that role. fund managers and banks are now in a joint high profile position and it's up to them to handle that role as well as they possibly can. They have to understand that they are in this very high profile position that's not going to change.

Now, the question is – What is their role? I am reminded of a quote I read, with the famous US investor George Soros. As we all know he's a Hedge fund manager. He was asked in an interview if he was an entrepreneur. His response was to say, "No I'm not an entrepreneur. I am not clever enough to be an entrepreneur. I am in a completely different business. Basically I'm a critic. My job is to be a critic." – or as he put it, as a variation on that, "My job is to be a judge, my job is to judge other people's ideas, other people's investment

ideas." That is a very simple way of expressing the role of banks and also the role of fund managers. Their job is to opine and to judge, investment proposals, to make decisions whether they will invest or not. Basically they have to be in a position of saying no. And saying no quite often. And people that say no a lot often end up as very unpopular people. That partly explains why banks historically have been unpopular and why the potential is there (unless the fund managers handle it well) for them to become unpopular as well. But this is a very important role in a community. Somebody has to judge investment proposals that people bring forward and banks and fund managers share this role.

Well who are we responsible to? Are we responsible to the community or to somebody else? Very clearly we're responsible to the investors that give us their money. Banks are responsible to their depositors. Fund managers are responsible to the beneficiaries of the funds they manage. We are all custodians of your money. We might decide not to invest in a certain business and it's bought by an overseas party. This happened with Pacific Dunlop and there was criticism of fund managers. Or a bank might foreclose on a mortgage. In aggregate you might criticise that. But you ask yourself, if it was your money would you make the same criticism? There is a tendency to treat these decisions as aggregate decisions and not as examples of the basic fact that we're managing individuals' money and we have got a sole responsibility to those individuals in the way we manage that money. So the responsibility of fund managers is to get the best investment return for their investors. And they do this by saying "yes" and "no". As to their responsibility to their community, I don't see that they have a very large responsibility to the community. There is a responsibility to their investors to invest *well* on behalf of their investors.

How do they carry out this responsibility? They do it by becoming owners or representatives of the owners in businesses they invest in. As owners of investments they have a vote in how these businesses are managed. If they don't vote on the way these businesses are managed then the businesses could well end up being poorly managed. This gets me to question one. Why are fund managers getting more involved in corporate governance today? I will partly answer it by referring to the increase in profile arising out of the superannuation guarantee levy and massive amounts of money that are flowing into the fund management industry. But there are other issues as well, more subtle issues that explain why fund managers are getting more involved and why we have seen this recently.

The first point I'd like to make is that fund managers are very reluctant to get involved in corporate governance. They would prefer to be anonymous in terms of voting aggressively and negatively towards management matters or corporate matters. There are lots of reasons

they are reluctant. Firstly because by voting negatively you become unpopular and nobody likes to be unpopular. Also there is a lot of work involved. Institutions basically see their role as one of analysing investments and choosing one investment over the other. Having to make decisions on lots of corporate issues, to get involved sometimes in voting or changing board structures and in proxy battles or in legal battles is very labour intensive. It's not something that institutions have historically been very well equipped to handle. Basically they are well equipped to handle investment decisions. For that reason in the past a lot of this was done by other parties who were better equipped.

These parties a lot of you would be familiar with – parties that to a large extent are no longer on the scene. In the 1970s and 1980s we had the rise of organisations like BIL in New Zealand, Holmes à Court, Adelaide Steamship and Elders. They rose from relatively small companies. In the 1970s these were the Davids who rose up against the Goliaths of Australian and New Zealand industry. These Goliaths were large protected businesses that had risen in that closeted post-war environment. And the Davids, as they rose in the 1970s put a lot of pressure on those older companies to force them to see the changes that were going on in the world and to respond to that.

At the time the "Davids" were very successful and they served a very useful function. In particular in New Zealand it's worth commenting that at one point the BIL, or the Brierly Group, helped a high percentage of New Zealand businesses. It was very much involved in helping New Zealand business to respond to the modern world. The downfall of these companies is that they became Goliaths themselves. If you go back and look at how big they were at their peak and how large they were in terms of stockmarket capitalisation you can see they became Goliaths themselves thus their eventual demise and decline. Yet along the way they performed a useful function.

A large part of the role of such companies was fulfilled when they bought shares as fund managers sold. The fund manager's traditional role of responding to a corporate governance or a corporate issue that he didn't like, was to sell his shares. And often these raiders would come in and buy those shares. They were prepared to take an aggressive stance towards the company, to fight legal battles, to be involved in takeovers, to be involved in proxy battles. These things are messy and time consuming. These companies were better suited to it; they had the skills to do it. But now, as those people are largely gone with one or two exceptions, the role has fallen to fund managers. And fund managers do it differently. Their role is very much filling the vacuum and it's done in a much more genteel way. It's interesting to note that in the Coles Myers matter recently, BIL bought Coles Myers shares heavily after fund managers had been involved in changing the structure of the board there, whereas previously the roles would have

been reversed. It would have been those sorts of acquirors involved in bringing about corporate change and fund managers then coming on to the register. So I think that nicely illustrates the change that's going on.

Now as I said there is a vacuum. We will always need somebody in the marketplace to make these tough decisions, to tell companies when they are not performing or to act in a disciplining role. And we'll need it even though our corporate sector has dramatically changed and it's become very modern and very global in its perspective. We need it basically because businesses rise and fall, companies rise and fall and irrespective of the way our economy is globalised you get Davids becoming Goliaths and they need somebody to impose disciplines upon them. It's the institutions' role as owners to do that. They are doing it now in a direct way rather than an indirect way.

So the issues that institutions focus on are - who should be directors? Who should be chairman? What should be the structure of the board? What sort of businesses should they invest in? Should it diversify into other businesses, go overseas? How is management to be paid? Should there be incentive schemes? All those things are of great interest to institutional share holders. All are very natural for an owner to be concerned about.

The rise of corporate governance is permanent. We are going to see lots more of it. I note that fund managers approach it in a very pragmatic way. It is not as if they would necessarily come up with the philosophy that says, for example, that we believe that there should be non-executive chairmen for all Australian companies. That would be too doctrinaire. They have to do it in a pragmatic way looking at a particular investment. So if they think a particular company is being well run with an executive chairman they will probably be quite happy with that. If they think it's badly run then they will have a different view. It's a pragmatic approach based on particular circumstances of the time rather than some fundamental set of rules that they apply across the corporate sector. Basically they are thinking of each individual investment rather than the whole corporate sector.

Now to my next issue. Are fund managers becoming too short term oriented? I think in the 1980s maybe they were but in the 1990s it's substantially different. The reason fund managers may have been too short term oriented in the 1980s (and I wouldn't criticise them for this) is that in the 1980s on average you got very high returns. The investment returns that were available in the 1980s were on average, over quite a long period of time, in the vicinity of 20 per cent per annum. At the same time you had a very volatile economy and a deregulating economy. There was lots of change going on, new rules, people not necessarily understanding the rules and you had inflation that was still high from the 1970s. You had speculation that was even higher from that high inflation of the 1970s. There was a climate of

great volatility. With great volatility there is often a good investment return but you need to be nimble, you need to be prepared to move your investments around given that there are changes going on and volatility happening. That meant that fund managers tended to move their portfolios around in that period. The returns that they were getting, the 20 per cent returns, justified them doing that and paid the cost of turnover in that period.

Now in the 1990s we are in a different environment. We are in a low inflation environment with much lower returns. They are still very good returns. There is much less more certainty, there is much less volatility. We all tend to know the rules and at the same time the cost of turnover is relatively a lot higher. The cost of brokerage fees on much lower returns means that they are relatively much higher than the 1980s. So there is much less reason to be short-term. Things are much more predictable, there is more certainty and fund managers are responding to that and being involved in much less turnover because of it. This is another reason why we are seeing far more corporate governance now because fund managers are involved in less turnover by sticking with their investments and not selling them. That means they want to get involved with their investments rather than vote with their feet.

This is a situation where it's much easier for people to make long-term decisions. We seem to be in a long investment cycle with low inflation which creates more certainty. What we are starting to see now is the return of long-term bond markets. In America they are starting to issue, amazingly, 50 year fixed rate paper. That's a very positive sign that fund managers are responding, saying that they are prepared to take a long term view. They are doing that because the economic environment has changed.

Now my final question, why don't we have small business and venture capital like the US? Why don't we have an industry like the US? Firstly I'd say that in Australia we have a very different environment to the US. It's a simple fact of life that our Australian small businessmen are nowhere near as ambitious as US small businessmen. They are much more comfortable in their life style, in their attitude towards wealth. There are a lot of positive things about this. We've got an egalitarian lifestyle in Australian compared to the US. There tends to be an attitude among small businessmen in Australia that they want to control their company rather than take in outside investors. In the US there is the dream of being a billionaire which is a very important structural difference compared to Australia.

Another point is that in Australia we have a very small market so the potential for big winners in venture capital or small businesses is much lower than it is in the US. Returns available are lower. In the US, predominantly, the money for small businesses both in equity and debt

comes not from institutional sources but from relatives, friends and those sorts of networks. The reason for that is fairly simple. Small businessmen are not very financial. They tend to get involved only in cash flow rather than complicate things with balance sheets and internal rates of return, the sort of thing that institutional investors need in their due diligence process. Small businessmen are simply not involved in this process. Therefore institutional sources tend not to be involved in providing equity for small business. As I mentioned before, we have this egalitarian society in Australia. One of the consequences of that is less dispersion of wealth. We don't have the same number of very wealthy people as in the US with pools of money available to invest in small business. So it's harder to find those sources of funds in those networks, amongst relatives and amongst friends.

Another factor that operated against small business in Australia was the post war period when property tended to be a good investment. Property was a fairly straightforward area for investing. It was fairly simple with an excellent return in a high inflation environment. So there were pools of money here diverted towards property rather than for small businesses. These two things that I've mentioned – egalitarianism and inflation – are changing. Firstly, forces of global competition coming to Australia mean changes in the income structure in the country (for good or for worse). Increasingly many people here are paid global compensation because they are globally competitive. They can transfer from Australia to other positions in the world and that income disparity is creating, potentially, pools of money that will be available to small business in the future. Secondly, with lower inflation, property has become much less attractive, the capital gains potential doesn't exist like it did in the past. High network investors are starting to realise this and are looking at small business as an alternative to property.

I saw an example of this the other day when talking to a friend who is wealthy, has quite a large property portfolio and loves investing in property. He told me of some small business investments that he had made recently. These were his first non property investments and indicative of him diversifying because he realised that property is not as attractive as it used to be. So we see here how important macro-economic policy is in small business – in terms of creating investment climate, keeping inflation low so that money is not diverted into property and is available to small business. Macro-economic climate is also important in the long-term versus short-term issue. If we have good macro-economic policy and inflation under control, you are going to have investors focusing on the long-term and that is a very positive thing.

In the 1970s we had bad economic policy and we still suffer the consequences of that. We are only now starting to see the benefits of good economic policy in the late 1970s and 1980s with deregulation

and low inflation. This is creating a better long term investment environment and seeing a shift in resources away from property investment to more productive areas of investment. These are very positive developments that make me optimistic about the investment outlook in Australia and lead me to believe that little in the way of policy change at the micro-economic level is needed by investment markets. Basically good macro-economic policy producing low and stable inflation is what we need and is what we are getting. Once we have that the rest tends to take care of itself.



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DO FUND MANAGERS

HAVE A SPECIAL OBLIGATION TO SMALL AND MEDIUM BUSINESS?

Rodney Adler

Our Prime Minister called a 2 March 1996 election yesterday and I assume that we have all read what the political commentators believe will be the major issues. Paul Keating signalled that the five week campaign would turn on the key issues of the economy, growth in Asia, employment, the environment, superannuation, maintaining a universal health system and having an Australian as head of State. But nowhere could I find any real discussion on who will manage the hundreds of billions of dollars created by the superannuation explosion and what obligations these fund managers have to Australia, if any. Should there be any regulations or parameters in which these fund managers must invest?

Simultaneous with these concerns, I believe we as a nation should be concerned about foreign ownership. That subject is really a subset of the greater superannuation debate because if there was more local investment in Australian companies, then there would be much less *by definition* foreign ownership of the same companies. Interestingly, Doug Shears, the Executive Chairman of ICM Agriculture, was so concerned about this particular issue that he wrote to the Honourable Ralph Willis MP on Australia Day and reprinted his whole letter in *The Australian*. It started,

Dear Treasurer, I am writing to you concerning the apparent continuing increase in the level of foreign ownership of Australia's food processing industry and the implications I believe this could have for the future of this important sector of the economy. It is suggested that foreign companies now control more than 80 per cent of the major Australian food brands. . .

I would suggest and welcome a position where foreign ownership of individual Australian food companies be generally limited to no more than 50 per cent. . . This would encourage effective joint ventures and strategic alliances between Australia and overseas interests. . .

I love Australia and I know that sounds like a motherhood statement because it is. But no-one will look after us unless we look after ourselves. This country has unbelievable potential. We have everything

going for us. At the turn of the century, we had the highest standard of living in the Western world. Today we are living beyond our means. We are located at the door step of the fastest growing region in the world. We have the land mass, the resources, the people and I believe the will to be great, but the system works against us. I believe that we must be forced to invest in ourselves because clearly we are not doing enough on our own volition.

If you buy a home (say, worth \$250,000) and do not spend the time and money maintaining that home, after five years its value will have dissipated, even if the suburb in which you have bought it has shown a marked improvement.

If you had invested the \$30,000 to \$40,000 in repairs and maintenance necessary, then you probably would have performed in line with the surrounding area and if you were smart, much better. If you had taken that repair and maintenance amount and invested it on the American stock market or in American bonds, that investment may have performed well and more than compensated for the lack of growth in the value of your house. But the fact of the matter is, your home would have decreased in value!

The same can be said for our nation's general investment philosophy. We must spend much more time and effort in our own home, even if the initial rates of return are not as great as we can get overseas. Because if we do not, the prophecy will become self fulfilling and then the investment returns in our own home will never match that of other countries.

When I make that statement, I am invariably accused of being somewhat of a neo-socialist. I can assure you, that I am not.

I am told loudly and clearly that fund managers have a responsibility to invest where the return is the greatest – that is their professional mandate from those for whom they invest funds on behalf of, and limiting that ability would be counter productive. And in the pure world, a very pure world, I would agree. But we do not live in the pure world and frankly I am more concerned about “us” than about the “others”.

My proposition is very clear. The fund manager should not be told where to invest. The government should regulate and stipulate that say, 20 per cent of all funds could be invested outside Australia. Of the 80 per cent remaining, so much percentage should be invested in the various sectors such as resources, infrastructure, venture capital, insurance, banking, food, agriculture etc. Once those sectors and the corresponding percentage has been identified, then it is up to the skill of the fund manager to find the appropriate investment in the appropriate sector. In that way there will be ample equity finance in this country, the Australian ownership will rise as a percentage, developments that should take place will take place.

Local prices will go up in all sectors because there will be a demand and a need to invest. And that will eventually interest foreign investors because they will then realise that there is an underlying base and desire to invest in Australia by Australians and a most enjoyable cycle will commence.

So do fund managers have a special obligation to small and medium businesses? I believe that they do and I do not believe that we are fulfilling that obligation. And we must be forced to do it for our own good in the medium and long term.

Already there is a dichotomy between the large companies and the small companies. Already the large fund managers say that unless the company has a market capitalisation of at least \$100 million on flotation, they do not wish to look at it. Already we have seen the process where it is cheaper for larger companies to take over the smaller companies rather than spend money on research and development because the small to medium businesses are so undervalued due to the lack of support by the very financial institutions that invest in the larger companies.

We are witnessing the rationalisation of the gold industry as I talk – why? Mainly because the small gold companies are not receiving any support and smarter larger operators are combining a number of smaller companies to get to a size where proper institutional support is possible. That very clearly means that if you put three small unloved gold producers together, then the combination of the three will attract proper institutional support and then instead of attracting only a PE of 6 or 5, the combination will attract a PE of 12 to 15.

But if we do not invest in the small to medium businesses, where will our future come from?

BHP was started by the Darling family at the turn of the century. If it was not for the steel plan adopted by the government only a couple of decades ago, BHP may not have survived. Now BHP is the greatest company we have in Australia today.

Pacific Dunlop 20 years ago was on its knees. But if it was not for the institutions getting together to give John Gough the support he needed, where would Pacific Dunlop be today? My point is very clear – but it warrants repeating. If we do not invest in ourselves, then there will be nothing to invest in.

Let me give you another example. During the 1980s, the government was rightly concerned that we were not spending enough on research and development and what we were spending was not ending up in the industrial developments. So we set up an amazing scheme which completely changed the Australian research output. About \$1 billion was raised for pure research in a three to four year period.

Basically a small to medium sized enterprise would put forward to the government's Industry Research and Development board an interesting technology development. If it agreed, then they received the appropriate tax deductions. Rather than go into any further detail, this was a very successful scheme. The government then changed the whole system and this took the guise of an "innovation statement", the consequences of which could cause an enormous technology transfer from Australia to Asia, especially if the error is not corrected. Because the Asians, in particular Malaysia and Singapore have seen the folly of our mistake and they have set up exactly the same procedure to attract our technology and our business acumen to their country.

Purists will argue that if you cannot survive without a tax deduction, you should not survive. I say, that the range of listed and unlisted companies that received a boost from this mechanism is very long indeed. Among them were Action Gold Development, Amrad, Aerospace Technology, Australian Drug Development, Austpac Gold, AWA, Bellara Medical Products, Biotech International, Computer Power, Keycorp, Polartechnics, Vision Systems and Orbital, etc and this is just some of the listed companies, the number of non-listed companies is much longer. This research and development deduction created profits, employment and viable businesses.

Why are we so closed minded and insular not to realise the damage that we do by not investing in ourselves? One of the great problems of Australia is that there are no real capital markets. There is absolutely no depth in our financial markets.

It is okay for companies like FAI, Lend Lease, BHP, Pacific Dunlop etc because we now have the size and knowledge to access foreign markets. But why should we, if Australians would invest more of their own money in this country and how can smaller companies access the world capital markets? The fact is they cannot and therefore they pay a higher rate than their overseas equivalent and then lo and behold, the overseas companies perform better and receive a higher proportion of the world equity investment because of that performance. I am tired of my nation's superannuation funds supporting small to medium businesses in other parts of the world.

Starting a small to medium business is tough. It is a very different skill to running a large company. Small business is usually dominated by a strong willed entrepreneur or a very smart technocrat who has discovered a product or niche. It therefore can be said that small to medium business lacks a lot of basic financial and accounting skills. This should be appreciated when making an investment in this sector as frequently these businesses are not just capital starved (as they live on cash flow), but resource starved and in particular they require from their partner financial management and more often than not a sounding board rather than just a pure capital investment.

We do not make it easier for small businesses in this country. We have a pay roll tax regime which cuts in after \$500,000, thereby ensuring businesses do not grow above that level or making the company undertake unproductive measures in order not to pay the increased pay roll tax. There are no tax breaks or incentives to start a business in this country of any real description. Then of course there is the industrial relations problem and small businesses especially find the new regulations very onerous and for a government hell bent on reducing the unemployment rate, this has been a massive disincentive for small businesses to employ more people.

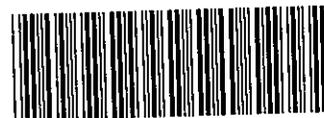
This country unfortunately does not believe in or does not have the necessary skills to cash flow lend and therefore the entrepreneur and/or owner must mortgage his house, wife or husband and kids in order to get a business development loan and this puts considerable pressure on the individual.

Finally, it is not just fund managers who balk at investing in this market. But trustees themselves do not wish to have the hassles or problems associated with this type of investment and they put additional pressure on the fund manager not to invest in this industry. Liquidity or the lack thereof also poses a problem for this sector.

Another difficulty in investing in this sector is that there is a gestation period required before reaping the benefits of the hard work. That is normally three to five years and that does not sit very nicely with the quarterly performance measures that our fund managers must unfortunately live by.

The government has tried very hard to overcome these problems. We have tried pooled development funds and before that the management investment companies. But none of these structures really worked, mainly for the reasons just stated above.

Basically there are about 850,000 small businesses in Australia. These companies are the backbone of our nation. They provide the bulk of the employment opportunities, they are the tax players, the wealth creators and are leading the thrust into the exporting arena for our nation. We need to develop, grow and back this sector and we are not doing it.



THE VISIBLE HAND

OF THE TRUSTEE VERSUS THE INVISIBLE HAND OF THE MARKET

Elizabeth Bryan

Over recent years, the investment industry has debated derivatives, corporate governance, short termism, the merits of off-shore investments, ethical investments, and economically targeted investments, the capital needs of small companies, and finally whether or not the "market" will sort all this out.

There is no doubt that these are important topics. Recent government decisions in Australia and many other Western countries have created large pools of superannuation monies which are currently significant and have the potential to dominate our financial markets in the near future. For example, in Australia superannuation funds already account for about 30 per cent of the investment in the stock market, and this percentage is expected to grow at 17 per cent per annum compound over the next ten years.

However, in a free market economy, where "the invisible hand of the market" is seen to optimise capital investments, this in itself does not seem enough to promote the degree of interest that researchers, the press and policy makers have had in what could be regarded as the esoteric issues of portfolio management.

I would like to draw your attention this evening to a view which does not accept that the free market forces are the only forces at play in the allocation of these funds. This view is that the dynamics of the collective trustee decision-making process needs to be taken into account in the allocation of superannuation capital, and that these dynamics may override market forces.

Peter Drucker is one of the best known exponents of this view and significant research work has been done in the US pension fund industry which is in line with Drucker's conclusions. This is research into the way in which investment decisions are made by the pension funds and the influences brought to bear on those decisions.

There appear to be many close parallels with the US in the way in which the superannuation industry is developing in Australia. However, as yet, there has been very little focus on the environment we are estab-

lishing for our trustees, and therefore, the factors which will ultimately influence the investment priorities they will adopt.

The basic proposition from the US research is that the investment decisions of pension funds are influenced by interpretations of fiduciary responsibility, trust law and regulations, and the social pressures on trustees.

If these factors are going to influence capital investment in the Australian economy over the next several decades, then we should pay close attention to them.

Trusts and trustees

The trust concept was originally established to enable the separation of legal ownership of assets and beneficial entitlement to those assets. The trustee had legal obligations to look after the assets in the best interests of the beneficial owner, who might (for example) be a minor.

In the case of the superannuation industry, the beneficial owners are the workers who have deferred part of their wages to provide for their old age, while the legal owners are the fund trustees on whom the law places an onus to deal with the money in the beneficiaries' best interest.

As Peter Drucker very pithily put it, we are in an era of pension fund capitalism without capitalists and without capital. That is, trustees control our capital base rather than owners, and the capital itself is in fact deferred wages being accumulated to provide wage income.

Once we move beyond the axiom that superannuation trustees have a duty to act in the best interest of the contributors, the lines of responsibility and duties of trustees become less clear and ambiguities and potential conflicts of interest arise. For example:

- whose money is it? Does it belong to the employer who has the responsibility for paying the defined benefit or to the employees who contribute to the fund? Or,
- can the trustees consider matters beyond the pensioners' strict financial interest – for example, ethical issues, or their interest in a prosperous and healthy society?

There are no clear cut answers to these types of questions for trustees and inevitably social, political and cultural forces must have an influence on their final decision. First of all, who are the trustees and what risk and reward system have we established for them?

Trustees are a diverse group of people including employees, employers, retirees, and a wide range of experts – actuaries, accountants, lawyers and union officials. Their trustee jobs are, by and large, part-time and modestly paid. In addition, trustee or fiduciary responsibility, attaches to many people who have decision making power in the superannuation industry. The funds management industry, for example is not immune from fiduciary obligations.

Trustee roles in the superannuation industry attract many individuals with a well developed level of public responsibility. Often, their expertise lies in other areas, and even more often, they are not paid enough to devote a substantial amount of their time to the trustee role. The task of managing the operations and risk profile of a vast investment and retirement system which provides one of the major sources of investment in the economy is an extremely demanding task under these circumstances.

In addition to constraints on time and expertise, the composition of a trustee board is evenly balanced between employer and employee representatives, laying grounds for potential divergence of attitudes and views.

Added to this are the legal and social sanctions which might be applied should trustees be found to have breached their responsibilities or failed to achieve minimum goals or performance standards.

In Australia with our rapidly growing superannuation industry, we had about ten thousand new trustees joining the industry in 1994-5. This creates a large number of people trying to understand and learn a complex and technical industry.

Risk and reward for trustees

So how do they cope?

The system does not provide much personal reward for excellent performance, apart from personal satisfaction, but it does expose and ultimately punish bad performance. Therefore if above average performance is associated with above average risk, to be in the middle of the pack in performance would seem to be a sensible outcome from a trustee's point of view.

If liability management becomes a primary goal for trustees, as it must under a legislative framework, then process has to become the means of achieving it. "Walk slowly and cover your tracks" as one of the American studies concluded. And this has happened. Trustees of superannuation funds have adopted the practice of hiring consultants to advise them on matters affecting the investment management of their funds. In particular the consultants advise on the accepted process for investing funds.

In Australia at the moment this involves reliance on historical information on the relationships between various asset classes to see how much of one asset class will be held compared to another, a strong focus on diversification of both investments and investment managers, and the continued use of consultants to check, monitor and advise.

However, the processes advised by consultants have one important outcome, which is to shield trustees from liability. If the results are not good, then this can be attributed to external influences, such as the

market, rather than to inappropriate processes which don't have the blessing of independent experts.

This is not to suggest that emphasis on process, history, diversification of the portfolio and the use of advisers is, in itself, anything but positive. However, from a capital markets point of view these tools have to be used to enhance investment results, rather than minimising trustee liability.

Questions which arise from this reliance on process are some of the ones we have been discussing tonight. For example, is the (perceived) low investment by super funds in small companies in Australia a case of them passing up good investment opportunities just because these companies did not have a good track record as an asset class? Or are they unsuitable investments for a super fund because the risk is too great and the return too low? Even if a track record existed for the asset class would it help in deciding how these companies might perform in the environment of the 1990s and post 2000?

A similar set of questions can be built around the need for low costs of portfolio management and the argument for diversifying funds managers and funds management styles. As one American study asked, can this diversification be shown to improve the investment results, or is it just a form of high priced indexing?

This need to protect against liability has led to two other phenomena common in the industry. Both of them stem from the concept of "prudence" that is deeply embedded in trust regulation. Prudence leads to a preference for investments with an established track record, – the so called "blue chip" stocks. The track record of the stock is evidence that the risk taken on by the investment decision was reasonable. And the ultimate extension of this is to argue that individual stock selection is too hard and therefore to invest in indexes of stocks.

Peter Drucker had some interesting observations on the effect of these two investment strategies on the capital markets. He argued that because pension funds together owned such large and quite often similar holdings, that the pension industry can only sell to other pension funds. As an investor can always sell his holdings, Drucker argued that pension funds cannot as a group consider themselves investors. He concluded that they therefore have to make sure that the businesses are being managed. This has contributed to the growing focus on corporate governance by the superannuation industry.

Cultural influences

Apart from the need for liability management by trustees, the American studies point to cultural influences on their decision making. The fascinating anthropological study of the US pension funds by O'Barr and Conley called (somewhat forebodingly) "Fortune and Folly",

argued that individuals (whether they be trustees or not) are continually influenced by concerns about survival) power, prestige, responsibility and personal relations.

The three conclusions from the study were not encouraging if added to the Peter Drucker view of the world that "pension fund capitalism" has replaced the invisible hand of the market. The conclusions were:

- first, investment decisions are often motivated by cultural factors such as responsibility and blame, the influence of the past and an overriding concern with managing personal relationships.
- second, institutions are, for cultural as well as economic reasons, unlikely to solve the country's corporate governance problems. In short, because private funds fear retaliation and public funds find an "out of sight out of mind" position safer;
- third, institutions seem ill prepared to participate in the emerging global business culture. This conclusion was based on an argument that the US industry would continue to dabble in offshore investing through intermediaries, because of their inability to see the world through other than a US perspective.

Social investing

Finally let me briefly touch on an issue which has not gained much impetus in Australia, although with the current moves by some funds to provide low cost housing loans, is starting to develop. This is perhaps one of the most complex legal issues for trustees, and that is the question of "social investing". That is, investing to promote social objectives such as a better environment, low cost housing, improved infrastructure, stopping the sale of tobacco and so on.

The debate comes from two perspectives over what constitutes responsible management by trustees in the interests of beneficiaries. One side of the argument is that the interests of beneficiaries are only economic, and that trustees' duty is to maximise the funds' ability to pay pensions. This is the view which currently seems to dominate discussion in Australia.

The other view is that the interests of the beneficiaries to which the law refers include such intangible things as the quality of a person's community and the promotion of justice. Under this view, as long as the overall performance of the fund is reasonably good, a trustee can do such things as invest in low yielding bonds to support public infrastructure or refuse to invest in profitable companies which engage in socially undeserving activities.

As with all ambiguous issues which have to be decided under the existing trustee rules, and within a fiduciary capacity, trustees, for their own protection, will need to seek an external legal support on which to lay off responsibility for decisions of this magnitude.

This brings us to the full circle to government policy and law making, which in pension fund capitalism is replacing the invisible hand of the market.

Where to from here?

We have been through a very rapid period of development in our superannuation industry in Australia, and can ultimately expect this to have an effect on the development of our underlying economy.

The findings from the American studies are not conclusive, and nor do they take into account many influences shaping the Australian industry, such as compulsory superannuation. They do suggest, however, that the pressures on trustee decision-making may have a significant impact on the manner and timing of change within our markets.

The aggregation of significant new sources of capital has led industry and policy leaders to view super funds as potential leaders and innovators into new investment areas. The pressures on trustees send different messages: follow don't lead, and innovate only after three consultants have verified five years of audited returns.

Ultimately super funds will be significant providers of capital to new areas through the sheer weight of funds, but their ability to be catalysts of change in the short term is questionable.

Is this right, reasonable or proper? The answer depends on your point of view. The prudent and arm's length control of the trust structure leads to caution and this would be approved of by most fund members. Whether it is the most efficient use of capital is perhaps debatable. Whether it can be an effective instrument of policy is open for challenge.

The challenge for the industry, funds managers, policy makers and trustees is to accept the change in capital markets structure, accept that capital investment will be prioritised on other than purely economic grounds and work together to make this process as efficient in the short term as possible.

In the long term, however, no doubt the invisible hand will dominate.



THE SHAREHOLDER

ECONOMY

Susan Ryan

There have been many changes in the Australian financial landscape over the last few years. My fellow participants in the forum have been at the centre of a lot of this change. There has been no bigger change, however, than that brought about by the introduction of compulsory superannuation.

A few years ago a minority of Australians were investors. They were high income earners with excess income able to take advantage of the many tax favoured investment opportunities that abounded in Australia, or they were careful conservative middle income earners who believed in providing for themselves, and making their savings work for them. The rest of us didn't save or invest. The one exception, of course, was the Australian fetish with home ownership, a major investment for anyone, and one for which the majority of Australians, including low income earners have been prepared to make almost super human sacrifices. Stock, shares, property, even bonds however were a minority interest.

Now, as a result of compulsory superannuation, virtually everyone in the Australian workforce is an investor. More than that, the investment performance of compulsory superannuation savings is crucial to the well being of these people in those years, ever lengthening, they are going to spend in retirement. We now have a mass investment society and from the point of view of BT, or of the owners of big public companies, like Rodney Adler, the potential created by compulsory superannuation can only be good news.

Vast pools of investment capital have already formed and are growing rapidly. The last ISC figures told us that there were in the vicinity of \$230 billion currently in super funds. We know that figure will be around about \$400 billion by the end of the millennium, and by the year 2020 when all the elements of the compulsory savings regime are in place, it may be as large as \$2 trillion. Investment is bigger than ever before, and there are many more investors than ever before.

It is worth looking at the overall effects on the political landscape of these changes. They have to be favourable.

In the old days of centralised wage fixing, a protected economy and a total lack of involvement in investment by most workers, the basic dynamic between capital and labour was: businesses earned profits and trade unions argued for their share of those profits via wage increases, but accepted no responsibility for achieving those profits.

Indeed, in prominent sections of the Trade Union movement (contradictory though this was) profit was seen as a dirty word. If superannuation was provided by the employer, it was as a defined benefit, guaranteed by the employer and available mainly to white collar workers and management. Now that all workers are investors, that dynamic is completely different, and more productive.

The new schemes resulting from compulsory super tend to be accumulation schemes, not guaranteed, with benefits paid out by investment earnings. Workers know, particularly if their super fund trustees have been diligent in communicating to them, that it is only through the increasing profitability of business that retirement benefits will be earned. If you add this new knowledge to other changes: the deregulation of the financial system, the opening up of trade and the phasing out of protection, you have an entirely new employer/employee relationship. In terms of delivery to workers, the supremacy of the theatrical ACTU advocate is over (the CRA episode notwithstanding).

Workers are now aware that profitability, improved productivity and the capacity to compete successfully on a *global* basis are the factors that must be present if business is to provide jobs, wages and retirement incomes.

In the current financial landscape, industry funds have joined enterprise and public sector funds as superannuation savings vehicles. Some critics, usually from conservative employer organisations and conservative financial institutions, have attacked the appearance of industry superannuation funds in this new landscape.

Industry funds were set up about the time that award superannuation was introduced. They were designed to look after these new superannuation contributions on an industry wide basis. They are accumulation funds, that is, members get as benefits their share of what is earned by the funds. There is no government guarantee and no defined benefit guaranteed by an employer.

Industry funds are governed by trustee boards of which 50 per cent of members represent employers or employer organisations within the industry and the other 50 per cent representatives of the members of the funds. In many cases, trade union officials from unions covering those industries serve as industry fund trustees.

Overview (as at 30 September 1995)

Type of Fund	Total Assets (\$billion)	Number of Funds	Number of Accounts (\$million)
Corporate	40.6	4,740	1.3
Industry	11.9	100	5.2
Public Sector	59.8	100	2.5
Retail	99.6	3,060	5.8
Excluded	18.7	99,000	0.2
Total Assets	230.7	107,000	15.0
Directly Invested	65.0		
Placed with Investment Managers	77.2		
Invested in Life Office Statutory Funds	88.6		
Total Assets	230.7		178.6

Note: taken from ISC Superannuation Bulletin September 1995 issued December 1995.

Projected Assets of Funds

Year	Percentage of Assets in SG/Award Funds (%)	Total Superannuation Assets (\$billion)
1994	15	187.4
1995		210.0
1997	25	263.2
2000	35	366.5
2002		453.9
2010	58	

Notes: Assumes CPI of 3% pa, AWE of 4% pa and earnings of 8% pa; prepared by the RIM Task Force; all are at current prices; prepared March 1995.

There are currently 100 industry funds with about \$12 billion of assets. Industry funds are more significant in the political and financial landscape than those numbers would suggest, since they are the main recipients of the rapidly growing compulsory superannuation contributions.

The presence of trade union officials on trustee boards together with the fact that many awards specify an industry fund as the vehicle into which compulsory superannuation contributions must be paid, has caused concern in some quarters about the industrial relations consequences of these new arrangements.

Is this concern justified? On the track record to date – no.

Industry funds have been administratively efficient, produced good investment results and increased competition and accountability among investment managers. They have reinforced the new cooperative relationships between employers and employees. Employers and

member representatives sit together on Trustee Boards, work together to assess assets in the domestic and international economies and formulate investment strategies. They have a *common purpose* in maximising returns.

Enterprise funds now also have 50 per cent of their trustees representing the company and 50 per cent representing the employees, with the same outcome of increased cooperation.

Why should my fellow panel members, particularly Rodney Adler and Rob Ferguson, welcome these developments? Because there is a lot more money for BT to manage and invest and thus a lot more potential investment in Rodney Adler's companies. BT will get a growing slice of the investment cake because industry funds do very little direct investment; they hire investment managers to go out, for a handsome fee, and get the returns for them. This business will remain and grow.

Elizabeth Bryan is responsible for investing the funds of State Super, one of the few funds in Australia which is large enough to do its own investments directly, but most industry funds are not large enough nor do they intend to develop their capacity for direct investments.

Rodney Adler will watch with interest the effect on his companies of corporate governance activity by financial institutions. The most publicised recent episode, the Coles Myer/Solomon Lew/Bill Kelty/AMP event, would *not* have clarified this issue for the general public, or even the investment community.

Despite that somewhat muddled episode, corporate governance activity by institutional investors will grow. As super funds invest further in public companies, trustees of those funds will make more demands for information from the investment managers, and indeed from the boards of the public companies of which they own more and more. This increased activism, and greater interest, may well produce more effective boards.

The improved boards should achieve greater profitability, thus enhancing dividends for shareholders and the reputation of chairmen and CEOs. But in the end it is the democratisation of the economy, to quote Tony Blair, leader of the British Labour Party, as reported in *The Economist* 13 January 1996 "the creation of a stakeholder economy", in fact a shareholder economy – that is the most radical and constructive change the investment community will experience in the decade leading to the millennium.