

Australia - From *Le socialisme sans doctrines* To A Corporatised Client-State

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If “A picture is worth a thousand words” nothing could better express the *debaucherie* of the Labor Party in Australia than a picture of one Jack Egerton kneeling before a naturally wigged and dressed in ‘tails’ Governor-General Sir John Robert Kerr, AK GCMG GCVO QC to receive the investiture which would make him Sir John (Jack) Alfred Roy Egerton. The year is 1976, one after the Royal Ambush which ousted the twice-elected Labor Government of Edward Gough Whitlam, AC QC.

Jack Egerton was an Australian trade union organiser and member of the Labor Party who was born in Emerald, Queensland in 1918 and finished high school in Queensland.

Egerton started work as a boilermaker. He became state secretary of the Queensland Boilermakers Union in 1943, and well before reaching the age of 40 he had become one of the leading figures in Queensland politics. He was President of the Queensland Trades and Labour Council from 1967 to 1976 and also served as president of the Australian Labor Party state executive from 1968 to 1976.

Egerton became the Labor Party’s first and only knight for a quarter of a century. Exactly why Egerton broke with Labor tradition and accepted ‘the honour’ was a question that he never publicly answered.

After the Royal *coup d’état*, the usurping Prime Minister Malcolm Fraser offered the knighthood to Egerton for service to the trade union movement. The award cost Egerton his membership in the A.L.P., and earned him the name of ‘Jumping Jack the Black Knight’, as well as prompting in some quarters the even more hostile epithet ‘Labor rat’.

By odd coincidence, Egerton, the son of a boilermaker, received his knighthood from Governor-General John Kerr, also the son of a boilermaker.

John Robert Kerr was born in Balmain, a working-class suburb of Sydney. He went to high school in Sydney, won scholarships to the University of Sydney and graduated in law with first class honours and the University Medal, and was called to the New South Wales bar in

1938. During the second world war he was able to join the Directorate of Research and Civil Affairs, an Australian 'intelligence' organisation - a circumstance which later gave rise to many speculations. In 1946 he became principal of the Australian School of Pacific Administration and the first Secretary-General of the South Pacific Commission.

Kerr returned to the bar in 1948, becoming a prominent lawyer representing trade union clients and a member of the Labor Party. He intended to seek Labor endorsement for a parliamentary seat at the 1951 election, but withdrew in favour of another candidate.

At the heights of the so-called cold war, the Labor Party split in 1955, everywhere in Australia, except in New South Wales. Kerr appeared disillusioned with party politics. He seemed to dislike what he saw as the leftward trend of Labor and to be attracted to the breakaway group, the Democratic Labor Party, which was fanatically anti-Communist. During the decade of the 1950s, he joined the anti-Communist advocacy group established by the United States' Central Intelligence Agency, and the Association for Cultural Freedom, joining its Executive Board in 1957.

A Queen's Counsel in the 1950s, in the 1960s Kerr became one of Sydney's leading industrial lawyers. Experts in navigating the narrows of the legal profession in Australia, in 1966 Kerr was appointed a judge of the Commonwealth Industrial Court and, later, to several other judicial positions. During this period his political views became more conservative. He became a friend of Sir Garfield Barwick, the 'Liberal' Attorney-General who became Chief Justice of the High Court of Australia in 1964. In and out of 'intelligence' organisations, Kerr became the first chairman of the Law Association for Asia and the Western Pacific - LawAsia, founded in 1966, and served in that position until 1970. Two years later Kerr was appointed Chief Justice of New South Wales. He was knighted in the New Year's Honours of 1974, and on 27 February of that year, amidst some surprise, was announced as Governor-General-designate. As time would show, Whitlam had made a gigantic mistake in proposing Kerr, although neither man knew the other well. In time Kerr would publicly display his immoderate drinking habits, and it was more than rumoured that he had a proclivity for traversing accepted sexual customs towards the young male flesh. Both qualities, somehow tolerated in Sydney's 'high life', were frowned upon and would become the source of ridicule in a Governor-General, by law the representative of the Hanoverian queen. Kerr had maintained his political ambivalence by cultivating some prominent Labor people, and exploited his wife's friendship with Whitlam's wife. Whitlam seems to have believed that, because of Kerr's former membership in the Labor Party, he was still politically 'reliable',

without realising that Kerr's political views had changed and that he had come to see the role of Governor-General differently from Whitlam.

Of the consequences of such mistake, more will be said further on.

During the seventies Kerr had been busy piling up acronyms after his name: already a C.M.G. - Companion of the Order of St. Michael and St. George since 1 January 1966, on 1 January 1974 he was made a K.C.M.G. - Knight Commander of that order. In 1974 he was made a Knight of the Order of St. John of Jerusalem.

On the establishment of the Order of Australia on 14 February 1975, Kerr was made A.C. - as Principal Companion of the Order. When the category of Knight was added by Fraser to the Order on 24 May 1976, he was made A.K. - Principal Knight of the Order.

In 1976 also Kerr became G.C.M.G. - Knight Grand Cross of the Order of St. Michael and St. George (GCMG). He had asked Whitlam for this appointment shortly after becoming Governor-General in 1974, but was rebuffed; it was Labor Party policy not to recommend knighthoods.

On 30 March 1977, already a publicly disgraced and abused figure of fun, Kerr was appointed G.C.V.O. - Knight Grand Cross of the Royal Victorian Order, an award within the personal gift of the queen, for well deserved 'services as Governor-General'. Later he was appointed as P.C. - Privy Councillor, another appointment he had unsuccessfully sought from Whitlam in 1974.

In the memory of those few in Australia who remember anything, Kerr would be associated with Malcolm Fraser's opprobrium in Whitlam's words at the official announcement of the Royal Ambush in 1975: "Kerr's cur."

Governor-General Sir John Robert Kerr, about to anoint a kneeling Jack Egerton as knight, appears on the cover of a little but precious book: the translation into English by distinguished professor Russel Ward of a study by a French Socialist, Albert Métin: *Le socialisme sans doctrines*. Socialism without doctrine was so called by its author as a collection of impressions he had gathered during a six month visit to the 'English speaking democracies' of New Zealand and the Australian colonies towards the turn of the nineteenth century into the twentieth. The book was published in Paris in 1901. The translation was published in Sydney in 1977. As professor Ward writes in the foreword the original "literal version ... posed the most difficult problem of translation. ... [The original title] suggests that the author ... believed that 'socialism,' had been established in the Australasian colonies by

1899. Of course it had not, and few literate persons now think Australia and New Zealand are or have ever been socialist countries ...” The answer to the question: why did Métin choose the title ? “is a largely semantic one. Like ‘democracy’ and ‘liberalism’, ‘socialism’ is a word that, at one time or another, has meant almost all things to many different men.” - writes Ward. A truly ‘radical’ historian with a profound knowledge of the country, Ward adds: “In 1973, for example, a leading Australian politician defined socialism as being characterized by a drive towards the centralization of political power in the federal, at the expense of the state, governments.”

Later on the learned translator offers the following explanation: “I think [Métin] called his book *Socialism without doctrine* because he thought the Australasian colonies, with very little theoretical guidance, had in practice advanced further along the path of reformism than any other countries in the world at the turn of the century. He sought to contrast the practical empirical colonial labour movements with the much more theoretical and intellectual movements on the Continent, and to stress that in fact the colonial movements had achieved much more.”

Critically, Ward observes that “Métin was deeply impressed with the *respectability* of organized Australian and New Zealand workers.” [Emphasis in original]

The key to much of what happened in the twentieth century and continues at the present time, at least in Australia, is a ‘search for respectability’. Whose respectability, *vis-à-vis* whom, what for, at whose expense, and in which up-dated definition will be seen further on.

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To begin, the ‘strictures’ presented by such search must be examined in the light of the foundations of government in Australia.

Australia’s political system is based on the ‘Westminster System’ as imposed by the invasion of the continent in 1188. ‘Westminster’ is the name given to ‘the system’ of *parliamentary democracy* used in countries such as Great Britain, Canada, Australia and New Zealand. It should immediately be noted that *parliamentary* does not necessarily mean *representative* democracy, which is fundamentally: one head, one vote, one value.

The essential features of ‘The System’ are that the government is chosen by the democratically elected lower house. The government requires the continuing support of a majority of members of that chamber to stay in office; the head of government is the prime

minister, who leads a Cabinet which is responsible to the lower house; a loyal Opposition exists, led by the leader of the party or parties with the second largest number of seats in the lower house; a constitutional monarch is part of the framework of 'the system', is supposed to be 'above politics' and to act on the advice of the prime minister; a career public service impartially serves the government of the day; the armed services are outside of politics and act on the instructions of the government; and - finally but most importantly - the 'rule of law' prevails, with an independent judiciary, subject to the constitution.

In brief, the 'Westminster System' is otherwise known as responsible government. Many assumptions are made in that formula.

In particular, Australia has a second chamber of Parliament, known as the Senate, the members of which represent the states of the Commonwealth, in fulfilment of the concept of federalism.

It is more than a matter of curious interest that the name of 'The System' derives from the London municipality of Westminster, which is home of the Houses of Parliament. The House of Commons and the House of Lords both meet in the Palace of Westminster. They are all based in the City of London, which is a city within London itself, colloquially known as the Square Mile - precisely 1.12 sq. mi. or 2.9 square kilometres.

Both of these terms are also often used as metonyms for the United Kingdom's trading and financial services industries, which continue a notable history of being largely based in the City. The City is now only a tiny part of the metropolis of Greater London, though it remains a notable part of central London. It holds city status in its own right and is also a separate ceremonial county.

The local authority for the City, namely the City of London Corporation, is unique in Great Britain and has some unusual responsibilities for a local council, such as being the police authority. It is also unusual in having responsibilities and ownerships beyond its boundaries. The Corporation is headed by the Lord Mayor of the City of London, an office separate from, and much older than, the Mayor of London.

The City is a major business and financial centre. Throughout the nineteenth century, the City was perhaps the world's primary business centre, and it continues to be a major meeting point

for businesses - top in the Worldwide Centres of Commerce Index. The insurance industry is focused around the eastern side of the City. A secondary financial district exists outside of the City, at Canary Wharf, 2.5 miles (4.0 km) to the east.

The City has a resident population of about 7,000 but over 300,000 people commute to and work there, mainly in the financial services sector. The legal profession forms a major component of the northern and western sides of the City, especially in the Temple and Chancery Lane areas where the Inns of Court are located, of which two - Inner Temple and Middle Temple - fall within the City of London boundary.

It makes it for the heart of Big Business, Great Britain and a dying Empire.

Representative of that vanishing power in Australia is the Governor-General, appointed by the Hanoverian queen - to whom, alone, s/he owes her/his unquestionable loyalty.

The Governor-General is only theoretically an 'apolitical' figure of position without power.

By the Constitution of Australia, itself an act of the Imperial Parliament, the Governor-General is assigned a number of specific functions in the Constitution: s/he represents the queen - sec. 2; appoints sitting times for Parliament, as well as being responsible for its prorogation and dissolution - sec. 5; appoints sitting times for Parliament, as well as being responsible for its prorogation and dissolution; may accept resignations of Senators and advise State Governors of such vacancies - secs. 19 and 21; may dissolve the House of Representatives - sec. 28.

With the Executive Council, the Governor-General may issue writs for House of Representatives elections - sec. 32, and may issue writs for by-elections for the House of Representatives - sec. 33.

The Governor-General can accept the resignation of the Speaker of the House of Representatives - sec. 35, and may accept resignations of members of the House of Representatives - sec. 37. S/he administers oath or affirmation of allegiance to members of the House of Representatives - sec. 42; recommends the appropriation of revenue or moneys to the Parliament - sec. 56; and may dissolve both houses of parliament in the event of a deadlock between them - sec. 57.

The Governor-General may assent, or withhold assent, to laws passed by Parliament, or reserve laws for the royal assent, or return laws to the Parliament recommending amendments

- sec. 58. Should the sovereign disallow any law, or assent to a proposed law reserved for her pleasure, the Governor-General may by speech or message notify Parliament of her decision - secs. 59 and 60.

By section 61 the Governor-General exercises the executive power of the Commonwealth; by sections 62 and 63 s/he chooses and summons members of the Executive Council to hold office during his pleasure and to advise him in the government of the Commonwealth.

The Governor-General may appoint officers (the word minister is nowhere mentioned in the Constitution !) to 'departments' of State, such officers holding office during her/his pleasure - sec. 64. S/he may decide the number of such officers (ministers) of State, in the event of no provision by Parliament - sec. 65.

With the Executive Council, s/he appoints civil servants - sec. 67; and appoints Justices of the High Court, and also receives their resignations - sec. 72.

By section 68 the Governor-General is Commander in chief of the naval and military forces of the Commonwealth.

Under section 126 s/he may appoint person or persons to be her/his deputy or deputies, exercising such powers as s/he assign, subject to limitations or directions given by the queen.

Finally, by section 128, the Governor-General may submit a referendum proposal passed by only one house of parliament. S/he also gives assent to referendum results.

Most of these powers are exercised by the Governor-General on the advice of her/his ministers, through the prime minister of the day. Even the word prime minister appears nowhere in the Constitution.

Those powers relating to the dissolution of parliament and the appointment of ministers are known as unwritten *reserve powers* and are the subject of convention - and controversy. Conventions 'underpin' the operation of the Australian Constitution and the Executive Government. A convention is an unwritten rule, not a law. It is an accepted way of doing something - 'a gentleman's way'. The 'Westminster parliamentary system' is built around

these kinds of unwritten rules. Thus, whilst some sections are adhered to literally - and scrupulously, others operate by accepted practices - as defined, or violated, from time to time !

As already noted, the Australian Constitution makes no mention of the prime minister, of ministers, of the Cabinet, or political parties. There is no rule which says that the Prime Minister must be a member of the House of Representatives. A literal reading of the Constitution suggests that the Governor-General runs the government.

When the Governor-General is a person of honour there are no problems which cannot be solved in free, open and cordial discussion; otherwise one encounters the most dishonourable abuses of the Constitution as it happened in November 1975.

On a literal reading, Section 64 of the Constitution states: “The Governor-General may appoint officers to administer such departments of State of the Commonwealth as the Governor-General in Council may establish. Such officers shall hold office during the pleasure of the Governor-General. They shall be members of the Federal Executive Council, and shall be the Queen’s Ministers of State for the Commonwealth.”

In practice, the Prime Minister is the person who leads the party with the majority in the House of Representatives, and the ministers are chosen by the Prime Minister who advises the Governor-General of the names and portfolios to be allocated to them.

It was this section of the Constitution that Governor-General Kerr abused to dismiss the Whitlam Government in 1975, secretly and deceitfully. This is the only instance in Australian federal political history of the Governor-General exercising the so-called *reserve powers* in this way. Such powers are un-codified and are quite ‘flexible’, for want of a better word.

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The promise ?

Let there be an acceptance of what the term ‘Socialism’ may mean.

It is an economic and social doctrine, supported by a political movement inspired by this doctrine, and system or order established when this doctrine is organised in a society. The

socialist doctrine demands 'common' - that is to say, state ownership and control of the fundamental means of production and distribution of wealth, to be achieved by reconstruction of the existing capitalist or other political system of a country through peaceful, democratic and parliamentary means. The doctrine specifically advocates nationalisation of natural resources, basic industries, banking and credit facilities and public utilities. Such broad view places special emphasis on the nationalisation of monopolised branches of industry and trade, viewing monopolies as inimical to the public welfare - the common good. It also advocates state ownership of corporations in which the ownership function has passed from shareholders to managerial personnel, preferably in a co-operative way. Smaller and less vital enterprises would be left under private ownership, and privately held co-operatives would be encouraged.

These basic tenets were at one time or other held by socialist as well social-democratic parties in the so-called 'western world', but not necessarily down to Australia.

Within these broad terms of reference there are variations. From an ideal point of view, the ultimate goal of all socialists is a classless co-operative commonwealth in every nation of the world.

Hence a socialist society is by definition pacifist, anti-militarist and anti-authoritarian.

From these premises, it is clear that the Australian Labor Party was hardly a socialist party - and is now more than ever far away positioned as such on the political spectrum.

The Australian Labor Party - Labour up to 1912 - claims its origins in the Labour parties founded in the 1890s in the Australian colonies prior to federation in 1901. Labor tradition ascribes the founding of Queensland Labour to a meeting of striking pastoral workers under a ghost gum tree - the mythical 'Tree of knowledge' in Barcaldine, Queensland in 1891. The Balmain, New South Wales branch of the party claims to be the oldest in Australia. Labour as a parliamentary party dates from 1891 in New South Wales, 1893 in South Australia and Queensland, and later in the other colonies.

Near the turn of the nineteenth century, in 1899, Anderson Dawson formed a minority Labour government in Queensland, the first in the world, which lasted one week while the conservatives regrouped after a split. By 1905 Thomas Price became the first Labour Premier of South Australia.

The colonial Labour parties and the trade unions were not unanimously enthusiastic in their support for a federation of Australia. Some Labour representatives argued against the

proposed constitution, claiming that the Senate as proposed would be too powerful, similar to the existing anti-reformist colonial upper houses - a 'bunyip aristocracy', some kind of 'sub-tropical' house of lords as in Great Britain. Labour people feared that federation would have further entrenched the power of the conservative forces. Yet, the first Labour leader and Prime Minister of a minority government for five months in 1904, Chris Watson, was a supporter of federation.

Andrew Fisher then formed another minority government 1908-1909. At the 1910 election, Fisher led Labour to victory. The Fisher Government was Australia's first federal majority government; it held Australia's first Senate majority, and was the world's first labour party majority government. This was the first time a labour party had controlled any house of a legislature, and the first time it controlled both houses of a bicameral legislature.

Fisher was the prime minister who would lead Australian boys into the bloodbath which followed the attempt at landing and holding of Gelibolu (Gallipoli) in April 1915, during the first world war.

Fisher was succeeded by William Morris Hughes, the former Minister for External Affairs in Chris Watson's first Labour government, and the Attorney-General in Fisher's three Labour governments in 1908-1909, 1910-1913 and 1914-1915.

Hughes was an experienced 'navigator' of the political waters: over the course of his 51-year federal parliamentary career - and an additional seven years prior to that in a colonial parliament, Hughes changed parties five times: from Labour (1901-1916) to National Labor (1916-1917) to Nationalist (1917-1930) to Australian (1930-1931) to United Australia - actually conservatives (1931-1944) to Liberal (1944-1952) - 'Liberal' of the Menzies brand. He was expelled from three parties, and represented four different electorates in two states. He was not 'an unhappy amateur', simply a turncoat.

By the end of the first world war, and under the spur of the Russian Revolution of 1917, support for socialism grew in trade union ranks, and at the 1921 All-Australian Trades Union Congress a resolution was passed calling for "the socialisation of industry, production, distribution and exchange." As a result, Labor's Federal Conference in 1922 adopted a similarly worded 'socialist objective', which remained official policy for many years. Every triennial Labor conference of the 1950s and early 1960s added to or modified the objective until finally the historic commitment was almost completely obscured by a mountain of prose and "explanations."

The resolution was immediately qualified, however, by the so-called ‘Blackburn amendment’, which explained that “socialisation” was desirable only when it was necessary to “eliminate exploitation and other anti-social features.” For all practical purposes, the ‘socialist objective’ was still-born and became an exercise in equivocation. Only once has a federal Labor government attempted to nationalise any industry - the Ben Chifley’s attempt at bank nationalisation of 1947, which was held by the High Court to be unconstitutional. The commitment to nationalisation was abandoned by the Whitlam Government (1972-1974 and 1974-1975) and the Hawke’s Government (1983-1991) carried out too many free market reforms to insist on the pretence that it was socialist - even social-democratic. Two example may suffice: the Hawke-Keating government was responsible for the floating of the dollar and the privatisation of state enterprises such as Qantas airways and the Commonwealth Bank.

Up to the present, in one way or another, Labor has been in office, even if not always in power during 1929-1932, 1941-1945 and 1945-1949, 1972-1974 and 1974-1975, 1983-1991, 1991-1996 and 2007-2013.

Labour and its affiliated unions were from the inception virulently racist, as strong defenders of the ‘White Australia Policy’ which banned all non-European migration to Australia. This policy was partly motivated by nineteenth century theories about ‘racial purity’ and by fears of economic competition from low-wage overseas workers which was shared by the vast majority of Australians and all major political parties. The ‘policy’ was of fairly elastic definition: once the attempt to exterminate the Indigenous People had failed, the anger about ‘differentness’ was re-directed against anti-Fascist refugees in the 1920s and 1930s - some of them sent to die in concentration camps run by a combination of Australian Britons and Italian Fascists, Jewish refugees in the 1930s and 1940s, *dagoes* - persons of Italian or Spanish birth or descent, *wogs* - with an extension to the Greeks, simply *Jew* - taking care to spit the word, and any other who may not have the good fortune of descending from British loins. The ‘policy’ had to wait for the Whitlam Government to be done away with. Totally isolationist until Great Britain called to two world wars, Labor opposed all migration, on the grounds that immigrants competed with Australian workers and drove down wages. The ‘policy’ persisted until after the second world war. Then the Chifley Government launched a major immigration programme - out of sheer necessity. Recently, also for electoral purposes, Labor has become an advocate of *multiculturalism* - more of a circus which is based on savouring different recipes, attending dancing events and listening to

boring, stereotyping and self-congratulatory speeches. The old policy remains against people of the Muslim faith - the *Muzzies*, or the 'undesirables' - meaning by that *poorcrists* who may attempt to obtain recognition as asylum seekers, regardless of the means they take to reach Australia. The Labor government and now the Liberal government systematically deported them to far away islands, thousands of kilometres from Australia, run by corrupt 'client-states', and threateningly told that they would never-ever be allowed into Australia. That is the good, charitable, compassionate society, which sees itself as gratefully swimming in the great river of the Judeo-Christian tradition !

One would have to wait for Gough Whitlam to define a programme, the nearest one could consider a doctrine - certainly a promise. It was done in 1961, when Whitlam delivered the John Curtin Memorial Lecture.

During the course of the Lecture, Whitlam touched on the following points: the modernisation of the Constitution, the sterility of the States, the Liberal regulation of taxation, Public Planning, Planning for government activities, Nationalisation and Public enterprise. The lecture was a veritable Programme for the forthcoming Labor government. Whitlam had to wait eleven years to translate words into action.

He said: "The Australian Constitution is the most archaic and the least amended in the world. It was framed by members of State Parliaments in the 1890s on the United States model of the 1780s. The American model has been altered more often and more extensively and more recently than the Australian. A record time has now elapsed since the people were last given the opportunity to amend the Constitution. They can only amend it if the Federal Parliament passes a bill and the Federal Government presents the bill to them at a referendum. This has been one of the Menzies Government's grossest derelictions."

And he wondered: "In what other industrial country has the national parliament so restricted a right to pass laws on industrial matters, restrictive practices and interest rates, companies, marketing and transport ? Ours is the only federal system where some matters are beyond the legislative competence of the Federal Parliament and all the State Parliaments acting in concert. The Constitution's archaism and anomalies and inadequacies become more burdensome and frustrating as Australia becomes a greater trading and industrial country."

Whitlam noted that "In most countries socialist parties merely have the task of persuading the electorate of the virtues of their policies. ... In Australia, socialists are often demoralised because no parliamentary means have been found to nationalise private industries and

services while inadequate means exist to plan them. At the same time they have devoted too little initiative and imagination to applying the Commonwealth's constitutional opportunities of competing with private interests and internationalising them."

He then proceeded to deal with two aspects of policy that he would stress.

Dealing with the sterility of the States - as he called it, he said: "It is no solace to say that the States could pass laws on many economic and social matters on which the Commonwealth cannot pass laws. The States have never agreed on common economic policies and probably never will."

Coming to deal with public planning, Whitlam observed that "The general lines of national policy should be clearly laid down and pursued by governments in trade, transport, education, housing, health, social welfare, industrial expansion and national development. These objectives can only be achieved through national planning, both economic and physical. ... Society is becoming more urban and technological. ... [and] Private enterprise must conform to the general guide lines laid down by government planning. In many instances this can be achieved by regulation - by inducements and penalties in taxation and credit. Government's activities themselves must also be coordinated. In some instances achievement of planned targets will require nationalisation where an industry is extremely inefficient and where efficiency requires a monopoly in the industry. In other instances abuses and inefficiency can best be cured by public competition setting the standard and the pace."

Planning for corporate activities would have proceeded through taxation, exports and imports, the activity of supervisory agents and international treaties. Planning for government activities would develop in the areas of transport, housing and education and health services.

Turning to the thorny subject of nationalisation, Whitlam considered that "The Australian Labor Party's attitude to more equitable and efficient regulation of the economy is often thought or alleged to centre chiefly or solely on nationalisation. The party's objective is "the democratic socialisation of industry, production, distribution and exchange to the extent necessary to eliminate exploitation and other anti-social aspects in those fields." This is a limited, negative and apologetic definition which makes little allowance for the creative scope of socialist measures. "Socialists should not be content with nationalising where necessary; they should be intent on competing where possible and initiating where desirable.

It is as important for them to protect the consumer as the employee. The sins of capitalism in Australia today are ones of omission rather than commission and of not being sufficiently enterprising and independent.”

He then touched on the problems presented by Section 92 of the Constitution, which “lays down that ‘trade, commerce and intercourse among the States shall be absolutely free’ - although the meaning of those words has been disputed by different courts at different times in different ways, and by and large in favour of a conservative view.

In the part of the lecture dealing with Public enterprise, Whitlam opened with the following words: “Nationalisation is now the most difficult and least important aspect of socialism for an Australian government to achieve. It is often neither essential nor sufficient. It would be less relevant and effective than a generation or more ago when there were fewer large companies in Australia and those companies were Australian-owned. Australian industry now depends much more on access to international patents and markets. What would it profit Australians to vote at referenda in favour of nationalising the oil, drug and aluminium companies and be cut off from oil supplies, drug formulas and aluminium markets ?”

And further: “One still hears the argument that public enterprise is not successful.” Whitlam gave several examples - in shipping, banking, aviation, minerals, oil refining, engineering, electricity and steel - and referred to institutions which were eminently successful, but in time would be thrust to the greed of private entrepreneurs and unscrupulous speculators.

Whitlam confirmed his faith that “Not only is public enterprise financially successful; it is economically basic and productive.”

He made observations on enterprises by the Commonwealth under its designated powers, those based on the Territories, those based on the States, the joint enterprises by the Commonwealth and other countries, and the Commonwealth pioneering enterprises.

The speaker then concluded: “The Australian Government has as much constitutional freedom as any other national government to plan the public sector in Australia and to make arrangements with other countries. Through its financial hegemony it can create better conditions in transport, housing, education and health; it can create new industries; it can create new communities. Through international arrangements it can share in the more orderly and equitable production, distribution and exchange of goods and skills. Socialists have to play the most dynamic role in the relatively skilled and affluent community inhabiting our remote, dependent and unevenly developed continent.”

All that sounded like a clarion call to action. Action came superbly well planned and vertiginously fast in December 1972. Fifty years later, it is all gone. The Royal Ambush had taught something to the newcomers at the rudder of Labor. What will be seen further on.

Various ideological beliefs were factionalised under reforms to Labor under Whitlam, resulting in what is now known as the Socialist Left which, albeit in a disorderly fashion and grand incoherence, wishes to appear as favouring a more interventionist economic policy and more socially progressive ideals, and Labor Right, the now dominant faction which sees itself as 'realist' and makes every possible effort to appear more economically liberal and interested to a lesser extent in social issues. The Whitlam Labor government, marking a break with Labor's *socialist* tradition - if ever there was one, might have pursued simply *social-democratic* policies rather than *democratic socialist* policies. But one should never forget that Whitlam led the Labor Party back to office at the 1972 and 1974 elections, and passed a large amount of legislation.

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The delivery

The Whitlam Government is often reviled, particularly by the main stream media which are controlled by two large and unequal sources. One is apparently local and the other, the larger, is a tool of *Murdochracy*. Nevertheless it should be honestly acknowledged that in three tormented years the Whitlam Government managed, among other things:

- to end conscription,
- to bring the boys back from the criminal adventure which was Vietnam,
- to reopen diplomatic ties with China,
- to recognise the independence of Papua New Guinea,
- to establish the Law Reform Commission,
- to abolish appeals to the Privy Council,
- to establish the Legal Aid Office,
- to establish the Trade Practices Commission,
- to establish a single Department of Defence,
- to establish Medibank,

- to begin the work for the recognition of Indigenous land rights,
- to set up Telecom and Australia Post from the Postmaster-General Department,
- to begin to work towards equal pay for women,
- to abolish tertiary education fees,
- to raise the age pension to 25 per cent of average male weekly earnings,
- to introduce no-fault divorce,
- to see enacted a series of laws outlawing racial and sexual discrimination,
- to extend maternity leave and benefits to single mothers,
- to prepare the construction of the National Gallery of Australia,
- to establish the National Parks and Wildlife Service,
- to set up the National Film and Television School,
- to establish the Order of Australia to replace the British Honours system, and
- to change the national anthem to ‘Advance Australia fair’.

And so on. If nothing else it went into power with a sense of agenda and spent its short term in office obsessed, perhaps fatally, by its execution.

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The *coup* against the Whitlam Government

In the speed, depth, width and volcanic changes it brought about the Whitlam Government sowed the seeds of its demise.

Whitlam carried within himself the Gramscian truth: “Pessimism of the intellect, optimism of the will.”

Here was this tall man, this profoundly educated man, this born-to-teach leader, this magnetic public speaker, this devout family man, who might have initially interested, even appealed, to a populace accustomed to the blandness of a Curtin, or the lack of inspiration from a Chiefly, or the poltroonish and servile attitude of a Menzies. Menzies had lasted sixteen long years, during which the Australian people was subjected to the type of narcosis which comes

with sycophancy to the so-called Windsor, obeisance to the ascending American Empire, isolating nationalism, and the soporific platitudes which came with the regime.

Nor was there the good-natured but ineffectual rule of a John Gorton, or the butler-like performance of a Harold Holt, closed with the indescribable short term of William McMahon.

At the end of those twenty three years of 'liberal' regime, the Australian people was not that of a great country, dedicated to the freedom and flourishing of every individual in it. The individual was finished. The single, solitary human being was finished, because Australia was no longer - if it ever had been - a nation of independent individuals.

It was a place inhabited by some 13 million whiter-than-white, deodorised, transistorised, steel-belted bodies, out-standing regional bullies totally insignificant as human beings, and as replaceable as their fancily finned cars' piston rods. Their only justification was that, in their limited view, the whole world was becoming mass-produced, programmed, numbered, made up of insensate things.

And then there was Whitlam, with his passion for The Programme, and his obsession to realise it.

He himself had under-estimated the forces of reaction, or rather the reactionary forces which were about to be unleashed - by what passed, and still passes - as the Establishment of a place that Donald Horne called in 1964, ironically of course, 'a lucky country', but more seriously one 'run mainly by second-rate people who share its luck'.

Whitlam had arrived to disturb the peace of the mandarins of the 'public' service - whom he expected to do their duty to the new government, of the judges - whom he expected to be truly impartial, of the military - whom he expected to serve the civilian government, and of a Governor-General - whom he expected 'to do his duty', as Whitlam confidently told his friends in the crucial days of November 1975. He had a boundless confidence in Section 64 of a Constitution *octroyée* by the Imperial Parliament of a foreign country, and which says literally: "The Governor-General may appoint officers to administer such departments of State of the Commonwealth as the Governor-General in Council may establish. Such officers shall hold office during the pleasure of the Governor-General. They shall be members of the Federal Executive Council, and shall be the Queen's Ministers of State for the Commonwealth." !

Whitlam believed that Kerr as Governor-General would take, as is the norm, “advice from his Prime Minister and from no-one else.”

Whitlam had ‘troubles’ from within his own house: a relentlessly radical, idealistic Treasurer and Deputy Prime Minister in Dr. James Ford ‘Jim’ Cairns, and a stubborn Reginald Francis Xavier ‘Rex’ Connor, Minister for Minerals and Energy, a dreamer of a grand project of energy self-sufficiency who was determined ‘to buy back the farm’. He was, regretfully, forced to dispose of both of them - swiftly, too.

Whitlam made real enemies abroad: President Nixon, and his band of gangsters, led by Dr. Henry Alfred Kissinger, Nobel Peace Prize - no less !, who was at the time serving Nixon as National Security Adviser and later, concurrently, as Secretary of State.

In his diary in March 1969, Nixon’s chief of staff, Harry Robbins ‘Bob’ Haldeman, noted that the final decision to carpet bomb Cambodia ‘was made at a meeting in the Oval Office Sunday afternoon, after the church service’. In his diary on 17 March 1969, Haldemann wrote: “Historic day. K[issinger]’s “Operation Breakfast” finally came off at 2:00 pm our time. K really excited, as is P[resident].” And the next day: “K’s “Operation Breakfast” a great success. He came beaming in with the report, very productive. A lot more secondaries than had been expected. Confirmed early intelligence. Probably no reaction for a few days, if ever.”

President Nixon and Dr. Kissinger would go to a great lengths to keep the missions secret. The ‘secret bombing’ had begun. The mission was designated *Breakfast*, after the morning Pentagon planning session at which it was devised. Forty eight of the 60 bombers which had left Guam were diverted across the Cambodian border and dropped 2,400 tons of bombs.

Why, *Breakfast* was so successful that the Commander-in-Chief ordered it be followed by *Lunch, Snack, Dinner, Supper and Dessert* !

Strategic Air Command flew 3,800 B-52 sorties against ‘the targets’, and dropped 108,823 tons of ordnance during the missions. Due to the continued reference to gastronomic situations in the codenames, the entire series of missions was referred to as Operation *Menu*.

The ‘secret bombing’ was resumed in 1972 and by the end of the new mission in 1973, named *Freedom deal*, American aircraft had dropped 250,000 tons of bombs - primarily high explosive, topping the 180,000 tons dropped on Japan during the second world war.

Since the inception of the *Menu* bombings in March 1969, the total amount of ordnance dropped on Cambodia reached 539,129 tons. On 15 August 1973 the last mission of *Freedom deal* was flown.

On the morning of 20 December 1972 an Australian diplomat arrived at the entrance to the White House's West Wing to deliver an urgent letter from his new Prime Minister, Gough Whitlam.

Addressed to President Richard Nixon, the letter laid out Whitlam's response to the United States' so-called 'Christmas bombings' of Hanoi and Haiphong, North Vietnam's major population centres.

The military offensive had been Nixon's attempt to break the will of the North Vietnamese at a time when their leaders were deemed unresponsive to renewed American pressure for peace. As National Security Adviser Dr. Kissinger had remarked to Nixon, 100 B-52s was akin to "a 4000-plane raid in World War II ... it's going to break every window in Hanoi."

Little wonder that *The Washington Post* characterised the attacks as "the most savage and senseless act of war ever visited, over a scant 10 days, by one sovereign people over another."

The bombings provoked worldwide condemnation, including from the Swedish Prime Minister, Olof Palme - long a stone in Washington's shoe - who compared them to other notorious 'outrages' such as Katyn and Treblinka. As Kissinger later recalled, even Moscow and Beijing were more restrained.

Whitlam's private words to Nixon were mild by comparison. He questioned "most earnestly" whether the resumption of the bombing would achieve "the return of the North Vietnamese to the negotiating table in a more forthcoming frame of mind."

However, towards the end of his letter, Whitlam signalled his intention to invite other East Asian nations to join Australia in issuing a public appeal to both the United States and the northern part of Vietnam to return to peace talks. He further hinted that, while he would not make such an appeal public, he might have to let the Australian people know that a stern letter of protest had been sent.

After all, his party had opposed the war since Menzies had committed troops in 1965 - on a lie. Whitlam had once called it "the war of the great lie" and wanted "to assist the American people in the liquidation of the war they had come to hate."

Now in power, some senior ministers shelved any pretence of moderation. In the wake of the bombings, they accused the White House of being “maniacs” and “acting with the mentality of thuggery.” Well, what else was it ? Deputy Prime Minister Dr. Jim Cairns called it “the most brutal, indiscriminate slaughter of women and children in living memory.”

American officials were aghast. They had long feared the advent of a left-of-centre government in Australia. Certainly they had never quite seen a letter like Whitlam’s from an Australian leader.

From the American Administration of President Nixon’s perspective, Whitlam had done the unthinkable. He had put the United States on the same level as its Communist enemy.

Whitlam’s letter had landed first on the desk of a senior Asia specialist under Dr. Kissinger. The specialist immediately instructed the State Department to start warning key Asian capitals, especially Tokyo and Jakarta, of a possible Australian initiative on the peace negotiations.

The Nixon Administration, already under pressure to bring the war to an end - and attempting to survive the Watergate scandal - felt that Australia’s proposed action might derail the chances for a negotiated settlement with Hanoi, towards which Dr. Kissinger had been painstakingly working.

Dr. Kissinger responded with a blunt, forceful warning. At mid-afternoon that same day he rang the Australian Ambassador, James Plimsoll. But Plimsoll had already left on his way to consultations with Whitlam back in Canberra.

So Dr. Kissinger had to be satisfied with talking to Number 2 at the Embassy.

After an exchange of the customary pleasantries, Dr. Kissinger proceeded to deal “About the letter of your prime minister.” And he went on: “I don’t know how I can tactfully convey something which we don't want to have officially recorded, is that possible ?” Number 2 agreed. “If you could convey that we are not particularly amused being put by an ally on the same level as our enemy ... I must tell you it’s not the way to start a relationship with us.”

Had Whitlam’s intention become public, Dr. Kissinger added, “it must have great consequences for our relationship.” He hardly needed to spell them out. Dr. Kissinger was talking about the future of the American-Australian alliance.

Number 2 undertook to convey the essence of the conversation to the head of the Foreign Affairs Department in Canberra, Sir Keith Waller. "I'll get this back for sure, Dr. Kissinger." - he said.

And that was it. The call was so swift and brutal that the White House staffer who typed up the *verbatim* transcript misspelled the Australian capital as *Kenbrook* and Waller, *éminence grise* of Australian diplomacy, as "*skeef wall*."

Dr. Kissinger made clear that the Americans would not officially reply to Whitlam's letter. They could not bring themselves to bestow any sort of dignity on the message.

What the Australians received instead was Number 2's summary of Dr. Kissinger's threat. As Sir Keith Waller, accustomed to more formal diplomatic niceties - maybe, full force British hypocrisy, said at the time: he had "never seen such language" in a communication from one government official to another.

White House tapes which came to light fifty years after the event show that Dr. Kissinger, in a private phone conversation with President Nixon on 29 December 1972, dismissed Whitlam's letter as a "cheap little manoeuvre" and an "absolute outrage." The Nixon-Kissinger duo was accustomed to treat Australian government like nobodies, dirt - a treatment which was compliantly received.

The proposed joint appeal to the Washington and Hanoi was derided as a sop to leftist gadflies - a "grandstand play" for domestic public opinion. It was, Dr. Kissinger added, "very dangerous, and very stupid, too."

In classic, *Realpolitik* style Dr. Kissinger moved seamlessly from denunciation of his opponent to the ultimate power equation: from "the minute the Vietnam war ends", he quipped, the Australians "will need us one hell of a lot more than we need them."

Nixon could only agree: for Whitlam "to imperil" his country's relations with the United States was "one hell of a thing" to do.

In that conversation, Nixon and Kissinger agreed "to freeze" Whitlam "for a few months" so that he would "get the message."

Nixon ordered that all contact with the Australian Ambassador be avoided, that no New Year's messages be sent to the Australian Prime Minister and, concerned that the State Department might run an alternative agenda, that all cables to Canberra be cleared through Dr. Kissinger's office.

Whitlam, Nixon fumed, was “one of the peaceniks ... he is certainly putting the Australians on a very, very dangerous path.”

The signing of the Geneva peace accords at the end of January 1973 helped ease relations, but the White House was determined to make Australia pay. Besieged by Watergate, Nixon stubbornly delayed inviting Whitlam to visit the White House for nearly five months. The delay was all the more significant as Nixon had agreed to host the Soviet Leonid Brezhnev about the same time.

Meanwhile, *The New York Times* ridiculed Nixon’s behaviour as a “foolish display of public petulance towards a friend and ally.”

Nixon appointed Marshall Green, the State Department’s top Asia specialist, to be the new Ambassador to Australia. That appointment of Marshall Green in 1973 indicates how seriously the United States was viewing the situation. Green was by far the most experienced man to be appointed Ambassador to Australia - a *sine cura* usually given to amateurs: personal friends of the president, money bags supporting the Administration, second hand car salesmen and the like. Green was a career diplomat who had ‘served’ one way or another in many countries important to the ascending American Empire. In the words of an out-spoken Labor senator, he was “a hatchet man”. His appointment in other ‘client states’ had been followed by political upheaval and ‘regime change’.

Officially Green was to maintain the bases in Australia; to keep the door open to American investment; and to encourage Australian political support to the United States when and where it needed it - Indonesia, the former East Timor, Vietnam and farther away Korea.

At Green’s farewell lunch, Nixon told him: “Normally, I wouldn't send you to a place like Australia, but right now it is critically important.” Nixon spoke disparagingly of Whitlam, finally saying: “Marshall, I can’t stand that ... [there followed a string of significant expletives].” As Green later recalled, it was a “strange kind of parting instruction to get from your President.”

Ambassador Green would refer to Whitlam as a “whirling dervish” who had been “moving on matters of vital interest to the US without the prior consultation that we have come to expect from Australia.”

When Whitlam at last met Nixon in the Oval Office at the end of July 1973, he appeared to ‘fall back into line’. Before the meeting, he confided to Dr. Kissinger that any new Australian prime minister still had “to get his legitimacy within the first few months by gaining

accolades from the White House.” After receiving a mini lecture from Nixon on the need “to stand together against predators” in the region - exactly the type of old cold war language that Whitlam abhorred - he nevertheless reassured his host that “Australia’s effectiveness in its relations with Asia depends upon good relations with the U.S.”

Yet, in public Whitlam maintained his position that Australia needed a “more mature, less adulatory” relationship. In essence, Whitlam wanted the Americans to consider the different needs and interests of its A.N.Z.U.S. allies.

It is testament to just how much Labor got under Nixon’s skin that he gave real thought to abandoning the A.N.Z.U.S. treaty. Little over a month before he resigned from office, Nixon ordered a top secret study of American relations with Australia. He asked his advisers to explore options for relocating key American intelligence installations in Australia elsewhere, assess “the impact on our alliance with Australia of curtailing or ending intelligence sharing”, and analyse “the prospects for growing divergence between Australian and US policy in Asia and elsewhere.”

Significantly, the Fraser, Hawke and Keating governments followed Whitlam’s example by keeping the alliance at the centre of Australian security policy while devoting the bulk of their creative energies to a comprehensive engagement with Asia.

In recent times, however, both Kevin Rudd and Julia Gillard have been quick to wrap themselves in the Stars and Stripes. Concerned their commitment to the alliance might appear suspect, both have fallen over themselves to appear unwaveringly pro-American.

Similarly, blogging as a private citizen in November 2011, Bob Carr raised reasonable, rational questions about Gillard’s agreement to station a permanent American military presence in northern Australia. He quickly and quietly disposed of such views as soon as he was appointed Foreign Minister in March 2012.

Australians would experience and survive the lies of Menzies, they would live during those of Howard, and would prepare themselves for the overwhelming outpouring of lies by a Jesuit *manqué* like Abbott.

But Whitlam’s successors had learned their lesson !

* * *

The lesson/s learned

Instruction was coming from what were then regarded as ‘the right people’, ‘the respectable leaders of public opinion’. And who were they? Why, every person ‘of position’.

They were - and are - ‘Liberal’-Country Party Opposition politicians, some judges who could not cope with the rabble who had descended upon the town and instead of moving away fast was threatening to stay long before their tried welcome, people living in the suburbs *bene* of the large cities - the leafy North Shore of Sydney for instance, dark side remittance men, ambulance-chasers, high-life coupon-clippers, people untouched by work, *rentiers*, property developers, ‘real’ estate peddlers, turf-accountants, anti-abortion practitioners, bean counters.

For 23 years before 1972 the Australian people had been electing ‘the right people’ - to be found in the Liberal-National Country Party Coalition - actually a combination of ‘urban conservatives’ and Agrarian-Socialists - headed for most of that period by Robert Menzies.

The Coalition was essentially conservative, deriving its *raison d’être* exclusively as anti-Labor at home and sycophantic obeisance abroad to Great Britain first, and then to the United States. A quintessential expression of this sycophancy had pushed Menzies to despise Australia. He once said: “A sick feeling of repugnance grows in me as I near Australia.” He would much have preferred to have been the prime minister of Great Britain. He proclaimed himself ‘British to the boot-straps’. Never mind that even the English would not have had a bar of him as such. He so much disliked his native country that he begged the British government to conduct their nuclear tests from 1952 to 1958 in the Australian desert at Maralinga, South Australia. It did not matter that it was the home of thirteen Indigenous People groups. He did not even consult his cabinet.

As John Pilger wrote in *A secret country*, “Australia gained the distinction of becoming the only country in the world to have supplied uranium for nuclear bombs which its Prime Minister allowed to be dropped by a foreign power on his own people without adequate warning.”

Malcolm Fraser was an example of ‘British propriety’.

Later Liberal prime ministers turned their sycophancy towards the United States. John Gorton said in 1969: “We will go a-waltzing Matilda with you”, and Harold Holt coined the phrase “All the way with LBJ.” Australian ‘Liberal’ governments really meant and did all that.

William 'Billy' McMahon became a caricature of the all-time servant, and lasted less than two years - to December 1972.

Once elected, the Whitlam Government and its ministers, and particularly Deputy Prime Minister Dr. Cairns and Minister for Minerals and Energy 'Rex' Connor, set down 'to buy back the farm'.

However, 'buying back the farm' would not be cheap for a nation in the grip of inflation and economic stagnation.

All that rendered the task particularly difficult.

The 1973 oil crisis had pushed the costs of energy to an all-time high, and caused disarray to economies all over the world. Australia suffered with the rest of them, with rising inflation and unemployment.

The other side to the oil crisis of 1973 was that the members of the Organisation of the Petroleum Exporting Countries in the Middle East were rolling in petrodollars. To Whitlam, Cairns and Connor, the Middle East seemed an appealing source of funds, as it would also be yet another step towards gaining independence from Australia's 'traditional economic partners'.

'Traditional economic partners' meant, more importantly still means today: the City and Wall Street. The Finance mandarins in Canberra knew then, and know now, nothing else. They also clearly ignored that a lot the money lent by the City and Wall Street was coming to those august institutions in petrodollars. It would have been acceptable to borrow from those two institutions - totally unacceptable to borrow directly from Arab countries.

Whitlam did not mind that. He knew his Latin very well : *pecunia non olet* = money does not stink, so seems to have said the Roman emperor Vespasian (69-79 of the common era). In modern Romance languages, urinals are still named after him - for example, *vespasiano* in Italian, and *vespasienne* in French probably in reference to a tax he placed on urine collection. At that time there was no City, and of course no Wall Street. What, and above all where, the barbarians would do and go to relieve themselves is left to imagination.

In 1974 Whitlam instructed Connor and Cairns to find a Middle Eastern source for a US\$ 4 billion loan.

Dr. Cairns, an honourable man who was inclined to trust people as if they all were equally honourable, fell into a trap and was confronted with a letter in which he was charging

someone with procuring a US\$ 4 billion loan to the government at a 2.5 per cent interest - an offer that he had flatly, categorically rejected ! He had never seen the letter, and never signed it. But, unfortunately, he had said so to Parliament and for that was forced to resign his positions.

The 'Connor affair' was somewhat more complex. He had estimated that Australia's mineral and energy reserves were worth AU\$ 5.7 trillion. A person in Adelaide, knew a prominent person in Adelaide, who knew the manager of a London-based commodity-trading firm, which was associated with a business firm in the Netherlands, which was connected with another business firm in Hong Kong. The London manager volunteered to broker the loan, received a letter of introduction - duly approved by the Federal Executive Council - from Connor and got down to work. It was 11 November 1974.

The top mandarin at the Treasury Department raised some suspicion with Dr. Cairns about the carrier of the letter of introduction. One and half month later, given the apparent inability of the manager to raise the money, Connor terminated the appointment. Late in January 1975 Connor was authorise anew to deal with the manager. The manager failed again and towards the end of May 1975 the authority was revoked. By mid June Whitlam told Parliament that there was no longer an outstanding appointment. Connor was asked to table in Parliament all documents concerning the unfortunate relationship. He did. What he did not do was tell Parliament that he was still, secretly, dealing with the manager.

In October 1975 the manager showed up in Canberra, carrying two suitcases which contained all the telexes Connor had sent him, and more information. On his arrival he had been provided by bodyguards who took him safely to the Opposition rooms in Parliament House. The following days the papers were full of the documentation of Connor's secret dealing. The Liberal-Country Party Coalition denied that it had anything to do with the manager, that it had paid for the trip to Australia - and some. The fact that some media bought most of the telexes from the manager had nothing to do with the Opposition.

At mid-October Connor was forced to resign.

By then the government was fully immersed in the crisis which brought about its dismissal by Governor-General Kerr.

Fraser's much desired "reprehensible circumstances" which would authorise to have the Senate block the passage of the Budget had arrived. Note that the Senate ordinarily does not do that if the House of Representative has approved the Budget.

But at this point no further pretext was needed for the forceful boarding of the Whitlam ship. Labor had won the election in 1972. It had the majority in the House of Representatives, where the government are formed, but did not have a majority in the Senate. The situation repeated itself after a new election had been forced by the Opposition blocking the Budget in the Senate. Whitlam had called an election for May 1974; won the election for the House, but not for the Senate. There was, however, a new Leader of the Opposition, Malcolm Fraser, a wealthy squatter from Victoria, able, intelligent, aggressive and very, very thirsty for power.

Accidental death of a Labor senator, and a move of another to the High Court, provided the occasion for the fight to the end. State premiers made their contribution by replacing the dead and the resigning senators with two puppets for the Opposition. Now the Opposition had a majority.

Outside Parliament Fraser could count on a combination of 'anti-Labor' forces: top bureaucrats, representative of big business, of the legal profession, of the media, of those who pass as 'the right people'.

The struggle over the ousting of the government began in earnest - so to say. It intensified in October and came to an end in November 1975.

The respective positions were these: on 16 October the Coalition senators, under Fraser's orders, deferred the Budget bills introduced by the Whitlam Government.

Day after day in the Senate, Coalition ministers refused to pass the Budget. Without its passage, the government would run out of money and would not be able to pay civil servants' wages or pensions. The business of government would grind to a halt and cripple the country.

The Opposition insisted that Whitlam call an election for December 1975. Whitlam refused and threatened a half-Senate election - which would cause the Senate to go to the polls - something Fraser did not want, due to the threat that Fraser could lose seats and, therefore, control of the Supply bills. Neither side would back down.

Meanwhile Governor-General Kerr made feeble attempts to broker a peace.

The Budget crisis continued for more than a month.

On 11 November Parliament sat as usual, after the morning commemorations for Remembrance Day. Whitlam and Fraser met in the mid-morning, and Fraser made it clear that he would accept nothing less than a full election. Whitlam then telephoned Kerr to make

a 1 p.m. appointment to speak to him about a half-Senate election. Kerr then rang Fraser and made an appointment to see Fraser 10 minutes after his meeting with Whitlam. Fraser arrived early, and to save appearances, Kerr insisted that his car be parked at the back of the official residence, where the delivery door for goods and services is, so that Whitlam would not see Fraser's car. Fraser was led to a back room.

When Whitlam arrived and was led to Kerr, even before Whitlam could present Kerr with the letter requesting a half-Senate election, Kerr asked the Prime Minister if he would hold a full election in December. Whitlam said no, but offered to hold a half-Senate election. The Governor-General then activated his *reserve powers*, and terminated Whitlam's commission, at 1:10 p.m. delivering to Whitlam a letter of dismissal of him and his government from office.

After Whitlam left, Kerr appointed Malcolm Fraser as caretaker Prime Minister until an election could be held on 13 December. It was not a Gilbert and Sullivan-*esque* situation, more a conspiracy worthy of the Bass Empire.

Whitlam had stormed out and gone back to the Prime Minister's residence, without informing his Senate ministers of what had occurred.

The Senate resumed sitting after lunch, at 2 p.m. The change in government had not been publicly announced, but Fraser had informed Coalition ministers in the Senate. So when Labor Senators re-introduced the Budget Bills 75 minutes after Whitlam was dismissed, the Coalition ministers passed the Budget, thus guaranteeing their new government had Supply.

The new Coalition government called for an election on 13 December, the last possible day to hold an election before the new year.

Fraser won the election.

This is not the place to expand on the Governor-General's behaviour. But this little should be said: - he had secretly, and against Whitlam's negative opinion consulted the Chief Justice of the High Court - a notorious 'anti-Labor' person, a former minister, Attorney-General and Minister for External Affairs in Liberal governments; - he had also consulted by interposed person another member of the High Court, again without informing the Prime Minister who doubtedly would have approved; - he had consulted with the Governors of New South Wales and Victoria, securing from them the commitment not to issue writs for a half-Senate election. He had done this without informing Whitlam.

Kerr acted secretly, quickly, depriving Whitlam of the choice that the sovereign or her/his underlings are said to guarantee: to consult, advise *et cetera* - and all of that in good faith.

But there was much more. On the predicate that Kerr represented the queen, if his action were to appear as dictated by opaque, indeed obscure, connections and consideration, Kerr action would amount to a *coup d'état*. *Cui prodest?*, one would ask.

The new Labor Government's changes in both domestic and foreign policy had earned Whitlam Dr. Kissinger's epithet of "one more effete social democrat." Neither Dr. Kissinger nor President Nixon had any time for Whitlam or people whom they branded for convenience as left-wing politicians in general.

Many persons in the 'intelligence' community, from the Director of the Central Intelligence Agency to some of its 'operatives' were concerned as to what the Whitlam government could do to the long-standing relationship between 'the right people' in Canberra and their controllers in Washington.

One highly positioned 'operative' was the head of the East Asia Division of the C.I.A., one Ted Shackley.

Shackley, whose nickname was the 'Blond Ghost', because he hated to be photographed, became involved in C.I.A.'s 'Black Operations.'

In early 1962 Shackley had become deputy chief of JM/WAVE - a project to kill Fidel Castro. Later on 'the works' became known as *Executive Action* - a plan to remove unfriendly foreign leaders from power. There is a theory among the myriad concerned with the assassination of President Kennedy, that *Executive Action* was being paid by Texas oilmen. In the autumn of 1963 Shackley and another were using members of *Operation 40* in another attempts to try and kill Castro. In 1966 Shackley was placed in charge of the C.I.A. 'secret war' in Laos. Shackley also played an important role in the overthrow and final assassination of Salvador Allende in Chile.

After Richard Nixon resigned, Gerald Ford brought in George H. W. Bush as Director of the C.I.A. This was followed by Shackley being appointed as Deputy Director of Operations. He therefore became second-in-command of all C.I.A. covert activity. Shackley was hoping eventually to replace Bush as director of the C.I.A. However, the election of Jimmy Carter was a severe blow to his chances.

After leaving the C.I.A. in September 1979, Shackley formed his own company, Research Associates International, which specialised in providing 'intelligence' to business.

From 1977 until 1979 Richard Armitage operated a business named *The Far East Trading Company*. This company was in fact merely a 'front' for Armitage's secret operations conducting Vang Pao opium money out of Southeast Asia to Tehran and the Nugan Hand Bank in Australia to fund the ultra Right-wing, private anti-communist 'anti-terrorist' assassination programmes and 'unconventional warfare' operation of Shackley and another as a 'secret team.'

The 'secret team', under the direction of Shackley and Armitage, set up several corporations and subsidiaries around the world through which to conceal their operations.

In October 1985 the American Congress agreed to vote US\$ 27 million in non-lethal aid for the Contras in Nicaragua. However, members of the Ronald Reagan administration decided to use this money to provide weapons to the Contras and the *Mujahideen* in Afghanistan. Shackley was involved in all this.

Shackley was paranoid about Whitlam. He shared such feeling with James Jesus Angleton, head of the C.I.A.'s Counter-Intelligence section, who despised the Labor government.

It is not possible to establish whether Shackley was in Australia any time in 1972 to 1975, simply because American 'intelligence' personnel entered, at list until the early 1980s, at friendly airports such as Richmond in New South Wales, where they would be less noticed.

Why would a new government in an allied country such as Australia cause such consternation? Simple: the Whitlam government had stepped on too many American toes both in domestic and foreign policy.

Several Labor politicians had been quite open against the aggression on Vietnam, and had become prominent in the anti-war movement. They publicly referred to President Nixon and Dr. Kissinger as 'mass murderers' for their conduct of the war.

After the well-know and already mentioned Whitlam letter, President Nixon was beside himself with rage. He strongly resented the implications that he was immoral and had to be told his duty by an outsider. Dr. Kissinger added that Whitlam's "uninformed comments about our Christmas bombing [of the northern parts of Vietnam] had made him a particular object of Nixon's wrath."

During a visit by the American Ambassador in Canberra, Walter Rice, Whitlam told him firmly that in a press conference the next day "It would be difficult to avoid words like 'atrocious' and 'barbarous'" when asked about the bombing.

Whitlam also brought up the issue of the American bases in Australia, and warned Rice that although he did not propose to alter the arrangements regarding the American bases, “to be practical and realistic,” - Whitlam said - “if there were any attempt, to use familiar jargon, ‘to screw us or bounce us’ inevitably these arrangements would become a matter of contention.”

Whitlam raised the issue of American bases in Australia - always a contentious one. Australians actually do not know how many there are. They had heard about Pine Gap at Alice Springs; they heard about others; they suspected about some. Nor do they care much that ‘the facilities’ are actually ‘shared’ in the sense that information is released by the operators. That may very well be the price for ‘protection’. As in the ‘street-work industry’ there are rumours: there has always been speculation that Pine Gap was run by the C.I.A. The timing of Whitlam’s reference was particularly critical: the agreement on Pine Gap was due for renewal at mid-December 1975. Whether what Whitlam was doing was in fact plain ‘sound and fury’ and nothing else, the C.I.A., in the person of Shackley, was worried. And so was the new ambassador: Marshall Green. Not for nothing was he referred to as ‘the coup-master’.

Green had ‘friends’ in Australia even before his arrival.

Whitlam, a man of honour, insisted that his choices and appointments need not be vetted by the Australia Security and Intelligence Organisation - the ‘keepers of internal checks’.

Sir Arthur Tange, permanent head of the Defence Department, and a man of confidence in the eyes of the American Administration, informed the American ‘intelligence’ of Whitlam’s unusual and daring decision. It was obviously irresponsible, dangerous and everything else to boot, particularly to the U.K.U.S.A., a multilateral, secret agreement for cooperation in signals intelligence between the United Kingdom, the United States, Canada, Australia and New Zealand. It was recently referred to as the ‘Five Eyes’ agreement. Because of its status as a ‘secret’ agreement, its existence was not known to the Prime Minister of Australia until 1973 - and that via Canada; it was not disclosed to the public until 2005, and it was published for the first time in history on 25 June 2010 - abroad of course, in Great Britain and the United States. Australians would know about it second hand - as it were. But Tange was deeply involved into it.

How could Whitlam be ‘trusted’ by ‘intelligence’?

After Whitlam's election the Australian Security and Intelligence Organisation and the Australian Secret Intelligence Service, the agency undertaking counter-intelligence activities and cooperation with other intelligence agencies overseas, did not care very much about the new government. Things would continue as before, serving the interests of Great Britain and of the United States - and never mind Australia. Old Nazis and neo-Nazis would go on undisturbed - Menzies had opened the doors to them, and that was alright before; now 'the enemy' was Communism, as re-defined from time to time by the goons of the secret services.

When the Nixon-Kissinger duo prepared, paid and armed the Pinochet *coup* against the legitimate government of Dr. Salvador Guillermo Allende Gossens, A.S.I.S. agents were in Chile working for the American government. When Whitlam discovered that by pure accident, he ordered the agents to return to Australia immediately. They did not obey, of course.

In October 1975, when Whitlam discovered that there were agents helping Indonesia to invade East Timor, he called A.S.I.S. director to account. William 'Bill' Thomas Robertson CBE, MC had not cared about informing the Prime Minister on that 'operation', so Whitlam terminated his appointment.

In the same month, Prime Minister Whitlam dismissed A.S.I.O. head Peter Barbour. Barbour had succeeded Brigadier Sir Charles Chambers Fowell Spry, CBE, DSO. Whitlam dismissed Barbour on grounds of inefficiency, coloured by a great deal of unsavoury rumour, which are best left unmentioned for the sake of the family.

In August 1974 Whitlam had established the Royal Commission on Intelligence and Security to conduct a comprehensive inquiry into Australia's security services, including their history, administrative structure and functions.

The Hon. Mr. Justice Robert Hope, of the New South Wales Supreme Court and a former President of the Council for Civil Liberties, was the sole Commissioner.

A commission to investigate secret services would not be very popular in Australia, and would attract the hostility of foreign agencies. The Commission concluded its work in 1977. It had gathered and accumulated thousands of records *only some* of which were made available to the public by Australian National Archives only in May 2008.

The security crisis reached its peak in early November 1975.

In October 1975 officers of the Prime Minister's department began to look into foreign intelligence involvement in Australia, including the American bases.

The officers informed Prime Minister Whitlam that one Richard Stallings, who had been the head of Pine Gap between 1966 and 1968, during the base's construction, was in fact a C.I.A. employee working under the cover of the American Defense Department. The Prime Minister's Department requested the Foreign Affairs Department for its list of all C.I.A. agents in Australia. Stallings' name was not on it. Not satisfied, the Prime Minister's office approached the Australian Defence Department, which might have had a more comprehensive list. It did, and Stallings appeared on that list.

The already mentioned Sir Arthur Tange, permanent head of the Defence Department, warned Whitlam that he (Tange) had a duty to inform the C.I.A. that Whitlam knew the identity of one of its deep cover agents. Whitlam had no objection. Now the C.I.A. had an obvious reason to worry about Whitlam and his respect for the alliance as understood in Washington.

While the battle between Government and Opposition was raging in November 1975, during the course of an impromptu speech Whitlam said: "Every week, [Malcolm Fraser] gets more and more desperate in his abuse of me. I have had no association with C.I.A. money in Australia as Mr. Anthony has." Whitlam was referring to Mr. John Douglas Anthony, AC, CH, deputy leader of the Opposition and leader of the Agrarian-Socialists, as a friend of Stallings. In fact, Anthony and Stallings had been friends for quite some time, after Stallings and his family had rented Anthony's Canberra home. There followed an accusation of the C.I.A. having provided funds to Opposition parties in Australia. Years later it was 'revealed' that the Opposition parties had 'been on the take' of the C.I.A. at least since 1967. Years later also it was 'revealed' that during the 1970s there were eight 'upfront' C.I.A. agents in Canberra, and up to 30 clandestine operatives throughout Australia. There also appeared sufficiently credible elements to conclude that both Dr. Cairns and 'Rex' Connor had been 'set up'. Companies such as TRW Incorporated, a California aerospace concern which did contract work for the C.I.A. had sought the facilities of the Australian government, such as the Trade Practices Commission set up by the Whitlam Government, to obtain 'clearances' under the *Trade Practices Act*. But was there ever the type of 'forensic' evidence which is ultimately requested to activate the *Act*? No, and none was sought anyway; at the Trade Practices Commission, for instance, TRW had the advantage of a 'compliant' chairman. Documents arrived, were rapidly passed under the eyes of the Commission to comply with the formality, were returned to the chairman and quickly 'disappeared' in his safe or amongst 30,000 files. Incidentally, TRW was no ordinary C.I.A. company. It was the de-coder in California of the messages coming from the Pine Gap base.

Back to Whitlam: he did not actually name Stallings. That was left to a newspaper, the correspondent of which had put two and two together. Richard Stallings, the friend of Anthony, was a C.I.A. employee, and was heading Pine Gap as a C.I.A.-run installation.

Defending himself, Anthony challenged Whitlam to produce the evidence, considering that the American Administration and the C.I.A. were in denial. Of course !

Tange was alarmed about the Stallings matter. After all, part of the alliance was to keep secret the bases and their operators. He recommended caution and discretion.

But Anthony did not want to have a bar of it; he put a question on the Parliamentary notice paper challenging Whitlam to speak up or shut up.

Whitlam never had the opportunity to do that under parliamentary privilege: the answer was scheduled to be read on 11 November - the day of the *coup*. A draft copy of the answer was circulated: Whitlam would have declared that the information on Stallings had come from the United States Defense Department through the Australian Defence Department.

The crisis had reached such a point that Ted Shackley, Chief East Asia Division of the C.I.A., thought it necessary to inform A.S.I.O headquarters in Australia through A.S.I.O.'s Washington office by a cable dated 8 November of the state of the affair.

The lengthy cable showed that Shackley was quite well informed: the C.I.A. had not provided funds to the opposition parties; yes, Stallings was a retired C.I.A. employee; the Australian press had identified and named several C.I.A. operatives in Australia; "reference to C.I.A. could [only] blow the lid off [the] installations where the persons concerned have been working and which are vital to both [countries of the alliance], particularly the installations at Alice Springs."; the security situation was at risk; would there be "a change in the prime minister's attitude in Australian policy in this field ?"; the ambassador was privy to the message contained in the cable.

Years later Shackley said that his cable had authorisation from above. From Dr. Kissinger maybe ?

The acting head of A.S.I.O. handed the cable to Whitlam.

As Whitlam would say in Parliament on 4 May 1977, "The coup on 11 November prevented that answer being given [to the question sought by Doug Anthony]."

In his book *The Whitlam Government, 1972-1975*, Whitlam briefly discussed the C.I.A. involvement in the 'security crisis' precipitated by the events of November 1975. He

commented that the newspaper stories disclosing the identity of Stallings and other C.I.A. agents “greatly agitated” both Australian and American security services. “The CIA sent a cable to ASIO which must have been founded on the assumption that ASIO would put its links with the CIA ahead of its obligations to the Australian Government.” He went on to say: “The episode lent colour to allegations that the CIA had been eavesdropping on me and my Ministers and had influenced the Governor-General, Sir John Kerr, to sack us.”

Not long before retiring from Parliament, Whitlam confirmed the seriousness with which he saw his place under the ‘Westminster System’. He felt bound, because of his position as former head of government, “by obligations of secrecy in the national interest. He [could] cannot disclose what he [knew]. He would “readily acknowledge [his] own obligation.”

But, still in *The Whitlam Government*, he said: “It is a fact that any country with the technical resources of the U.S. can eavesdrop on anyone in the world if it feels the effort worthwhile. ... It is not a fact, however, that Kerr, fascinated as he had long been with intelligence matters, needed any encouragement from the CIA.”

So, was Kerr acting on behalf of the C.I.A. ? This is a difficult supposition in term of evidence, even if not ‘forensic’ evidence, but that kind of evidence which puts a matter beyond reasonable doubt.

Yet, sometimes the most reliable evidence is of a circumstantial nature.

Was Kerr acting on his own by dismissing Whitlam ? Was he pressed by a sense of duty to his principal: in the case the Hanoverian queen ? Was Kerr acting on behalf of what is regarded as the sole shareholder of the Bank of England Nominees Ltd. - the immediately previously mentioned ? Or was he responding under pressure of scabrous, very personal information about him in possession of the secret services, or of the C.I.A. ?

Was he the one whom the C.I.A. controller of TRW called: “Our man Kerr” ?

Was Kerr told what to do ?

Whatever the answer to all these questions, successive ‘Labor’ governments showed that they had learned quite well the lesson of November 1975 - a ‘client state’ of the American Empire should follow whenever and however the demand would come, and in the way expressed in that demand.

At the election of 1983 Robert James Lee 'Bob' Hawke AC GCL led Labor back to office, and the Hawke-Keating Government remained in power until defeated by John Winston Howard at the 1996 election.

They were broadly reformist in approach, pragmatist in method and essentially self-defining Labor men. In a 'System' where there are only two large and determining parties, if one is 'conservative' the other may define itself as 'Labor'. But, one could very well ask: what is in a word ?

In a blistering assessment of Labor under Kevin Rudd and Julia Gillard they would, in time, identify the cause of Labor's failure in the early 2000s as deriving from retrograde policies, ineffective communication, divisive class warfare and a lack of conviction which would keep the party out of office if not urgently addressed.

After the defeat of the second Rudd government on 7 September 2013 the two former Labor prime ministers would urge the party to undertake radical reform by reducing the power of unions and factions, steering policy back to the centre ground and heeding the lessons of the often chaotic and dysfunctional Rudd-Gillard governments. They argued that Labor must undertake structural reform to curtail union influence over policy, candidates and the party organisation.

Actually, there had already been episodes of dysfunctional leadership.

Kim Beazley led the party to the 1998 election, winning 51 percent of the two-party preferred vote but falling short on seats, and lost ground at the 2001 election. Mark Latham led Labor to the 2004 election but lost further ground. Beazley replaced Latham in 2005. Beazley in turn was challenged by Kevin Rudd who went on to defeat John Howard at the 2007 election with 52.7 percent of the two-party vote. The Rudd Government ended prior to the 2010 election with the replacement of Rudd as leader of the Party by deputy leader Julia Gillard. The Gillard Government was commissioned to govern in a hung parliament following the 2010 election with a one-seat parliamentary majority and 50.12 percent of the two-party vote.

Between the 2007 federal election and the 2008 Western Australian state election, Labor was in government nationally, as well as in all eight states and territory legislatures. This was the first time any single party or any coalition had achieved this since the Australia Capital Territory and the Northern Territory gained self-government. After narrowly losing government in Western Australia at the 2008 state election and Victoria at the 2010 state

election, Labor lost government in landslides in New South Wales at the 2011 state election and Queensland at the 2012 state election.

The policy of the Labor Party is still contained in its National Platform, which is approved by delegates to Labor's National Conference, held every three years.

The practice of Labor while in government, and not necessarily in power, suffered from the continuous preoccupation with freeing the economy, reaching a level playing field, and actively - if surreptitiously - adopting the principles and aims of the Neo-conservatives, and thus competing for votes with the anti-Labor fairly compact opposition by the 'Liberals' and the Agrarian Socialists.

On one hand the party still proclaims that "The Platform is the result of a rigorous and constructive process of consultation, spanning the nation and including the cooperation and input of state and territory policy committees, local branches, unions, state and territory governments, and individual Party members. The Platform provides the policy foundation from which we can continue to work towards the election of a federal Labor Government."

The Platform gives a general indication of the policy direction which a future Labor government would follow, but does not commit the party to specific policies. It maintains that "Labor's traditional values will remain a constant on which all Australians can rely."

On the other hand, the Platform makes clear that Labor is fully committed to a market economy, it says that: "Labor believes in a strong role for national government - the one institution all Australians truly own and control through our right to vote." Labor "will not allow the benefits of change to be concentrated in fewer and fewer hands, or located only in privileged communities. The benefits must be shared by all Australians and all our regions."

These sound rather like motherhood statements, with which no one could disagree, or about something which all listeners would agree was good, positive or worthwhile - vague, 'feel good' platitude.

And there would be more: the Platform and Labor "believe that all people are created equal in their entitlement to dignity and respect, and should have an equal chance to achieve their potential." For Labor, "government has a critical role in ensuring fairness by: ensuring equal opportunity; removing unjustifiable discrimination; and achieving a more equitable distribution of wealth, income and status."

Further sections of the Platform stress Labor's support for equality and human rights, labour rights and democracy.

All these are just words. Whatever ‘Labor’ does when in office, it knows that certain subjects, particularly since November 1975, are taboo. The republic is one, for instance; a proportional representation which is the only way towards a representative democracy is another. A parliament which represents the people, as expression of representative democracy, rather than of parliamentary democracy is another. Hence, one head, one vote, one weight are simply words without consequence. An equitable re-distribution of wealth out of the proceeds of development and exploitation of the country is another un-obtainable goal. Even a serious discussion of these topics is carefully avoided; proposed solutions when they are offered by a small minority are set aside, postponed, ignored. Bringing Australia to modernity is something subject to the intimation: *noli me tangere*. Much better to accept a regime within the ‘Westminster System’ - which tendentially and almost inevitably brings about the triumph of the most ‘conservative’, puppet-like servile to ‘the Americans’ propelling wing of the sub-tropical Hanoverian monarchy. One hears continually the fatalistic resignation: Australians are basically conservative. Nothing should be really tried for fear that things may change.

Generally, it is accepted that while the Platform binds Labor governments, how and when it is implemented remains the prerogative of the Parliamentary Caucus. It is now rare for the Platform to conflict with government policy, as the content of the Platform is usually developed in close collaboration with the party’s parliamentary leadership as well as the factions. However, where there is a direct contradiction with the Platform, Labor governments have sought to change the Platform as a prerequisite for a change in policy. For example, privatisation legislation under the Hawke Government occurred only after holding a special National Conference to debate changing the Platform.

The divergence between theory and practice would lead to some glamorous cases of corruption.

What follows is but one example.

* * *

The resulting provincial theatre

In the 1980s the state government of Western Australia was led for much of the period by premier Brian Burke of the Labor Party. He was premier until February 1988. He was imprisoned for seven months in 1994, after being convicted of “false pretence” regarding travel expenses.

In the following decades, Burke continued to maintain his Labor Party contacts and parliamentary influence, using them to further his career as a pro-business lobbyist. He worked both sides of politics in partnership with a disgraced former ministerial colleague Julian Grill and assisted by Noel Crichton-Browne. Crichton-Browne had served as the state president of the W.A. division of the Liberal Party from 1975 to 1979, and was elected to the Australian Senate for Western Australia in 1980. He was subsequently re-elected in 1983, 1984, 1987 and 1990. In June 2013 Burke was charged with insider trading relating to the Australian Stock Exchange listed telecommunications company, AMCOM.

The Western Australia state had engaged in business dealings with several prominent businessmen, including Alan Bond, Lawrence Connell, Dallas Dempster, John Roberts, and Warren Anderson. These dealings resulted in a loss of public money, estimated at a minimum of AU\$ 600 million and the insolvency of several large corporations.

Alan Bond is a British-born Australian businessman noted for his high-profile business dealings. Bond formed what was to be Bond Corporation in 1959. He had been chosen as Australian of the Year in 1978 and became a public 'hero' in his adopted country after bankrolling challenges for the America's Cup and winning it in 1983. In 1992 Bond was declared bankrupt with personal debts totalling AU\$ 1.8 billion. He was subsequently convicted to four years imprisonment for fraud. Following release, he returned to the scene in various mining investments, predominantly oil and diamonds in Africa. In 2008 he made the *Business Review Weekly's* 'Rich 200 List.'

'Laurie' Connell was a Western Australian business entrepreneur. He was well known for his dealings in the mid to late 1980s as chairman of the Rothwells merchant bank. In 1994 Connell was sentenced to five years gaol for conspiring to pervert the course of justice by paying a jockey to leave the country.

Dallas Reginald Dempster is an Australian businessman notable for numerous property development projects including the establishment and early development of Perth's Casino (now Crown Perth) and the proposed Kwinana Petrochemical Plant, in both of which the Labor Western Australian Government took large interest. In November 2013 *The West Australian* newspaper named Dempster as one of Western Australia's 100 most influential business leaders.

John Charles Roberts AO was an Australian businessman of questionable reputation who founded and was an executive director of the construction company Multiplex.

Warren Anderson was once a very wealthy businessman, worth at least AU\$ 190 million, who had made the *Business Review Weekly's* 'Rich 200 List.' He was declared bankrupt in June 2011.

In a famous picture one could see other well-known businessmen and public figures. Among them are: Denis Cullity, a timber entrepreneur; John Horgan, a prominent Catholic businessman; the previously mentioned Bond and Connell; the philanthropist James McCusker; one Ric Stowe, whose coal, power and cattle empire would collapsed in January 2010 with debts of almost AU\$ 1 billion; and bookmaker Rod Evans, who was also a publican and substantial Perth property owner. In prominent front row one could see: Kevin Parry, a businessman appointed an Officer of the Order of Australia in 1988. This award was rescinded in 1996 after he was charged with stealing AU\$ 75,000 from the Western Australian State Superannuation Board; then recently elected Prime Minister Robert James Lee 'Bob' Hawke; the previously mentioned Burke and Roberts; and finally Sir Ernest Henry Lee-Steere, KBE, a prominent Australian businessman, particularly noted for his involvement in horse racing in Western Australia, and who was also Lord Mayor of Perth from 1972 to 1978.

They were joined in what was called the John Curtin Foundation. John Curtin had been one of the most honourable prime ministers of Australia.

The scandal which those men made of Western Australian Inc. became, at the time at least, the biggest corporate collapse in Australian history.

Cumulative donations by individuals connected with the government's business involvements was a matter of concern to a royal commission, which published the following list to justify its concern: Mr. Anderson AU\$ 366,000; Mr. Bond AU\$ 2,038,000; Mr. Connell AU\$ 860,000; Mr. Cullity AU\$ 30,000; Mr. Dempster AU\$ 512,000; Mr. Dempster AU\$ 300,000; one Mr. Goldberg AU\$ 425,000 - including AU\$ 125,000 to Puppet Theatre; Mr. Hancock AU\$ 950,000; Mr. Hill AU\$ 20,000; another Mr. Holmes a Court AU\$ 30,000; and another Mr. Martin AU\$ 15,000; Mr. Parry AU\$ 205,000; Mr. Roberts AU\$ 692,000; and finally one Mr. Yovich AU\$ 125,000. "The size of the donations was quite extraordinary, particularly when compared with the size of donations made before Mr. Burke became Premier."

In November 1990 Labor premier Carmen Lawrence announced her government's intention to hold a Royal Commission to "inquire into certain matters". This decision followed more than a year of strong public advocacy by the activist group *People for Fair and Open*

Government. The Commission of three was give the brief *"To inquire into and report"* whether there had been *"corruption, illegal conduct, improper conduct, or bribery"* on the part of any person or corporation in the *"affairs, investment decisions and business dealings of the Government of Western Australia or its agencies."*

In the introductory part of its report, the Commission noted that it had heard from 543 witnesses encompassing 847 appearances. Some who may have been able to give valuable information had died before the Commission hearings commenced or after they had begun. There were others who were unwilling to assist and were beyond the reach of compulsory process.

After approximately 21 months of inquiries and hearings, the Commission's huge final report noted that: "The Commission has found conduct and practices on the part of certain persons involved in government in the period from 1983 to 1989 which were such as to place our governmental system at risk. Unfortunately, some of that conduct and some of those practices were peculiar to Western Australia; *but there is no reason to believe that many of the fundamental questions raised by our inquiry were unique to this period or to this State. On the contrary, as detailed studies in other States and overseas clearly demonstrate, they have been raised elsewhere as a consequence of events similar to those which we have experienced.* [Emphasis added] ... Some ministers elevated personal or party advantage over their constitutional obligation to act in the public interest. ... Electoral advantage was preferred to the public interest. ... Personal associations and the manner in which electoral contributions were obtained could only create the public perception that favour could be bought, that favour would be done."

In an earlier finding, the Commission had unequivocally stated: "[The Government was not entitled] to risk the public resources of the State without its actions being subjected to critical scrutiny and review. Effective accountability was a casualty of its entrepreneurial zeal. Influence in the conduct of this State's public affairs was captured by a small group of self-interested businessmen."

The Commission's report included a confidential appendix (not published) containing an "outline of matters to be referred to the Director of Public Prosecutions", and a list of recommendations impinging on open government, accountability, integrity in government, the Parliament, the administrative system, and a proposed Commission on Government.

The Commission had cost AU\$ 30 million, including AU\$ 12.5 million in witness costs.

Burke and his predecessor, the Liberal premier Ray O'Connor ultimately served prison sentences as a result of convictions which arose from findings of the Commission. The premier immediately after Burke, Peter Dowding - also a Labor choice, and public servant Len Brush were both found to have acted improperly.

At the federal level, after the *coup* of November 1975, the Fraser Government, made up of members of a Liberal Party of Australia-Country Party of Australia Coalition in the Australian Parliament, lasted to March 1983. The Fraser Opposition had won in a landslide at the 1975 election, and won substantial majorities at the subsequent 1977 and 1980 elections, before losing to the Bob Hawke led Labor Party in the 1983 election.

The Hawke Government lasted until 1991. The former Australian Council of Trade Unions president did more than any other prime minister - 'Liberal' or 'Labor' - to liberalise the Australian economy. Hawke began deregulating the financial system, dismantled the tariff system, floated the Australian dollar, and privatised the Commonwealth Bank of Australia - planned under Hawke, executed under Keating.

These liberalisations allowed foreign investors to come into the Australian market, however foreign banks found it extremely difficult to start-up from scratch and compete with the local banks. With the Asian financial crisis of 1997, and subsequent economic downturns within the Australian economy, foreign equity started slowly trickling in and buying up Australia's prime corporate assets. Mutual and investment funds were specifically important as these made excellent vehicles for investment in corporate Australia.

The Government followed the Liberal-National Coalition Fraser Government and was succeeded by another Labor administration: the Keating Government, led by Paul Keating after an internal party leadership challenge in 1991. Hawke concluded his term as Prime Minister with Australia in the midst of its worst recession since the Great Depression.

Keating had served as Treasurer through much of Hawke's term as Prime Minister and the period is sometimes termed the Hawke-Keating Government despite the fact that there were fundamental differences between the two men and their policies.

Economic factors at play during the Hawke-Keating Government were globalisation, micro-economic reform and industrial relations reform, as well as the opening of Australian finance and industry to international competition and adjustments to the role of trade unions.

Economic reform included the floating of the Australian dollar, deregulation of the financial system, dismantling of the tariff system, the privatisation of state sector industries, the withdrawal of subsidies to loss-making industries, and the sale of the state-owned Commonwealth Bank of Australia. What is important to note here is that there was no longer any distinction between savings and commercial banks and foreign banks could apply for licenses to operate directly in the Australian retail market. Paul Keating followed on this liberalisation path with the catch cry of creating a 'level playing field'. A fringe benefits tax and a capital gains tax were implemented.

Hawke's prime ministership saw friction between himself and the grassroots of the Labor Party, who were unhappy at what they viewed as Hawke's iconoclasm and willingness to cooperate with business interests. The Hawke Government did, however, significantly increase the social wage as part of its Accord with the trade unions, which was a corporatist rather than even a mild social democratic policy; it was to be continued by the Keating Government. Improvements to the social wage included improved affordability of and access to key services such as health and child-care, together with large increases to payments for low-wage and jobless families with children.

From 1983 to 1996 improved service provision, higher government transfer payments, and changes to the taxation system either entirely offset, or at the very least substantially moderated, the increase in inequality of market incomes over the period.

'Active society' measures were introduced in an attempt to limit the growth of poverty and inequality.

According to some observers, improvements in government policies and programmes in income support payments, and services such as education, health, public housing and child care, and the progressive nature of the income tax system, all contributed to the result that Australia appeared to have become a more equal society over the period from 1981-1982 to 1993-1994.

The Keating Government was succeeded by the Howard Government, which lasted between March 1996 and December 2007. It was made up of members of the Liberal-National Coalition, which won a majority of seats in the House of Representatives at four successive elections.

The Howard Government ended with its defeat at the 2007 federal election by the Labor Party, whose leader Kevin Rudd formed the Rudd Government. Howard's was the second-

longest government under a single prime minister, with the longest having been the second Menzies Government - 1949–1966.

The Howard Government faced internal problems and tension, with the loss of numerous ministers during its first term due to the introduction of a ministerial *code of conduct*. The *code* did not help much because many of the activities of the Howard ministers took place under the cloak of the ‘national interest’. What scandals there were: secret provision of grain to Saddam Hussein and the bugging of the independent government of Timor-Leste were, to the extent that they would become public, be justified in the ‘national interest.’

Significant issues for the Howard Government included implementation of substantial spending cuts in its first term of office and completely paying off government debt, gun control, the popularity of Pauline Hanson and her One Nation racist party, industrial relations reforms including the 1998 waterfront dispute and the introduction of *WorkChoices*, the 1999 Australian republic referendum, reconciliation and native title, the introduction of a goods and services tax, the 1999 Australian-led intervention in East Timor, ‘managing’ asylum seekers, the ‘War on terror’, the intervention in Northern Territory Indigenous communities, and an economy which experienced sustained growth throughout the government’s term of office.

In every direction, whether it was internally or externally, the Howard Government suffered from the deviously heavy hand of its Prime Minister, the arrogance of some ministers, a sense of broad numbness which was induced and disguised behind the exhortation to keep comfortable and relaxed. The government would have provided for the populace !

The disposal of public assets and utilities continued because the ‘conservatives’ had absolutely no faith in any other form of governance than one left to the private industry.

The Rudd Government arrived on the scene with the glow of celebrity which characterises the new century.

Kevin Rudd held office from 3 December 2007 to 24 June 2010, and for eleven weeks in 2013. His election win in November 2007 brought Labor back into power after eleven years in opposition.

The government was distinguished by a commitment to fairness, expressed in education and employment reforms, health delivery and financial initiatives such as taxation adjustments. Rudd appeared to be pointing towards a 21st-century social democracy where the

responsibility of government was to offset ‘the inevitable inequalities of the market with a commitment to fairness for all’.

The Rudd Government was essentially one of ‘poses’ and grand acting. There was an Indigenous welcome to country at the opening of Australia’s 42nd Parliament and the apology to Indigenous People on 13 February 2008. Undoubtedly they were historic highlights - but for the Australian Blacks there was still no compensation for 150 years of active brutality. Mr. Rudd was and remains much interested in foreign affairs: during his thirty one months in office, his time away on overseas trips totalled seven months.

At home the new government gave immediate priority to Labor’s key reform areas of education, employment, health and climate change. The most successful of these initiatives was the *Fair Work Act*, reversing the comprehensive workplace reforms of the Howard Government.

An outstanding success of Kevin Rudd’s term as prime minister was the government’s management of the crisis of 2008, which in retrospect was really nothing more than one further greedy, testosterone-fuelled, male dominated, grand larceny exercise which became euphemistically-known as the Global Financial Crisis.

Australia was one of the few developed economies where the impact was effectively cushioned by government initiatives. The *stimulus* packages implemented by the Rudd Government followed the principles of Depression-era economist John Maynard Keynes by funding public works projects to reduce unemployment and support industrial, retail and services sectors by maintaining buying power.

The government’s policy unsteadiness on climate change was a factor in declining support for Kevin Rudd in 2010. The mining industry’s response to his government’s ‘super profits’ tax also generated influential opposition.

On 24 June 2010 Kevin Rudd became one of the few leaders to be removed by their own party in their first term as prime minister. His two and a half years in office was, however, an above-average term.

The members of the Labor Caucus were deeply affected by the loss of ‘popularity’ of Kevin Rudd.

And the cause of that change of attitude was the proposal he made, almost out of the blue as far as most members of his party were concerned, for the introduction of a Resource Super

Profits Tax. It was intended as a 40 per cent tax on mining profits, which would be in addition to the usual company income tax. It was planned to start on 1 July 2012.

Mining companies were to be allowed to subtract a tax-free allowance of 6 per cent from their existing earnings - called the R.S.P.T. allowance. In the first five years of the scheme, they could also subtract an accelerated rate of depreciation.

The remaining amount was to be taxed at 40 per cent - the 'super tax'. And the remaining amount would be taxed again - at 28 per cent.

The R.S.P.T. would have differed from the tax regime to be abandoned for the following reasons:

- 1) The royalties that resource companies were paying to states would have been refunded by the federal government. Miners could argue that the royalties introduced uncertainty into the market as they were subject to change without notice.
- 2) The company tax would be lowered from 30 per cent to 28 per cent.
- 3) Resource companies could be allowed to claim accelerated depreciation before the activation of the super tax, on prior investments for the first five years.

All new investment would have been subject to the usual depreciation, and the 6 per cent rate would be applied in this case.

Other industries are subjected to a similar tax regime, for instance, the petroleum industry. It has been operating under such a regime since the 1990s. The only difference is that it has a higher allowance - 11 per cent.

There appeared immediately points of contention with the R.S.P.T. They were on the following grounds:

- 1) It was not a super profits tax. Representatives of mining companies argued that the government was not just taxing more at a boom time, but taxing more all the time.

“At the moment, it doesn't appear that there is this premium that comes in and out depending on whether these companies are making super or normal profits.” argued a well-known economist. “That's the issue. It just appears like we have a higher marginal tax rate on every dollar forever.”

- 2) A 6 per cent allowance would be too low, miners said.

What mattered was how much return one would receive on an ultra-safe investment. But investments cost a lot and are highly risky. Miners said that they should have a higher allowance, which meant that a lower amount of money would be taxed after the allowance is subtracted. Petroleum companies have an allowance of 11 per cent. The resources companies were not arguing for such a high rate; they wanted something between 6 and 11 per cent.

3) The resource companies disputed the government's figures that it will receive AU\$ 9 billion a year in super tax on miners. AU\$ 9 billion is not a steady state long-term growth estimate, it was argued. It would be a lower tax intake calculated when accelerated depreciation is taken into account. That meant that if today's profits were replicated in five years after the regime came into effect, mining companies would be paying even more tax.

Resource prices are increasing rapidly because there is not adequate global production capacity. This has led to a huge difference between the cost of getting minerals out of the ground and the price at which they are being sold.

Contrary to popular belief, most of mining companies operating in Australia are majority foreign-owned and are receiving a huge windfall at the Australian taxpayer's expense. One should remember that these minerals are a finite resource; when they run out the money stops coming in.

The true level of foreign ownership of mining companies operating in Australia is hard to quantify. In a keynote address to the Committee for Economic Development of Australia in May 2009, Rio Tinto's Global Head of Strategy said "The major mining companies - BHP Billiton, Rio Tinto, Anglo, Xstrata - are now majority foreign owned, and that ownership has allowed Australia access to the global capital it needs to develop its resources. The stock of foreign investment in Australia at 31 December 2007 totalled AU\$ 1.6 trillion. And mining companies, most of which are foreign owned or controlled, produced 8 per cent of [Australian] national Gross Domestic Product in 2008."

Presently, mining companies pay royalties to the states which vary depending on the mineral being mined. While the cost of minerals has skyrocketed on the world market, these royalty payments have not risen anywhere near as quickly. In 2001 mining companies paid approximately 40 per cent of their profits as royalties to the state governments. Today they pay less than 20 per cent. Clearly, there is a strong argument that the Australian people deserve to receive a greater share of today's profits and that is where the new mining tax would have come in.

While parts of the Australian economy have benefited from the resource boom, other parts have suffered. Strong demand for Australian resources has pushed the Australian dollar higher, hurting farmers and manufacturers who export Australian-made products as their products have become more expensive to foreign buyers. The higher dollar has also had consequences on tourism and on the capacity by foreign-students to receive an education in Australia. As a result there has been noted what has been described as a two-speed economy. The miners and associated service industries are doing very well, while Australian exporters are suffering. Labor was planning to spend the proceeds from the new mining tax by cutting the company tax rate from 30 per cent to 28 per cent, and by introducing tax concessions to small business. This would have helped address the imbalance in the economy, and ensure that the benefits on the mining boom would flow through to all Australians.

Economic modelling by the Treasury as well as independent modelling by KPMG Australia, one of the world's leading professional services networks, had estimated that the mining tax would see the average worker gain about US\$ 450 a year, due to the flow-on results of cuts in company tax and tax breaks for small businesses. If applied correctly, the R.S.P.T. would have reduced the cost of food, housing, clothing and footwear, transportation and communication somewhere between 1 and 1.7 per cent. It was also estimated that the inflation rate would drop and, in turn, ease the pressure on interest rates and finally, that Australia's Gross Domestic Product would rise by slightly less than 1 per cent.

An aggressive reaction by the mining companies began immediately to pass around certain myths about the proposed tax. Yet, many analysts and business groups came out in support of the mining tax. A group of twenty economists rebutted claims that the proposed tax would hurt the Australian economy. They said most emphatically that there was no substance to claims that it could lead to a rise in the cost of living. Furthermore, they said that mining is different from other industries. It exploits Australian natural resources. The Australian public should share in that benefit, and the existing taxation system did not adequately capture the 'excess profits' which were constantly being made by the mining industry.

If one had listened to the mining CEOs and the Liberal Party then the proposed tax would have signified the end of mining in Australia. However, according to just about everyone else, the tax would not have hurt the mining industry at all; it may even have benefited it. The already mentioned group of twenty economists had released a statement in which they argued that the current system of royalties actually deters production, as it means that the miners must pay the states whether they are turning a profit or not. Whereas, if only the profits which

return above 6 per cent on the initial investment were to be taxed, projects which would otherwise have been too expensive would have become profitable.

The Organisation of Economic Cooperation and Development had also come out in support of the proposed tax, asserting that “what drives investors is not necessarily that they are going to pay higher or lower tax but the availability of raw materials ... If you look at these things strategically rather than with your sights on the profit of next year or next quarter, of course [it would continue to be] a wise thing to take the plunge, to take the risk and invest in Australia.”

Finally, the association of superannuation funds, known as the *Industry Super Network*, had called on the big miners, including BHP Billiton, Rio Tinto and Fortescue Metals to drop their fear campaigns. It had become increasingly difficult to separate the truth from myth. What the populace was presented daily were increasingly hyperbolic statements being made by the Minerals Council and the mining sector itself about the potential effects of the tax.

There was one additional myth: that the mining industry had saved Australia from recession. In fact, over the course of 2009, 15 per cent of people working in the mining industry lost their jobs. Treasury Secretary Dr. Ken Henry had noted that “Had every industry in Australia behaved in the same way, our unemployment rate would have increased from 4.6 per cent to 19 per cent in six months.”

The controversy regarding the R.S.P.T. was such that an ‘ad war’ between the government and mining interests began in May 2010 and continued until the downfall of [Prime Minister Kevin Rudd](#) in June 2010. The [Australian Electoral Commission](#) released figures indicating that mining interests had spent AU\$ 22 million in campaigning and advertisements in the six weeks prior to the end of the Rudd prime ministership. Mining interests re-introduced the advertisements arguing against the proposed revised changes during the [2010 federal election](#) campaign.

Prime Minister Rudd had suffered a decline in his personal ratings, and a perceived loss of support among his own parliamentary colleagues, following the failure of some of the government’s actions, the relentless campaign by the mining industry against the implementation of the R.S.P.T, the failure of the government to secure passage of its carbon trading scheme and some policy debate about immigration policy. Significant disaffection had arisen within the Labor Party as to the leadership style and direction of Rudd. On 23

June 2010 he announced that Ms. Julia Gillard had asked him to hold a leadership ballot the following day to clarify and determine the leadership of the Labor Party.

On 24 June 2010, after Rudd lost the support of his party and resigned, Ms. Julia Gillard became Australia's 27th Prime Minister and the first woman to hold the office. She was elected unopposed by the Parliamentary Labor Party.

Before becoming Prime Minister, she had served as Deputy Prime Minister from 2007 to 2010 in Kevin Rudd's Labor Government, where she was Minister for Employment and Workplace Relations, Minister for Education, and Minister for Social Inclusion.

The subsequent 2010 federal election saw the first hung parliament since the 1940 federal election. Ms. Gillard was able to form a minority government with the support of a Green MP and three independent MPs.

On 26 June 2013, after a leadership spill, Ms. Gillard was defeated in a leadership ballot by Rudd, who was sworn in as Prime Minister the following day, 27 June. She announced that she would not contest her seat at the forthcoming election and was retiring from politics.

Gillard was likely less fortunate than Rudd, but her period of tumultuous government is quite interesting, and goes a long way explaining a further slide of 'Labor' from a no-doctrine social view of life to a collaborative, corporative position of convenience.

First, some information about Ms. Gillard. Born in Wales of would be migrants to Australia who settled in Adelaide, Ms. Gillard was introduced to politics early at the University of Adelaide. There and after moving to Melbourne she was prominent in left-wing organisation of the Labor Party, and secretary of the Socialist Forum. After a short stint with a legal firm, she became the Chief of Staff to the Labor Premier of Victoria. Elected to Parliament in 1998, she became a Shadow Minister in 2001. She served two Opposition leaders and became Deputy Leader to Rudd in December 2006. As mild as one of the previous leaders of Labor put it: "[Gillard] was one of the very effective people [who had worked with him, but were not so supportive and] she was one of them."

There is no question that she was a highly regarded debater, that she performed very competently inside and outside of Parliament - in words. She also had a very good reputation as a negotiator. She optimised such position while leading a minority government. By and large she turned out to be very competent, but the impression is left that she was the kind of leader who would ask the followers where they wanted to go, so that the leader would

lead into that direction. Except for very few issues - and her intense Feminism served her well - she had moved from a Socialist Forum position to a pragmatism in and of itself: pragmatism as programme, not as means to realise a programme.

Prime Minister Gillard dealt very smartly with the three representative of large, international mining firms: BHP Billiton, Rio Tinto and Xstrata. Leaving out of the negotiation her loyal allies, the Greens and three independent members, she locked herself into a room and came out with a new 'policy' - drafted by the representatives of behemoth foreign interests. The government was now firmly Labor - only by name.

Only eight days after her election as Prime Minister it appeared that Ms. Gillard had already signed a deal with the miners. She was due to announce it at a press conference in Canberra on 2 July 2010. Ms. Gillard was poised to clear her most significant hurdle to date by ending the damaging dispute with the miners.

The Prime Minister had flown to Canberra the previous night and immediately joined talks with the representatives of the three major mining corporations who had already agreed to a raft of concessions but were still demanding the 40 per cent mining tax rate be reduced. Ms. Gillard was appearing to be eager to make concessions. The concessions finally agreed were expected to reduce the AU\$ 9 billion that the tax was forecast to make in its first full year, but sources said the impact would not be as great as anticipated.

Big business, which had not supported the government in its battle against the miners, was demanding the company tax cuts be spared.

Ms. Gillard had made settling the mining tax dispute her first priority.

Apart from ending a damaging issue, Ms. Gillard knew it was important to be seen as a problem-solver and as dispelling the myth that the government was 'all talk, no action' - an accusation which had been laid against Rudd.

Before she arrived to complete the negotiations, Treasurer Swan and the Resources Minister, Martin Ferguson, had already reached agreement with the bosses of BHP Billiton, Rio Tinto and Xstrata on key aspects. The new agreement would be called Minerals Resource Rent Tax. Nothing as vulgar as Resource *Super Profits* Tax !

They agreed to lift the threshold rate at which the tax would start from about 5 per cent to 12 per cent. The biggest concession was to minimise the application of the tax to existing

projects by allowing miners to calculate the capital value of their existing mines at market value. This was in fact a huge concession.

The Greens, who had not been invited to the talks, pointed out that it would have been for Parliament and not for the mining corporations to determine the final shape of the tax.

The response to the M.R.R.T. was mostly divided into support and opposition groups consisting of opposition parties, lobby groups and the various interests.

The tax received support from the Australian Council of Trade Unions, mining unions such as the Construction, Forestry, Mining and Energy Union and conditional support from the Australian Greens. Unlike the R.S.P.T., mining companies BHP Billiton and Rio Tinto Group had not publicly opposed the M.R.R.T.

Those opposing the tax included the mining industry, resource and mining organisations such as Fortescue Metals Group, Xstrata and Hancock Prospecting, mining lobby groups and the federal Opposition: the Liberal Party and the National Party. Andrew Forrest of the Fortescue Metals Group stated that the tax “will reduce investment in Australia”. Mining magnate Gina Rinehart, the controller of Hancock Prospecting and already the wealthiest person in Australia, was a fierce opponent of the tax, arguing that it will drive away billions of dollars of investment.

Advertisements supporting or attacking the proposed tax ran on commercial television and in major newspapers. Funding for the mining lobby’s advertisements came from the largest resource companies whilst funding for the government’s advertisements came from the consolidated revenue fund. Ms. Gillard ceased the government’s advertising after becoming prime minister and the mining lobby ended their ads shortly thereafter.

On 23 November 2011 the tax passed through the House of Representatives with the support of the Greens and three independent. One of them declared that he would vote for the Bill on the condition that a committee be set up independently to assess the environmental risks posed by coal seam gas extraction. The tax was passed by the Senate on 19 March 2012 by 38 votes to 32.

Less than a month after her ascent to the prime ministership, on 17 July 2010 Ms. Gillard announced that the next federal election would be held on 21 August 2010. It might have been too soon ‘to gain electoral legitimacy’ as she seemed to be wanting. It turned out to be too soon to appear effective and to gain a majority.

Her promise, her programme indeed, was quite banal: she began campaigning with a speech utilising the slogan “moving forward.” I was, perhaps, the ‘product’ of amateur advisers, maybe even professional advisers, who had attempted ‘to divine’ the mood of the electorate.

Ms. Gillard officially ‘launched’ Labor’s campaign in Brisbane five days before polling day. Outlining Labor ‘policies’ she rounded them up utilising the slogan: “Yes we will move forward together.” The bean counters in ‘Labor’ had won. But what was it standing for?

The electorate might have sensed a kind of vacuity. Perhaps there was operating among the electorate a residual lack of confidence in a woman. Sexism was probably less obvious than Ms. Gillard would later identify as a weapon to attack her. There might have been other causes, but the uncertainty is indicative of a Labor Party adrift on a sea of programmatic nothingness. Just ‘move forward’ - a kind of ‘being there’.

Whatever the reason, Labor and the Coalition each won 72 seats in the 150-seat House of Representatives, four short of the requirement for majority government, resulting in the first hung parliament since the 1940 election. Both major party leaders sought to form a minority government.

Six crossbench members of Parliament held the balance of power. Four of them, the Greens and three independent declared their support for Labor on confidence and supply, allowing Ms. Gillard and Labor to remain in office - and questionably in power - with a minority government. Governor-General Bryce swore in the Second Gillard Ministry on 14 September 2010.

‘What do we do now?’ seemed to be the programme. Domestically, there were the usual apparently ‘progressive’ measures in the economy, already battered by the so-called global financial crisis; something was done for health; money was spent on educational facilities - mainly bricks and mortar; immigration was debated; measures to meet climate change became a joke in that it was intended to be left to a ‘citizens assembly’ to examine “the evidence on climate change, the case for action and the possible consequences of introducing a market-based approach to limiting and reducing carbon emissions”, over the course of one year. The assembly was to be selected by an independent authority who would select people from the electoral roll using census data. The plan was never implemented. After the 2010 election Ms. Gillard agreed to replace her ‘citizens assembly’ plan with a climate change panel consisting of Labor, Greens and Independent members of Parliament. The panel

ultimately announced support for a temporary carbon tax, leading up to an Emissions Trading Scheme.

The only serious issue over which Labor could have distinguished itself was that of what to do with asylum seekers arriving without visa, by sea, often risking their life.

Ms. Gillard, ignoring the qualities which are subsumed in Feminism - kindness, compassion, help, went from mistake to mistake, until she fell for a so-called Pacificm Solution 2: deporting and imprisoning the asylum seekers on land belonging to 'client states' of Australia. It was the old, hoary racism, sonorously thrown out of the window and coming back with the aid of the usual arm-chair experts.

A race was beginning between Labor and the Coalition on how most cruelly the 'policy' against the asylum seekers should be defined, practices organised and paid for. It was a gigantic step from socialism into barbarism. Rudd, Gillard and the present Prime Minister Abbott may pretend to some differing ways to govern: on criminality to asylum seekers they have been *ad unum* = all to one for years !

Australia now finds itself as one of the few countries which are both the signatories and the violators of a long list of international treaties, beginning with the United Nations Universal Declaration of Human Rights, which - incidentally - was co-authored by an Australian truly Labor man: Herbert Vere 'H.V.' Evatt, QC - familiarly known as Doc Evatt, jurist, lawyer, parliamentarian and writer.

It is true that, early at the rudder of ship Australia, Ms. Gillard candidly declared that "[F]oreign policy [was] not my passion. It's not what I've spent my life doing."

This however could not justify the servile, almost embarrassing speech she delivered in March 2011 before the United States Congress on the occasion of the 60th Anniversary of the A.N.Z.U.S. Alliance.

It was a disgraceful, shameless speech by a sycophantic, pro-war Australian Labor Prime Minister Gillard - "the new warlord of Oz" as John Pilger branded her, sucking up to the endlessly dishonest, violent and genocidal American Administration and giving sickening praise to John Howard who was described by a former president of the Australian Liberal Party, as a war criminal over the futile assault on Afghanistan and the illegal invasion of Iraq. Ms. Gillard had conveniently forgotten that she had described her study tour of the United States in 2006 as a 'C.I.A. re-education course'. She was accused of having written e-mails

explaining how “George Bush is a great statesman, torture is justified in many circumstances and those Iraqi insurgents should just get over it.”

There is another position that Ms. Gillard shares with her predecessor Rudd, and John Howard, as well as Howard ‘political son’ Abbott: it is the attitude to Afghanistan and to the Afghan asylum seekers desperately trying to find refuge in Australia.

All in all, for much which could be said about Ms. Gillard attitude to abortion and euthanasia, it is hard to countenance her crude, obstinate and un-professional remarks about *WikiLeaks*. Following the November 2010 release of secret United States diplomatic cables, Gillard stated: “I absolutely condemn the placement of this information on the *WikiLeaks* website. It’s a grossly irresponsible thing to do and an illegal thing to do.” After an Australian Federal Police investigation failed to find *WikiLeaks* had broken any Australian laws by publishing the American diplomatic documents, Ms. Gillard maintained her stance that the release of the documents was “grossly irresponsible”.

On her first day as Prime Minister, Ms. Gillard reassured President Barack Obama of Australia’s continuing support for the military campaign in Afghanistan. Ms. Gillard first visit to Afghanistan on 2 October 2010, when she met with Australian forces in [Tarin Kowt](#) and President Hamid Karzai in Kabul, was followed by others. A farcical parliamentary debate was conducted for four sitting days of Parliament, and agreement was easily reached between Ms. Gillard and Mr. Abbott that ‘it was necessary to stay in Afghanistan and prevent it from becoming a safe haven for terrorists’.

Even more farcical and demeaning for a Labor prime minister was to say on 17 August 2010 during a pre-arranged interview with the Australian Broadcasting Corporation programme *The world today*, what follows: “I obviously am a Republican. I believe that this nation should be a republic. I also believe that this nation has got a deep affection for Queen Elizabeth.

What I would like to see, as Prime Minister, is that we work our way through to an agreement on a model for the republic but I think the appropriate time for the nation to move to being a republic is when we see the monarch change.

Obviously I’m hoping for Queen Elizabeth that she lives a long and happy life and having watched her mother I think there’s every chance that she will live a long and happy life. *But I think that’s probably the appropriate point for a transition to a republic.* (Emphasis added]

The words in emphasis portray the picture of a ‘possibilist’ *par excellence*: a thought timidly uttered and safely conditioned by the usual ‘probably’. What does one make of that ? Not much really, except for confirming that the government was Labor only by self-appointed definition, and its ‘policies’ were dependent upon the electoral wind as measured by polls which were in the hands of manipulators of public opinion such as the Murdoch press.

To be sure, there were occasional diversions: one speech against the “misogynist nut jobs on the internet”, which had subjected Ms. Gillard to a very sexist smear campaign - true; one continuous accusing of incompetence, unworthiness and much else launched against the government on a daily basis, with the occasional personal abuse of some ministers - true; a gathering of vulgarians who were opposed to the carbon tax, or to any other movement of the government, with loud speeches by prominent Opposition members under signs the nicest of which would read: “Ditch the bitch !” - true again.

All this was going on during a relentless campaign for the return of Rudd as an Indispensible Leader of Labor.

There were rumours and changing of position by the main factions of the Labor Party. Ms. Gillard had initially triumphed because a compromise between the Victorian Left to which she belonged and the Right faction of the Party, mainly castling in New South Wales, with appendices of the Right-Catholic forces from other states such as South Australia. Actually, Ms. Gillard’s membership in the Left faction had been for a long time more organisational than ideological - another way of explaining away opportunism. The French have an expression for that: *chien* or *chiene lit* - dog bed, a mess.

On more than one occasion then Foreign Minister Kevin Rudd fired discontent, until he thought preferable to resign. Not in peace, of course - the rivalry, duel continued.

In the light of poor polling results for the Gillard Government, speculation that Foreign Minister and former Prime Minister Kevin Rudd wished to challenge Gillard for the leadership culminated with Rudd resigning from the Cabinet on 22 February 2012. Rudd told the media “I can only serve as Foreign Minister if I have the confidence of Prime Minister Gillard and her senior ministers” after Gillard failed to repudiate cabinet ministers who publicly criticised Rudd and his tenure as Prime Minister.

After resigning, Rudd stated that he did not think Ms. Gillard could defeat the Coalition at the next election and that, since his resignation, he had received encouragement from Labor MPs and Cabinet Ministers to contest the leadership. The Prime Minister responded to these

developments by announcing a leadership ballot for the morning of 27 February 2012, saying that if she lost the vote she would return to the [backbench](#) and renounce any claims to the leadership. She asked that Rudd make the same commitment. At the leadership ballot, Gillard won comfortably by a vote of 71 to 31.

Still, tensions remained in the Labor Party regarding the Gillard's leadership. After Labor's polling position worsened in the wake of Ms. Gillard announcing the date of the 2013 election, these tensions came to a head when former Labor Leader and [Regional Minister](#) Simon Crean called for a leadership spill and supported Rudd on 21 March 2013. In response, Ms. Gillard fired Crean from his position, and called a leadership spill in the afternoon of that same day.

Ten minutes before the ballot was due to occur, Rudd publicly announced that he would not contest the leadership, in line with the commitment he had made following the 2012 contest. Ms. Gillard and Treasurer Swan were the only candidates for the Leadership and Deputy Leadership of the Labor Party, and were confirmed unopposed. Several ministers subsequently resigned from the government, including Chief Government Whip Joel Fitzgibbon, Human Services Minister Kim Carr, and - most significantly as will be seen - the Minister for Resources and Energy, Martin Ferguson.

Ms. Gillard declared that the question of the Labor leadership was now "settled". Nevertheless, speculation on Gillard's leadership remained a major issue, with polling results indicating an electoral disaster were she to lead the Labor Party into the election. In light of this, media attention once more turned to Kevin Rudd as a possible replacement in the short term. It was a new opportunity for the turn-coats to display their talents.

By the end of June 2013 Labor's standing in the polls had worsened, and the Coalition had been leading in most opinion polls for two years; one poll in early June showed that Labor would be reduced to as few as 40 seats after the next election. With a general election due by the end of the year even some staunch Gillard supporters began to believe that Labor faced almost certain defeat if Ms. Gillard continued as leader.

Following further speculation over her leadership, on 26 June a rumour emerged that Rudd's supporters were collecting signatures for a letter demanding an immediate leadership vote. That afternoon, before any letter had been published, Ms. Gillard called a leadership spill - live on television. She appeared extremely confident, maybe she had no alternative. She challenged any would-be opponent to join her in a pledge that, while the winner would

become leader, the loser would immediately retire from politics. Despite his earlier comments that he would not return to the leadership under any circumstances, Kevin Rudd announced that he would challenge Gillard for the leadership, and committed to retiring from politics if he lost. In the party-room ballot later that evening, Rudd defeated Gillard by a margin of 57 votes to 45. Ms. Gillard resigned, and later left Parliament all together. On 27 June 2013 Rudd was sworn in as prime minister.

Freshly re-elected Prime Minister Rudd had been left with a heavy inheritance: what to do with the amendments to his Resource Super Profit Tax, which had been ‘negotiated’ very discretely by Treasurer Swan and the Minister for Resources and Energy, Martin Ferguson.

It was now called Minerals Resource Rent Tax. It was still [a tax on profits generated from the exploitation of non-renewable resources in Australia. It was a poor replacement for the proposed Resource Super Profit Tax.](#)

[The tax, intended to be levied on 30 per cent of the ‘super profits’ from the mining of iron ore and coal in Australia, had been introduced on 1 July 2012. A company was to pay the tax when its annual profits reach AU\\$ 75 million, a measure designed so as not to burden small business. Some 320 companies were to be affected by the changes.](#)

AU\$ 22.5 billion were expected to be raised over the first four years of the tax. They were to be spent on pensions, tax cuts for small businesses and infrastructure projects, particularly in Queensland and Western Australia.

In the May 2012 budget it was claimed that the tax would bring in AU\$ 3 billion for the financial year; in October 2012, the figure was reduced to AU\$ 2 billion; on 14 May 2013, the receipts were announced that they were expected to be AU\$ 200 million, much less than the AU\$ 3 billion predicted in May 2012.

On 12 February 2013 former Prime Minister Rudd, one of the mover of the previous tax, stated that “Wayne Swan and Julia Gillard must bear the responsibility for Labor's mining tax and deal with the consequences of its near non-existent revenue” as the expected revenue had not materialised.

The tax had raised AU\$ 126 million in the first six months since its introduction.

On 16 August 2013, in the Pre-election Economic and Fiscal Outlook by the Treasury and Finance departments, there was an increase in forecasts for tax receipts over the following four years to almost AU\$ 6 billion - still quite a long way from the original projection of AU\$ 22.5 billion.

Following the 2013 election, a Bill was introduced by the Coalition government to repeal the M.R.R.T. on 13 November 2013; the Bill which passed through all stages in the House of Representatives by 20 November. At present, it is being considered by the Senate.

Emboldened by what she had considered a personal victory over the miners, at the end of May 2012 Prime Minister Gillard, speaking to the Minerals Council of Australia, took the time to remind the mining industry that they were not the owners of the country's mineral wealth.

Gillard noted that while the mining industry was opposed to several of the federal government's policy approaches, and "not in love with the language of spreading the benefits of the boom", citizens deserved to share the country's mineral riches.

"Australians don't begrudge hard work and we admire your success" she told industry representatives. "But I know this too; they work pretty hard in car factories and at panel beaters and in police stations and hospitals too. And here's the rub. You don't own the minerals. I don't own the minerals. [All Australians] own those minerals and they deserve their share. Governments only sell you the right to mine the resources."

It all was an exercise in facile populism on one hand, and in sucking up to the behemoths which control mining in Australia on the other hand.

By October 2012 it was clear that the tax had failed.

The Gillard Government raised zero revenue in the first three months of the mining tax.

Major miners BHP Billiton, Rio Tinto and Xstrata had no liabilities under the M.R.R.T. and the government did not receive any revenue by 22 October 2012 as planned. A high Australian dollar, lower commodity prices and falling mining profits meant that the tax payments the government was banking on from the three miners were going to be much lower than the 90 per cent expected. It was estimated that BHP Billiton and Rio Tinto alone would provide between AU\$ 1 billion and AU\$ 1.5 billion in M.R.R.T. payments in 2012-2013. Earlier in the week the government had cut M.R.R.T. revenue predictions from AU\$ 3.7 billion to AU\$ 2 billion for the 2012-2013 financial year.

The then Shadow Treasurer, Joe Hockey told reporters in Sydney that the tax was a failure. “I have never heard of a tax that doesn’t raise a dollar.” he said. “This is a new benchmark in public policy.”

However, Labor played down the lack of revenue.

“It was never projected to raise (revenue) in the early part ... because these mining companies are making massive infrastructure investments, which are tax deductible.” Mr. Crean, Minister for Regional Australia, Regional Development and Local Government told a television station. “Arguing that this is a failure based on the first three months is just ludicrous.”

On 12 February 2013 Prime Minister Gillard blamed the state governments for the failed mining tax as new calculations revealed it was likely to raise less than AU\$ 88 million. During the week the government revealed that the M.R.R.T. raised only AU\$ 126 million in its first six months of operation; however analysts said that the net contribution would have been AU\$ 40 million lower because miners would use their mining tax payments to reduce their company tax.

When the M.R.R.T. was reworked in 2010 following the dismissal of Prime Minister Rudd, the government agreed that all state royalties rises would be footed by the Commonwealth.

Then Opposition assistant treasury spokesman, Mathias Cormann said that the mining tax’s failure was due to the way it had been negotiated. “The government negotiated it personally, exclusively and in secret with the managing directors of the three biggest mining companies. They didn’t have Commonwealth officials in the room, and they made a number of very costly promises.” he said. “The M.R.R.T. was a fiscal train wreck in the making.”

As Mr. Rudd, from the side, took a thinly veiled swipe at Prime Minister Gillard and Treasurer Swan over the tax’s failure to raise ‘any real revenue of substance so far’, the Minerals Council of Australia was preparing full-page advertisements on the 12 February 2013 claiming that the industry had paid AU\$ 130 billion in company tax and state government royalties since 2000. Carrying the ‘Keep mining strong’ slogan, which was the theme of the AU\$ 22 million campaign which killed off the original mining tax and brought

down Mr. Rudd's leadership, the advertisements declare that 'enough is enough in relation to the obsession with increasing taxes on mining in Australia'.

There was a fear that if Mr. Rudd returned as leader, he would redesign the tax along the lines of the original resource super profits tax - the R.S.P.T., take it to an election and win.

On being chosen to lead the Government, Prime Minister Gillard offered to Mr. Rudd to return to Cabinet as Minister for Foreign Affairs, a post he remained in until he resigned on 22 February 2012 after an unsuccessful attempt to challenge Gillard for the leadership.

This may be the place to mention an interesting development within the Labor Party - at least from New South Wales. After Mr. Rudd's resignation, Mark Arbib, a Labor senator from New South Wales resigned. He had been in that position from July 2008 to 5 March 2012. Previously he had been the Labor Party State Secretary for New South Wales from 2004 to 2007. At a point in his career he became an informer of the United States Embassy in Canberra. As such he had been classified as a 'protected source'.

On 2 March 2012 Prime Minister Julia Gillard had announced that Robert John 'Bob' Carr, a Labor Party man who had served as Premier of New South Wales from 4 April 1995 to 3 August 2005, would be nominated to fill a casual vacancy in the Australian Senate caused by the resignation of Mark Arbib. Arbib now works as a lobbyist for James Packer, a Sydney billionaire who controls temple-like gambling houses in Australia and overseas. The term of the new senator would have expired on 30 June 2014. Carr was formally chosen, albeit unelected, to fill the vacant Senate position by a joint sitting of the New South Wales Parliament on 6 March 2012. He was sworn as a Senator and Minister for Foreign Affairs on 13 March 2012. He was in that position until 18 September 2013.

During his tenure of office Foreign Minister Carr visited several times the Democratic Socialist Republic of Sri Lanka - as it is officially called - and was quite pleased with his conversations with President Mahinda Rajapaksa on 'relocating' unsuccessful Sri Lankan asylum seekers who had been transported back to Sri Lanka from Australia.

The process adopted in 2012 by the Gillard Government is known as 'enhanced screening'.

Between 27 October 2012 and sometime November 2013 more than 1,070 Sri Lankan boat arrivals have been returned to their home country. New data are unavailable because the Abbott Government considers all matters concerning disposal of asylum seekers as 'operational' in the military sense and as part of the defence of Australia.

‘The undesirables’ - all asylum seekers arriving other than by plane - are dealt with as Kafkaian *ungeheures Ungeziefer*, literally ‘monstrous vermin’. And damned be international treaties to which Australia is a signatory, and all that clutter: the United Nation’s Refugee Convention, the Convention against Torture, the International Covenant on Civil and Political Rights, the imposition of non-*refoulement* obligations !

Under the ‘enhanced screening’ procedure, introduced by the Gillard Government in October 2012, Sri Lankan boat arrivals are individually interviewed by immigration department officers shortly after arrival. In which language nobody knows.

The interviewees are not informed that they have a right to seek legal assistance. And although the immigration department has an obligation under the *Migration Act* to afford immigration detainees ‘all reasonable facilities’ for obtaining legal advice if requested, it considers this obligation sufficiently discharged through the provision of an ordinary telephone directory.

During the interview, interviewees are asked: ‘what are your reasons for coming to Australia ?’ and, ‘do you have any other reasons for coming to Australia?’ If the interviewee claims that s/he is fleeing from harm, follow-up questions are asked to probe the claim further.

On the basis of the information gathered at the interview, the officer makes an initial finding about whether the interviewee has made claims which, *prima facie*, may engage Australia’s obligations under the Refugee Convention or other treaties. The information is then forwarded to a more senior departmental officer for review, usually on the same day. If the senior officer agrees with the initial finding, it is confirmed. If the senior officer disagrees with the initial finding, the case is referred to a second senior officer for another opinion. If the two senior officers disagree on whether an individual should be screened-out or not, the individual receives the ‘benefit of the doubt’ and is ‘screened-in’.

A person who is screened-in is, as an ‘unauthorised maritime arrival’, required to be taken to a concentration camp either on Nauru or Papua New Guinea ‘for processing’. A person who is screened-out is returned to Sri Lanka as quickly as possible.

The lack of access to review which is independent of the immigration department and the usual lack of access to legal assistance makes ‘enhanced screening’ an unfair and unreliable procedure giving rise to a high risk of *refoulement*. This is a view which is shared by the Office of the United Nations High Commissioner for Refugees and the Australian Human Rights Commission. But, who care about them ?

The Coalition government’s minister in charge promptly announced that he will apply the process to all Sri Lankans ‘regardless of their pathway to Australia’. He has also made it clear that the Coalition government’s inclination is to use the procedure in relation to asylum seekers from other countries.

No sooner had Carr left the New South Wales premiership in 2005 than he was appointed a part-time consultant for Macquarie Bank - Australia’s largest investment bank, dubbed the millionaires factory for its successes. Carr was to advise the bank on policy, climate change, renewables and strategic issues with a focus on the United States and the People’s Republic of China.

Previously secret United States embassy and consulate reports incorporated into a new searchable database unveiled by WikiLeaks on 1 April 2013 revealed that Mr. Carr was a source for United States diplomats seeking information on the internal affairs of the Labor Party in general and of the difficulties of the Whitlam Government in particular in the mid-1970s. Asked about his 1970s contacts with American diplomats, Senator Carr said: “I was in my 20s. I could have said anything.” Well, Carr was born in 1947, and that would have made him about 28 at the time ! He had been and continued to be Washington’s man in Australia.

After his nomination and appointment Carr had confirmed that he would have sought election to the Senate for a further full six-year term and was subsequently nominated at the head of Labor’s New South Wales Senate ticket for the 2013 poll. He was duly elected, but on 23 October 2013 he announced his resignation from the Senate which took effect the following day.

Opinions of a Bachelor of Arts with Honours in History should be taken in particular consideration when dealing with Dr. Henry Kissinger. In his *Diary* published at mid-April 2014 Carr shows that he is in awe of Kissinger. People who have read the *Diary* say that there are passages on Kissinger which should be reproduced *in toto* to appreciate the devotion of the diarist.

Here are two revealing quotes, dealing with a 2012 dinner at the Kissingers: “A sea of emerald gladioli; potted orchids; spot-lit paintings in gold frames; Nancy Kissinger tall and lean and welcoming in a dress that trails, and Henry deliberate at 88, same stubborn wavy hair, outsize square-frame glasses and alert, humorous eyes - *Henry Kissinger, just as in all the documentaries about foreign policy and US politics in the '70s. My favourite world-historical figure. We were first at the dinner he was hosting in my honour in his apartment in River House on 52nd Street, Midtown East...* [Emphasis added]

“‘The celebration in the Kissinger family on the news of your appointment was indecent,’ he said - so generous, so gracious - at the circular table in the wood-panelled dining room, Dutch flower painting on the wall behind him, and Rupert Murdoch, mayor Michael Bloomberg, the historian Margaret MacMillan, the Indian UN Ambassador Hardeep Singh Puri, and the head of Alcoa, Klaus Kleinfeld, at the table – *me by Nancy’s side, Helena with Henry.* And Susan Rice, Obama’s ambassador to the UN, was present, even though this was the day the North Korean missile was fired and expired a minute into the air and the day a fragile ceasefire was settled in Syria.” [Emphasis added]

Authentic Valhalla, Mr. Carr !

But was not Dr. Henry Kissinger the one who took part with Nixon in, and probably organised, the *coup* against the Whitlam Government ?

How forgetful are the leaders of the ‘Labor’ Party in a corporatised Australia !

Following persistent tensions, Prime Minister Gillard announced another Caucus ballot on the leadership on 26 June 2013, from which Rudd emerged victorious. He was sworn in as Prime Minister for a second time the following day, and formed his second Cabinet, which contained a record number of women. He also became the first serving Australian Prime Minister publicly to support same-sex marriage. Despite an initial rise in opinion polls following his return, Labor was defeated in the 2013 election. Rudd resigned as Prime Minister for a second time on 18 September, and announced on 13 November that he would be stepping down from Parliament within a few days.

Immediately upon Rudd’s re-election, the mining industry had warned the new prime minister not to modify the mining tax, asking for a new deal that will boost productivity gains to combat falling commodity prices.

One industry veteran who did not want to be named said that the leadership swap came at the “worst possible time for the industry.” ... “However bad the Gillard government has been, Rudd’s return only further destabilises the business outlook until an election is held.” the senior mining executive said. “There is no mining industry confidence in either Gillard or Rudd. Both are guilty of having eroded industry confidence.”

Another mining executive said that the mining tax was a “disastrous policy that raised nothing and created so much uncertainty.” And he added: “To think you’d even entertain tweaking that in this environment is absolute suicide.”

Meanwhile the three mining giants - BHP Billiton, Rio Tinto and Xstrata - were secretly warning that the industry would have been prepared to retaliate like it did in 2010 against Rudd before he was replaced by Ms. Gillard.

Kevin Rudd’s return to the prime ministership had prompted questions about policy changes, including in the area generally seen as his downfall: the mining tax. Rudd had however already been [‘warned’](#) by industry spokespeople not to tinker with the watered-down Minerals Rent Resource Tax.

Beyond the political drama it unleashed, the Resources Super Profits Tax proposed in 2010 brought to light deep-rooted struggles about the ownership of resources, the roles of the public and private sectors, and the distribution of the nation’s wealth.

As largely foreign-owned, capital-intensive businesses, mining companies had historically lacked electoral clout, so the only real ace in their pack was to threaten to take operations elsewhere. The ‘best way’ for such companies ‘to avoid regulation or to attract government support was to confuse the national interest with their own’.

In May 2012 Prime Minister Gillard told the Minerals Council of Australia: ‘You don’t own the minerals. I don’t own the minerals. Governments only sell you the right to mine the resource, a resource we hold in trust for a sovereign people’. M.C.A. head Mitch Hooke promptly agreed, saying “we pay the taxes and royalties for the privilege of developing ... Australia’s natural endowment.” There is a gap between *is* and *ought*, though, and there has been muted debate about not the lawfulness but the legitimacy of public ownership: consider Gina Rinehart’s recent [suggestion](#) that wealth is being ‘drawn’ from the miners rather than the earth.

Beneath the surface, then, are ideas that go beyond the law - notions of moral rightness and entitlement. What rights and responsibilities accompany public ownership ? What privileges should be accorded to developers ? Are there limits on Australia's management of its minerals ?

Before Rudd and Gillard, a real Labor administration stood as a salutary 'lesson'. Whitlam's government sought to change Australia's generally *laissez-faire* approach to mineral investment: it attempted to implement the Petroleum and Minerals Authority to act in partnership with the private sector to develop resources, it imposed export controls and foreign investment guidelines, and it commissioned the [Fitzgerald Report](#) on the mineral sector's contribution to national welfare.

The harrowing question of the moment was: after spending more than AU\$ 22 million three years before and helping to dethrone then-Prime Minister Rudd, will the returned prime minister and the mining industry be able to bury the hatchet ?

After the dramatic leadership change on 27 June, it appeared that both Prime Minister Rudd and the industry were prepared to let bygones be bygones. In his acceptance speech, Prime Minister Rudd told Australian business: "I want to work closely with you." ... "Business is a group that this government will work with very closely." he said. "We've been natural partners in the past and we can be again in the future."

Five days before the 2013 election, Prime Minister Rudd attempted to win over the mining industry by proposing a new partnership. Brisbane would have become the headquarters for Labor's eleventh industry innovation partnership in case of victory at the election on 7 September 2013. The city would be the home base for a mining industry innovation partnership, under a AU\$ 16 million slice of an AU\$ 500 million programme announced at the start of the election campaign. Labor proposed a plan to bring together the Queensland University of Technology, Austmine Ltd., Brisbane Marketing, the C.S.I.R.O., the Centre for Mining Technology, the University of Queensland and the Australian Industry Group for the Brisbane industry innovation plan. Labor's promise of AU\$ 16 million funding for 2016-2017 would be matched with cash or in-kind by industry and research partners if it had won the election.

When the election final results were published, the following was the distribution of the votes to winning parties, with 14,722,754 persons enrolled and a turnout of 93.23 per cent of them.

The first preferences for parties which ultimately gained seats in the House of Representatives were:

Party	Votes	Percentage %	Swing %
Australian Labor Party	4,311,365	33.38	-4.61
Liberal	4,134,865	32.02	+1.56
Liberal National Party	1,152,217	8.92	-0.20
The Nationals	554,268	4.29	+0.56
Country Liberals (NT)	41,468	0.32	+0.01
The Greens	1,116,918	8.65	-3.11
Katter's Australian Party	134,226	1.04	+0.73
Palmer United Party	709,035	5.49	+5.49
Independent	177,217	1.37	-0.84

There had been 12,914,927 valid votes, 811,143 invalid votes and thus for a total of 13,726,070 voters.

At the end of counting and distribution, on a two party preferred system, the votes were:

Party / Coalition	Votes	Percentage %	Swing %
Australian Labor Party	6,006,217	46.51	-3.61
Liberal/National Coalition	6,908,710	53.49	+3.61

The composition of the House of Representatives was:

Party	Seats held	Percentage of House
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<u>Liberal/National/LNP/CLP Coalition</u>	90	60%
<u>Australian Labor Party</u>	55	36.67%
<u>Independent</u>	2	1.33%
<u>Australian Greens</u>	1	0.67%
<u>Palmer United Party</u>	1	0.67%
<u>Katter's Australian Party</u>	1	0.67%
Total	150	100%

With not even four votes for every vote credited to The Greens the Liberal/Agrarian Socialists Coalition would hold 90 seats; with an almost similar number of votes the 'Labor' Party would hold 55 seats.

That could be democracy Rajapaksa style. Why, he reigns over a country which calls itself a republic, and democratic, and socialist !

But representative democracy it is not.

On 24 October 2013 the new Coalition government announced a plan to repeal the Minerals Resource Rent Tax, citing its belief that the tax never raised anywhere near what was predicted, had led to negative impacts on investment in mining projects, and resulted in significant compliance costs. Treasurer Joe Hockey asserted that the repeal of this tax will save the government AU\$ 13.4 billion. A January 2014 poll conducted by a market research company, however, found that a majority of Australians still think that multinational mining companies do not pay enough tax. Supporters of the tax also point to continually-large profits produced by Australian-based mining operations, 83 per cent of which are foreign-owned.

By early March 2014 the mining tax had raised only AU\$ 250 million during the previous financial year, a huge deficit on the expected revenues of AU\$ 4.3 billion originally forecast when the tax was introduced in 2011.

The low intake had come as Australia's three major miners BHP Billiton, Rio Tinto and Fortescue Metals Group made a total half-year profit of more than AU\$ 15.72 billion from

their Western Australian iron ore operations. BHP Billiton was the only iron ore miner to pay the tax in the six months to December 2013.

Altogether the tax has raised around AU\$ 432 million since its introduction.

[The Abbott Government had long-called for the abolition of the tax](#) and was expected to succeed when the new Senate will come into term on 1 July 2014.

The Greens have previously [called for the 'flaws' in the tax to be redressed and want to see a higher tax rate,](#) the inclusion of gold and cutting Commonwealth refunds of state royalty increases.

Quite interestingly, the Minerals Council of Australia has defended the design of the tax and said the mining industry already pays its fair share.

It is expected that the Abbott Government may gain sufficient support from crossbench votes to abolish the tax.

* * *

Who really runs Australia ?

A study published in the October 2011 issue of the *NewScientist* examined the capitalist work which runs the world. It was based on an analysis of the relationship between 43,060 transnational corporations and identified a relatively small group of companies, mainly banks, with disproportionate power over the global economy.

The study's assumptions have attracted some criticism, but complex systems analysts contacted by *New Scientist* said that it is a unique effort to untangle control in the global economy. Pushing the analysis further, they said, could help to identify ways of making global capitalism more stable.

The idea that a few bankers control a large part of the global economy might not seem like news to many. But the study, conducted by a team of three scientists at the Swiss Federal Institute of Technology in Zurich, may still be the first to go beyond ideology and empirically to identify such a network of power. It combines the mathematics long used to model natural systems with comprehensive corporate data to map ownership among the world's transnational corporations.

“Reality is so complex, we must move away from dogma, whether it’s conspiracy theories or free-market.” said one of the scientists. “Our analysis is reality-based.”

The work, published in the *Public Library of Science*, revealed a core of 1,318 corporations with interlocking ownerships. Each of the 1,318 had ties to two or more other corporations, and on average they were connected to 20. What is more, although they represented 20 per cent of global operating revenues, the 1,318 appeared collectively to own through their shares the majority of the world’s large blue chip and manufacturing firms - the ‘real’ economy - representing a further 60 per cent of global revenues.

When the team further untangled the web of ownership, it found much of it tracked back to a ‘super-entity’ of 147 even more tightly knit corporations - all of their ownership was held by other members of the super-entity - which controlled 40 per cent of the total wealth in the network. “In effect, less than 1 per cent of the companies were able to control 40 per cent of the entire network.” said one of the scientists. Most were financial institutions. The top 20 included Barclays Bank, JPMorgan Chase & Co, and the Goldman Sachs Group.

Concentration of power is not good or bad in itself, said the Zurich team, but the core’s tight interconnections could be. As the world learned in 2008, during the play-out of the Global Financial Crisis, such networks are unstable. “If one [corporation] suffers distress,” said one of the scientists “this propagates.”

Crucially, by identifying the architecture of global economic power, the analysis could help make it more stable. By finding the vulnerable aspects of the system, economists can suggest measures to prevent future collapses spreading through the entire economy. One of the three Swiss scientists said that there was a strong case for enacting global anti-trust rules, which now exist only at national level, to limit over-connection among transnationals.

In an optimistic view, super-entity may not result from conspiracy. But the real question, said the Zurich team, is whether it can exert concerted political power. A microeconomics expert from the University of London expressed the view that 147 corporations is too many to sustain collusion, and if they will compete in the market they will act in concert on common interests. Resisting changes to the network structure may be one such common interest.

Here is a list of 50 of the 147 ‘superconnected’ corporations - one only of them, Lehman Brothers Holding Inc. (no. 34) having disappeared through bankruptcy at the beginning of the so-called Global Financial Crisis:

1. Barclays plc
2. Capital Group Companies Inc
3. FMR Corporation
4. AXA
5. State Street Corporation
6. JP Morgan Chase & Co
7. Legal & General Group plc
8. Vanguard Group Inc
9. UBS AG
10. Merrill Lynch & Co Inc
11. Wellington Management Co LLP
12. Deutsche Bank AG
13. Franklin Resources Inc
14. Credit Suisse Group
15. Walton Enterprises LLC
16. Bank of New York Mellon Corp
17. Natixis
18. Goldman Sachs Group Inc
19. T Rowe Price Group Inc
20. Legg Mason Inc
21. Morgan Stanley
22. Mitsubishi UFJ Financial Group Inc
23. Northern Trust Corporation
24. Société Générale
25. Bank of America Corporation
26. Lloyds TSB Group plc
27. Invesco plc
28. Allianz SE 29. TIAA
30. Old Mutual Public Limited Company
31. Aviva plc
32. Schroders plc
33. Dodge & Cox
34. Lehman Brothers Holdings Inc
35. Sun Life Financial Inc

36. Standard Life plc
37. CNCE
38. Nomura Holdings Inc
39. The Depository Trust Company
40. Massachusetts Mutual Life Insurance
41. ING Groep NV
42. Brandes Investment Partners LP
43. Unicredito Italiano SPA
44. Deposit Insurance Corporation of Japan
45. Vereniging Aegon
46. BNP Paribas
47. Affiliated Managers Group Inc
48. Resona Holdings Inc
49. Capital Group International Inc
50. China Petrochemical Group Company

One often hears about the ten ‘people’ who are supposed to run the world, of the 25 cities which represent over half of the world’s Gross Domestic Product, of the world’s billionaires who control a stunning US\$ 33 trillion in net worth.

But there are other ways of looking at the world’s economy.

For instance, it is known that ten corporations control almost everything one buys. A list could be made of: Coca-Cola, Green Giant, Johnson & Johnson, Kellogg’s, Kraft, Mars, Nestlé, Pepsico, Proctor & Gamble and Unilever.

These ten mega corporations, operating with identical or similar brand name in Australia in some cases, control the output of almost everything Australians buy - from household products to pet food and from jeans to jell-o. The so-called ‘illusion of choice,’ that these corporations - and their nepotistic inter-relationships - provide, is remarkable.

Simply considering three of those huge corporations: the US\$ 200 billion-corporation Nestlé - famous for chocolate, is also the biggest food company in the world. It owns nearly 8,000 different brands worldwide, and takes stake in or is partnered with a large number of others. Included in this network is shampoo company L’Oreal, baby food giant Gerber, clothing brand Diesel, and pet food makers Purina and Friskies; the US\$ 84 billion Proctor &

Gamble, which is the largest advertiser in the United States, is paired with a number of diverse brands which produce everything from medicine to toothpaste to high-end fashion. All tallied, Proctor & Gamble reportedly reaches 4.8 billion people around the world through its network; one would associate Unilever with soap, primarily. But it serves two billion people around the world, controlling a network which produces everything from Cotton-buds to Skippy peanut butter.

And the movement towards concentration hardly ever stops: by the end of 2013, in the United States, 37 banks have merged to become just four - JPMorgan Chase, Bank of America, Wells Fargo and CitiGroup in a little over two decades.

The United States ten largest financial institutions now hold some 54 per cent of Americans' total financial assets; in 1990, they held 20 per cent. During the past twenty years the number of American banks has dropped from more than 12,500 to about 8,000.

It should be a source of public alarm that the two national public television network providers of serious and unbiased information: the Australian Broadcasting Corporation and the Special Broadcasting Service are watched by 16.4 per cent and 5.8 per cent viewers respectively.

Thirty years ago approximately fifty corporations controlled the vast majority of all news media in the United States. Today, ownership of the news media has been concentrated in the hands of just six incredibly powerful media corporations. These corporate behemoths control most of what one watches, hears and reads every single day. They own television networks, cable channels, movie studios, newspapers, magazines, publishing houses, music labels and even many of the most favourite websites. Sadly, most Americans do not even stop to think about who is feeding them the endless hours of 'news' and entertainment that they constantly ingest. It is the same with the majority of Australians. Most Americans do not really seem to care about who owns the media. The same is for the Australians. But they should.

The truth is that everyone is deeply influenced by the messages which are constantly being pounded into people's heads by the mainstream media. The average American watches some 150 hours of television a month. Data are not available for Australia, but the guessing should lead to a similar figure. In fact, most Australians begin to feel physically uncomfortable if they go too long without watching or listening to something. More - mot Australians have become absolutely addicted to 'news' and entertainment and the ownership of all that 'news'

and entertainment that Australians crave is being concentrated in fewer and fewer hands each year.

It was noted recently that media ownership laws in Australia have remained unchanged for over a decade, although debate on the desirability of reform has continued - desultorily and inconclusively, particularly under Labor governments. The debate has been fuelled by the impact of new media technologies, a number of inquiries proposing regulatory changes, and the self-interest of those media organisations which report the controversy. Australian Governments have long indicated that the rules are anachronistic, but hardly any meaningful change has been proposed.

The declared purpose of the intended legislation is to encourage diversity in the ownership of the most influential forms of the commercial media: the daily press and free-to-air television and radio. That is the theory, the practice is something else. The intended, major effect of the laws is to prevent the common ownership of newspapers, television and radio broadcasting licences which serve the same region. The justification for the rules is that the effective functioning of a democracy requires a diverse ownership of the daily mass media to ensure that public life be reported in a fair and open manner.

The legal position is complex. Under *placitum* 51(v) of the Australian Constitution legislative control of broadcasting is contained in the [Broadcasting Services Act 1992](#). Generic controls relating to commercial activity are covered by the provisions of the [Trade Practices Act 1974](#) and the [Foreign Acquisitions and Takeovers Act 1975](#), both as amended, and both badly administered. They are supported by the Commonwealth's powers regarding trade and corporations under *placita* [51\(i\) and 51\(xx\) of the Constitution](#).

Of the six corporations which collectively control United States media today: Time Warner, Walt Disney, Viacom, Rupert Murdoch's News Corp., CBS Corporation and NBC Universal, one should be of particular interest to Australians: Rupert Murdoch's News Corp. - as it was until recently.

These gigantic media corporations do not exist objectively to tell the truth to the viewers or the listeners. Rather, the primary purpose of their existence is to make money.

These gigantic media corporations are not going to do anything to threaten their relationships with their biggest advertisers - such as the largest pharmaceutical companies which

literally spend billions on advertising, and one way or another these gigantic media corporations are always going to express the ideological viewpoints of their owners.

This is what ultimately comes under control of Mr. Murdoch's News Corporation:

Dow Jones & Company, Inc.

Fox Television Stations

The New York Post

Fox Searchlight Pictures

Beliefnet

Fox Business Network

Fox Kids Europe

Fox News Channel

Fox Sports Net

Fox Television Network

FX

My Network TV

MySpace

News Limited News

Phoenix InfoNews Channel

Phoenix Movies Channel

Sky PerfecTV

Speed Channel

STAR TV India

STAR TV Taiwan

STAR World

Times Higher Education Supplement Magazine

Times Literary Supplement Magazine

Times of London

20th Century Fox Home Entertainment

20th Century Fox International

20th Century Fox Studios

20th Century Fox Television

BSkyB

DIRECTV

The Wall Street Journal
Fox Broadcasting Company
Fox Interactive Media
FOXTEL
HarperCollins Publishers
The National Geographic Channel
National Rugby League
News Interactive
News Outdoor
Radio Veronica
ReganBooks
Sky Italia
Sky Radio Denmark
Sky Radio Germany
Sky Radio Netherlands
STAR
Zondervan

Australia mass media are concentrated into the hands of a very small number of proprietors. For example, 11 of the 12 major newspapers in Australia are owned by News Ltd., a subsidiary of News Corporation Inc.

News Ltd. has interests in more than one hundred national, metropolitan, regional and suburban newspapers throughout the country. In terms of its share of circulation, it has: 68 per cent of the capital city and national newspaper market, 77 per cent of the Sunday newspaper market, 62 per cent of the suburban newspaper market, and 18 per cent of the regional newspaper market. News' holdings include Queensland Press Ltd., jointly owned by Cruden Investments - Murdoch's own company - and News Corporation. Other News Ltd. media interests are AAP Information Services - jointly controlled with Fairfax, a 25 per cent stake in [Foxtel](#) - pay TV, and [News Interactive](#) - an online service.

Most of the other newspapers are controlled by John Fairfax Holdings, which is an Australian publishing group, until recently with no single dominant shareholder; and there is a sizeable foreign participation. Fairfax newspapers have the following circulation shares: 21 per cent of the capital city and national newspaper market, 22 per cent of the Sunday newspaper

market, 17 per cent of the suburban newspaper market, and 16 per cent of the regional newspaper market. Other Fairfax interests are AAP Information Services - jointly controlled with News Ltd., and the [Fairfax Interactive Network](#) - an online service.

Much of the everyday main stream news is drawn from the Australian Associated Press. Rural and regional media are dominated by [Rural Press Ltd.](#) which is held by [John Fairfax Holdings](#). [Daily Mail and General Trust](#) operates the [DMG Radio Australia](#) commercial radio networks in metropolitan and regional areas of Australia. The company currently own more than 60 radio stations across New South Wales, Queensland, South Australia, Victoria and Western Australia.

In practical terms, Murdoch - who incidentally is an American citizen - controls the Australian media: News Ltd. dominates regional and suburban newspaper publishing industry. In addition News Corporation controls Fox News - popularly known as *Faux News*.

The Australian people have fewer different voices upon which to make their decisions than almost any other people in the so-called free world. Murdoch does not mind and, with indifference worthy of a sultan, is quite happy that some Australians feel like living in a *Murdochracy*. There is, however, a suffocating supply of sport services. And 'that' matters: some bread and many circuses.

For years some journalists have complained about Murdoch's autocratic and unprincipled style of demanding that his newspapers publish distorted accounts of the news to suit him. True or not that that may be, particularly in that it is hard to provide proof of the assertion, it is not hard to conclude that, in the presence of a proprietor who controls seventy per cent of the press, democracy is bound to suffer. Even if positive proof were readily available, there is no court before which such evidence can be adduced or which could decide on the issue. The Australian people are not interested.

The media and the 'entertainment' industry important tasks are the coercion and indoctrination of the population from early childhood. Most successive governments of both available hues are timorous of doing anything to guarantee freedom of the press and information for fear of losing Murdoch's support come election time. If all else fails, economic pressure, appeals to patriotism, and implied threats are put to work.

Some constraint to such power might have been tried by introducing regulations which forbid holding more than two media outlets - whether print, radio or television - in a single area. The latest timorous experiment was tried in 2007; it failed and nothing has been done since.

The Howard Government 'discovered' in the Internet a new source of diversity, and a pretext for doing nothing. The reasoning is fallacious, and demonstrably so: Internet may be an alternative source of information, but is not accessible to everyone and cannot be regarded as a competitive force against the oligopolistic power of corporations such as News Inc.

Almost by way of definition, concentration of the power of information in a few hands is the antinomy of democracy.

The profession of journalism has been so discredited by owners such as Murdoch in Australia, that work at a newspaper now is - by and large - no more than an ultimate exercise in public relations. Very often the printed press reports nothing more than what is concocted by public relations corporations.

Some Australian political representatives may occasionally complain about the tyranny of the 24 hour news-cycle, but most of them have adjusted to the 'new reality' and almost all of them have made it a dutiful part of their anointment to go in pilgrimage to New York and dine or sup with Murdoch. Rudd did it, and Gillard followed the ritual in March 2011. Upon their return they settle down at the place designed by 'The System', and the 'spin' begins in earnest.

Abbott has not gone to New York or anywhere else to pay homage to Murdoch. Instead, Murdoch came to Australia in April 2013, as will be seen.

Objectivity does not exist in corporate media, and 'free speech' is free if the ruling *élite* likes it. While the rhetoric of 'free media' is prevalent in most 'western' countries, a culture of censorship - if not self-censorship - is widespread even by the most 'independent' and 'alternative' media outlets.

Good journalism, a very honourable profession in different times, is very demanding. It calls for dedication, wide and continuing education, effort, time and money. Except for money, holding the other elements is not necessary and could provide an unemployment card for many aspiring journalists. The last thing a fascist regime would want is the type of journalism

which has the dignity of an old profession, cares about the facts, is capable of distinguish them from propaganda, and talks the truth to power.

According to [*Reporters without borders*](#) in 2011-2012 Australia was in thirtieth position - down from nineteenth in 2010 - on a list of countries ranked by *Press Freedom*, well behind the first five: Finland, Norway, Estonia, Netherlands and Austria, quite behind Iceland, Luxembourg, Switzerland, Capo Verde, Canada, Denmark, Sweden and Switzerland and two steps below the United Kingdom, but way above the United States. In 2013 Australian had moved down to no. 26 !

There is another field in which collusion feeds illusion in Australia: the banks. Australia's 'Big Four' banks are all owned/controlled by the same financial interest.

What do Australia's "Big 4" banks have in common?

The Australia and New Zealand Banking Group Limited - ANZ, the Commercial Bank of Australia - CBA, the National Australia Bank Limited - NAB and Westpac Banking Corporation are publicly listed companies.

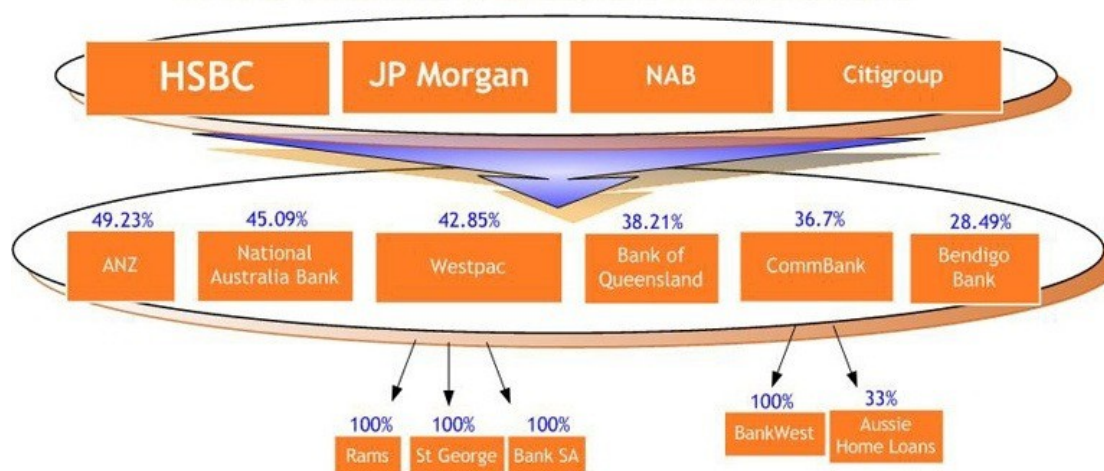
What is puzzling is that the top four shareholders in each of the 'Big 4' are in fact the same.

Australia's 'Big 4' do promote competitiveness amongst themselves, but they are all owned/controlled by the same - largely foreign - financial interests. These are, specifically: the Hong Kong and Shanghai Banking Corporation - HSBC Custody Nominees, J P Morgan Nominees Aus Ltd., National Nominees Ltd. and Citicorp Nominees Pty Ltd.

Here is

The Ownership Tree

This tree looks at the ownership of "Australian Owned" banks in Australia. The companies at the top of the tree are the top four shareholders for all of the banks in the following level. The percentage shown is the total ownership these four companies have of that particular bank.



Source: <http://www.spankyourbank.com.au>

The above information can be gathered from the annual reports of these banking giants. But these figures are not made readily available to anyone with Internet access and a few search engine terms. The banks use measures such as publishing these details in *image* format, tucked neatly away on their websites so as not to be found by search terms or even Google's tentacles.

Search engines only search for text, so an image file saved under an innocuous name will not be found by prying eyes, whereas the same details loaded into a table on a their website would.

So what should one make of all advertisements one sees for all these banks on television, in the newspapers, and all over website banners, and hears on the radio? They are all offering their products, promising theirs is the best and that one's money is better invested with them.

It is a swindle.

The 'Big 4' banks would have one believe that they are all competing with each other, and in that spirit of competitiveness, they give one the power to choose a product best suited for one's over the others.

This power never existed. The viewer, listener, reader is always given the illusion of power. It is a clever technique employed by big corporations to induce one to do exactly what they want. The consumers are led to feel that they have a choice based on clever marketing tactics

when really the choice has already been made for them - in the collusion of the offerors. In that way the big banks are able to retain the power the consumers thought they had.

The numbers are stacked against the consumer and the house always wins.

One should not be deceived into thinking that simply because a bank CEO is earning multimillion dollar pay packets he - rarely she - is 'in charge'. CEOs are there at the behest of their majority shareholders to do their bidding, as they control the majority voting power. It is the majority shareholders who have power, the real power to control the bank and everything it does.

On carefully checking and double-check just who these corporations are which control the 'Big 4' in Australia one may be surprised.

As prof. Hunter suggested in a study early last year, the ordinary Australian believes in 'Australian private enterprise' and has been led to believe that public enterprise 'cannot run anything' - it has failed.

S/he is left with the illusion that the community owns the banks and large public corporations, that 'Australians own them through superannuation and mutual funds.'

Two in three Australians think that there is not enough competition in the banking system, and they do not know the half of it. When asked, Australians are alarmingly ignorant of the true reach of the 'Big 4' power. Just 53 per cent of people are aware that Westpac owns St. George, having taken it over in 2008, and that is the most informed one can collect. An even slimmer 36 per cent know that BankWest is now owned by Commonwealth Bank. Just 21 per cent are aware UBank is run by National Australia Bank, 14 per cent that RAMS is owned by Westpac and 12 per cent that Aussie Home Loans is one third owned, soon to be majority controlled, by Commonwealth Bank. Still, four in five Australians firmly believe the big four banks make excessive profits. And two in three want an inquiry to find out why.

Towards the end February 2013 the industry body representing credit unions and building societies, *Abacus*, launched a national campaign and website to lobby for an independent inquiry into the banking system. The survey of 1,000 Australians found 65 per cent think there is not enough competition in the Australian banking system. When asked, people guessed the banks controlled around 70 per cent of all home loans. Figures released recently reveal that the big banks are in fact writing 92 per cent of all new loans. More than half of people, 54 per cent, feel big banks do not treat their customers fairly on home loan rates.

“Australians are angry about the dominance of the major banks.” the chief executive of *Abacus* said. “The Balance Banking campaign will lobby for change to address the imbalance in banking, through a national debate and independent review of our banking system.”

The Coalition vowed to hold an inquiry into the banking system if elected.

If one examines the annual reports of most of the large Australian public companies, names like Citicorp, HSBC and JP Morgan Chase are very prominent in the tops 20 shareholders lists.

Today the ownership/control of Australian banks is very different from the traditional past, where Australian banks were owned by the ‘average Australian’ through superannuation and investment funds. Major shareholders may still be mutual and investment funds, but they are now managed by foreign interests which appoint their ‘proxy’ directors to the boards, to administer *their* interests.

Consider the major shareholdings (in percentage) in Australia’s ‘Big 4’ banks:

Bank	HSBC *	JPMorgan *	Citicorp *
ANZ	18.88 %	15.65	5.41 %
	%		
Commonwealth	14.10 %	11.13 %	4.18 %
NAB	16.94 %	14.47	3.33 %
	%		
Westpac	15.10 %	12.27	4.60 %
	%		

* Through Nominees

Apart from the top shareholders shown above, an inspection of the data in the respective annual reports shows that most of the other top 20 shareholders are companies with a stake in more than one big bank. Moreover, ownership figures for the second tier banks, Bendigo and Adelaide Bank Limited, Suncorp-Metway Limited and Bank of Queensland Limited, show they are also owned by the same organisations which own the “Big 4”.

When one looks closely at who owns the ‘Big 4’ banks it becomes clear that there is a lot of common ownership, suggesting that those banks may not in fact be independent, competing entities.

Due to the complex nature of the legal structures of shareholders and ways that the various shareholders work together, it is virtually impossible to determine who really controls the banks. Many of the other minor shareholders in the banks also have Citibank, HSBC and JP Morgan, as well as many other European and American banks as their major shareholders. An apparent argument to the contrary is often presented: Citibank, HSBC and J.P. Morgan are only investing on behalf of small investors. Even if that were a valid argument, what matters is the prerogative of the funds - and not of the investors - to appoint a director to the board of their choice.

These figures are also consistent with a recent worldwide study showing that most of the world’s company equity is controlled by no more than 25 companies, of which many of these companies have equity in Australian banks.

One of the most interesting aspects which complement the cross-ownership in the ‘Big 4’ four Australian banks is the number of cross-directorships in other foreign banks and financial institutions which exist in a wide manner. Studies have shown how even small cross-shareholding structures, at a national level, can affect market competition in sectors such as airline, automobile and steel, as well as the financial one.

When one turns to corporate Australia, one will find that it is very similar to the banks.

Away from the banks, commercial and mining companies ownership are dominated by Citibank Nominees, HSBC Nominees and JP Morgan Nominees as the top three shareholders of most companies. If one examines company directorships there is a tight cross-linking across commerce, banking and mining in Australia today. Commerce, banking and mining are each a form of oligopoly.

Major shareholding (in percentage) of Australia’s largest public companies

Company	HSBC *	JP Morgan *	Citicorp *
1 AMP	19.23 %	13.88 %	4.6 %
2 BHP Billiton	17.36 %	13.29 %	10.75 %
3 Brambles	25,85 %	21.73 %	8,77 %

4	CSL	24.39 %	17.43 %	6.1 %
5	Fosters Group	23.29 %	21.23 %	6.31 %
6	Macquarie bank	19.06 %	19.96 %	6.08 %
7	Newcrest	37.83 %	16.57 %	4.94 %
Mining				
8	Origin Energy	15.83 %	14.10 %	5.17 %
9	Rio Tinto	19.59 %	16.68 %	4.89 %
1	Sun Corp	20.23 %	17.09 %	7.1 %
0				
11	Telstra	18.49 %	12.5 %	1.36 %
1	Westfield	31.44 %	25.0 %	7.03 %
2				
1	Westfarmers	16.31 %	13.77 %	6.43 %
2				
1	Woolworths	16.50 %	11.34 %	4.02 %
3				
1	Woodside	16.19 %	11.97 %	2.25 %
4				

The reality is that much of Australia's corporate landscape is owned by faceless people hiding behind big nominee companies that are virtually impossible to research. The same is for global investment banks, insurance companies and the Commonwealth public servant superannuation scheme. Many companies have directors who are involved in media, banking, and politics, with many ex-politicians coming onto boards when they leave Parliament.

There is ample evidence of the close relationships between business and politicians of the two main parties: Labor and Coalition. 'Labor' has been able to stay longer than usual in government only by accommodating to business interests, particularly when the Prime Minister was Hawke. He was able to establish a special connection with a significant group within the dominant corporations of Australia. Still, Big Business may have a stronger influence at state level, where government can directly facilitate access to prime land and assets that each state controls.

Today in Australia Big Business is able to practice a special function against small competition by dictating terms unfairly to smaller businesses. This is particularly evident in the retail area, where supermarkets have acted for quite some time as a substantial duopoly

through which they control over 90 per cent of retail sales, and the relevant profit margins which have gone from 20 per cent in the 1970s to over 50 per cent nowadays.

With so much ownership concentration of Australian business and industry through skilful fund control, the devices still possible under corporation law, the presence of interlocking directorates, a very few people can exercise great influence over the Australian economy. Many company boards and directors can operate with little, and some with no, accountability.

The potential for easy manipulation of share prices is still there on a huge scale. HSBC Nominees, JP Morgan, and Citicorp Nominees are the first, second and fourth largest shareholders in the Australian Stock Exchange.

The institutions, both private and public, of Australian trade continue to support the myth of Australia as a competitive economy. The contrary is true: most of Australia's largest corporations operate either as monopolies or exercise some form of oligopoly.

Here are some examples:

- BHP Billiton, Rio Tinto, Woodside Petroleum, Newcrest Mining, Fortescue Metals and Origin Energy all have monopoly control over the resources they exploit,
- The four major banks exercise almost 90 per cent control over all transactions in the economy and the smaller banks have the same shareholding as the 'Big 4' as well,
- News Corporation controls some 80 per cent of all metropolitan newspapers in Australia,
- Wesfarmers is a conglomerate which operates Coles (Supermarkets), Bunnings (Retail/Trade hardware), Target (Retail), Kmart (Retail), Officeworks (Office and stationery products) in duopoly markets,
- Telstra (Telephones) has a near monopoly,
- Woolworths (Supermarkets) operates in a duopoly with Coles.
- Westfield Group (Shopping centres) operates a unique group of shopping centres without competition, and
- CSL (Biotechnology) has an almost complete monopoly on all blood products.

The top businesses in Australia do not exist within competitive environments and are able to earn above average profits. This has potential consequences for local innovation, consequences for sustainable exploitation of resources, consequences for which industries survive and which industries are lost, and consequences for the cost of living for Australians, not to mention fairness and transparency in the marketplace.

According to figures collected in 2012 by IBIS World (Market research reports), New South Wales is home to 41 per cent of the top 500 enterprises in Australia by revenue. This figure includes many foreign own companies which use New South Wales as a base for expanding Asia Pacific operations. New South Wales is historically run by the most corrupt government - 'Labor' or 'Liberal'.

Multinational corporations with a major presence in New South Wales include: Coca-Cola Amatil, Nestlé, Google, GE, IBM, BAE Systems (Defence and security), Thales (Aerospace, defence, security and transportation), Aldi (Supermarkets), DHL (International express deliveries), DB Schenker (Integrated logistics services), DP World (Marine terminal operator), BHP Billiton, Rio Tinto, Xstrata, Caltex, Suntech (Solar panels), Epuron (Renewable energy), EnergyAustralia, SAP (Software) and Virgin Money (Credit cards, insurance, superannuation).

Of the Australian top 500 companies New South Wales is the headquarters of 65 per cent of those in business services and 63 per cent in financial services. The State has a diverse industry base, also hosting 53 per cent of the largest machinery and equipment manufacturers and 88 per cent of motion picture, radio and television services businesses which are in the top 500 companies in Australia.

This was in 2012 the location in Australia of the top 500 companies (measured by revenue. By revenue is meant sales plus other revenue.)

State/Territory	Top companies (number)	Share of top 500 (%)	Total revenue (AU\$ billion)	Share of revenue (%)
New South Wales	215	43.0	637.3	41.3
Victoria	139	27.8	556.7	36.1
Queensland	58	11.6	152.6	9.9
Western Australia	46	9.2	136.3	8.8
South Australia	27	5.4	38.6	2.5
Aust. Capital Territory	10	2.0	17.6	1.1
Tasmania	4	0.8	3.9	0.3

Northern Territory	1	0.2	0.8	0.0
Total	500	100.0	1.543.8	100.0

In the preceding table the figures on top companies include private and public companies, foreign-owned companies, federal, state and local government bodies, listed and non-listed trusts, partnerships, co-operatives and associations. All foreign-owned companies are represented only by their Australian operations and subsidiaries in the Asia Pacific region.

In June 2013 *Business Review Australia* has taken a look at Australia's biggest companies and considered what it is which makes them so outstanding.

The *Review* was proud to present the top 10 largest Australian companies with reference to revenue. The article indicated such revenue in brackets to the million dollars.

The companies, as described in the *Review's* words, were:

1. BHP Billiton (72190.62)

BHP Billiton is a leading global resources company and the largest company in Australia. BHP is among the world's largest producers of major commodities, including aluminium, copper, energy coal, iron ore, manganese, metallurgical coal, nickel, silver and uranium along with substantial interests in oil and gas. It is a global organisation with over 100 locations throughout the world and more than 100,000 employees and contractors underpin its success.

BHP has an unrivalled portfolio of high quality growth opportunities which will ensure it continues to meet the changing needs of its customers and the resources demand of emerging economies at every stage of their growth. In May 2013 BHP appointed a new CEO. Of him the Chairman said: " [The CEO] brings a unique combination of deep industry knowledge and global management experience to the CEO role. [He] held senior positions in BP and Rio Tinto before joining BHP Billiton in 2008. He has led our Non-Ferrous division for the last five years working across four continents with responsibility for over half of our 100,000 people."

2. Rio Tinto (59879.25)

Rio Tinto Group is a British-Australian multinational metals and mining corporation with headquarters in London, United Kingdom and a management office in Melbourne, Australia. The focus of the firm is on finding, mining and processing the earth's mineral resources in order to maximise value for its shareholders. Rio Tinto has the people, capabilities and

resources to supply a world hungry for the metals and minerals which are used in everyday life, in diverse products - from mobile phones to cars.

3. Wesfarmers (58463)

From its origins in 1914 as a Western Australian farmers' cooperative, Wesfarmers has grown into one of Australia's largest listed companies. Its diverse business operations cover: supermarkets, department stores, home improvement and office supplies; coal mining; insurance; chemicals, energy and fertilisers; and industrial and safety products.

4. Woolworths (55526.8)

Since opening its first single basement store in Sydney in 1924, Woolworths has grown into a household name with a presence in almost every metropolitan and regional centre in Australia and New Zealand. It began operating fresh food stores 60 years ago when advances in refrigeration technology revolutionised transport and storage. In 2013 it celebrates its 89th year in the retailing business.

5. National Australia Bank (48556)

National Australia Bank Group is a financial services organisation with over 12,000,000 customers and 50,000 people, operating more than 1,750 stores and service centres globally. Its major financial services franchises in Australia are complemented by businesses in New Zealand, Asia, the United Kingdom and the United States. Each of its brands is uniquely positioned, but built on a common commitment to provide its customers with quality products and services, fair fees and charges, and relationships built on the principles of help, guidance and advice.

6. Commonwealth Bank of Australia (47193)

The Commonwealth Bank was founded under the *Commonwealth Bank Act* in 1911 and commenced operations in 1912, empowered to conduct both savings and general banking business. Today the company has grown to a business with more than 800,000 shareholders and 52,000 people working in the Commonwealth Bank Group. It offers a full range of financial services to help all Australians build and manage their finances.

7. Westpac Banking Corporation (42354)

Westpac Banking Corporation was founded in 1817 and was the first bank established in Australia. On 23 August 2002 Westpac was registered as a public company limited by shares under the *Australian Corporations Act* (2001). In December 2008 Westpac merged with St.

George Bank Limited. Today Westpac Group has branches and controlled entities throughout Australia, New Zealand and the near Pacific region and maintains offices in key financial centres around the world including London, New York, Hong Kong and Singapore.

8. ANZ Banking Group (40036)

ANZ Banking Group's history dates back over 175 years and it is committed to building lasting partnerships with its customers, shareholders and communities in 32 countries in Australia, New Zealand, throughout Asia and the Pacific, and in the Middle East, Europe and America. It provides a range of banking and financial products and services to around 8 million customers and employs 48,000 people worldwide. The company aims to become a super regional bank. This involves growing its presence in the Asia Pacific region and sourcing 25-30 per cent of earnings from its Asia Pacific Europe and America Division by 2017, while also being very focused on growth in its core domestic businesses in Australia and New Zealand.

9. Telstra (25637)

Telstra builds technology and content solutions which are simple and easy to use - including Australia's largest fully integrated IP network and Australia's largest and fastest national mobile network. The company strives to serve and know its customers better than anyone else - offering a choice of not just digital connection, but digital content as well. The company has an international presence spanning 15 countries, including China. In the 21st century, opportunity belongs to connected governments, connected businesses, connected communities and connected individuals. As Australia's leading telecommunications and information services company, Telstra is proud to be helping its customers improve the ways in which they live and work through connection.

10. Xstrata Holdings (23137.4)

Glencore Xstrata is one of the world's largest global diversified natural resource companies and is one of the ten biggest companies within the F.T.S.E. 100 Index. A global network of more than 90 offices located in over 50 countries supports the Group's industrial and marketing activities. Its diversified operations comprise of over 150 mining and metallurgical sites, offshore oil production assets, farms and agricultural facilities. The company employs approximately 190,000 people, including contractors.

* * *

Lobbyists, *Cabalists* and influence peddlers

At mid-March 2014 the news arrived that Australian taxpayers will lend US\$ 100 million - AU\$ 108 million - to a mining joint-venture run by BHP Billiton and Rio Tinto in Chile, under the latest funding deal by Australia's controversial Export Finance and Insurance Corporation. E.F.I.C. is a government body, but operates with a significant degree of autonomy, and is controversially exempt from freedom of information laws.

The loan to two of the largest and most profitable corporations operating in Australia comes despite recent criticism of E.F.I.C. from the Productivity Commission, which advised the E.F.I.C. to focus more on small exporters unable to secure finance, rather than big multinationals.

It also comes at a sensitive time for the Abbott Government, which has denied financial aid to Holden and others amid its campaign "to end the age of entitlement".

Under the terms of the loan, the US\$ 100 million will be lent to a holding company called *Minera Escondida Limitada*, which is 57.5 per cent owned by BHP Billiton, 30 per cent owned by Rio Tinto, with Japanese companies Mitsubishi and Nippon Mining owning the rest.

Minera Escondida is the joint venture through which the miners operate the *Escondida* copper mine in Chile, and the money is intended to help Australian companies win work on a multibillion expansion of what is already the world's biggest copper mine.

An E.F.I.C. spokesman said that the big miners were the conduit to supporting about 80 Australian companies through export contracts on the Chilean project. "From our perspective this is all about Australian jobs," he said. "Our funding is very much tied to the incremental provision of exports from Australians."

E.F.I.C. did not disclose the interest rate being charged on the loan, but said that it was at 'commercial rates' and pointed to the fact it pays an annual dividend to the Australian government.

"This has opened up an opportunity to these 80 Australian companies to pitch their wares and they have all now been contracted to provide their inputs," the spokesman said.

Australia is just one of several nations which provides loans through export credit agencies to *Escondida's* expansion, estimated to cost about US\$ 3 billion.

Greens senator Lee Rhiannon said that the loan was “nothing short of corporate welfare.” “The Prime Minister says that the age of entitlement is over but this handout is going to BHP and Rio, two companies that should not be getting any handouts at all.” she said. “E.F.I.C. is exempt from freedom of information and environmental protection laws but government money is being used to assist this copper mine. People should be able to find out how this agency operates.” Senator Rhiannon said the loan highlighted the need for the organisation to focus on small and medium enterprises.

Trade Minister Andrew Robb said that the loan decision was made by E.F.I.C. from its commercial account not by the government and insisted it was not a handout.

“Eighty per cent of E.F.I.C. loans are provided to [small and medium enterprises]. Any loans that may benefit larger companies are only provided if they lead to a significant number of Australian [small and medium enterprises] gaining access to export opportunities that would not otherwise eventuate.” he said. “This is certainly no hand-out. E.F.I.C. operates independent of government within an established commercial framework supporting viable companies where there is a financial gap in the market. In this case the finance will be to the benefit of some 80 Australian companies ... [which] are engaged in the global mining supply chain.”

BHP Billiton is Australia's largest corporation and recently reported a US\$ 8.72 billion profit for the six months to 31 December 2013. Rio Tinto is the 11th largest corporation trading on the Australian Securities Exchange and made underlying profits of AU\$ 11 billion in the year to 31 December 2013. BHP Billiton paid about AU\$ 9.7 billion worth of taxes to state and federal governments in Australia last year while Rio Tinto paid AU\$ 6.14 billion.

How may such things happen ? Well, behemoths such as BHP Billiton and Rio Tinto can afford to pay the most influential lobbyists.

Lobbying is done by many different types of people and organised groups, including individuals in the private sector, corporations, fellow legislators or government officials, or advocacy groups. Professional lobbyists are people whose business is trying to influence legislation on behalf of a group or individual who hires them.

The ethics and morality of lobbying are dual-edged. Lobbying is often spoken of with contempt, when the implication is that people with inordinate socio-economic power are corrupting the law - twisting it away from fairness - in order to serve their own conflict of interest. But another side of lobbying is making sure that others' interests are duly

defended against others' corruption, or even simply making sure that minority interests are fairly defended against mere tyranny of the majority.

Governments often define and regulate organised group lobbying as part of laws to prevent political corruption and by establishing transparency about possible influences by public lobby registers.

Over the past thirty years lobbying in Australia has grown from a small industry of a few hundred employees to a multi-billion dollar per year industry. Lobbying has become a political fact of life and is now endemic in local, state and federal government. It is not just the local councillors and state and federal politicians being lobbied. What was once the preserve of big multinational companies and at a more local level, property developers, has turned into an industry which would employ more than 10,000 people and represent every facet of human endeavour.

In Australia, lobbyists are expected to organise a pass to obtain access to the Parliament. The Parliamentary Pass must be signed by two parliamentarians. It is administered by the Department of Parliamentary Services and has the enforcement of the *Criminal Code Act* 1995. The Pass is valid for two years.

However, this pass is not absolutely necessary, as some lobbyists are simply signed in on the day of their visit as guests of senators or members of the House of Representatives. Moreover, there are some advocacy groups in Australia which can lobby without passes.

When lobbyists visit most federal government departments they must also sign a register.

As prof. Warhurst noted, nowadays many more former political leaders are becoming commercial, third party lobbyists. Ex-politicians are now central rather than fringe players. This includes two of the top three Howard Government ministers, the former Treasurer Peter Costello and the former Foreign Minister Alexander Downer and one who had a long career as Minister for Resources and Energy, Martin Ferguson. There are others, of course, but examining those three will suffice.

This development is one of the most noticeable trends in the politics of influence over the past thirty years since the Hawke Government won office. Shortly afterwards the new Labor government was faced with the David Combe case. Combe had been National Secretary of the Labor Party, a political consultant and lobbyist, an Australian Trade Commissioner, a Senior Vice President International of Southcorp Wines, and a consultant to the Australian

Wine Industry. There was an involvement which made for a quasi-security case. The scare turned into an ultimately ill-fated lobbyist registration scheme.

Special Minister of State Mick Young commented then that the lobbying profession was now an established part of the democratic process in Canberra. Now former political leader-lobbyists are an established part of that process.

This development has slowly achieved acceptability. During the 1980s and 1990s former politicians started to infiltrate the political advice process, but tended to do so as individuals semi-privately trading on their individual standing as former prime ministers, like Bob Hawke, or by joining the 'respectable' end of the lobbying continuum as advisers to law firms or banks such as Macquarie Bank, as former New South Wales premiers Nick Greiner and Bob Carr did.

This 'consultancy' activity was cloaked in respectability and not perceived as being at the hands-on murky end of lobbying. That pretence now seems to have ended and Costello, Downer and Ferguson are good federal examples. There are many others at the state level.

The case of Alexander Downer is quite likely the most obvious example of what is meant by *Cabal* or lobbying. Downer 'inherited' his position in the Australian 'Establishment' from his father Sir Alexander Russell Downer KBE, who was an Australian politician and diplomat; he was a member of the House of Representatives between 1949 and 1963 before serving as Australian High Commissioner to London between 1963 and 1972. Alexander John Gosse Downer, AC is a former Australian Liberal Party politician who was Foreign Minister of Australia from March 1996 to December 2007 - the longest-serving in Australian history. Until early February 2014, Downer was the United Nations Special Adviser to the Secretary-General on Cyprus. He is now High Commissioner designate to London.

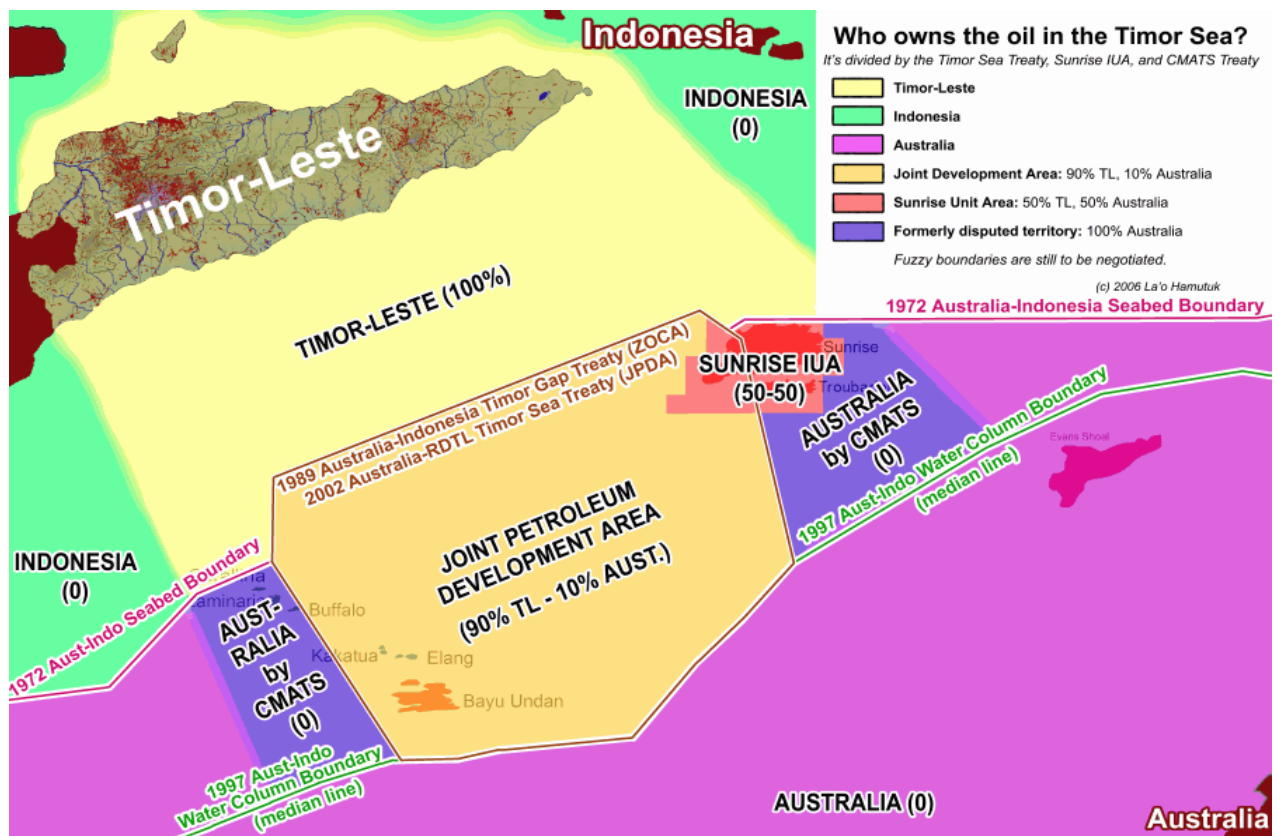
Throughout his tenure as Minister of Foreign Affairs, Downer exhibited lack of good faith towards the poverty-stricken people of East Timor one of the world's poorest nations, known since its independence as Timor-Leste.

In total violation of the United Nations Convention on the Law of the Sea - U.N.C.L.O.S., he tried to obtain an even better deal for Woodside Petroleum, a corporation established in Australia and the largest operator of oil and gas production of oil and gas in the Timor Sea.

East Timor declared its independence from Portugal in 1975 and was invaded by Indonesia shortly thereafter. In 2002, after the death of President Suharto, East Timor was proclaimed an independent nation. It early experienced what it meant to deal with the Howard

Government and its Foreign Minister. The government of Timor-Leste had some premonition of the difficulties involved - all requests for new negotiations of its maritime boundary with Australia were arrogantly turned down by Alexander Downer, who stated that “Australia has no desire to unscramble the omelet” of any of its previously agreed boundaries.

Downer was referring to the Indonesia-Australia seabed boundary treaty which had been signed in Canberra in December 1972, and was based on the concept of natural prolongation of the continental shelf. At the time, an Indonesian official had stated: “We were taken to the cleaners.” Though Downer bears no responsibility for the present unfair maritime boundary, he made no attempt to improve the boundary in favour of Timor-Leste. The 1972 treaty had been signed ten years before U.N.C.L.O.S., which established the notion of the Exclusive Economic Zone, which made obsolete the concept of natural prolongation.



In application of the treaty Timor-Leste had lost a large portion of its Exclusive Economic Zone in favour of Australia. It wanted to negotiate a new maritime border based on the concept of equidistance, which has received broad support from many coastal states. In fact

90 per cent of the world's cases are delimited on this basis. Downer opposed the concept of equidistance, invoking instead the notions of 'special circumstances' and 'equity'.

'Equity', as put forward by Downer, would produce a situation in which the wealthy nation of Australia would take advantage of the poor neighbouring nation of Timor-Leste. It was and remains an attitude of naked imperialism.

Timor-Leste is euphemistically defined as a lower-middle-income economy. Translation: about 37.4 per cent of the country's population lives below the international poverty line which means living on less than US\$ 1.25 per day; about 50 per cent of the population is illiterate. The country continues to suffer the consequences of a decades-long struggle for independence against Indonesian occupation, which severely damaged the country's infrastructure and killed at least a hundred thousand people. The country is placed 134th on the Human Development Index - a composite statistic of life expectancy, education, and income indices used to rank countries into four tiers of human development. Nonetheless it is expected to have the sixth largest percentage growth in Gross Domestic Product in the world for 2013.

In 2003 Downer signed an agreement over the gas and oil reserves in the Timor Gap, [an area of ocean touching Timor-Leste, Indonesia and Australia](#). The agreement has been criticised by some opposition parties and other critics, including a bipartisan letter of reproach from 50 members of the United States Congress, as being unfair to Timor-Leste as the gas reserves are closer to Timor-Leste than Australia but are claimed by Australia on the basis of a 1989 treaty with General Suharto. The signatories to the treaty were then 'Labor' Foreign Affairs Minister Gareth Evans and then Indonesian Foreign Minister Ali Alatas.

The 2003 treaty, known as Certain Maritime Arrangements in the Timor Sea, always seemed a bit peculiar. The C.M.A.T.S. treaty gave Australia a half share in the massive Greater Sunrise field, which is said to be worth AU\$ 40 billion. Yet that field lies just 100 kilometres - 62 miles south of Timor-Leste, and 400 kilometres - 248 miles from Australia.

Under general principles of international law seabed rights would place the boundary equidistant between the two countries, but that would have given Timor-Leste sovereignty over the entire gas field. Instead, C.M.A.T.S. postponed a final settlement of the seabed boundary for 50 years, and in the meantime gave Australia 50 per cent of the revenue from the Greater Sunrise field.

The existing gas field off Timor-Leste's coast has only about 10 years' life left, and the Timor-Leste government depends on gas revenues for 95 per cent of its income, so it was very vulnerable in those negotiations. The Australian negotiators could exploit that vulnerability because they had daily updates on how desperate their Timorese opposite numbers were: the Australian Secret Intelligence Service had bugged the prime minister's and the cabinet offices.

Four A.S.I.S. operatives, pretending to be part of a team of Australian aid workers which was renovating East Timor's government offices, had gone to work. The Australian Foreign Minister Alexander Downer had given the order.

After the defeat of the Howard Government in 2007, Downer went to work for Woodside Petroleum - the beneficiary of the C.M.A.T.S. treaty. The 'national interest' of which many governments talk was in fact the interest of Woodside Petroleum.

Downer became a 'consultant' to Woodside through *Bespoke Approach*, which introduces itself as "a premier corporate advisory firm offering trusted counsel to a select group of clients exclusively." and the client list of which includes *Wesfarmers*, coal seam gas miner *Santos* and others big names, whether of the 'climate change denier' band or of the 'environment concerned' troop. Conflict of interest? What conflict of interest !?

This is how the new Downer presents himself:

"Alexander has an unparalleled grasp of the global community, its countries, governments and peoples, as well as organisations such as the World Bank and the United Nations. ... His network with governments around the world remains unique and *he has a reputation for his keen sensitivity to the cultural issues that can create unseen impediments to anyone trying to work across borders.* [Emphasis added]

Alexander has a deep and abiding commitment to the ongoing evolution of aid policy for the benefit of developing nations. ... Alexander is an Independent Non-Executive Director of China's Huawei Technologies Australia, Australia Oriental Minerals and Lakes Oil. ... Through *Bespoke Approach*, Alexander Downer stands ready to offer his advice and assistance to organisations seeking to work internationally."

But there is no reference to Woodside Petroleum. Well, not at first impression, but dig further a bit: Woodside was incorporated on 26 July 1954. It was originally named Woodside (Lakes Entrance) Oil Co NL and it was named after the small town of Woodside, Victoria. Woodside's early years were focussed on Victoria's Gippsland Basin. Switching to northern Western Australia in the early 1960s, Woodside joined up with Shell and Burmah Oil to form

the original North West Shelf consortium. BHP later replaced Burmah, and with Shell, each became a 40 per cent shareholder in Woodside.

The ‘gathering of intelligence’ operation ordered by Foreign Affairs Minister Downer would never have come to light if the former director of technical operations at A.S.I.S., who led the bugging operation, had not had an attack of conscience on learning of Downer’s link to Woodside. He told Timor-Leste about it, and the Timorese government then brought an action before the Permanent Court of Arbitration at The Hague demanding that the C.M.A.T.S. treaty be invalidated.

The Abbott Government’s swift response came on 3 December 2013: to arrest the whistleblower and cancel his passport so that he could not travel to The Hague to testify, and simultaneously to raid the Canberra offices of Bernard Collaery, the lawyer who is representing Timor-Leste before the Court. The search warrant was granted by Mr. Abbott’s Attorney-General, [George Brandis](#), under a claim of ‘national security’.

The documents seized include an affidavit summarising the prospective whistleblower’s testimony at the Court and correspondence between Collaery and his client, Timorese Prime Minister Kay Rala Xanana Gusmão GCL CNZM.

On 3 March 2014 Australia was ordered by the Court to cease spying on Timor-Leste and its legal advisers.

The Court also ruled that the Australian government must seal documents and data seized in the 3 December 2013 A.S.I.O. raid.

In a statement, Attorney-General Brandis said that the Court’s orders would be complied with, although he did make no direct reference to the ruling prohibiting Australia spying on Timor-Leste. He took comfort in the Court declining Timor-Leste’s request for the documents to be returned to it. He also indicated that “The Australian government is pleased with the decision.” ... “This is a good outcome for Australia.”

The former director of technical operations at A.S.I.S is said to have decided to blow the whistle after learning that Mr. Downer had become a ‘consultant’ with Woodside Petroleum in his years after politics.

In a statement to the Australian Broadcasting Corporation, Mr. Downer said that the allegations were old and, anyway, he would not comment on ‘matters regarding national security’. The whistleblower’s affidavit is understood to refer to the 2004 bugging operation

as ‘immoral and wrong’ because it served not the ‘national interest’, but the interests of big oil and gas.

Prime Minister Abbott has defended the A.S.I.O. raid on the offices of the lawyer for Timor-Leste and the spying on the Timor-Leste Government on the ground that it was done in the ‘national interest’.

This kind of attitude of superior judgment is best expressed in the recent contemptuous cynicism of former Foreign Minister Downer: “Well, [the Timorese] didn’t have to sign the treaty. No one forced them to.” It was Downer who made the key decision, only two months before Timor-Leste’s independence in 2002, with the Coalition in government, ‘to withdraw’ Australia from the maritime jurisdiction of the Permanent Court of Arbitration.

Australia’s self-proclaimed “best Foreign Minister” Alexander Downer was up to his old tricks. Why old ? Perhaps because his involvement with A.W.B. - a government body known as the Australian Wheat Board until 1 July 1999, when the A.W.B. was transformed into a private company, owned by wheat growers - might have been forgotten in the distance of time. And what was that ? The A.W.B. oil-for-wheat scandal refers to the payment of kickbacks to the regime of Saddam Hussein in contravention of the United Nations Oil-for-Food Humanitarian Programme. Downer was involved in it down to his political neck. How pathetic it is to think that under the guise of AID assistance to a new nation, an immoral, dishonest commercial decision could be made to justify these actions. People may wonder why these whistleblowers come forward but these individuals are motivated not by Downer’s ‘Messiah complex’, but by the desire to act in a fair and reasonable manner, to build a relationship which lasts well beyond just one project, one contract, or one treaty. On the international standing list Australia is ever dropping down to the area usually reserved for countries where despots and dictators rule. There will doubtless be more whistleblowers in future and the current ‘Theo/cons’ government will win very few points for openness, honesty and friendship. Prime Minister Tony Abbott’s often-repeated slogan that Australia is “open for business” is being embraced by lobbyists, with dozens of the biggest companies having signed up to Coalition-aligned influence peddlers already this year for representation in Canberra. The *Cabalists* are at the trough.

Then there is Peter Costello.

Peter Howard Costello, AC is a ‘Liberal’ former politician and lawyer who served as the Treasurer in the Howard Government from 1996 to 2007. He is the longest-serving Treasurer

in Australia's history. Costello was a member of the House of Representatives from 1990 to 2009. He also served as the Deputy Leader of the Liberal Party from 1994 to 2007.

On 18 September 2008 Costello was appointed as chairman of the World Bank's new Independent Advisory Board to provide advice on anti-corruption measures.

Costello has worked for the new Coalition state governments, including heading the Queensland Government's post-election Commission of Audit.

Costello is a managing partner of *B.K.K. Partners*, a boutique corporate advisory run by former Goldman Sachs JBWere managers. He also chairs the advisory board of specialist corporate advisory firm *E.C.G. Advisory Solutions*, in which - as prof. Warhurst noted - "Costello has effectively transplanted his former political office into the world of lobbying."

Among the major clients of E.C.G. are *Westpac*, one of the four oligopolistic Australian banks, *Transurban*, the well known international toll road developer and owner, and the well-known detention centre operators *Serco*.

Costello and Downer have joined a new world of lobbying which is dotted with former leading politicians as well as the usual former party officials and ministerial staffers. This has become clear in the stories about the role of lobbyists and in-house government relations specialists in the politics of supermarket market share. In that field *Woolworths* and *Coles* are the major players. The challengers include *Aldi*, a small contestant in comparison. The cast of former political players shows how much has changed in the world of lobbying.

As prof. Warhurst wrote: "Costello and Downer are allies in this conflict. *Coles*, a subsidiary of *Wesfarmers*, employs ECG Advisory Solutions directly to supplement its own in-house corporate affairs division. *Wesfarmers* has its own corporate affairs division, managed by former Western Australian Labor Premier, Alan Carpenter, and supplements this fire-power with lobbying assistance from Downer's Bespoke Approach.

Woolworths, not to be outdone, also has its own government relations team of former Liberal and Labor advisers, under a former federal director of the Nationals, Andrew Hall. *Aldi*, for its part, uses one of the biggest lobbying firms, *Government Relations Australia Advisory*, made up of two dozen lobbyists and serving almost 50 clients, with former federal Labor Treasurer John Dawkins as part of the team.

These big flashy teams of former senior political leaders and their staffs bring process knowledge, personal contacts and political savvy.

The stakes are high. Costello has already been targeted for alleged conflict of interest in Queensland where he both lobbies and advises government. There is certainly room for conflicts of interest when politician lobbyists work both inside and outside government at the same time, as has already happened with earlier state Labor governments.”

Conflict of interest ? What conflict of interest !?

Most Timorese citizens take the view that people like Alexander Downer and Gary Gray have played roles for Woodside and the Australian government which display too much of a coincidence of interests.

The case of Gary Gray is of particular interest to understand that influence peddling can lead to greater things.

On 30 April 1993 Gray became National Secretary of the Labor Party, a position he held until early 2000. In April 2000 he quit working for the party and took up employment with Wesfarmers as the Executive Director of the Western Australian Institute of Medical Research. Within a year, he was engaged by Woodside Petroleum as senior executive and an adviser on their ultimately successful bid to repel the takeover of the company by the Shell Oil Company. Gray was then asked to join the company, becoming the Director of Corporate Affairs on the company’s executive board. During his time at Woodside, Gray represented the company before governments across the world, acting as a negotiator, advocate and leader. He held that position until 2007 when he became a ‘Labor’ member of the House Representatives; he was re-elected in 2010.

On 25 March 2013 Gray was appointed to the Australian Cabinet as the Minister for Tourism and the Minister for Small Business. From 2010 until 2013 Gray served as the Special Minister of State and the Minister for the Public Service and Integrity, positions he held until the defeat of the Second Rudd Government. Until then, and most importantly, Gray was also as the Minister for Resources and Energy. He had succeeded in that position the former minister Martin Ferguson.

On 30 September 2013, not one month since the defeat of the second Rudd Government, Ferguson took up appointment with Seven Group Holdings as an executive in charge of natural resources. This is an Australian diversified operating and investment group in the media, mining and construction industries.

“Martin is a great appointment for our company.” said the executive chairman of Seven Group.

Mr. Ferguson began his collaboration on 9 October 2013. He reports Seven Group chief executive Don Voelte. Mr. Voelte is the former Woodside Petroleum chief executive officer. Voelte had been appointed chief executive of Seven Group Holdings at the end of May 2013.

Mr. Ferguson's new roles, six months after he resigned from federal cabinet in March, made a mockery of the lobbying code of conduct, said the Australian Greens' leader Senator Milne.

“Martin Ferguson’s appointment as group executive of natural resources for Seven Group Holdings and as chair to a petroleum industry advisory board makes a mockery of the code of conduct which prevents former ministers engaging in lobbying activities relating to any matter that they had official dealings in.” she said.

The lobbying Code of conduct was first tabled by the then Special Minister of State in the Rudd government, Senator John Faulkner, in 2008. It came into effect on 1 July 2008.

The Code says: “Persons who, after 6 December 2007, retire from office as a Minister or a Parliamentary Secretary, shall not, for a period of 18 months after they cease to hold office, engage in lobbying activities relating to any matter that they had official dealings with in their last 18 months in office.” It defines “lobbying activities” as any oral, written, or electronic communications with a government representative in an effort to influence government decision-making.

There are a number of exclusions. One is when statements are made in a public forum.

This would cover Mr. Ferguson’s appearance at the New South Wales Energy Security Summit on 26 September 2013 that he co-chaired and was attended by the federal resources minister, Ian MacFarlane and the then New South Wales resources minister, Chris Hartcher, and hundreds of industry delegates.

After the Summit Mr. Ferguson appeared on Australian Broadcasting Corporation’s *The business* programme. He talked about coal seam gas potential in New South Wales for big gas producers Santos and AGL.

Mr. Ferguson said: “It’s the responsibility of all levels of government, plus the private sector, to get the gas out of the ground.” Later in the same interview he said: “Our challenge is getting through the regulatory process.”

Two days later Mr. Ferguson’s appointment to the gas and oil lobby group was announced.

There is, in addition, another set of rules which covers the conduct of ministers and former ministers: the *Standards of Ministerial Ethics*. This was first issued in 1996 during John Howard's government. In 2007, the then prime minister Kevin Rudd replaced some of the code, including the part that refers to the employment of ministers after they leave parliament.

The *Standards* says that for eighteen months after ceasing being a minister, a person "will not lobby, advocate or have business meetings with members of the government, parliament, public service or defence force on any matters on which they have had official dealings as Minister in their last eighteen months in office."

It also says that "ministers will not take personal advantage of information they received as a minister that isn't available to the general public."

Senator John Faulkner said at the time : "The combination of these Standards and the Lobbying Code means the public can be confident that Ministers will not be able to use the experience and contacts they have gained in office to enhance their value to the private sector, either as lobbyists or as senior executives in business with the Government."

Neither the lobbying code nor the ministerial code is underpinned by legislation, nor do they carry any specific penalties for those who breach them.

By taking up the appointment within the cooling off period prescribed by lobbying code of conduct it can be argued that Mr. Ferguson has made a mockery of the intent and spirit of the code. Mr. Ferguson had also accepted a role as chairman of an advisory board - a newly set up position - of the gas and oil industry's peak body, the Australian Petroleum Production and Exploration Association.

Mr. Ferguson told the *Australian Financial Review* his "skills and contacts" as a former resources minister would be a major advantage for Seven Group. "What I will be looking for is to develop the mining sector with Seven Group." he said.

In a speech, delivered on 28 February 2014 to the Committee for Economic Development of Australia - CEDA in Perth, Western Australia, the Hon. Martin Ferguson, AM, chairman of the A.P.P.E.A. Advisory Board Perth cited a 2013 report by McKinsey & Company, the trusted advisor and counsellor to many of the world's most influential businesses and institutions, showing costs for delivering liquefied natural gas to Japan were up to 30 per cent higher in Australia than competing projects in Canada and Mozambique. And the subject of the speech ? "Competitiveness of the Australian gas industry."

According to the speaker, it had become harder to start new projects in Australia, and restrictive industrial relations laws are costing us jobs.

Under the *Fair Work Act*, so-called ‘greenfields agreements’ - - which set out wages and conditions for new business/projects and are organised before employees are hired - can only be negotiated with a union. Previously both union and non-union agreements were allowed.

The *Fair Work Act*, introduced in 2009 by the first Rudd Government, outlaws most industrial action and facilitates the reduction of workers’ rights and entitlements. Driven by a deteriorating world economy and ruthless global competition, however, business is presently demanding the removal of all limits on the exploitation of workers. This includes doing away with weekend and overtime penalty rates, as well as unrestricted employer powers to fire workers and open slather on imposing contract labour.

In an economy where only 18 per cent of all workers are union members - and barely 13 per cent in the private sector, it makes no sense for unions to have a monopoly bargaining position on new projects.

Since the introduction of the *Fair Work Act*, unions have used this position to delay beginning new projects. Why? The longer negotiations drag on, project costs increase and start dates are threatened. Eventually employers cave in and agree to the unions’ exorbitant, and often unsustainable, conditions.

The Australian Mines and Metals Association found in 2012 that one third of resource industry employers had tried to negotiate a ‘greenfields agreement’ in the previous three years; of those, 19 per cent had experienced unions refusing to make an agreement with them.

Australian firms are being priced out of the market. So said Mr. Ferguson.

Delay issues were raised by both the Business Council of Australia and the Australian Chamber of Commerce and Industry in Labor’s in-house review of the *Fair Work Act* in 2012. Yet the government made no changes.

Providing new businesses with a choice between union and non-union agreements would mean that unions cannot stall projects and run up costs. It would also help moderate union pay demands in sectors such as liquefied natural gas where, unlike the rest of the economy, wage growth is much stronger.

There was never broad community opposition to non-union ‘greenfields agreements’. Community opposition to *WorkChoices* was based on the lower safety net and unfair dismissal exemptions for small- and medium-sized businesses.

Yet, haunted by the ghosts of *WorkChoices*, the Coalition is wary of reprising anything remotely resembling elements of Howard’s reforms. Instead, it wants these long-running disputes to be determined by the industrial umpire, the Fair Work Commission.

But this idea harks to the days of compulsory arbitration - a retrograde step that will only entrench adversarial relationships. It also adds both to costs and delays, since protracted disputes must then go through the process of arbitration, and parties will need to pay for legal services.

There is no reason that workplace reform should mean a return to *WorkChoices*. There are practical solutions the government can pursue to create a more workable framework.

An industrial relations framework should, as much as possible, encourage parties to work through issues themselves and come to an agreement. It should also strike a balance between workplace flexibility and employee representation. Current laws create delays, drive up costs and make local firms uncompetitive.

Removing union vetos on new projects would be a good place for the government to start. The Coalition should be bold and make it easier to do business in Australia by reintroducing non-union ‘greenfields agreements’.

And this was, in substance, the position of the former vice-president - 1985-1990 and president - 1990-1996 of the Australian Council of Trade Unions ! With that ‘career’ behind he had been elected to the House of Representatives for the ‘traditional’ Labor seat of Balmain. He would not be the first ‘professional trade-unionist’, probably not the last, from Balmain to quip that “the only good thing about being in the working class is leaving it.”

He had been fortunate in securing a place after 17 years on ‘Labor’s front bench.

From that he moved quite smoothly into the corporate *élite* as chairman of the Australian Petroleum Production and Exploration Association’s advisory board, championing the interests of the oil and gas conglomerates.

No doubt, his services are amply rewarded. The ‘Labor’ and trade union veteran sits on the board of BG Group plc, a British multinational oil and gas company headquartered in Reading, United Kingdom, with operations in 25 countries across Africa, Asia, Australasia,

Europe, North America and South America. BG Group is listed on the London Stock Exchange, it had as at 6 July 2012 a market capitalisation of £44.9 billion, and is the seventh-largest of any company listed on the London Stock Exchange.

Mr. Ferguson is also - as previously seen - group executive of natural resources for Kerry Stokes' Seven Group Holdings, a major Australian media and business empire.

Ferguson told C.E.D.A. that "high labour costs and low productivity are an unsustainable mix." He declared that "elements of the *Fair Work Act* must be looked at" and urged Prime Minister Tony Abbott's government to "keep an open mind for further reform in this area." He chided Abbott for being too "timid."

The Abbott Government has already initiated a sweeping 'review' of the *Fair Work* legislation, with the stated aim of boosting 'workplace flexibility.' Employment Minister Eric Abetz has also announced new laws designed to pressure workers into trading off penalty rates and other conditions.

Echoing the concerns in corporate circles that the government is moving too slowly with labour market 'reform', Ferguson demanded immediate "reform that makes it easier for business to invest with certainty." Oh, for the enthusiasm of the neophyte ! Neo/Liberal ?

Ferguson's suggestions for reform, as presented to the C.E.D.A. conference, features a reduction in the "scope of measures that can be included in enterprise (work) agreements" and the "matters over which legally protected industrial action can be taken." This would mean banning certain conditions from labour agreements and further restricting the right to strike.

Ferguson also demanded an extension in the life span of workplace agreements, which currently run for three to four years, in order 'to freeze' costs and give employers "certainty." He complained about restrictions "over the use of contractors and other productivity enhancing measures."

Hailing the liquefied natural gas export industry as "one of Australia's most important," with the potential for further projects worth AU\$ 190 billion over the next 20 years," Ferguson declared "if Australia is to secure the next wave of development, then we must adapt to the macroeconomic changes afoot."

That required the slashing of construction costs by ending the supposed “upward ratcheting of wages and conditions” on new projects.

Ferguson found no problem in aligning himself with the Abbott Government’s plan to reintroduce the Australian Building and Construction Commission - A.B.C.C., armed with extraordinary coercive powers to interrogate workers, compel witnesses to testify, launch prosecutions, enforce judgments and pursue damages from unions and workers for ‘illegal’ industrial stoppages. The Commission had been enacted in October 2005 by the Howard Government and abolished in February 2012 by the Gillard Government, after long and costly actions by the unions.

In the words of Mr. Ferguson, the A.B.C.C. was a “mechanism that holds both sides to account and which can help deliver projects on-time and on-budget.” It is plainly fanciful, if not totally cynical, to sustain that a tool set up by the Howard Government could hold the giant construction companies “to account.” Its only purpose is to intimidate, harass and punish building workers.

The Rudd-Gillard government retained the A.B.C.C. from its inception in 2007 until March 2012. During that time it was used extensively to attack and penalise construction workers for fighting to defend conditions. The functions of the Commission were replaced in June 2012 by the Gillard Government’s *Fair Work (Building Industry) Act 2012*. The Inspectorate has now powers similar to those of the Commission.

As expected, ‘Labor’ representatives and union officers, loudly protested against Ferguson’s views. The officers were above all anxious that his remarks revealed too much about the real sympathies and role of their entire apparatus, which has long functioned as a political and industrial policing agency against the working class. Opposition workplace relations spokesman Brendan O’Connor said Ferguson had “joined the other side.”

That is not so: Ferguson has not changed sides. He remains faithful to the interests of big business that he always served, both as a senior union official and a ‘Labor’ Minister for Resources and Energy, December 2007-March 2013. If anything Ferguson was now giving full sail to the ultimate goal of the Hawke/Keating Accord and of the Rudd-Gillard governments.

In March 2013, after quitting the Labor ministry, Ferguson accused the Gillard Government of indulging in “class war rhetoric,” particularly against the mining companies. Outrageous

though it may sound, considering Ferguson's origin, the charge was completely false. It had been Ferguson who had concocted with the three mining behemoths a solution to the problem presented by the [Resources Super Profit Tax](#) and prepared its enfeeblement as Minerals Resource Rent Tax - the tax which would yield no intake.

On the other side, the forces of conservatism were advancing, firmly, relentlessly in and outside Parliament - if necessary.

The Opposition would spend the first two years of the Gillard Government - a minority government supported by the Greens and some independent - daily displaying an attitude of continuous, if empty but always abusive, attack.

At one point the person who today sits as the Speaker of the House, and who is ordinarily elected for that position because of her/his courteous, unbiased, non-partisan attributes, went to the extent of addressing a disorderly and abusive mob in front of Parliament House. Ms. Bronwyn Bishop, a notorious Right-winger and one who was seen as a possible leadership candidate after the Liberals' defeat at the 1993 election, but who remains among the 'Liberal' a glaring example of propriety, did not mind speaking to the mob in front of a banner which clearly stated : "Ditch the bitch." The bitch of the occasion was Prime Minister Gillard.

The serious programme of the Neo/cons - actually they would better qualify as Theo/cons - was presented in August 2012 by the organisation which has a great influence on the Liberals - not well provided with people of intelligence and imagination. And that is the Institute of Public Affairs. In its own words, the Institute believes in "the free market of ideas, the free flow of capital, a limited and efficient government, the rule of law, and representative democracy."

In August 2012 the Institute published an article by the title: 'Be like Gough: 75 radical ideas to transform Australia'.

The long article opens with a faint praise for Gough Whitlam: "No prime minister changed Australia more than Gough Whitlam. The key is that he did it in less than three years. In a flurry of frantic activity, Whitlam established universal healthcare, effectively nationalised higher education with free tuition, and massively increased public sector salaries."

The article concludes: "If he wins government, Abbott faces a clear choice. He could simply overturn one or two symbolic Gillard-era policies like the carbon tax, and govern moderately. He would not offend any interest groups. In doing so, he'd probably secure a couple of terms in office for himself and the Liberal Party. But would this be a successful government ? We

don't believe so. The remorseless drift to bigger government and less freedom would not halt, and it would resume with vigour when the Coalition eventually loses office. We hope he grasps the opportunity to fundamentally reshape the political culture and stem the assault on individual liberty.”

And the Institute offered the following list of targets aimed at a ‘radical reform of Australia.’

1. Repeal the carbon tax, and don't replace it. It will be one thing to remove the burden of the carbon tax from the Australian economy. But if it is just replaced by another costly scheme, most of the benefits will be undone.

2. Abolish the Department of Climate Change

3. Abolish the Clean Energy Fund

4. Repeal Section 18C of the Racial Discrimination Act

5. Abandon Australia's bid for a seat on the United Nations Security Council

6. Repeal the renewable energy target

7. Return income taxing powers to the states

8. Abolish the Commonwealth Grants Commission

9. Abolish the Australian Competition and Consumer Commission

10. Withdraw from the Kyoto Protocol

11. Introduce fee competition to Australian universities

12. Repeal the National Curriculum

13. Introduce competing private secondary school curriculums

14. Abolish the Australian Communications and Media Authority (ACMA)

15. Eliminate laws that require radio and television broadcasters to be ‘balanced’

16. Abolish television spectrum licensing and devolve spectrum management to the common law

17. End local content requirements for Australian television stations

18. Eliminate family tax benefits
19. Abandon the paid parental leave scheme
20. Means-test Medicare
21. End all corporate welfare and subsidies by closing the Department of Industry, Innovation, Science, Research and Tertiary Education
22. Introduce voluntary voting
23. End mandatory disclosures on political donations
24. End media blackout in final days of election campaigns
25. End public funding to political parties
26. Remove anti-dumping laws
27. Eliminate media ownership restrictions
28. Abolish the Foreign Investment Review Board
29. Eliminate the National Preventative Health Agency
30. Cease subsidising the car industry
31. Formalise a one-in, one-out approach to regulatory reduction
32. Rule out federal funding for 2018 Commonwealth Games
33. Deregulate the parallel importation of books
34. End preferences for Industry Super Funds in workplace relations laws
35. Legislate a cap on government spending and tax as a percentage of GDP
36. Legislate a balanced budget amendment which strictly limits the size of budget deficits and the period the federal government can be in deficit
37. Force government agencies to put all of their spending online in a searchable database
38. Repeal plain packaging for cigarettes and rule it out for all other products, including alcohol and fast food

39. Reintroduce voluntary student unionism at universities
40. Introduce a voucher scheme for secondary schools
41. Repeal the alcopops tax
42. Introduce a special economic zone in the north of Australia including: a) Lower personal income tax for residents b) Significantly expanded 457 Visa programs for workers c) Encourage the construction of dams
43. Repeal the mining tax
44. Devolve environmental approvals for major projects to the states
45. Introduce a single rate of income tax with a generous tax-free threshold
46. Cut company tax to an internationally competitive rate of 25 per cent
47. Cease funding the Australia Network
48. Privatisise Australia Post
49. Privatisise Medibank
50. Break up the ABC and put out to tender each individual function
51. Privatisise SBS
52. Reduce the size of the public service from current levels of more than 260,000 to at least the 2001 low of 212,784
53. Repeal the Fair Work Act
54. Allow individuals and employers to negotiate directly terms of employment that suit them
55. Encourage independent contracting by overturning new regulations designed to punish contractors
56. Abolish the Baby Bonus
57. Abolish the First Home Owners' Grant
58. Allow the Northern Territory to become a state

59. Halve the size of the Coalition front bench from 32 to 16
60. Remove all remaining tariff and non- tariff barriers to international trade
61. Slash top public servant salaries to much lower international standards, like in the United States
62. End all public subsidies to sport and the arts
63. Privatisise the Australian Institute of Sport
64. End all hidden protectionist measures, such as preferences for local manufacturers in government tendering
65. Abolish the Office for Film and Literature Classification
66. Rule out any government-supported or mandated internet censorship
67. Means test tertiary student loans
68. Allow people to opt out of superannuation in exchange for promising to forgo any government income support in retirement
69. Immediately halt construction of the National Broadband Network and privatise any sections that have already been built
70. End all government funded Nanny State advertising
71. Reject proposals for compulsory food and alcohol labelling
72. Privatisise the CSIRO
73. Defund Harmony Day
74. Close the Office for Youth
75. Privatisise the Snowy-Hydro Scheme.

On 7 September 2013 Abbott won the election and on 18 September 2013 he assumed office.

The fulfilment of the I.P.A. list is on the way !

Abbott had spent three years daily attacking the Gillard Government, occasionally even abusing Ms. Gillard herself - not in words but with an attitude of condescension which is definitional in Australian 'real men'. He was boringly excelling his call by reducing parliamentary debate to the use of short sentences and slogans; examples: "Stop the boats", with reference to the arrival of asylum seekers, "End the waste", with reference to any social programme attempted by the Gillard Government, "Axe the tax", with reference to any measure introduced by the Gillard Government which was defined as a tax (Carbon, for instance), or intended as a tax (Mineral Resource Rent Tax) - no matter how unproductive.

Occasionally two word slogans would be used: "Nanny state", "Queue jumpers", "Dole bludgers."

Such 'attack, undermine, oppose', totally negative and empty 'programme' turned out to be extremely effective on an electorate which may easily be seduced by a crafty demagogue, when propaganda is more effective than a reasonable argument. A reasonable argument may take time. And too many Australians have no time for 'politics' - as they would say proudly, spitting the word by way of reinforcing their thought. Which thought ?

A well-known, and for a time very successful, propagandist once wrote: "Propaganda must always address itself to the broad masses of the people. ... all propaganda must be presented in a popular form and must fix its intellectual level so as not to be above the heads of the least intellectual of those to whom it is directed. ... the art of propaganda consists precisely in being able to awaken the imagination of the public through an appeal to their feelings, in finding the appropriate psychological form that will arrest the attention and appeal to the hearts of the national masses. ... the broad masses of the people are not made up of diplomats or professors of public jurisprudence nor simply of persons who are able to form reasoned judgement in given cases, but a vacillating crowd of human children who are constantly wavering between one idea and another." As to the methods to be employed, he explained: "Propaganda must not investigate the truth objectively and, in so far as it is favourable to the other side, present it according to the theoretical rules of justice; yet it must present only that aspect of the truth which is favourable to its own side. ... *the receptive powers of the masses are very restricted, and their understanding is feeble. On the other hand, they quickly forget. Such being the case, all effective propaganda must be confined to a few bare essentials and those must be expressed as far as possible in stereotyped formulas. These slogans should be persistently repeated until the very last individual has come to grasp the idea that has been*

put forward. ... every change that is made in the subject of a propagandist message must always emphasise the same conclusion. The leading slogan must of course be illustrated in many ways and from several angles, but in the end one must always return to the assertion of the same formula.” [Emphasis added]

The words from this long quotation could well be described as the current lesson plan for conservative politicians and the mass media. But they were not quoted at the meeting/dinner to celebrate seventieth of the Institute of Public Affairs, perhaps because they belong to Adolf Hitler’s *Mein Kampf*.

On 4 April 2013, some seventeen months after becoming Leader of the Opposition, and quite confident that ‘the propaganda’ would work, Tony Abbott attended the Institute of Public Affairs’ 70th birthday in Melbourne. He was one of the keynote speakers; another one was Rupert Murdoch, whose press was campaigning daily against the Gillard Government.

Other notable attendants to fawn at the court of King Murdoch were the wealthiest business person in Australia, Ms. Gina Rinehart who was the third keynote speaker, the Master of Ceremonies, Andrew Bolt; Cardinal George Pell, soon to be appointed Prefect of the Secretariat for the Economy of the Vatican; Hugh Morgan, a leading light of whatever is reactionary in Australia; about half the Coalition both federal and state, which included one ‘long-serving member’ Victorian premier Denis Napthine, ‘conservative’ shock jock Alan Jones, and *The Australian* columnist Janet Albrechtsen.

Great fun was had by all, if the amount of head nodding and similar affirmations observed are an indication.

It was reported that those at the meeting/dinner were in ‘broad philosophical agreement’ with the Institute of Public Affairs, although differences did exist, mainly in the ‘means’ to a particular end rather than the desired end itself. One does not have to guess what sort of end these ‘distinguished’ people have in mind for ‘ordinary Australians out there’.

No doubt the participants in the meeting/dinner would have no difficulty in agreeing with the ‘wish list’ of August 2012, which in essence represents a further more accelerated massive transfer of wealth to the rich, destruction of public infrastructure and any semblance of a just, equitable, compassionate and fair society.

One can see many of the points in ‘the list’ being favourably presented by the main stream media with a combination of fear, misinformation and an exponential rise in the use of outright lies. And one will also understand how effective the repetition of those short slogans would be on the ‘ordinary Australian’. Politicians, particularly those in the conservative ranks, seem to be reading from the same script - simple, short, memorable messages repeated *ad nauseam* to the public through a largely complicit media.

‘Ordinary Australians’, having elected the Abbott-led Coalition on the assumption that it was a group of predominantly male adults with an instinct for parsimony - “grown up” as they saw themselves - and a good feel for the location of maritime borders, may come to be confronted by a ruling reality which might have been just a little underwhelming. For those who had bothered to take an interest, there must have been a vague sense of deflation when they realised they had elected a government led by a man who could offer no greater ambition for his term at the apex of the electors’ hopes and dreams other than to be remembered as “an Infrastructure Prime Minister”.

Correct - because there stands a man who, if he stands for anything, stands for the sclerosing idea that in government ‘less is more’.

* * *

On the wake of the ‘Labor’ Party’s disastrous result in the recent Western Australia Senate re-election, the leaders seem to be engaged in reconsidering, if not reforming, and examining the party’s ‘brand’, organisation and future prospects. Confusion, largely of a moral character, is great. Perhaps it is the reflection of an old party’s age: 123 this year. During that long life Labor has at various times supported high tariffs and low tariffs, conscription and pacifism, White Australia and multiculturalism, nationalisation and privatisation, isolationism and internationalism. Thirty nine years after the Whitlam’s experiment, and the clarity of his Programme, ‘Labor’ seems to have run out of ideas. Maybe it is still suffering from the fear from the Royal Ambush.

There has been a strong suggestion that the key to electoral success would be a formal ‘disconnection’ of the party with the unions. Well, that it were so simple !

Towards the end of March 2014 the mood was not for a grand vision, a Programme - based on honesty, humanity, dignity, humility, equity, altruism, consideration and respect for less fortunate human beings: the asylum seekers, for instance.

As a friend said after the death of Reza Barati, the 23-year old Iranian man who died during violent clashes at Australia's concentration camp on Manus Island, in Papua New Guinea, on 17 February 2014: "A man came to our door seeking help, and we killed him."

Was part of this re-thinking a fundamental question on how can the 'Labor' Party persist on a policy such as that on asylum seekers without shame for itself and for a country which is moderately wealthy, call itself multicultural, and see itself as a tolerant, generous and principled member of the family of nations ?

The leader of the 'Labor' Party was more concerned with numbers; he wanted to succeed in more than doubling membership - in fact, from 40,000 to 100,000. To what end ? One does not know. There was no 'great picture', no vision to move the party, and effectively so, onto a position of the left - for want of a better definition. No one dared suggesting that Neo/liberalism should be dispensed with, adopting instead a pro-working class and humane policy and opposing the outright bosses' party, the Liberals.

Nothing of the sort; instead the party should make an effort to recruit 'a broader basis including the small business and science community'. Yes for the science community - although at the present pace there will be little left of it if the troglodytes of the Coalition have their way, what with their attitude to the Commonwealth Scientific and Industrial Research Organisation and the merchandising of the universities. As to 'the small business', is it suggested that Australia should turn into "a nation of shopkeepers", with the attending vision ?

Having more small business owners - the very same people who cry that the minimum wage should not be increased and that penalty rates are an abomination - will only push Labor into being an out and out party of capital, both big and small, as John Passant wrote.

Every one could see that maybe the final destination of the 'Labor' Party is that of becoming a capitalist workers' party and that the contradictions at 'Labor' s heart are playing out now in such a way that it is already such a party. But it would be hard to duplicate the already existing capitalists party, the 'Liberals', with their parasitic Agrarian Socialists - the Nationals.

The best accomplice that the Coalition has had for the last 31 years, since Hawke to be specific, is a union bureaucracy utterly committed to the 'trickle down' view of the world - that what is good for capital is good for labour, as long as 'ordinary Australians' receive a few crumbs from the table of the rich.

Why, these bureaucrats even provide a 'philosophy': if you harness the market in the right way it can be a fundamental force for good. Just keep it simple ! And remember there are forces out there: the monarchy, the C.I.A., our Great and Powerful Friend, which take the view that the market is too powerful even for governments to fight it. And so, better lie down with it ... and enjoy the day.

It is in this context - of 'Labor' and much of the union bureaucracy prostrating themselves at the altar of profit - that moves to reform Labor have to be understood.

One should look carefully at the reformers and how they got there: the present leader relied heavily on union-power against rank-and-file party members. His competitor in the post-defeat selection, a skilled and intellectually credible debater, Mr. Albanese is fearless on the floor. His portfolio experience would have made him perfectly positioned to take on the "infrastructure prime minister", as Abbott wants to be known. Most importantly, Mr. Albanese was offering two qualities his opponent remains rather short of: consistency and authenticity.

The result ? Mr. Shorten won. Anyone for 'new Labor' ?

So now one witnesses the final manipulation: a long time member of the Right faction, with a twenty-year career in the union movement, the National Secretary of the Australian Workers Union from 2001 to 2007, wants to be taken seriously when talking about breaking the links between unions and the party. He knows very well that unions provide the base of funding to 'Labor' and usually control near enough to the majority of votes at Party conferences and various powerful administrative committees at the national and state level. And unions, however well or badly, are the sole link 'Labor' has with the working class.

Perhaps the way to victory at next elections is in breaking the link between unions and 'Labor', not requiring members to be unionists, opening up the pre-selection voting process to non-members. The resulting party could be nothing but a duplication of the 'Liberals', something akin to Tweedledum and Tweedledee, with one of them always having the propaganda and means to prevail. Not much of a vision splendid, one would say !

Two voices have been heard recently proposing real reform in the Australia Labor Party. One such voice is that of Geoff Gallop, professor and director of the National Centre for Cultural Competence at the University of Sydney. Between 2011 and 2006 he was premier of Western Australia, a position he covered with honesty and distinction. He was forced to retire for health reasons. He is still a member of the Labor Party.

Writing in early April 2014 he said: “The current state of the Australian Labor Party is a good case study in [the] politics of avoidance. Its membership base has all but collapsed, its primary vote is at a historic low and its constitution is corporatist and constraining.

The ALP is, however, still a nationally important organisation with a base in civil society and our political institutions, local, state and federal. This leads many of its leaders and managers - inside and outside parliament - to think that the crisis is part of the normal cycle of politics and good times will return.

The problems the ALP needs to address are twofold. The first are organisational and managerial and the second are ideological and political. The first takes us to its constitution and the second to its platform and policies.”

Gallup dealt with organisational reform as follows: “Constitutional reform needs a principle and that has to be democratic. That means a membership system based on one person, one vote and one value. Any compromises to that principle require clearly demonstrated political benefits. ... The ALP’s corporatist structure puts too much power in the hands of too few people. Good people and advocates of justice they may be - and many are - but centuries of political science, whether conservative, liberal or republican, can’t be wrong. Power can, and too much power certainly will, corrupt those who hold it.

Labor needs to be not just more democratic but also more professional, in particular in policy development and candidate selection. The party relies too heavily on vested interests when developing policy. ... Potential candidates need to be identified and tested for their personal and political capabilities, just as any serious organisation does.

The current system that virtually excludes all but a few union-based factional leaders and their supporters isn’t bad because the people involved are inherently bad – they aren’t – but because it defies democratic and managerial logic.”

As to the platform reform, prof. Gallop presented the fundamental question: “Is it a union-based party or is it a social democratic party ?”

There Labor is really struggling. The social democratic element within Labor is struggling to influence the party's platform through avenues such as the national conference.

And Gallop continued: "In the past, the numerically strong labour movement negotiated with the party leadership over policy priorities. But in this mix were plenty of ordinary members who could influence the process. It certainly wasn't perfect, but the balancing that occurred between leaders, unions and members did allow for new ideas to emerge and did push the ALP in the direction of the common good.

Today, the situation is quite different. Social democracy is struggling to find the air it needs to breathe.

Firstly, there is the role of Labor's union-based right wing, which exercises what can be described as socially and industrially conservative influence on policy. That means party acceptance of a conscience vote not just on issues like abortion and euthanasia but also on stem-cell research and same-sex marriage."

There is also the question of economic and industrial policy.

As to this, Gallop said: "A veto power again exists when it comes to microeconomic reform. In the Hawke-Keating years, the labour movement and the government entered into a contract that gave support to economic reform so long as there was a social wage built around health, education and training in return.

However, for some in Labor's industrial ranks, these policies weren't anything more than a transfer of power from labour to capital. Today they are reluctant to embrace further reform. They weren't always wrong in this judgement and the get-rich-quick faction within the business class was given too much licence.

Some Labor-affiliated unions see economic – and environmental – reform as a threat to their organisational position in the labour market. The problem is serious reform is still needed and that demands strategic thinking of the sort we saw in the 1980s."

There is a lesson to be learned there.

"The truth is that the ALP is like any organisation, be it private, community or public sector. It needs external sustenance, which only comes if it is trusted and if it is relevant. Both elements are missing - or at least are missing to the extent needed for the party to flourish.

Harking back to the glory days of Bob Hawke and Paul Keating might make parliamentarians and party members feel good - just as harking back to John Curtin and Ben Chifley made

the party feel good in the 1960s. However, feeling good and doing well are two different things.

In fact, in the 1960s, it took a supreme effort by Gough Whitlam and his fellow reformers to confront this complacency and put the party back on a trajectory of success. Hawke and Keating - and their state equivalents - fed off the assets so created by the reformers; some very effectively, some not so effectively and some not at all.”

Harking back to the glory days of Hawke and Keating might make Labor MPs and members feel good, but will it lead to anything?

Gallop stressed that here is a need for reform, but he warned: “All too often it seems Labor is back in the early 1960s again, complacent and self-congratulatory rather than self-aware and hungry. Reform is vital, but this time around it needs to be more substantial and far-reaching.

Unlike in Whitlam’s era, trade unions are really struggling and too reliant on the ALP for sustenance. The links of some unions to Labor aren’t helping them renew, nor are they helping the party.

It’s a post-colonial world in economics as well as politics and culture. That means the “costs of production” can’t be swept under the carpet. Politically, it’s an era of “communicative abundance” and “ideological confusion” rather than a simple battle between left and right.”

The other authoritative voice belongs to the New South Wales Senator John Faulkner. For twenty five years he has been speaking his mind - freely, candidly, succinctly. He has a reputation for avoiding to illustrate the obvious, expatiate on the self-evident and explain the unnecessary. In that spirit he has proposed clear changes to the rules of the state Labor branch. He called them necessary for a party which has allowed corruption to flourish.

Writing on Faulkner’s proposed reforms, Labor historian Rodney Cavalier has said: “John [Faulkner] is incapable of weasel. He will never be guilty of the balderdash of a Bill Shorten [the Leader of the A.L.P.] in pretending that permitting non-unionists to join the party amounts to ‘reform’.

John is putting forward changes to the rules. He is not offering rhetoric. The package of changes has been written to fit into the ALP rules book. His proposals read like an amending bill before Parliament. His text is free of ambiguity, humbug and fakery.”

Part one is about ‘integrity, measures’ a binding commitment which redefines the objective of the party to include “the use of public power at all times with integrity and honesty”. A complementary section binds all members, candidates, officials and elected representatives “to act at all times with integrity and honesty”. Wherever there is a consequential impact on a later section of the rules, Senator Faulkner has provided those clauses.

It might seem remarkable that a party needs to include such principles in its rules. Remarkable or not, the amendments are absolutely necessary.

Part two deals with pre-selection of members of the New South Wales Legislative Council and Senators. Senator Faulkner proposes the deletion of the pre-selection powers vested presently in the conference and the Administrative Committee and the transfer of power to the membership, including the filling of casual vacancies.

Such a measure, if passed - comments Cavalier - breaks the power of the two collusive factions which run the Labor Party in New South Wales. Only someone who is easily duped or an outsider could believe that the combination of the ruling Right faction and the so-called Left faction compete for power.

A covering letter by Senator Faulkner makes clear his motives. The party has become a disgrace, corruption has flourished. [The State] Labor is not a matter of tainted individuals in a basically decent party. That view is the ultimate flight from reality. At this stage in his career he does not need to take flights to Fantasyland.

“Corrupt individuals have tainted our party and diminished the contribution of the hard-working men and women who belong to and support Labor, right across New South Wales.

Those individuals who engaged in corrupt conduct and did such damage to New South Wales and to the Labor Party are being held responsible for their behaviour. It is right that they pay the price.

We cannot escape our responsibility. The party’s culture made possible their behaviour and a confidence such behavior would not be held to account.” wrote Senator Faulkner of the miscreants, some of them serving custodial sentences. Others are still before the Independent Commission Against Corruption which has been at work for more than a year.

“The party must redistribute power within. Only the rules will effect that redistribution; adhering to the rules will prevent a new breakout of corruption.” wrote Cavalier.

Being a student of history - an assiduous reader of new works and primary documents - Senator Faulkner knows that the worst of elections for Federal Labor used to be 1931. In the Senate election of that year in Western Australia, Labor polled 41 per cent. In 2014 it polled just 22 per cent.

Yet his colleagues take unending comfort from the *nostrum* that politics is cyclical. April 2014 is no more than the bottom of the trough, they trot out. And so, as the disasters follow one another - New South Wales 2011, Queensland 2012, Federal 2013, the Western Australia Senate 2014 - each is dismissed as an episode in an un-benign cycle just waiting for the return of good times and bad behaviour by the Coalition to bring Labor out of the trough. The same people dismiss questions of party restructuring as navel-gazing, a cute phrase to shut down self-examination.

“Labor as a party of initiative dies a little each time the political class whisper this poison. Labor has lost the capacity to persuade.” wrote Cavalier.

And further on: “Contrast the embarrassing forfeiting of the debates on climate change, hospitals reform and the mining tax during 2007-13 with the ability of Gough Whitlam and Bill Hayden to carry a debate on Medibank through the opposition years. Then, in government, drafting bills twice passed in the House, three times rejected in the Senate, double dissolution, joint sitting, High Court challenge, and six separate negotiations with the states. In all that long fractious decade, Gough and Bill were not once bested in set-piece debates, press conferences and interviews.”

The concluding question asked by Rodney Cavalier is: “What will happen to the Faulkner proposals ?

“The integrity measures will pass. Transferring pre-selections to the party membership will not. If power transfers to the membership, all the Senators, [Members of the Legislative Council] and much of the National Executive are out of business. That will not happen.

Those who control the party lock, stock and dividend stream will continue to control the party. Nothing will change.

A party locked in a primary vote in the 30s will explore the 20s. The nether regions in the 20s in the Senate are where the A.L.P. in Western Australia and South Australia have set up camp.

Understand that none of what has happened is a crisis for the party’s rulers. The people running the show still enjoy a multitude of escape routes. When there is no exit into public office for the machine leaderships, then it is a crisis. The machine leaderships prefer to

believe the day of reckoning is well into the future. Whole careers can be played out in the time remaining.”

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