USE OF THESES

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In search of the Australian
dole bludger

Constructing discourses of
welfare, 1974-83

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A thesis submitted for the degree of Doctor of
Philosophy of the Australian National University

June 2006
Introduction

The invention of the term ‘dole bludger’ in 1974 marks a pivotal point in Australian welfare state history. Prior to this point, discursive constructions of the unemployed drew upon the figures of the ‘deserving’ and ‘undeserving’ poor, prominent throughout the 1930s Depression and in the decades of ‘full employment’ leading up to 1974. This new term constructed welfare recipients as parasites upon ‘ordinary Australian’ taxpayers and in doing so embodied an ideological and discursive shift occurring in relation to the welfare state. These new cognitive frames reflected an emerging struggle to define economic ‘common sense’ taking place in all western economies throughout the 1970s. Together the construction of new cognitive frames and the shift of institutional resources away from Keynesianism led to the fundamental transformation of welfare policy and discourse in Australia.

Throughout this thesis I will argue for an inclusion of dole-bludger discourse within our broader understanding of Australia’s shift to neo-liberalism. I will argue that the construction of the ‘dole bludger’ as the financial burden of the ‘taxpayer’ has been a vital part of a wider project to construct neo-liberal parameters for economic debate and to gain the consent and collaboration of workers in doing so. I will also argue that supporting discourses that constructed ‘big government’, bureaucracy and ‘welfare elites’ as participants in the taxpayer’s financial burden bound workers to the welfare agendas of the New Right, a group united in their commitment to dismantling the welfare state in favour of market allocation.¹

Finally this thesis will argue that although these discourses existed prior to 1974, they were, at that time, peripheral. The worldwide stagflation enabled a radical New Right network to declare a state of ‘economic crisis’ and to provide a necessary ‘cure’. This allowed the network to shift from the periphery, to incorporate its agenda into mainstream civil society and to compose an ‘historic bloc’, a network of actors within politics, business, media and education that together affected welfare ideology in a neo-liberal direction. In one sense then, this is an ‘historical turning point’ thesis. It begins its examination of Australian conceptions of the welfare state in 1973, focusing

¹ The ideological composition of the New Right is discussed in more detail below
centrally on the stagflation of 1974 and the opportunities created by and awarded to the New Right during this ‘crisis’ and throughout the following decade. It draws on historical research up to the election of the Hawke Labor Government in 1983. This decade can be classed as a ‘formative period’ for the New Right in Australia. The question that remains is what role does the ‘dole bludger’ play in its formation?

**A history of bludgers**

The term ‘dole bludger’ is indigenous to Australia and New Zealand. Both ‘dole’ and ‘bludger’ are terms essentially confined to Australasia. In America for example we see equivalent terms such as welfare chiseller and welfare queen, with their own distinct meanings and gender connotations, used by New Right actors to similar effect, whereas in the UK the term ‘welfare scrounger’ is common. These terms all have their own genealogy and bring with them meanings specific to the people of the nation in which they are used, by this means giving a ‘national character’ to anti-welfare discourses. However, they hold in common the fact that they all have been used by the New Right to render illegitimate social justice calls for welfare state expansion.

From its earliest origins the Australasian ‘bludger’ has been placed in opposition to the discursive category of worker, and for this reason the term resonates with the Australian working class in a way that terms like ‘scrounger’ and ‘chiseller’ do not. The bludger in its various forms is the antithesis and the enemy of the worker. The bludger lives off the worker’s effort and gives nothing in return. The relationship between the two categories is parasitic and exploitative, and for this reason the term conjurers feelings of resentment and injustice among the working class. Throughout its various etymological twists and turns it has maintained these elements.

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3 The term ‘welfare queen’ was popularised during the Reagan administration. The famous monetarist Milton Friedman was the first to use the term in his book, referring to ‘...well-publicised reports of welfare ‘queens’ driving around in Cadillacs bought with multiple relief checks’. Milton and Rose Friedman, *Free to Choose: A Personal Statement*, Harcourt, Brace, Javanovich, New York, 1980, p.136.

In Australia as in the UK and America, the term ‘bludger’ was originally used to describe a prostitute’s pimp, chiefly due to the pimp’s weapon of choice - a bludgeon. Other forms of the word bludger draw their connotation from this meaning, in essence describing the ‘exploiter’ in a relationship of economic exploitation. The prostitute in relation to her bludger was termed a ‘battler’. The relationship between the bludger and the battler, while transposed from about 1900 onwards to apply to wider economic categories, has maintained its original meaning. The bludger extracts financial benefit from a worker while exerting no work effort, but the ‘battler’ who is coercively bound to this relationship ‘battles on’ for financial survival. This specific meaning of the word ‘bludger’ continued to apply well into the twentieth century, with the most recent example appearing in the Sydney Fairfax paper the *Sun-Herald* in 1993, but during the twentieth century others were detected as having a ‘parasitic’ relationship to the worker and consequently named as ‘bludgers’. In countries outside of Australasia, the term ‘bludger’ slipped from common usage at the turn of the century. In Australia and New Zealand the modified version of the term gained popularity among the working class and has been applied variously to the present day.

Drawing on the original connotation, the term ‘bludger’ was commonly applied throughout the twentieth century to anyone seen to ‘evade one’s own responsibilities and impose on or prey upon others; to live off the efforts of others’ or to ‘one who does not make a fair contribution’. This version of the bludger was most often found to ‘bludge’ in work, and not outside of it. Manual workers used it as a term of abuse to describe fellow workers who were seen to exert less effort than others. An example of this appears in John Spicer’s *Cry of the Storm Bird* in 1958: ‘he always appeared to be in the act of lighting a cigarette or sharpening his axe. This gave Rob a feeling of angry satisfaction “Bludging over there while I’m working like hell”, he thought.”

The bludger among a group of workers is also seen to possess ‘unnately’ and therefore dishonourable characteristics. He cheats his workmates by coasting while

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6 'The judge fined Rahme, who had no previous convictions, $10,000 on the bludging charge, holding that “his income stems from and depended upon the exploitation of a large number of women”.' *Sun-Herald*, 19 December 1993, cited in GA Wilkes (ed.), *A Dictionary of Australian Colloquialisms*, Oxford University Press, South Melbourne, 1996, p.38.
other workers are forced to pick up the slack. In essence then, a portion of the value of a worker’s labour goes to the ‘bludger’ and the worker sees this as a form of economic injustice.

Radical workers also defined capitalists as bludgers placing them in opposition to the ‘battler’ worker from whom the capitalist extracted his wealth. More common however was a construction of the white-collar worker as a ‘bludger’ living on the back of the blue-collar worker. This bludger, unlike the workmate who merely ‘coasted’, was seen to live in luxury at the expense of the worker and to falsely regard himself as superior. In 1910 for example we see in the Sydney newspaper *Truth* reference to non-manual labourers as a ‘blackguard band of blatant, bumptious bummers and bludgers, who bum and bludge on Labour’, while in the 1967 play *This Old Man* by Dorothy Hewett we see: ‘The working class can kiss me arse for I’ve found a bludger’s job at last’. Alex Buzo, one of the first people in Australia to popularise the term ‘new class’ in relation to white collar workers, also wrote in 1969 of bludgers living in luxury and possessing an unfounded sense of superiority: ‘I don’t like those la-di-da hoity-toity upper-crust bludgers with their fancy accents...’

While this characterisation of the white-collar worker continued and gained strength after 1974, it was narrowed somewhat to apply specifically to public sector workers, particularly those within the ‘social justice industry’. The term ‘bludger’ was less often associated with the character as it began to take on a new language provided in the form of ‘new class’ discourse. In 1974, the term ‘bludger’ was for the first time applied to unemployment benefit recipients, and in the decade that followed this application dominated.

While the Australian National Dictionary traces the term ‘dole bludger’ back to an article in ACP's *The Bulletin* in 1976, the first use of ‘bludger’ to describe an unemployment benefit recipient extends back to March 1974, appearing in a statement made by New South Wales Premier Rupert Hamer who urged the Federal

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10 *Truth* 27 March, 1910, cited in Ramson, p.69
Government to ‘tighten controls against “bludgers”’ on unemployment benefit. In December of the same year an article appeared in the *Sydney Morning Herald* titled ‘Minister hits at dole “bludgers”’. The Minister in question was the former Anglican Dean of Sydney, the Rev Dr Stuart Barton Babbage, who supposedly uttered the term while speaking to the Scots Presbyterian Church in Margaret Street Sydney. During his sermon he also claimed that generous social security benefits had given rise to ‘a generation of shameless bludgers’.

In coining the term, Reverend Babbage gave a particular Australian character to a discourse emerging from America. This discourse, invented by the American New Right, constructed welfare recipients as the enemy of taxpayers, on whom they depended for financial survival. In the following years such a deep connection was forged between the recipient of unemployment benefit and the term bludger that ‘bludger’ could be used without the ‘dole’ prefix and automatically conjure images of benefit recipients. Prior to this year it is not possible to find any connection between the Australian use of the term ‘bludger’ and the receipt of social security benefits. It is also during this year that the bludger/battler relationship is first applied specifically to the relationship between benefit recipients and taxpayers, who after this point play the role of the working class. Before this, persons in receipt of the dole were referred to variously as ‘shirkers’, ‘idlers’, ‘cheats’, ‘job dodgers’ and ‘swindlers’, and these terms were applied throughout the 1970s, but the term ‘dole bludger’ as this thesis will show, emerged due to very specific circumstances present in 1974. The questions that remain are why and how did this transformation occur at this time? And, where does this fit into our understandings of Australian attitudes to welfare and economics more generally? These are the central questions of this thesis.

**A crisis of hegemony**

The world oil crisis of October 1973 precipitated the onset of ‘stagflation’ in almost every western economy. This phenomenon, named to reflect the simultaneous occurrence of stagnation and inflation within a nation’s economy, defied the ‘laws’ of dominant post-war economic theory. To this point, the economic theory posited by the British economist John Maynard Keynes continued to be constructed as ‘common

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15 ‘Minister hits at dole “bludgers”’, *Sydney Morning Herald*, 16 December 1974, p.3
sense’. Keynesian theory supported a process by which full employment is maintained by government intervention. Keynes claimed that by running a budget deficit, a government increases the flow of money through the economy, which in turn increases demand for goods and services. The welfare state formed an integral part of the process allowing both workers and the unwaged more disposable income to contribute toward the private market, and therefore toward the maintenance of employment. A trade-off between unemployment and inflation was the necessary result. Most of the time a delicate balance was sought. Keynesian theory was regarded as economic law and as ‘the only option’ for those wishing to avoid economic disaster.

In the period between the end of WWII and the oil embargo of 1973, there existed mad and unpopular economists whose ideas defied ‘common sense’. Chief among them were the Austrian economist Friedrich von Hayek, the ‘Chicago School’ which included Milton Friedman, and increasingly toward the end of the 1960s a small population of think tanks such as the London-based Institute for Economic Affairs. These men and women seemed to ignore the new economic wisdom by proposing the implementation of economic programs that appeared a lot like laissez faire. While Hayek achieved some notoriety after the Second World War, Keynes’s theory of demand management had since proven his theories ‘incorrect’. These economists carried on building and refining their theories and practice within a small network until 1974, the year in which Hayek received the Nobel Prize for economics.

The recession of 1974 was described in the Organisation for Economic Cooperation and Development (OECD) Economic Outlook as ‘the most serious since World War II’.16 Vietnam War spending meant that the United States had maintained balance of payments deficits while the rest of the world dealt with surpluses that caused inflation. The real boost to inflation came with the outbreak of the fourth Arab-Israeli War on October 6 1973. On 16 October the Organisation of the Petroleum Exporting Countries (OPEC) cut oil production and increased the price by 70 per cent in order to use it as a diplomatic weapon. By the June quarter of 1974 most OECD countries were experiencing inflation rates of between 10 and 20 per cent. Australia’s major

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trading partner Japan experienced an inflation rate of 23 per cent. In Australia a rate of 16.7 per cent, measured by the Consumer Price Index, was recoded for the 1974–5 financial year. When measured by the implicit price deflator for domestic demand (IDFDD) it was 20.8 per cent. Throughout the 1960s inflation remained at around 4 per cent by either measure.17 Contrary to Keynesian economic expectations, unemployment began rising rapidly.

The Commonwealth Employment Service (CES) statistics for mid-1973 recorded an unemployment rate of between 1.4 and 1.5 per cent. Although this indicated a reduction in the numbers compared to the recession period of August 1972 during which the CES recorded a rate of 2.1 per cent, it was still regarded as much higher than governments had become accustomed to in the post-Depression period. From March 1974 unfilled job vacancies and overtime hours began to fall. Between June and December 1974 the numbers registered as unemployed at the CES rose from 83,067 to 240,804. Throughout the 1970s the numbers continued in the same direction.18

As Whitlam Government member Mick Young has pointed out in his book, I Want to Work, the CES figures are in fact too low. They record only those registered as ‘unemployed’ with the CES for unemployment benefit purposes. This excludes people looking for part-time work, people (usually women) who cannot get the unemployment benefit because a spouse or partner is working (the Australian Council of Social Services estimated that 39 per cent of unemployed women fell into this category); people living on savings until necessity requires them to apply for benefits, and persons who have been ‘lapsed’ by the CES for failing to follow rules and regulations. It also excludes discouraged job seekers, who, given the labour-market situation, have given up looking. In addition, many migrants looking for work in 1974 did not know that the CES existed. An ACOSS study found that only 55 per cent of migrant women retrenched from the clothing industry had never been to the CES.19

17 Jerry Courvisanos and Alex Millmow, ‘How Milton Friedman came to Australia: A Case Study of Class-based Political Business Cycles’, University of Ballarat School of Business Working Paper 2005/03, p.4
18 Barry Hughes, ‘The Economy’, in Allan Patience and Brian Head (eds), From Whitlam to Fraser: Reform and Reaction in Australian Politics, Oxford University Press, Melbourne, 1979, p.15
19 Mick Young, I Want to Work, Cassell Australia, Stanmore, 1979, p.59
The Australian Bureau of Statistics (ABS), relying on household surveys to calculate unemployment, found that in December 1975, the height of the 1974–5 recession, 5.4 per cent of the labour force was unemployed. The figure was higher for women and youth. Of the female labour force 7 per cent were unemployed and the figure for youth (15–19 years) was close to 14 per cent.\textsuperscript{20} While the ABS figures are more reliable than the CES figures, they do exclude many discouraged workers who, given the labour market situation, have given up looking for work. The majority of these discouraged workers are married women and older workers, as well as young people who remain in school when they would otherwise seek employment. The ABS began recording statistics for this group in 1985.\textsuperscript{21}

The fundamental nature of the crisis was not new. Stagflation had occurred and gone virtually unnoticed in 1972.\textsuperscript{22} The fact that the simultaneous rise of inflation and unemployment enabled a discourse of economic crisis to emerge had much to do with the size of the stagflation, and much to do with the strong presence of a New Right network in 1974 that had not existed in 1972. As Carol Johnson has pointed out: ‘discourses of “crisis” and “necessary change” have often been used to justify the implementation of particular political agendas… the discovery and propagation of a crisis can itself be a discursive strategy.’\textsuperscript{23}

This thesis will argue that rather than being a naturally defined ‘crisis’ to which the New Right responded, the articulation of the stagflation as a crisis requiring a drastic cure was itself part of the New Right hegemonic project. This conscious discursive strategy shifted policy goals and political language in such a way that ‘the economy’ became the principle concern, and, as Stuart Macintyre has noted in his Concise History of Australia, from this point on, a ‘weakening of mutuality’ and a ‘cult of selfishness’ accompanied an implicit assumption that there could be no other form of reason than the market.\textsuperscript{24} In arguing this I will contradict the ‘paradigm shift’ thesis

\textsuperscript{21} Parliamentary Research Service, Research Note, no. 31, 9 May 1995
\textsuperscript{22} Keith Windschuttle, Unemployment: A Social and Political Analysis of the Economic Crisis in Australia, Penguin, Harmondsworth, 1979, p.20
\textsuperscript{23} Carol Johnson, Governing Change: From Keating to Howard, University of Queensland Press, St Lucia, 2000, p.3
derived from Thomas Kuhn’s *Structure of Scientific Revolutions* and used by Peter Hall to describe the shift to neo-liberalism in Western economies. This theory claims that a dominant belief system, a ‘paradigm’, is replaced by another set of ideas when enough significant anomalies have arisen to discredit the previous paradigm. Into this ‘crisis’ a number of competing frameworks step, all struggling to solve the problems and puzzles left unsolved by the previous paradigm. As chapter 7, in particular, will argue the discursive construction of stagflation as an economic crisis requiring a drastic supply side or monetarist cure was part of a New Right struggle for hegemony. It therefore represented a crisis of hegemony and not a theoretical crisis in which Keynes had simply been proven wrong.

In the words of Stuart Hall

> If the crisis is deep—‘organic’—these efforts cannot be merely defensive. They will be *formative*; aiming at a new balance of forces, the emergence of new elements, the attempt to put together a new ‘historic bloc’, new political configurations and ‘philosophies’, a profound restructuring of the state and the ideological discourses which construct the crisis and represent it as it is ‘lived’ as a practical reality: new programmes and policies, pointing to a new result, a new sort of ‘settlement’—‘within certain limits’. These new elements do not ‘emerge’: they have to be constructed.

Economists, politicians, bureaucrats, educators, media owners and journalists began, for various reasons, to participate in the construction of a new common sense, one that secured both the financial and ideological interests of capital and extended a warm hand of co-operation to the populace at large. The hegemonic process and its principal constructing forces remained the same, but the project itself reflected a moment of transition during which a ‘historic bloc’ began the work of disarticulating previous truths and reforming their elements into new ones.

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Colin Hay has pointed out that hegemonic projects can operate on varying levels. The project for bourgeois hegemony operates at a macro level, while supporting hegemonic projects such as the one to reconstruct economic common sense operate as part of this wider hegemonic project. For this reason it has been argued by Damien Cahill that ‘social agents who are not class belonging can nonetheless engage in struggles that are class relevant.’ It should be noted therefore that while this thesis will not treat the New Right as ‘class-belonging’ it will draw on Colin Hay’s theory of interconnected hegemonic projects by examining where the construction of ‘dole-bludger’ discourse and its surrounding anti-welfare discourses might fit into this network.

Using Antonio Gramsci
Antonio Gramsci’s theory of hegemony builds upon the work of Marx and Engels, chiefly their work on The German Ideology. Within this study, Marx and Engels claimed that ‘the ideas of the ruling class are in every epoch the ruling ideas’, and that the dominant class ‘must present its interest as the common interest to all members of society, that is, expressed in ideal form: it has to give its ideas a form of universality and present them as the only rational, universally valid ones.’ Gramsci elaborated upon these ideas in his attempts to understand the nature of ruling class domination and to devise a revolutionary strategy for the working class.

Those who use his theory today argue about the best ways to read it. Gramsci’s Prison Notebooks understandably lack some clarity. Written while Gramsci was incarcerated in a fascist prison, he engaged in self-censorship and at times coded his language in order to avoid the attention of the fascist censors. He died before they were completed. While writers such as Louis Althusser have attempted to fully theorise his work, others find the ‘un-theorised’ nature of his work enables them to ‘borrow’ from

27 Colin Hay, ‘Housing Policy in Transition: From the Post-war Settlement towards a “Thatcherite” Hegemony’, Capital and Class, no.46, Spring, 1992, p.34  
him without becoming a ‘disciple, a ventriloquist or a believer’. Many points are nonetheless agreed upon. It is generally agreed that hegemony is constructed by agents, that it is a process whereby common sense and national interest are inscribed upon class agendas, that it is an ongoing and forever transforming process that involves redefinition and rearticulation in line with changing material contexts, and that hegemonic projects must collaborate with the real lived experience of subordinate groups in order to have any success. In order to enrich our understanding of hegemonic projects, writers such as Stuart Hall and Damien Cahill draw on Foucaultian discourse analysis as a complement to Gramsci in their studies of the shift to neo-liberalism. This thesis differs slightly in its use of discourse, as explained below, but it will ultimately join Hall and Cahill in its use of discourse within a Gramscian framework.

Attempts to understand the shift to neo-liberalism using hegemonic frameworks are, however, quite unusual. This may be in part due to a general shift away from Marxism and class analysis within social science and the humanities. A large-scale adoption of postmodernism in academia has resulted in the abandonment of ‘totalising’ theories that unify social actors and attempt to understand the ‘whole of society’ in favour of the study of pluralities. This has depoliticised a great deal of academic work by favouring narratives of difference that, in the words of Verity Burgmann, ‘conceded the possibility of multiple forms of ‘difference’ within any group of people sharing ‘identity’, creating a myriad of unending flexible, fluid and free-floating forms of identity’, thus removing the conceptual tools previously used by radical social scientists to understand subordination and emancipation. For Burgmann ‘the rejection of “totality” was one of the many ways in which postmodernism, other important insights not withstanding, contributed to the inability of radical intellectuals to notice and care about important changes in the world around them’.

Similarly Nancy Fraser has noted that a shift from the politics of redistribution (socialism) to the politics of recognition (postmodernism) has meant that ‘questions of

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32 Burgmann, p.24
recognition are serving less to supplement, complicate and enrich redistributive struggles than marginalize, eclipse and displace them'.

Australian labour historian Rae Frances has likewise drawn into discussions of discursively constituted subjects, a knowledge that ‘real people are not passively “constructed” by discourse but are capable of “talking back”, of resisting or redefining discourses in the course of their own lives.’

The work of Burgmann, Fraser, Frances, Damien Cahill, and British ‘second generation Marxists’ such as Stuart Hall, Colin Hay, Tom Ling and Neville Kirk are contributing to a new style of intellectual work that attempts to reinstate what has been lost while incorporating some of the more salient insights of postmodern theory such as discourse analysis.

The introduction of Foucault’s insights into discourse analysis has enriched the study of hegemonic projects. Stuart Hall and Martin Jacques have pioneered this approach in relation to the project of ‘Thatcherism’ in Britain. In particular the deployment of discourse analysis has allowed an enriched understanding of how common sense is constructed through discursive formations that ‘constitute their own way of acknowledging what is true and excluding what is false within their own regime of truth’.

A discourse then, as described by Miguel Cabrera, ‘is a coherent set of categories which in a given historical situation, works as a basic organiser of social relations’. Discourses work to give meaning to lived experience.

Cabrera has noted the benefit of using discourse analysis to study the link between one’s objective class position in relation to the material forces of production and one’s understanding of that position. It is necessary, he says, ‘to focus our attention on the

36 See for example Hall and Jacques (eds)
37 Hall, ‘Toad in the Garden’, p.51
discursive process which mediates between them. This is a particularly important point in relation to this thesis. By paying attention to discourse as a mediating process between experience and the ways in which that experience is understood, we can further analyse the ways in which common sense is constructed with the consent of subordinated groups. This thesis will investigate the discourses constructed to mediate between the economic experience of the working class and the neo-liberal desire to roll back the welfare state. It will seek to answer the question of how these discourses organised social relations in such a way as to fix ‘the limits of what can or cannot be experienced’ as the cause and nature of economic disadvantage.

Studies of hegemonic projects such as this thesis should not be equated with support for ‘dominant ideology thesis’. This theory is sometimes attributed to Marx and Engels. At times it is referred to as ‘mystification’ or ‘false consciousness’ theory. It argues that a ‘pervasive set of beliefs broadly serves the interests of the dominant class. The dominant ideology is then adopted by subordinate classes who are thereby prevented from formulating any effective opposition.’

Gramsci’s theory of hegemony argues against any such wholesale ‘adoption’ and pacification. Hegemonic projects are on-going struggles that can never be finalised and must constantly change to accommodate the desires and interests of subordinate groups. Hegemony is not imposed. According to Gramsci: ‘It is a vital question to obtain not a passive and indirect consent but an active and direct consent, the participation of all, even if it provokes a disintegration or an apparent tumult.’ Stuart Hall’s argument against dominant ideology thesis as an explanation for the shift to neo-liberalism reflects Gramsci’s position perfectly:

Thatcherism’s…success and effectivity does not lie in its capacity to dupe unsuspecting folk but in the way it addresses real problems, real

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39 Ibid., p.81
41 Abercrombie and Turner’s suggestion that Ralph Miliband draws on Gramsci to claim there is, in Western societies, ‘a process of massive indoctrination’ is incorrect. Ibid., p.158
and lived experiences, real contradictions – yet it is able to represent them within a logic of discourse that pulls them systematically into line with policies and class strategies of the right.\textsuperscript{43}

This ‘logic of discourse’ includes claims that ‘there is no alternative’ to neo-liberal policies and strategies and that neo-liberalism is good for the nation or reflects ‘the national character’. These two discursive formations will be examined further throughout this thesis with a particular focus upon the use of national character discourse and the incorporation of perceived national character traits into New Right discourses in Chapter 4.

This thesis also rejects the theory that an ideology possessed by a class member is inherent within the social condition of the class, or, put another way, that ‘social being determines consciousness’.\textsuperscript{44} This theory is also attributed to Marx and stems from his work \textit{The Eighteenth Brumaire of Louis Bonaparte} in which he states:

\begin{quote}
Upon the different forms of property, upon the social conditions of existence, rises an entire superstructure of distinct and peculiarly formed sentiments, illusions, modes of thought and views of life. The entire class creates and forms them through tradition and upbringing.\textsuperscript{45}
\end{quote}

This notion is problematic when taken in isolation from Marx’s other work on ideology, as many have done. However, it should not be discounted as an influencing factor. Class interest, class position and material factors, as Hall has pointed out, should be regarded as useful starting points in the analysis of any ideological formation ‘but they are not sufficient – because they are not sufficiently determinate – to account for the actual empirical disposition and movement of ideas in real historical societies.’\textsuperscript{46} Discourse analysis is a vital element to our understanding of ideological formation. One cannot be treated in isolation from the other, as it is the interaction between the two that is most important in determining how we make sense of our

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\textsuperscript{44} Abercrumbie and Turner, p.151
\textsuperscript{46} Hall, ‘Toad in the Garden’, p.45
\end{flushright}
world. This particular use of discourse analysis is also a rejection of more extreme postmodernist uses of Foucault that, in the words of E.P. Thompson, reduce the world to an idealism in which ‘a self generating conceptual universe imposes its own identity upon the phenomena of material and social existence, rather than engaging in continual dialogue with them.’\textsuperscript{47} Only by remaining attentive to language and material conditions can we contextualise the emergence of new verbal frameworks such as those provided by neo-liberalism.

**Using discourse analysis**

The importance of discourse analysis to our understanding of hegemonic struggles cannot be overstated, but which discourse analysis is appropriate for a study of the New Right hegemonic project in Australia? As noted above, others such as Hall and Cahill have employed Foucault as a complement to Gramsci. Outside of this work a variety of approaches exist that represent a broader, more eclectic use of discourse than the one intended by Foucault. In fact, as Carol Johnson has pointed out ‘the term “discourse”…is one that can be used legitimately in a variety of ways. There is no clear “correct” usage, it is merely incumbent upon authors to state the ways in which they intend to use [it].’\textsuperscript{48} It is important to consider these non-Foucaultian approaches and their benefits, as well as to outline my own approach for the purpose of this thesis.

Michel Foucault is widely regarded as the father of critical discourse analysis, ‘critical’ because in opposition to linguistic approaches which largely describe discursive practices, sometimes drawing a correlation between the structure of language and power relations, Foucault’s work examines how power relations and social identities are constituted by discourse.\textsuperscript{49} Other critical approaches to discourse have emerged to rival Foucault’s approach; most notable among these are the works of Jürgen Habermas and of the Althusserian influenced Pecheux group. Both these approaches offer advantages over Foucault but they are not adequate frameworks to contribute to Gramsci’s theory of hegemonic struggle.


\textsuperscript{48} Johnson, p.17

Habermas’s theory of communicative action is a discourse theory that places a great deal of emphasis on rational communication, either oriented toward success or toward the development of a shared understanding. Communicative action, which Habermas calls ‘strategic action’, is most relevant for a study of the connection between New Right motivations and dole-bludger discourse because it focuses upon the actor’s desire to achieve a predetermined goal via communication. Habermas claims that many situations that at first appear to be communicative in the direction of shared understanding are in fact strategic, there is often a ‘hidden agenda’. Michael Pusey has argued this effectively in his 1991 book *Economic Rationalism in Canberra*, which theorises the shift to economic rationalism in the Australian public service. However, it is difficult to apply this theory to the use of dole-bludger discourse in Australia, even though hidden agendas are present, because it is not attentive to the incorporation of the needs and desires of subordinate groups into strategic action.

The work of the Pecheux group is more compatible with Gramsci. Its adherents attempt to combine a social theory of discourse with text analysis, working primarily with written and political discourse. Based on Louis Althusser’s Marxist theory of ideology, which emphasises the significant contribution of ideology to the reproduction of economic relations, Michel Pecheux’s theory posits language as a material form of ideology. Thus: discourse ‘shows the effects of ideological struggle within the functioning of language, and, conversely, the existence of linguistic materiality within ideology.’ Pecheux employs the concept of struggle engaged in at the discursive level. He identifies, for example, a process referred to as ‘disidentification’, which can occur when an agent replaces a discursive formation that maintains class relations with one that does not. In the work of Pecheux, as in Althusser, there is, however, a tendency to emphasise class reproduction and the discursive methods by which ideological domination is secured, at the expense of ‘transformation’, the methods by which the ideologies of one group come to displace

51 Ibid., p.23
the ideologies of another through struggle at the discursive level. For this reason it is a
useful theory to draw on when seeking to understand the New Right hegemonic
project, but not a complete one.

Pecheux has not been widely used in Australian literature on discourse and ideology.
Habermas has been employed to some extent, most notably in the work of Pusey, but
by far the most popular use of ‘discourse’ in Australia stems from Foucault. As I have
noted previously, studies of the New Right that employ both hegemony and discourse
as concepts invariably identify their discourse analysis as Foucaultian. I wish to differ
from these writers by stating that any use of Foucault within a Gramscian framework
must remove itself so far from Foucault’s original theory that it cannot be regarded as
‘Foucaultian’. Parts of Foucault’s theory may be utilised in studies of hegemony, but
devoid of their original implications they form part of a more fluid and eclectic use of
discourse theory emerging currently, as identified and adopted by political scientists
such as Carol Johnson.

Part of the reason for this divergence from Foucault is my focus on agency as a key
component of discourse construction. Foucault rejects ‘autonomous agents’ instead
deliberately writing intentions out of his historical works to focus instead on the
constitution of subjects through power. Put another way, Foucault rejects the question
‘who is speaking?’ in favour of the question ‘who is spoken?’, claiming in an
interview published in 1977:

One has to dispense with the constituent subject, to get rid of the
subject itself, that’s to say to arrive at an analysis which can account
for the constitution of the subject within a historical framework. And
this is what I would call genealogy, that is, a form of history which can
account for the constitution of knowledges, discourses, domains of
objects, etc., without having to make reference to a subject which is
either transcendental in relation to the field of events or runs in its
empty sameness throughout the course of history.54

54 Michel Foucault, ‘Truth and Power’ in Colin Gordon (ed.) Power/Knowledge: Selected Interviews
Although Foucault modified this stance in his later works on the practices of the self by acknowledging the role of the self in the constitution of the subject, it is difficult still to integrate this into a study of welfare discourses that are so obviously affected by social actors. Foucault argues in this work that individuals use their agency to regulate themselves in accordance with social norms, but without intention or self-consciousness. Very few critics or supporters of Foucault marry the two contradictory phases of his thought, instead paying more attention to the earlier anti-subjectivist phase. However, neither phase, nor a conflation of the two, can explain 1970s anti-welfare discourses. While Foucault regards the subject as an effect of discursive formations, later with ‘the self’ as an unknowing contributor, I regard discourse as constructed by social actors to fulfil various agendas and to make sense of lived experience. This thesis then will adopt a broad approach to discourse, in line with the approach adopted by Carol Johnson, in order to overcome the problems associated with agency and transformation in the most widely used discourse theories.

Defining the New Right

This thesis will use the term ‘New Right’ to describe the loose network of social actors who share in common, though to varying degrees, the goals of individualism, free market economics, minimal government, and ‘taxpayer rights’. While there is no agreed definition of the ‘New Right’ it is generally accepted that think tanks are a fundamental feature of their composition and that their ideologies and agendas differ markedly from those of the ‘Old Right’. One unifying factor in the New Right is an aversion to the welfare state. As Marian Sawer noted in her 1982 book Australia and the New Right:

...they are united in the belief that state intervention to promote egalitarian social goals has been responsible for the present economic malaise, and has represented an intolerable invasion of individual rights.

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56 Cahill, pp.2–3
The New Right is made up of neo-liberals and neo-conservatives, whose goals, ideologies and discourses are both contradictory and complementary. While neo-liberalism is committed to a withdrawal from the welfare state and from ‘government regulation’, neo-conservatism supports this with ‘strong state’ discourses that call upon government to enforce independence through ‘regulation’. Neo-conservatism however, takes on the position of a ‘politics of support’\textsuperscript{58} rather than ‘principal player’ in dole-bludger discourse, mainly because the discourse is constructed in such a way as to give precedence to minimal taxation and minimal state ideologies, which are the domain of neo-liberalism.

Where divisions occur over strong state and minimal state preference, equally, arguments are rife \textit{within} both camps. Neo-liberals variously support minimal state ideology that draws either upon monetarism, public choice theory or supply-side economics. Sometimes elements of these theories are combined, but theoretical tensions are apparent. Politicians have tended to take from these theories what is useful to them at the time, though Margaret Thatcher is most often associated with monetarism and Ronald Reagan with supply-side economics. Australian politicians and bureaucrats, like their US and UK counterparts, drew upon all of these theories but decreased support for monetarism as supply-side economics gained popularity between 1978 and the early 1980s with the publication of important American supply side tracts: Jude Wanniski’s \textit{The Way the World Works} in 1978 and George Gilder’s \textit{Wealth and Poverty} in 1981.\textsuperscript{59}

Monetarism was the most important of the neo-liberal economic theories in 1974 and at this time was supported by the ‘Chicago school’ camp of which Milton Friedman was the most prominent member and the ‘Austrian School’, which included Friedrich von Hayek and Ludwig von Mises. Supporters of this theory claimed that inflation could be controlled, and the budget balanced, if the central bank reduced the supply of money to the level of ‘productive output’. This would lead to a reduction in wages


and government expenditure, and hence, inflation. ‘Unpleasant side effects’, it was acknowledged, were ‘unavoidable’. Friedman proposed a gradual reduction in the growth of money supply whereas Hayek advocated a more principled laissez-faire stand, calling for a large and immediate reduction regardless of the consequences. Supply-side economic theory began to gain popularity in 1975 but it was not until the late 70s that it superseded monetarism; gaining support from converts such as Milton Friedman. Its adherents drew upon the ‘Laffer Curve’, invented by Martin Laffer to explain his theory that lower tax rates could yield the same revenue as higher taxes, as workers increased hours and produced more in the knowledge that they would retain more of the fruits of their labour. Supply-siders rejected the monetarist focus on balancing the budget, preferring budget deficits to high taxes, and insisted that the money supply is passive and responds to the ‘needs of trade’. Taxes were regarded as the sole cause of inflation.

Public choice theory existed alongside both these schools of thought and could be regarded as the most enduring of all the neo-liberal theories. Its initial proponents, of whom James Buchanan is perhaps the most famous, claimed that political actors should be regarded as rational ‘utility maximisers’ who seek to promote their own self-interest instead of the public good. This included politicians, who provided irresponsible gifts and bounties to allies and to the voting public in order to ensure their own political survival, ‘special interest groups’ who competed for more and more funding and could never be appeased, and public-sector workers who engaged in ‘rent seeking’ enhancing their own career and the position of their department by drawing heavily on government funds. According to this school, political decision making of this variety was in fact the cause of overblown government and inflation, and attempts to reduce these things would have to include decentralisation of government to its lowest level. This theory can be seen to have informed ‘new-class discourse’ in Australia from the mid-70s to today.

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60 Ashford, pp. 20 and 24
61 Ibid, pp. 24–5
62 Ibid, p. 35 and Brunton, p. 107
63 Ashford, p. 38
Despite these differences, however, it is important to note the support for reduced taxation and small government inherent within all of these theories, and it is these unifying points that are of greatest importance to this thesis. Finally it is important to note that the New Right is also defined by the period within which it emerged. The New Right emerged in America in 1969 and their ideas were transported to Australia in the following years. The term is historical in the sense that it emerged to describe people holding those views and promoting those agendas at that time, and many who ascribed to those views and agendas referred to themselves as ‘New Right’.\(^{64}\)

While there are many unifying factors within New Right ideology, it is important to note that there is also a plurality of discourses supporting New Right agendas, among them discourses about the family, national character, women, indigenous affairs, law, the public service, academia and the community sector. Members of the New Right do not necessarily use these discourses in the same way, but they can all be regarded as New Right discourses in the sense that members of the New Right have constructed them to aid broadly defined New Right agendas. These discourses more often than not support one another so, as Stuart Hall has noted, ‘a certain unity is constituted out of this diversity’.\(^{65}\) Points of difference and lines of fracture need not rule out the existence of a New Right hegemonic project, for as Colin Hay points out:

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\text{...The criteria that a potentially dominant ideology must satisfy are not those of unity or even consistency but rather that the ideology is easily articulated and comprehended, and that it justifies the strategic policy objectives necessary to secure the structural determinants of a new hegemonic settlement...}^{66}\]

These points of difference then allow for flexibility of discourse. Its ‘contradictory unity’\(^{67}\) allows the New Right to cover all bases.

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\(^{65}\) Hall, ‘Toad in the Garden’, p.53

\(^{66}\) Hay, p.44

\(^{67}\) Hall, ‘Toad in the Garden’, p.53
The New Right not only consists of a diverse yet complementary set of beliefs, its location within society is at once disparate and overlapping. The struggle for neoliberal hegemony is waged by a network of social actors existing within government, bureaucracy, political parties, lobby groups, the media, academia and education, business, and within a host of organisations known as right-wing think tanks. These think tanks are perhaps the nucleus of the new-right network in Australia. Among the most influential during the 1970s were the Centre for Independent Studies (CIS) and the Institute for Public Affairs (IPA). Their wealth and resources came from members who also held positions of power within business, government and media. This thesis will argue that it was primarily through these organisations that new-right ideology was imported from America, rearticulated, and distributed through politics and media in Australia.

The network of social actors that make up the New Right does not constitute a new social movement in the same sense as feminism, gay rights or environmentalism. While I do believe that the New Right share things in common with new social movements, in particular, that they adopt discourses of injustice in their construction of ‘taxpayers’ as a cognitive frame, it is important to note that the mobilisation of collective action is not a goal of the New Right. While new social movements use cognitive framing to unite the disadvantaged, the New Right use the ‘taxpayer’ frame to mobilise individual resentments.

The identity is constructed at an elite level. At this level the cognitive frame of ‘taxpayer’ does not arise from feelings of actual subordination to welfare recipients. In light of the fact that the New Right is not an oppressed or subordinate group, Damien Cahill has argued that it should be regarded as an elite social movement organisation. While the network does consist mainly of elites ‘with a small social base and fundamental links with the capitalist class’, elite social movement organisations, as defined by John Boies and Nelson Pichardo, operate outside government. They do so because mainstream institutional channels are closed to the particular ideas and agendas they support, usually because they conflict with the ideas and agendas of the

68 Cahill, p.5
more powerful governmental figures. I believe that the New Right prior to 1974 can be regarded as an elite social movement using Boies and Pichardo's definition, but after the stagflation, government became a key player in the construction and distribution of New Right discourses. As Boies and Pichardo, along with Frances Fox Piven and Richard Cloward, have argued 'the co-option or institutionalisation of [social movement organisations] is a common path to ultimate dissolution'. A social movement cannot exist if its language and agendas become normalised. While I am convinced by the existence of elite social movements in other contexts, in this thesis I will refer to the New Right as a 'network'.

**Historiography**

There have been very few studies that focus upon the emergence of dole-bludger discourse or its international equivalents. This thesis is the first to examine the emergence of dole-bludger discourse using Gramsci's theory of hegemony and the first to situate the dole bludger within the context of the New Right's transformative agenda. Other work concerned with welfare language and concepts during the 1890s and 1930s provides a useful comparison. Among them, Stuart Macintyre's *Winners and Losers*, a study of changing concepts of social justice in Australia, and Charlie Fox's *Fighting Back*, an examination of unemployed politics in Victoria during the 1930s, reveal the extent to which the character of the unemployed and the deserving/undeserving dichotomy dominates 1930s discourses of unemployment. A discourse casting the unemployed as a 'parasite upon the worker' is absent. But it is not adequate to put this down to the lack of a centralised welfare state. As Macintyre points out, the three most populous States, Victoria, New South Wales and Queensland began in 1930 to levy taxes specifically to pay for relief works and sustenance, progressively increasing these taxes throughout the decade.

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71 Boies and Pichardo make an excellent case for seeing the Committee on the Present Danger as an Elite Social Movement Organisation. The exclusion of the cold warriors from positions of influence within Jimmy Carter's Government during the détente led to their formation, while the election of George Bush Snr, one of the CDP's members, led to its dissolution. See Boies and Pichardo, p.78

Fox’s *Fighting Back*, along with many others including Nadia Wheatley’s ‘All in the Same Boat?’ and Janet McCalman’s *Struggletown* have pointed to another contrast between the two periods. These studies are particularly useful in revealing the organisational solidarity existing between the unemployed and the labour movement; solidarity all but absent during the 1970s and 80s, as Chapter 8 of this thesis will show. They also reveal the extent to which cognitive frame of ‘worker’ informed the identity of the unemployed and their struggles to achieve social justice during the 1930s Depression. This is in clear contrast to the period after 1974 in which ‘workers’ were included within a ‘taxpayer’ cognitive frame and pitted against the unemployed. These differences have been overlooked in the existing literature on the emergence of the dole bludger. Instead they have focused on the dole bludger as an extension of the 1930s undeserving poor. It was in reading these studies of the 1930s I was first able to notice the dissimilarities between the welfare discourses of the two periods and to begin to look for answers.

There are three major works focusing specifically upon the emergence of dole bludger discourse in the 1970s. I will briefly examine them before turning to explain my contribution to the study of New Right discourses in general. One of these studies, Peter Golding and Sue Middleton’s *Images of Welfare*, traces the development of welfare scrourger discourse as a ‘moral panic’ in mid-1970s Britain. Alan Law’s PhD thesis on the Australian dole bludger *Idlers, Loafers and Layabouts* regards the discourse as a device of moral regulation. Keith Windschuttle’s 1979 book *Unemployment*, still the authority on welfare discourses in 1970s Australia, pays more attention to the economic context within which the discourse emerged.

The term ‘moral panic’ was coined by Stanley Cohen in 1972 to describe the media coverage of Mods and Rockers in the 1960s. Cohen defined a moral panic as a societal over reaction, propagated by the media, in which an ‘episode, condition, person or group of persons emerges to become defined as a threat to societal values

and interests. Moral panic does not seem to gain much attention among academic institutions today. Its heyday was probably the 1980s and 1990s when it became the most popular theoretical tool used to understand responses to HIV AIDS. Studies of other ‘panics’ consequently began to emerge. It is within this context that we should view Golding and Middleton’s study of the media’s role in the creation of ‘scroungerphobia’ in Britain during the 1970s. The authors argue that the discovery of one ‘scrounger’ in the British press, a 42 year-old Liverpudlian by the name of Derek Deevy, sparked a media hunt for more scrounger stories and brought to the surface a latent belief system closely tied to religious iconography and the 19th Century poor laws. The resurrection of these beliefs constituted a panic throughout which welfare deviance was hunted down and exposed. This was the first large-scale study of 1970s welfare discourses in the UK. The unfortunate use of a moral panic framework does not render the study unimportant but it does rule out a deeper understanding of the choices made by the actors who participate in the construction of these discourses. It does so by replacing them with ‘bearers’ of moral panic who respond irrationally and spontaneously to ‘folk devils’ discovered and exploited by the media.

While the ‘panic’ element of the theory is unconvincing, the moral element is also problematic. As its name suggests moral panic theory excludes any understanding of economic motivations or consequences attached to discourse. Instead, discourse is seen as the means by which moral order is maintained. The categories within any given discourse are employed in a ritualistic morality play, defining boundaries for social conduct and extracting the immoral element from society. So according to Golding and Middleton:

The disreputable poor... made the perfect sacrificial scapegoat in a process of social ‘redemption through victimage’. The frequently brutal policing of large numbers of claimants has provided ‘absolution’ of the social order through a colossal ritual purge of the ‘guilty’.

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76 Ibid., p.236
According to this theory the media resurrects entrenched images of the poor such as 'the sturdy beggar' and provides a vocabulary through which this ritual purge might take place.

One of the major problems with moral panic theory applied in relation to welfare discourses is that it is ahistorical. Superior studies such as Stuart Macintyre's *Winners and Losers* have convincingly argued that the historical period is vital to the conception and articulation of welfare and social justice. Golding and Middleton on the other hand assume the use of entrenched 'latent' discourses without paying any attention to the way these discourses are altered as a result of changing historical circumstances. For this reason Golding and Middleton's analysis entirely misses the fact that the 'dole-bludger' discourse, or in UK terminology 'scrounger' discourse, is very different from the deserving/undeserving poor discourse. Its categories are primarily economic. The dichotomy is a 'taxpayer'/‘bludger’ dichotomy, constructed to provoke negative feelings about redistribution. While Golding and Middleton do acknowledge dramatically altered economic circumstances they fail to notice their impact upon the discourse or to attach any explanatory weight to these circumstances. They also fail to see that the actors participating in the construction of the discourse are engaged in a struggle to naturalise their own economic outlook as a response to this economic crisis. Nor do they give any weight to the lived experiences of subordinate groups or how these may affect the discursive categories employed in the wake of the crisis. In short, moral panic theory as applied by Golding and Middleton, does very little for our understanding of how dole bludger or scrounger discourse interacts with material realities and our understanding of them.

Alan Law's PhD thesis, 'Idlers, Loafers and Layabouts' on which his article 'Surfing the Safety Net' is based, also employs a moral-centric framework to examine the rise of dole-bludger discourse in the 1970s, this time in an Australian context. Law uses concepts from Foucault's *Discipline and Punish* along with 'moral regulation', a more recent theoretical frame based on the work of Foucault. Essentially Law's work argues, in much the same sense as Golding and Middleton, that: 'an entrenched liberal

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77 Golding and Middleton, pp. 59–60
discourse asserted itself in opposition to the growing threat of progressive movements, represented in the opposition ALP and in the public emergence of surfie hedonism.\textsuperscript{78} Like Golding and Middleton, Law argues that ‘the dole bludger moved from latent to manifest form’ as a response to threatened societal values, specifically to those that make up ‘industrial citizenship’.\textsuperscript{79} Similarly, his work undermines the impact of historical context upon the discourse, preferring to see the ‘dole bludger’ as an ahistorical figure inherent within liberal governance, bursting forth of its own accord at moments of ‘moral crisis’.\textsuperscript{80} Law employs this theory, he claims, as a way of ‘bypassing the ‘intentions’ of historically situated actors, political parties, movements or ideologies.\textsuperscript{81}

In bypassing these intentions Law purposefully rejects agency, and cannot therefore recognise the role of the New Right in the construction of dole-bludger discourse. In fact he ignores the New Right as actors in the period under examination, let alone as the constructors of dole-bludger discourse. Rather the discourse is seen as disciplinary: enacted by microtechniques outside of human agendas. Not only does Law’s analysis intentionally remove class and ideology from view, it also renders the discourse depressingly incontestable.

While, these two moral-centric theories ignore or deal inadequately with ‘economic crisis’ and its impact upon 1970s welfare discourses, the most noted work in the area, Keith Windschuttle’s book \textit{Unemployment}, places the economic crisis at the centre of the narrative. Superior in many ways to these two accounts, it is still an inadequate explanation of dole-bludger discourse. Although I do not essentially disagree with Windschuttle’s central claim that the dole bludger has been constructed as an aid to capitalism, I differ from his classical Marxist approach on three counts. Firstly, Windschuttle sees the dole bludger as a tool employed in the process of...

\textsuperscript{80} Law, ‘Surfing’, pp.36-37
\textsuperscript{81} Ibid., pp.36-37
‘mystification’. It blinds the public as to the true nature of capitalism, which in reality is an economic system that does not work. According to Windschuttle then,

The capitalist economic system in Australia has failed large numbers of people dependent upon it but has so far remained unscathed. The dole bludger campaign has acted as a ‘justifying ideology’, one that has deflected perception of the failure of capitalism onto the victims of that failure.\textsuperscript{82}

Yet capitalism itself as a ruling class hegemonic project was not under threat; the crisis of hegemony took place within capitalist hegemonic projects as Keynesianism as an economic strategy of capitalism came to be contested and eventually replaced by a neo-liberal hegemonic project.

Secondly, and perhaps because of this problematic stance, Windschuttle does not give due ‘credit’ to the network of New Right actors existing within institutions such as the media, political parties, bureaucracy and academia. He ignores the New Right think tanks as constructors of this discourse, and speaks of institutions as actors, claiming a particular media and a particular Liberal Party or Labour Party approach and agenda. According to Windschuttle the media’s approach is one that identifies and defines deviance from ‘accepted’ work ethic ideology, both as an act of social control and as a proven path to ratings and newspaper sales.\textsuperscript{83} The Liberal and Labor parties on the other hand produce a discourse of deserving and undeserving poor, affected by the dominant political philosophies upon which their parties are based, in order to divert attention from a failing economy.\textsuperscript{84} Again, by ignoring the New Right as a network of actors spanning these institutions and struggling within them to make their own claims legitimate, Windschuttle cannot identify the key individual agents in the construction of the discourse and misses the importance of dole-bludger discourse as a formative strategy for the New Right. The third point of difference will be obvious. It is, again, that Windschuttle like Golding and Middleton and Law, assumes a stagnant and ‘latent’ dichotomy of deserving/undeserving poor has resurfaced. He does not

\textsuperscript{82} Windschuttle, p.178
\textsuperscript{83} Ibid., pp.169–170
\textsuperscript{84} Ibid., pp.217–218
acknowledge the primary dichotomy of taxpayer/dole bludger that is particular to a neo-liberal hegemonic project.

Outside of these three studies about the 1970s, most academic work on welfare discourses situates the discourse relevant to this thesis within a general study of the New Right in power. Within this work New Right anti-welfare discourse is seen as part of a phenomenon of the 1980s and 1990s, primarily due to the fact that the two most prominent New Right leaders, Margaret Thatcher and Ronald Reagan achieved government in 1979 and 1980 respectively. Authors such as Stuart Hall and Frances Fox Piven and Richard Cloward have produced notable work using this approach, but my thesis will shift the emphasis. While attempts are being made to move outside of this period, most notably by Sylvia Bashevkin whose 2002 book *Welfare Hot Buttons* studies ‘third way’ welfare discourses as used during the late 90s by the Blair, Clinton and Chrétien Governments in Britain, America and Canada respectively, the discourse has not yet been traced back to its formative period.^{85} By tracing the discourse back to the period in which it emerged, the 1970s, we are able to understand it as a conscious strategy through which the New Right gained ascendancy. Another advantage to be gained by this slightly different emphasis is that we can question whether other New Right discourses used during the 1980s and 1990s were in fact operating much earlier. For example, this thesis will examine the evidence for a 1970s version of ‘new class’ discourse, as analysed in Marian Sawer and Barry Hindess’s book *Us and Them*, and seek to illuminate its relationship to dole-bludger discourse.^{86}

**Sources and Chapter Outline**

The primary sources used to write this thesis are broad and far ranging. A study of welfare, let alone the New Right, encompassing the years 1973-83, throws up endless secondary literature but somewhat limited primary literature due to the 30-year embargo on most archival documents. Given that this is a study of public discourse, I have nonetheless found a wealth of material in Australian newspapers and parliamentary debates, as well as the various materials produced by the Liberal and Labor parties and right-wing think tanks and individuals: among them books, journals,

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pamphlets, annual reports, conference papers, media releases and speeches. I have also made use of the equivalent American and UK right-wing publications in order to gain an understanding of how neo-liberal ideas came to be imported to Australia via these institutions.

While the pamphlets, journals, and annual reports of these organisations and parties were more or less complete for the 1970s and early 80s, it would have been impossible to research every Australian newspaper and every page of Senate and House of Representatives parliamentary debates for the period. Instead I relied upon the only index of newspaper reports available for the period, the Sydney Morning Herald index. Using the search terms 'unemployment', 'unemployed', 'welfare' and 'dole' as well as 'tax' and 'taxation', and searching for articles spanning 1971–83, I found the articles referred to in the index and then used the date on which the article appeared to run a microfilm search of three Murdoch papers: The Australian, The Daily Telegraph (including the Sunday Telegraph), and the Daily Mirror, three Fairfax papers: the Sydney Morning Herald, The Age, and The Canberra Times, and three Herald and Weekly Times (HWT) newspapers: The Herald, the Courier Mail, and the Adelaide Advertiser.

When I began to identify the key themes in these newspaper articles, I decided to return to the National Library to visit some other newspapers, this time using the dates of particularly interesting articles in an effort to find their equivalent in other newspapers. Fortunately, my study of parliamentary debates was supported by a complete index. The same search terms were used as for newspapers, but as this produced a larger pile of material, the period was truncated to 1973-83. I returned to the debates with new search terms often. Outside of this, the archive of the Workers Party at the National Library and the archives of the Institute of Public Affairs and Administrative ad Clerical Officers Association, held at the Noel Butlin Archives in Canberra, provided valuable insight into the discursive strategies and activities of these organisations.

Chapter outline
As I have mentioned previously, this thesis aims to examine the interaction between Australians and international New Right figures and the impact that this process of
exchange had on the growth of the New Right and transformation of welfare discourses in Australia. In order to examine this exchange it has been necessary to trace the development of New Right welfare discourses in America and the UK. Chapter 1, then, provides this, paying attention to the peculiarly ‘national’ features of the discourse and its origins in America and the UK, and to the organisations most prominent in its growth and dispersal. Chapters 2 and 3 examine the transferral of these ideas, principally from America to Australia and the means, both discursive and practical, by which this occurred. While Chapter 2 focuses on the growth of New Right welfare ideas among Australian economic think tanks, Chapter 3 focuses on the extent to which these ideas penetrated government.

Chapters 4, 5 and 6 are particularly concerned with the ‘Australianisation’ of this essentially American discourse. Chapter 4 examines the process by which the Coalition and the first Australian neo-liberal political party, the Workers Party, translated New Right welfare discourses into an Australian vernacular, drawing upon discursively entrenched Australian national character traits as a support to these ideas. The chapter compares and contrasts the different approaches of the Coalition and the Workers Party, and examines the level of success achieved by each in their attempts to forge a connection between their own anti-welfare discourses and ‘the Australian way’. Chapter 5 continues this theme by examining the popularisation of the dole bludger in the Australian media, and the discursive techniques used to forge a link between the Australian dole bludger and the lives of readers. Chapter 6 examines a particular media campaign *The Australian* tax revolt, which occurred in 1978, for evidence of this.

Chapter 7 of this thesis returns to political discourse to examine the policy reaction. It examines the links between ‘crisis’ discourse, welfare policy-making and the growth of ‘fiscal restraint’ as a key policy objective in Australia, and analyses the extent of the Whitlam and Fraser Government’s commitment to New Right welfare ideas. As mentioned previously, this chapter also provides an assessment of the Kuhnian theory of ‘paradigm shift’ in response to a naturally occurring crisis of normality, against Carol Johnson’s argument that ‘crises’ can be discursively constructed for political advantage. The final chapter of this thesis, Chapter 8, examines welfare discourses that challenged the New Right and provides an assessment of the various advantages
and disadvantages of these discourses as well as reasons for their varying levels of success.

The point of this thesis then is to examine the ways in which powerful people can construct discourses to aid their own agendas. It is also to examine the ways in which the real, lived experience of economically subordinated people can come to be woven into the fabric of these discourses and aid the process by which they become 'common sense'. Importantly, it will also seek to identify areas of weakness in the New Right's hegemonic project and to identify strategies for possible resistance. Dole-bludger discourse has not been chosen as a random example of this. It has been one of the most important discursive strategies used by neo-liberals. It is also a discourse that signifies and aids an attack on the least economically powerful members of society by some of the wealthiest and most powerful figures in Australia. For this reason alone it is worth a great deal of attention.
In the summer of 1975 the new leader of the British Conservative Party, Margaret Thatcher met with the party’s research department to discuss the way forward. In the midst of an economic crisis that was now one year old, Thatcher was keen to cement a new economic program. Primarily, she was interested in research findings on welfare and taxation, a pet project of hers since joining the party. Her research officers welcomed the opportunity to present papers on ‘family policy’ and to argue for a pragmatic ‘middle way’ approach to welfare and taxation. In the middle of the first paper, Thatcher reached into her briefcase and removed a book, which she held up for all to see. It was Friedrich von Hayek’s *The Constitution of Liberty*. This’ she said ‘is what we believe’ and slammed the book down on the table.¹ Her research officers were left in no doubt that they were required to be on board for the construction of a New Right economy.

Thatcher was not unusual for her time. By 1975 the role of welfare policy in western economies was experiencing a fundamental transformation. One year on from the British stagflation and more than half a decade since stagflation in the US, the theories of men like Friedrich von Hayek and Milton Friedman, and women like Ayn Rand, had resurfaced from the recesses of forgotten and debunked theories to gain credibility within think tanks, economics departments, media, bureaucracy, and politics. Keynesianism had, by this stage, lost its association with economic ‘common sense’. Throughout the Western world, the process of ideological reformation had been occurring for some time at the peripheries of economic thought. The stagflation that occurred at the end of the 1960s enabled the New Right to challenge Keynesian economics on a more public stage.

¹ John Ranleigh, one of Thatcher’s advisors claimed that ‘the whole thing crystallized in her mind that the Research Department was pink, and I think it was the beginning of the end for the Research Department’. John Ranleigh, *Thatcher’s People: An Insider’s Account of the Politics, the Power and the Personalities*, Harper Collins, London, 1991, p. ix
This chapter should be read in conjunction with Chapter 2 of this thesis. Together they will seek to examine dole-bludger discourse as part of an international hegemonic project. This chapter will trace the development of anti-welfare discourses in America and the UK, while the following chapter will examine the exchange of ideas that occurred between America, the UK and Australia during the 1960s and 70s. In conjunction with the following chapter, it will argue that dole-bludger discourse stemmed from a global hegemonic reformation that gained credence in the US in the late 1960s and in Australia and the UK during the 1974 recession. While incorporating the particular concerns of the country in which they were constructed, anti-welfare discourses were nonetheless part of a co-operative, international, hegemonic project.

The USA and anti-welfare state discourse

Those who have written about the rise of the New Right and anti-welfare discourses and agendas in the US have tended to exclude the period under examination in this thesis. Instead, most have focused on the growth of the New Right network during the 1960s and its ultra conservative programs, or on a study of the New Right in government, that is, the Reagan era. Of those that have dealt with the New Right in the 1970s, most have focused upon the network’s organisation, its origins and its expansion. The work of Alex Carey, for example, provides a very good account of the New Right’s major financial backers during the 1970s and 80s, but more work is needed to discover the discourses contained within the numerous pamphlets and educational materials funded. Other notable work, such as Alan Crawford’s Thunder on the Right, speaks at great length about the deeds and discourses of various New Right organisations and figures without providing many dates through which these may be contextualised. This chapter then, has required a great deal of primary source

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4 Further examination of the footnotes leads one to notice that particular quotes and activities are referred to in the same breath when at times they occur decades apart. Alan Crawford, Thunder on the Right: The ‘New Right’ and the Politics of Resentment, Pantheon Books, New York, 1980
research. By illuminating the central period in which these networks and discourses coalesced and became powerful within mainstream institutional channels, and by analysing the discourses themselves, it contributes to existing literature on the American New Right.

The 1960s in America witnessed a marked expansion of income maintenance programs. President Lyndon Johnson’s plan for a ‘Great Society’ included a ‘War on Poverty’ which, from 1964, rapidly increased spending on social security pensions, unemployment compensation, public housing, and Aid to Families with Dependent Children (AFDC). New programs included food stamps, job training and two major health programs for the elderly and disadvantaged: Medicare and Medicaid. The changes to the health care system gained the support of most Congressmen but outside of the area of health, Johnson’s War failed to gain as many recruits. Housing, AFDC, Unemployment relief and, most of all the Office of Economic Opportunity (OEO) with its offshoot Community Action Program, caused discomfort if not ire among Conservatives. In these areas, questions began to arise about the link between welfare and social unrest, particularly in relation to black Americans.

The term ‘welfare explosion’ appeared to sum up the social programs of 1960s America, particularly in the rhetoric of those who opposed them. During the economic downturn that appeared at the end of that decade and peaked with the 1973-4 recession, increasing numbers of people began blaming welfare for America’s social and economic discomfort. Discontent at the perceived racial and bureaucratic results of President Lyndon Johnson’s ‘War on Poverty’ emerged in the 1960s as relief rolls expanded, welfare bureaucracy grew larger and welfare recipients gained more power through protest and Community Action Projects. However, it was not until the economic downturn of the late 60s and early 70s that discontent surfaced in an organised fashion. Anti-redistribution advocates emerged at times of relative economic comfort but, like their Australian counterparts, only really broke through to the mainstream during a period of economic crisis.

During the six years preceding Nixon’s election in 1968, federal spending on the poor rose from $12 billion to more than $27 billion. Between December 1960 and February
1969 AFDC increased its rolls by 107 per cent. Throughout this period, a disproportionate share of the increase was attributed to black Americans. Conservatives began to complain that the whole exercise had strengthened the new-left lobby groups, appeased protesters, and most detrimentally, had caused African-Americans to abandon the family structure in search of single-parent benefits. The most influential proponent of these views was sociologist and assistant secretary to the Department of Labor, Daniel P. Moynihan. His 1965 book *The Negro Family: The Case for National Action* warned that the provision of welfare, particularly since the War on Poverty, meant that black Americans were abandoning the family structure in favour of single-parent welfare benefits. In turn, the absence of family structure led to urban decline, disorder, and cyclical poverty.

Urban whites, in particular, blamed welfare for what seemed to be an influx of black southerners to the northern urban centres. Welfare rates were different for each state. While the ‘big five’ northern urban centres had the most generous cash grants, the southern States offered the least generous. During the 1950s and 1960s, agricultural reform dislodged black workers from agriculture in the southern States. Most sought employment in the more industrial and ‘opportunity rich’ northern States and used welfare to bridge the gap. Urban whites, however, saw the provision of ‘generous’ welfare in the north as the cause of black migration and feared resultant civil unrest in these areas.

Coupled with racially related welfare anxieties were anxieties about an increasingly powerful new-left lobby. In the words of one 1960s welfare rights advocate, Richard Cloward, new initiatives such as the OEO, and its Community Action Program, ‘hired thousands of poor people, social workers, and lawyers who, it subsequently turned out, greatly stimulated people to apply for relief and helped them to obtain it.’ More and more people began to see the new welfare initiatives as a means of placating the

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6 Ibid. p.192
8 Piven and Cloward, *Regulating the Poor*, p.190
9 Ibid., pp.190-91
10 Ibid., p.198
very people it had created; a powerful ‘underclass’ allied with a welfare oriented left wing. Less organised forms of protest also engendered anti-welfare sentiment. Rioting in a hundred mostly-black slum neighbourhoods during the summer of 1967 was quickly followed by a new housing initiative. The War on Poverty was blamed for encouraging and rewarding social unrest.¹¹

By the end of Johnson’s Presidency a small and (with the exception of Daniel P. Moynihan and Milton Friedman) peripheral group of anti-welfare advocates had emerged. Among the advocates were economic and social libertarians who sought the abolition or near abolition of the welfare state, and breakaway Democrats and Republicans who would come to be known as neo-conservatives. Together they were known as the ‘New Right’. When Keynesianism began to experience theoretical contradictions, just as the New Right had prophesised, the network exploited these contradictions to shift its agenda from the periphery to the political mainstream. Financial and institutional resources contributed to its success.

**New Right leaders and ideology**

The economic theory of the British economist John Maynard Keynes dominated throughout the West from the end of the Second World War to the 1970s. Gaining recognition during the Depression and throughout the War years, the theory was previously regarded as belonging to a heretical school of thought, consisting of an ‘isolated group of cranks’ that rejected neoclassicism and therefore rejected ‘common sense’.¹² While others subscribed to Say’s Law that supply created its own demand, Keynes insisted that the ‘essential truth’ lay in his contrary proposition that: ‘The system is not self-adjusting, and, without purposive direction, it is incapable of translating our actual poverty into our potential plenty.’¹³

The argument advanced in his major theoretical work the *General Theory* was that governments needed to manage the economy through purposive action to maintain aggregate demand and therefore boost employment. The system could not be left

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alone. It required constant government intervention and an extension of the traditional functions of government.\textsuperscript{14} The theory favoured an extension of the public sector as a means of maintaining full employment. It also favoured government redistribution of income through a welfare state system. While the poor gained or supplemented income through welfare, demand, production, and employment would remain stable. The Depression largely displaced neoclassical 'law'. From this crisis of hegemony, Keynes emerged as the new economic common sense.

The New Right emerged to challenge Keynesian economics during a period of economic downturn. The escalating Vietnam War effort had pushed the US budget into a $25.2 billion deficit in 1968, the highest deficit by far since the Second World War.\textsuperscript{15} Gross Federal Debt had risen almost 100 per cent,\textsuperscript{16} while military expenditures gave rise to inflation, causing the price of US goods to increase and overseas markets to disappear.\textsuperscript{17} In defiance of Keynesian economic theory, unemployment began to increase alongside inflation. Each succeeding cyclical trough and peak toward the end of the decade was more extreme than the last.\textsuperscript{18} 'Stagflation', the phenomenon whereby rising unemployment and rising inflation co-exist, occurred in most Western countries after the oil crisis of 1973. America's exorbitantly funded war efforts ensured its early arrival.

While the Keynesian 'consensus' remained largely intact in government circles, some American economists began looking to pre-Keynesian 'laissez-faire' economics for answers. Previously ignored or derided anti-Keynesian economists also began to gain influence. Among them the Austrian economist Friedrich von Hayek, whose work consistently challenged the welfare state from the 1940s to his death in 1992, was perhaps the most studied. His arguments for the replacement of Keynesian demand economics with a monetarist economics began to gain some credibility as the New Right searched for alternatives to the welfare system they believed was destroying the nation. Monetarism, and later supply-side economics, provided that alternative. In some ways representing a return to the 'invisible hand' thesis of Adam Smith, it

\textsuperscript{16} Ibid. Series Y, 488-492, p. 1116.
\textsuperscript{17} Diamond, p.132
\textsuperscript{18} Himmelstein, p.132
reinvoked the theory that the market should determine the allocation of resources and income while the state should minimise interference. In advocating a monetarist framework for macroeconomics, Hayek was less concerned with maintaining the purchasing power of the poor than with limiting the supply and circulation of money and balancing the budget.

In addition, Hayek provided a ‘moral’ justification for the limitation of welfare. His 1960 book *The Constitution of Liberty* claimed that ‘liberty’ could not exist under a system of progressive taxation and that the provision of welfare to some, using a ‘needs based’ system of allocation, discriminated against the majority in favour of the minority. He claimed:

The third main ambition that inspires the Welfare State is the desire to use the powers of government to ensure a more even or more just distribution of goods. Insofar as this means that the coercive powers of government are to be used to ensure that particular people get particular things, it requires a kind of discrimination between, and an unequal treatment of, different people, which is irreconcilable with a free society. That is the kind of Welfare State that aims at “social justice” and becomes “primarily a redistributor of income”.19

Not only was the practice of redistribution on a needs basis regarded as morally wrong, the power vested in the government to do so was regarded by Hayek as ‘the greatest danger to liberty today’.20 Hayek did not propose a detailed plan to replace welfare with some other form of income for the poor, though he did mention a vague preference for welfare services carried out by the private sector.21

The further development of monetarist theory in the 1960s has been largely attributed to Milton Friedman: a ‘Chicago School’ economist and adviser to Republican Senator

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20 Ibid., p.262
21 Ibid.
Barry Goldwater during his 1964 Presidential campaign. From 1947 onward Friedman and Hayek became personally acquainted due their mutual involvement in the right-wing organisation The Mont Pelerin Society of which Hayek was a founding member. Friedman’s brother-in-law, a University of Chicago economics professor, had been largely responsible for the University of Chicago Press publication of Hayek’s most famous work, *The Road to Serfdom*. This book outlined the evils of government planning and redistribution, and later became an essential text for the 1960s New Right movement. Friedman counted it among his greatest influences. In addition, he counted Ayn Rand’s *Atlas Shrugged*.

Friedman’s first work of philosophy *Capitalism and Freedom* drew on Hayek’s major themes: big government and its alternatives. Published under the Kennedy administration in 1962, it claimed that government intervention in economics and in the distribution of wealth, whether in cash or in services, undermined the productivity of the market and put limitations on man’s ‘natural’ freedoms. Among the programmes he identified as being contrary to freedom were: legal minimum wages and minimum prices, rent control, present social security programs and ‘so called public housing’. Anticipating the anti-welfare advocates that were to emerge under Johnson’s War on Poverty, Friedman also claimed that welfare caused civil unrest and ‘delinquency’:

The income limitations quite properly imposed for the occupancy of public housing at subsidised rentals have led to a very high density of ‘broken families’ – in particular divorced or widowed mothers with children. Children of broken families are especially likely to be ‘problem’ children and a high concentration of such children is likely to increase juvenile delinquency.

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24 Ibid.
26 Ibid., p.180
Friedman’s solution, predictably, involved the removal of government intervention. Housing, he claimed, should be handed over to the free market, not only to contribute to economic growth and efficiency, but to ‘evenly distribute’ problem families.

Poverty, too, would be ironed out. Under Friedman’s version of the ‘free market’, those who received welfare due to an inability to sell their labour would suddenly find themselves more marketable. The minimum wage would be abolished, ensuring both rising employment and rising productivity. Those who still found themselves in need of assistance after the new market-determined wage system came into force would receive what Friedman called a ‘negative income tax’ cash grant.\textsuperscript{27} This scheme became Friedman’s pet project throughout the coming decade.

The negative income-tax scheme symbolised yet another attempt to downscale income redistribution in the United States. Its major contribution to a free-market agenda was to abolish all welfare programs and replace them with one automatic cash grant generated through the income-tax system. The scheme was intended to provide cash for those falling under the tax threshold at a percentage of the gap to be determined by the market. For example a person falling $50 under the tax threshold per week may receive an extra $10 per week if the rate was set at 20 per cent of the gap. This cash could then be used to pay for services such as housing, health, legal advocacy, education and any other service previously provided by the government. These services would be available through free market transactions.\textsuperscript{28} This new form of ‘welfare’ was of course intended to remove the financial ‘burden’ caused by public sector employment as well as to exclude the government from the practice of income redistribution.

Monetarist critiques of Keynes provided the New Right with an alternative economic discourse. This discourse challenged both the Old Right and the New Left. To the same degree, Ayn Rand is responsible for providing an alternative discourse of ‘human rights’ and ‘freedom’; a discourse that ultimately could be used to dismiss the Old Right as enemies of freedom and to attack the New Left on their own turf. One libertarian leader, Jerome Tucille, traced the eruption of tensions between the Old

\textsuperscript{27} Ibid., chapter 11
\textsuperscript{28} Ibid., p.192
Right and the new to the 1957 publication of Ayn Rand’s *Atlas Shrugged*. Rand was an Old Right conservative in almost every sense of the term. She was a staunch opponent of Communism and an active supporter of the House Committee on Un-American Activities in Hollywood, where she had been employed since moving to America from Communist Russia at the age of 21. And, in the 1960s, unlike many of her devotees, she supported the draft and the war in Vietnam. Where Rand’s philosophy differed from American Conservatism was on the central issue of ‘human nature’. Rand insisted that humans were naturally selfish and that welfare, collectivism and altruism of any kind contradicted the natural and, therefore, correct path of human society. This philosophy, drawing upon Nietzsche and upon the Russian anti-communist movement, came to be known as ‘Objectivism’. It’s anti-Christian and individualist nature appealed to young libertarian activists who regarded state and religious coercion as a primary enemy.

Rand’s philosophy of Objectivism promoted egoism as the ‘natural’ proclivity of man. Therefore in order for an economic system to function it needed to fall in line with ‘nature’. Welfarism did not. Altruism and egoism were therefore diametrically and dangerously opposed. Rand offered a choice between

Either a new morality of rational self-interest with its consequences of freedom, justice, progress and man’s happiness on earth—or the primordial morality of altruism, with its consequences of slavery, brute force, stagnant terror and sacrificial furnaces.

To coerce people toward altruism, through law or taxation, constituted an immoral act. Not only that, for Rand even voluntary altruism was ‘unnatural’ and morally inferior to selfishness.

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29 Diamond, p.124 Jerome Tuccille became a convert to the libertarian movement after the 1969 YAF convention coup headed by Murray Rothbard and Karl Hess.
32 Rand, p.4
33 Ibid., p.5
Man—every man—is an end in himself, not the means to the ends of others. He must exist for his own sake, neither sacrificing himself to others nor sacrificing others to himself. The pursuit of his own rational self-interest and of his own happiness is the highest moral purpose of his life.\textsuperscript{34}

Hayek and Rand came to be cited as the most influential figures for the burgeoning New Right movement.\textsuperscript{35} Their philosophies and economics converted many old-style Conservatives to libertarianism and neo-conservatism during and after the Johnson administration. Their works would also come to influence the forthcoming welfare discourses of the New Right and through them the dominant welfare discourses of politics and media in the coming decades.

**The emergence of the New Right**

Throughout the 1950s and for most of the 1960s, libertarianism was eschewed within the American Right. The aims and concerns of libertarianism, being entirely focused upon the freedom of the individual to make social and economic decisions without the impediment of the state, seemed totally at odds with the Conservative strong-state agenda, particularly in the midst of the Cold War. Libertarian plans to outlaw conscription, and to legalise drugs, pornography and prostitution ensured that their role within the American right remained, for the meantime, peripheral. To a right wing concerned mainly with beating the Vietcong abroad and tackling the New Left at home, these ideas seemed too much in sympathy with the Conservative Right’s enemies.

Many of the 1960s New Right vanguard emerged from the Young Americans for Freedom (YAF) youth group. An organisation of staunch patriots set up in 1960 to counter Communism, it gave rise to both Howard Phillips, who left the Republican Party to become Chairman of the New Right advocacy group The Conservative Caucus in 1974, and the man most commonly called ‘the leader’ of the New Right

\textsuperscript{34} Ibid., preface
\textsuperscript{35} Commanding Heights, *Interview with Milton Friedman*
movement, Richard A. Viguerie. The other important movement to give rise to New Right advocates was the American Conservative Union (ACU) set up in 1964. More than any other right-wing organisation, the ACU was responsible for bringing together those on the right who possessed a strong urge to rid the Republican party of influential ‘social liberals’ and ‘effetes’ such as Rockefeller. Disgruntled and disparate conservatives, who may have remained just that without the ACU, coalesced under the organisation. They did so largely because the first and foremost purpose of the organisation was to get Barry Goldwater elected president of the United States.

Many within the Right have traced the split between old and new to the YAF Convention of 1969 during which a impassioned group of libertarians led by Murray Rothbard attempted to split the Convention and form a breakaway anarchist Right. Its Master of Ceremonies, the anarcho-capitalist Karl Hess recalled the event in later years:

I was there...as master of ceremonies for the formal fracturing of the Conservative movement. Rallying under the famous St. Louis arch, with such notables as Robert Vaughn and his travelling Marxist advisor looking on in fascination at the unfolding of political history, classical liberal dissidents (anarchic, libertarian, and individualistic) socked it to the Right by calling for an end to the war in Vietnam, the draft...and the modern liberal state. To an angry conservative chant of “lazy fairies” [others have recalled the chant as “laissez fairies”], YAF’s classical liberals split from the group and set in motion the rise of the libertarian movement and the birth of the Libertarian Party.

The YAF emerged from the decade as a battered and broken shell from which the New Right had broken free.

During the 1960s libertarians from YAF and ACU also began to meet with libertarians outside of the conservative organisations. Perhaps the most unusual of

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37 Ibid., p.8
38 Hess, p.190
these meeting locations was the foremost New Left think tank of the 1960s, The Centre for Policy Studies. It was among the company of left-wing anarchists and communists in the think tank that ex-‘Draft Goldwater’ campaigners such as Karl Hess developed their own libertarian anarchist ideas and strengthened them through debate with communists and anarcho-syndicalists.\(^{39}\) Another meeting place was the New York apartment of Murray Rothbard, which according to Hess, accommodated the ‘entire libertarian anarchist movement’ for nightly discussions and occasional games of Risk.\(^{40}\) Rothbard had also been associated with the New Left, mostly due to his active cultivation of New Left social libertarian allies. In 1965, he took his desire for a libertarian collective to print, publishing the first edition of *Left and Right* subtitled: *A Journal of Libertarian Thought*. The journal was run on a shoestring budget and published three times a year. Its aim was to draw economic libertarians away from the Old Right and encourage them to form at least a superficial alliance with the New Left, an organisation more in tune with the libertarian concerns about Vietnam, drug legalisation and, for Rothbard at least, the issue of Black Nationalism.\(^{41}\) The alliance, of course, was uneasy. Most of the New Left supported state intervention, especially financial assistance for the poor. Even left-wing anarchists balked at the idea of rampant capitalism.

While libertarian academics gained occasional exposure in right-wing publications such as *Human Events* and William F. Buckley’s *National Review* and in left-wing publications such as *Ramparts*, other movement advocates toiled away on countless localised libertarian newsletters that during the period gained only limited circulation.\(^{42}\) The most successful of these newsletters was *Reason*, an eight-paged mimeographed publication created in 1968, which, after having been bought by a group of Californian libertarians and turned into a full-sized magazine, went on to claim a circulation of 3,200 in 1972.\(^{43}\) Neo-conservative publications fared a little better during this period. The journals *Commentary* and *Public Interest* gained some credibility in academic circles during the 1960s and provided an avenue for burgeoning New Right academics such as Irving Kristol, Nathan Glazer, Norman

\(^{39}\) Ibid., pp.185-86

\(^{40}\) Ibid., p.185


\(^{42}\) Raimondo, p.173 and Diamond, p.123

\(^{43}\) Diamond, p.125
Podhoretz and Daniel P. Moynihan. The most popular themes in *Public Interest* were analyses of liberal social-welfare programs (including the War on Poverty and Affirmative Action), opposition to the New Left, and dissatisfaction with the Democratic and Republican Parties taxing and spending policies. Frequently whole issues were dedicated to each of these themes. Throughout the late 1960s and 70s one would be hard pressed to find an issue that did not contain a scathing attack upon the welfare state.

Although libertarian publications failed to do more than nudge the edges of the mainstream in the 1960s, by 1971 the mainstream had come to the movement of its own accord. Bored with the New Left and its protest strategies, the mainstream media began to hunt out libertarians for new stories of political ‘extremism’. After an article on libertarianism appeared in *The Nation*, Murray Rothbard published two articles in quick succession on the opinion page of the *New York Times*. Rapidly, others began to come forward in search of libertarian stories. *Playboy, Esquire, Newsweek, Time*, the *Wall Street Journal*, the *National Observer*, and the *Washington Post* all published articles on libertarianism.\(^{44}\) Although it is probable that the movement was treated as a unique curiosity rather than as an actual political force, ideas about welfare and preferences for a minimal state were aired to millions of Americans at a time when Johnson’s War on Poverty had been deemed a failure. In conjunction, Richard Nixon’s decision to wind back its associated programs and promote tax cuts in neat succession meant that libertarian ideas would not have seemed as strange to their American audience as one might think. Following such media success the Libertarian Party was formed in 1972. Its first Convention was held a year later in New York. The Party’s platform called for an immediate reduction in both taxes and government spending.\(^ {45}\)

**The recession years**

While libertarians found their ranks increasing around this time, neo-conservatives within the Republican Party felt their movement had reached a dead end. The much-despised Rockefeller was on the verge of Presidential nomination and most Republicans seemed willing to accept him. Neo-conservatives standing on their own

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\(^{44}\) Raimondo, p.196

\(^{45}\) Diamond, p.126
did not possess the clout to stop it. Richard Viguerie despaired that conservatives 'might be close to losing the entire battle to the left' unless something was done. In 1973 neo-conservatives began to meet with the intention of creating a new and powerful network including neo-conservatives, libertarians and single-issue conservatives with small-state agendas.

The networking had not been long underway before the New Right was delivered a breakthrough opportunity. In October 1973 the world oil crisis occurred. It was followed by stagflation in every Western economy throughout the world and what political analysts have referred to as 'by far the longest and deepest economic downturn the United States has experienced since the Great Depression'. The Keynesian consensus came under increasing pressure. Even the OECD had by 1973, started to shake off its nickname 'the house that Keynes built' by claiming that the Keynesian economic model no longer fit the facts. The organisation began referring to taxation as a 'burden' that raised problems with inflation and gave rise to 'serious' economic and political consequences. Anti-Keynesian economists such as Hayek and Friedman, together with their New Right supporters provided the 'necessary cure': implement supply-side economics, reduce taxes and strip the welfare state.

Throughout the 1960s, Johnson had given assurances that the progress of the poor would not hinder the financial situation of the non-poor. Now Americans were being told the opposite. Members of the New Right claimed that individuals were fighting over scarce resources. Any extra money spent on welfare would mean a direct increase in taxes. People who had previously regarded themselves as comfortable were now seeing themselves as financially strained. Members of the New Right encouraged this analysis.

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46 Himmelstein, p.80
Throughout the recession and in the following two years, New Right/Republican Party-affiliated organisations experienced a massive funding boost. Congressional Quarterly reported that during the 1972 Congressional elections, right-wing organisations raised $250 000. By 1976, the figure had risen to $3.5 million. A great deal of this money was spent on direct mail, which, among other things, outlined the benefits of reduced taxation and the evils of the welfare state. Much of the remainder was spent on getting New Right candidates elected to Congress.

Much of this funding boost came via the American business community. The business lobby had previously been regarded as an enemy of the New Right. It had lent its support to Roosevelt’s New Deal, which to the New Right represented the birth of Keynesianism and a welfare state ‘Leviathan’ in America. In the decades following it had seemed to offer passive support, or, at least did not speak out against it. But the recession had brought about many changes to influential agendas. The massive campaign upon which the business lobby embarked, proselytising the benefits of the free market and promoting a minimal state, was exclusively concerned with the fortunes and misfortunes of capitalism in America. However, the ideas and agendas of the New Right were visible in the campaign. The needs and desires of capital now often coincided with those of the New Right. In addition, members of the business lobby also belonged to other New Right organisations and supported more broadly focused New Right agendas. This campaign provided a much-appreciated financial and ideological reinforcement.

During the recession the economic situation of corporate America changed dramatically. After-tax corporate profit rates had averaged 7 per cent between 1948 and 1973 peaking at near 10 per cent in 1965. Profit margins plummeted in the recession of 1973-75 and then stagnated averaging less than 6 per cent from 1973 onward. In 1974 the Advertising Council, Comptons, and the US Department of Commerce together became the first to embark upon a national campaign of ‘economic education’. Among the main protagonists was the largest advertiser in the

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51 Crawford, pp.71–2
52 Diamond, p.133
country, Proctor and Gamble. The campaign’s concerns were: high business taxes, chronic government deficits and expanding income maintenance programmes. Common to all of these complaints was a fear of the ‘rising tide of entitlement’ that threatened the viability of private industry. Those involved in the campaign believed that while people continued to ‘demand more and more’ from government, private industry began steadily losing its market. Howard Morgens, the Chief Executive Officer of Proctor and Gamble, urged the business community to follow the campaign and defend the free enterprise system.

We can do this only by educating the public about how the system works. This means we must deepen the public’s understanding of how well profits and the profit motive serve the public interest. And this means that we must make the public aware of the penalties that go with any gradual drift toward a government managed economy.

Few businesses needed encouragement. The Chief Executive of Coors Beer, Joseph Coors provided millions of dollars for New Right organisations. He was followed in this by the Scaife, Smith Richardson, Olin and Noble foundations; and the Kraft, Nabisco and Amway corporations just to name a few. In 1977 Fortune magazine declared the campaign a continuing success. ‘The Ad Council campaign is a study in gigantism, saturating the media and reaching practically everyone’, it reported. By 1978 business was spending $1000 million per year on efforts to influence public opinion at a ‘grass roots’ level. This excluded think tanks and policy research.

The business-funded New Right think tanks were responsible for spreading the word at the level of academics, tertiary students and politicians. Their publications were intended to counter what the New Right saw as the majority left-wing opinion within academia. The American Enterprise Institute (AEI) and the Heritage Foundation in particular hired right-wing academics to pump out reports proving the Institutes’

54 Carey, ‘Social Science, Propaganda and Democracy’, p.71
55 Himmelstein, p.136
57 Diamond, p.133
59 Ibid.
opinions and theories on the economy and the welfare state. The think tanks were often referred to as possessing a 'staff ideology'. In one Institute at least, reports that did not accord with this ideology were shelved.\footnote{Crawford, p.30}

In 1974 the AEI published its first 'recession time' pamphlet. Written by the neo-conservative Seymour Martin Lipset, from a lecture sponsored by the AEI and delivered in Dearborn Michigan, it was titled: \textit{Opportunity and Welfare in the First New Nation}. The pamphlet detailed the failures of the welfare state and mentioned among those failures the harm done to recipients themselves. Lipset also revived existing animosities about the influx of welfare recipients to the cities in the 1960s and played on urban non-welfare recipients' fears that a 'struggle for resources' was occurring.\footnote{Seymour Martin Lipset, \textit{Opportunity and Welfare in the First New Nation}, American Enterprise Institute for Public Policy Research, Washington D.C., 1974}

Currently, a major source of the difficulties in metropolitan areas is the enormous cost and the high social morbidity rate involved in absorbing the growing number of people who have moved to the cities, in part to take advantage of economic opportunity and of higher standards of welfare support. To a considerable degree the breakdown of urban services in many communities is a consequence of having to pay for welfare.\footnote{Ibid., p.14}

The following year the AEI released a full-length book reiterating the same themes and theories. Written by Edgar K. Browning, \textit{Redistribution and the Welfare State} included a claim that 'poverty had become virtually nonexistent in America by 1973' and that 'government statistics on the money incomes of low-income families are totally unreliable as a measure of the real income of these families.'\footnote{Edgar K Browning, \textit{Redistribution and the Welfare System}, American Enterprise Institute for Public Policy Research, Washington D.C., 1975, p.5} In his concluding remarks Browning advocated a Milton Friedman style cash transfer program together with the abolition of most other welfare programmes.\footnote{Ibid., p.122} Many AEI publications discussed and promoted Friedman's negative-income-tax plan as a

substitute for welfare. The theory that welfare bureaucracy (and the professional class of social welfare workers it supported) would be abolished was frequently cited as an ideologically and financially beneficial consequence.\(^{65}\)

One very important New Right publication to emerge at the height of the recession was \textit{The Incredible Bread Machine}. First published in 1974, 150 000 copies had come off the printing press by 1976. Following the success of the book, a film was made and broadcast on television and then distributed to schools. Among the film’s most notable ‘stars’ was the economist Milton Friedman.\(^{66}\) The book was designed to appeal to a broad populist market. Most of the chapters, each written by a different contributor, included stories and rhetorical questions and invoked a populist wisdom in order to illustrate libertarian theories about taxation and the welfare state. Lines such as ‘A sick economy is not cured by more intervention any more than a drug addict is cured by more drugs’ put forward an image of a nation ‘dependent’ on government ‘hand outs’ in spite of its own best interests.\(^{67}\) In addition, the authors claimed that taxpayers had become the most maligned of all Americans and that the act of redistribution through the taxation system was tantamount to criminal theft.

If a person robs you, we recognise that he has performed a wrongful act. But suppose some third party seizes your property in [sic] his behalf? Has the wrongful content of the act been altered? Suppose the third party is called a tax collector? Has the act of plunder suddenly become something noble and humanitarian? When a government seizes your money in order to pay for programs that support others, how has its actions differed from that of a thief?\(^{68}\)

According to the authors the government had not only committed a crime against the American taxpayer, it had stripped the taxpayer of his or her freedom and placed him or her in ‘servitude’. ‘There is virtually no difference in principle between forced

\(^{65}\) See for example: Wilbur J Cohen et. al., \textit{Welfare Reform: Why?}, proceedings of a round table held under the joint sponsorship of the American Enterprise Institute, Washington D.C., and the Hoover Institution, Stanford, California, May 20, 1976

\(^{66}\) Susan Love-Brown et. al., \textit{The Incredible Bread Machine}, The Institute, San Diego, 1974, information supplied on dust jacket.

\(^{67}\) Ibid., p.52

\(^{68}\) Ibid., p.107
collection of money and forced servitude. In either case the individual is compelled by force to serve others. 69 The Incredible Bread Machine was one of many popularised versions of libertarian philosophy produced for mass consumption during the recession. The key inspiration here was the philosopher Robert Nozick, with some Randian objectivism thrown in for good measure.

Robert Nozick was the first libertarian philosopher of the New Right period to concentrate on ‘property rights’ and ‘taxpayers’ rights’ as a direct opponent of welfare rights. His most famous work Anarchy State and Utopia, also written in 1974, claimed that the only legitimate ‘rights’ were those based upon the individual’s right to be free from ‘coercion’ and ‘fraud’. Rights did not exist at the group level. 70 Therefore, welfare rights could not exist. Not only that, welfare was a violation of ‘legitimate rights’ based upon these principles.

[Y]our being forced to contribute to another’s welfare violates your rights, whereas someone else’s not providing you with things you greatly need, including things essential to the protection of your rights does not itself violate your rights. 71

While blame for the ‘violation of rights’ can be attributed to government, Nozick argued that welfare recipients themselves were also to blame for accepting the ‘stolen goods’. Welfare, he claimed, is a voluntary exchange. The only exchanges that can be regarded as involuntary are those that we are physically unable to stop. Taxation, therefore, is involuntary while welfare is voluntary. Any ‘voluntary’ violation of someone else’s rights must be rectified. The most appropriate way to do this, according to Nozick, would be to cancel all welfare payments and force the recipients to repay all monies received. Force, under these circumstances, was regarded as acceptable. Property rights could, after all, only apply to the original owner of the property or to the person who acquired it through ‘fair and voluntary’ exchange. 72

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69 Ibid., p.110  
71 Ibid., p.30  
72 Ibid., p.262 and p.153
Neo-conservatives found less cause to celebrate Nozick’s anarchism than libertarians did. And while supporting, in principle, the ideas of Ayn Rand, many neo-conservatives found the practical application of ‘selfishness’ to be unviable. Since the late 60s, the neo-conservative movement had been espousing its own, milder form of ‘property rights’ and ‘selfishness’ based on the idea that government spending needed to be regulated to fall in line with the desires of the money’s rightful ‘owners’, the taxpayers. The preferred neo-conservative line was that while taxation was necessary, it should be limited in scale and used only to fund ‘necessities’. These ‘necessities’ differed, depending mostly on what a particular neo-conservative wanted to abolish and not upon what he or she wished to endorse.

According to neo-conservatives, the property of taxpayers had always and increasingly been spent on ‘wasteful’ schemes. The most wasteful schemes of all were those engendered by Johnson’s War on Poverty. Too often this property went towards supporting a ‘new class’ of welfare bureaucrats and middle-class intellectuals ensconced within the ‘social justice industry’. In addition, welfare programmes such as the War on Poverty and welfare agencies such as the OEO were deemed to be failures. It was constantly stated that these programmes did more harm than good to the poor. Therefore, if welfare spending was decreased, ‘ordinary Americans’ would benefit through tax cuts while overpaid bureaucrats would get a ‘dose of reality’, perhaps even benefiting the poor in the long run.

The idea of a ‘new class’ originated with anarchist critics of Marxism such as Mikhail Bakunin. Bakunin predicted a Marxist revolution would not benefit the proletariat but would instead bring forth ‘a new class, a new hierarchy of real and pretend scientists and scholars [of] state engineers who will constitute the new privileged scientific-political class.’ A century later the idea reappeared, only now the word ‘proletariat’ had been replaced by references to ‘the poor’ or ‘underprivileged’ and ‘revolution’ or ‘communism’ by ‘the welfare state’. Not only did the resurgence of new-class discourse enable the neo-conservative movement to attack the welfare state in its various forms, it also brought forth an opportunity to attack the New Left whose members either worked in or supported welfare state activities.

Middle-class members of the New Left had some trouble retaliating. As Barbara Ehrenreich has proposed in her book *Fear of Falling: The Inner Life of the Middle Class*:

The intellectuals on the right understood the anxieties of their class only too well. They had launched their attack on the poor under cover of a larger moral campaign against permissiveness and self-indulgence. And on these charges, liberals had no defence: not because they had been too permissive, or in all likelihood, self indulgent, but because this is what they feared.\textsuperscript{74}

The new class concept gained an inordinate strength in comparison to other neo-conservative concepts emerging at the time. This is partly because it encompassed a popularised version of neo-conservative and libertarian thought, but also because the concept could be, and was, used by anyone who opposed New Left welfare schemes. This included the Old Right, economic libertarians, neo-conservatives, and, the Old Left faction of the Democratic Party. These Old Left Democrats denounced the rise of the ‘New Politics’ faction within the Party as a design of the ‘new class’ and claimed that it had little in common with the aims and beliefs of ‘traditional’ working class Democrat voters.\textsuperscript{75} Its new wave origins and primary proponents were, however, located firmly within the neo-conservative movement.

The discourse found its way into many New Right publications. Whole issues of *The Public Interest* were devoted to it. Others just seemed to be. Irving Kristol, its editor, seemed to write about nothing else. Included among his many claims about the new class were threatening prophecies about grand plans and ‘hidden agendas’ that had nothing to do with the well being of their clients.

They are, as one says, ‘idealistic’—i.e., far less interested in individual financial rewards than in the corporate power of their class. Though

\textsuperscript{74} Barbara Ehrenreich, *Fear of Falling: The Inner Life of the Middle Class*, Pantheon Books, New York, 1989, p.194

\textsuperscript{75} Tim Dymond, ‘A History of the New Class Concept’ in Sawyer and Hindess (eds), p.67
they continue to speak the language of “Progressive-reform,” in actuality they are acting upon a hidden agenda: to propel the nation from that modified version of capitalism we call “the welfare state” toward an economic system so stringently regulated in detail as to fulfil many of the traditional anti-capitalist aspirations of the Left...Gradually, the traditions of the left are being absorbed into the agenda of ‘progressive-reform’, and the structure of American society is being radically, if discreetly, altered.\(^6\)

The idea of ‘socialism by stealth’, being carried out under the guise of the welfare state, combined the fears of the Old Right and the new. Appeals to the Old Right’s ‘strong state’ stance were also present in the new-class discourse. Samuel P. Huntington, for example, claimed that the ‘new class’ had, through its excessive spending and wasteful government schemes, caused a decline in the public’s trust of government, thereby *weakening* the state. If the Old Right wanted the state to be strong once more, it had to support a dramatic cut in welfare programmes and in the welfare bureaucrats that made up the ‘new class’.\(^7\)

As well as uniting strong state conservatives and minimal state proponents by focussing upon the ‘degraded’ nature of the state, ‘new class’ discourse also appealed directly to the paternalist streak within the Republican and Democratic Parties. One of the most common claims was that the welfare state did not really benefit the poor, but rather circulated money around the middle class. This occurred because ‘over paid’ and ‘under productive’ welfare workers took the lion’s share of welfare funds and because these workers, as part of the ‘new class’, looked after other members of the ‘new class’, ensuring that the money gained from taxes was distributed widely among the income spectrum. David A Stockman, for example claimed that it was *because of* the distribution patterns devised by the ‘new class’ that poverty still existed.

It is obvious, of course, that even the $80 billion in annual social welfare spending outside of the regressive social security system does not go to the poor or near poor. If it did, the officially estimated

\(^6\) Irving Kristol, ‘On Corporate Capitalism in America’, *The Public Interest*, no.41, Fall 1975, p.135

\(^7\) Samuel P Huntington, ‘The Democratic Distemper’, ibid., p.17
poverty gap of $12 billion could be closed seven times over, and the
implicit $13 000 per family of four poor persons would make even the
National Welfare Rights Organisation look like pikers. The truth of the
matter is that these huge sums are diluted across nearly the entire
range of the income spectrum, a factor which both explains their
political staying power and also why we still have 25 million poor
Americans in a $1.5 trillion economy.\textsuperscript{78}

The new class of welfare workers was therefore deemed responsible for high taxes,
value, the degradation of the state, the improper use of the state for personal gain, the
growth of the state and bureaucracy, socialism by stealth, and poverty. Across the
political spectrum, but outside of the New Left, politicians and intellectuals were
already questioning the welfare climate of the 1960s and early 70s. The new-class
discourse both strengthened and escalated existing welfare animosity and, in all
probability, attracted new recruits. Advocates could pick any of the above reasons for
opposing welfare in its existing form. The solution put forward by neo-conservatives
was a little more specific: the drastic alteration of the welfare state, in actuality, the
abolition or extreme dilution of many of its programmes.

Richard Nixon and the Republican Party
During the economic stagflation of 1968, Richard Nixon was elected President of the
United States. Among his key advisors he counted Daniel P Moynihan as Head of
Urban Affairs, and Milton Friedman as economic advisor. Other members of the New
Right had also begun to influence the Republican Party. In particular ‘Draft
Goldwater’ activists had, since the 1964 Presidential campaign, continued to pump
money and organisational resources into the election of New Right candidates and
into the expansion of New Right pressure groups.\textsuperscript{79} The movement supported the
Republican candidate in 1968 despite a presidential bid by Conservative, American
Independent Party candidate George Wallace. The decision to back Nixon and oppose
Wallace reflected the New Right’s primary concerns just as it did the shifting agenda
within the Republican Party.

\textsuperscript{78} David A. Stockman, ‘The Social Pork Barrel’, \textit{The Public Interest}, no. 39, Spring 1975, p.17
\textsuperscript{79} Diamond, p.128
As a candidate Wallace was certainly part of the rising tide of reaction against ‘liberalism’. He was an opponent of the civil rights movement and a segregationist, a strong supporter of the Vietnam War and a ‘law and order’ advocate. His status as enemy and bair of the New Left had also endeared him to Conservatives across the nation. These, however, were not the main concerns of neo-conservatives in 1968. In their campaign against Wallace, the same neo-conservative men and women who had four years earlier supported a similar candidate in Barry Goldwater protested that Wallace would bring the country to ruin. Their main complaint was that as Governor of Alabama he had built a huge welfare state and that his presidential campaign supported public works programmes and social security increases.⁸⁰

Nixon’s time in office reflected these shifting emphases. What is particularly interesting about Nixon’s first term in office is that, unlike other Western countries eventually converted to economic liberalism, Nixon’s discursive approach to welfare, encompassing elements of supply-side economics and plans to cut the government sector, seems to pre-date the establishment of a strong New Right organisation. In a sense, the discursive climate that Nixon helped to create must have encouraged the New Right and increased their chances of moving in from the periphery. Given that two of their strongest advocates were now advising a somewhat receptive President in the midst of an economic downturn, it could be argued that the New Right had already infiltrated the mainstream but were just now given a chance to shine.

As soon as Nixon took office, he and Moynihan embarked upon a public exposé of what they called the ‘welfare crisis’ in America.⁸¹ Taking New York’s increasing welfare caseload as their example, they warned Americans that welfare itself was on the brink of collapse. In August 1969 Nixon appeared before the nation again invoking the existing ‘urban disorder and welfare’ link that had emerged during Johnson’s ‘War on Poverty’.

We face an urban crisis, a social crisis—and at the same time a crisis of confidence in the capacity of government to do its job. Our states

⁸⁰ Himmelstein, p.78
and cities find themselves sinking in a welfare quagmire, as case loads increase, as costs escalate, and as the welfare system stagnates enterprise and perpetuates dependency.  

Harking back to Moynihan’s work on The Negro Family, Nixon also claimed that welfare had ‘created an incentive for fathers to desert their families’, therefore leading to more social unrest.  

The solution to this problem came from Milton Friedman. In the same speech Nixon put it to the American people that the entire welfare system should be abolished and replaced with a minimum guaranteed income for every American family, or in Friedman’s terms, a negative income tax. In addition, he planned to eliminate the ‘large army of social workers’ running the welfare system.  

Nixon went on to dismantle or at least attempt to dismantle most of the principal agencies of Johnson’s War on Poverty. 

Nixon’s use of New Right rhetoric and isolated supply-side schemes represented a victory, of sorts, for the New Right. However, as the Presidential term moved on it became clear to economic liberals that Nixon had his own agenda, one quite different to the one he espoused. In fact, it seemed that Nixon was using the language of the New Right to settle old scores, not to build a new economic climate in which the small state would prevail. Far from believing in the ‘miracle’ of supply-side economics as a means of overcoming the stagflation of 1968, Nixon used it to sell his plans to abolish the programmes of his ‘enemies’: 1960s east-coast liberals, in particular, those associated with the OEO.  

When faced with the prospect of voter backlash, Nixon claimed: 

Government spending is a lousy issue. People are for spending...You have to hit on higher taxes. You never debate the programs. By cutting the budget back, we are avoiding more taxes and that’s the line we have to use. 

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82 Ibid, p.32  
83 Ibid.  
84 Ibid.  
85 Ibid, p.41
Nixon replaced these schemes with his own, in the end spending around the same on welfare as his predecessor.\textsuperscript{86}

Throughout his first term Nixon increasingly saw the use of the New Right welfare rhetoric as a winning strategy. As a result he ran his second campaign on the theme of 'small government', intoning in his second inaugural address 'government must learn to take less from people so that people can do more for themselves' and, playing on the words of JFK, 'in our own lives, let each of us ask—not just what will government do for me, but what can I do for myself?'\textsuperscript{87} In developing this as a winning strategy, Nixon, again, promoted the ideas of the New Right, though perhaps unconsciously.

The development of this strategy arose, for the most part, not from the new-class discourse developing within the New Right but from the work of two Democrats hoping to revive their own Party. In August 1970, while vacationing in San Clemente, Pat Buchanan gave Nixon a copy of The Real Majority by Richard M. Scammon and Ben J. Wattenberg. The book claimed that the key to understanding and winning a majority of voters was the '47 year-old Catholic housewife in Dayton, Ohio whose husband is a machinist'.\textsuperscript{88} The authors went on to explain that this mythical voter represented America, she had mixed views about race and civil rights, was distressed about drugs and crime, and most importantly, had 'always voted with her pocket book'. Nixon took this advice and began to interpret the Dayton housewife and her husband as voters who were 'fed up with liberals, bureaucracy and big government'.\textsuperscript{89} 'We've had enough social programs: forced integration, education, housing' Nixon told his chief of staff as the 1972 election approached. 'People don't want more on welfare. They don't want to help the working poor, and our mood has to be harder on this not softer'.\textsuperscript{90}

Although Nixon's agenda could not be described as belonging to the New Right, his rhetoric can be. Nixon did not cut 'big government' down or remove the 'welfare quagmire' he spoke of. What he did do was arguably of equal benefit to the New

\textsuperscript{86} Ibid., pp. 28–29
\textsuperscript{87} Ibid., p.26
\textsuperscript{89} Schulman, p.40-41
\textsuperscript{90} Ibid., p.41
Right movement. He softened up the public to New Right discourse, particularly in the area of welfare reform. When the New Right broke through during the oil embargo of 1973, and the recession that followed, their ideas took no one by surprise. To Americans who'd been hearing them for five years, from the President himself, New Right economics must have seemed like common sense.

**Britain and the New Right push**

In 1970 Edward Heath became Prime Minister on the back of a failing economy. Inflation was at 7 per cent, as were interest rates, unemployment was high, and the balance of payments looked to be in perpetual crisis. In much the same way as Nixon had done, Heath entered government with a rhetorical commitment to winding back state intervention in the economy, and in particular, to winding back the welfare state. For the duration of his term, however, he retained a Keynesian perspective, leading eventually to his famous policy ‘U Turn’ in 1972.

The U Turn sparked ire among those conservatives who had placed faith in Heath’s ability to dismantle an ‘overblown state’ and implement a market economy. Within and outside of the Conservative Party small-state advocates began pursuing an alternative. As their strength and numbers grew, especially during the stagflation and recession of 1973–4, it began to seem likely that they would force a rightward shift. These factors together with Heath’s ‘U Turn’, provided a unique opportunity for Britain’s New Right to shift from the periphery to the mainstream. However, the development of the British New Right occurred along side the American New Right in the mid-to-late 1960s. Britain’s neo-conservatives, confronted with economic troubles that had come to bear under a Labour government during the latter part of the decade, felt an affinity with the emerging New Right movement in America. Much of what the American movement was saying about Johnson’s failed War on Poverty also seemed to ring true for Britain. American New Right commentators such as Milton Friedman began to appear among the bookshelves, conversations, and social engagements of British conservatives while right-wing think tanks with substantial

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publication ambitions, and the funding to back them up, also sprang to life, forging links with their American counterparts.

One of the forefathers of England’s New Right movement was a co-founder of its most influential think tank, the Institute of Economic Affairs (IEA). Arthur Seldon became a disciple of Friedrich von Hayek while under his tutelage at the London School of Economics in 1937. Two decades later he founded the IEA with Ralph Harris and Antony Fisher and set about writing and publishing Hayekian tracts on the failure of the welfare state.\(^2\) His status as ‘expert’ on welfare and its failures earned him and the Institute some press attention in the late 1960s, particularly at times when a counter view needed to be expressed. In fact, the cultivation of press attention was part of the IEA’s carefully devised strategy as a fledgling organisation. In the words of Ralph Harris:

\[\text{Our target was frankly journalists, writers on good papers, the Financial Times, The Times, the Guardian because if they would review our books, they would multiply the effect, and the books themselves were devised accordingly.}\(^3\]

Getting journalists to engage with the material took ‘five to ten years’ according to Seldon. Throughout this time, the Institute invited them to ‘launches and lunches. Journalists like lunches with a drink and snacks.’\(^4\)

Press attention also came readily throughout the economic downturn of the late 60s. Throughout this time members of the governing Labour party began to associate with the think tank and in some cases, to convert to Seldon’s market liberalism. The IEA occasional paper no 16 of 1967, Paying for Social Services, was written by Douglas Houghton, who, until six month previously, had been the Minister for Social Services.

\(^3\) Ralph Harris and Arthur Seldon with Stephen Erickson, A Conversation with Harris and Seldon, IEA, London, 2001, p.31
\(^4\) Ibid. p.32
in Harold Wilson’s Labour Government. After meeting Seldon at a conference and having a brief conversation he had agreed to write the paper based on his experiences in government. Houghton concluded that the country could no longer afford to go on spending large amounts on social services and that individuals should be encouraged to spend more on social services themselves.\textsuperscript{95} After a spate of press attention, a second print run of the pamphlet was sent out in 1968.\textsuperscript{96}

Brian Walden, then a Labour MP, also garnered much attention for the Institute with his favourable review of Seldon’s 1969 book \textit{After the NHS}, originally published in the \textit{British Hospital Journal and Social Service Review}. Encouraging an engagement with New Right ideas at the parliamentary level, he wrote:

\begin{quote}
It was not long ago that all right-thinking citizens agreed that Britain had the finest Welfare State in the World... All this has now changed. The current debate about the future of Welfare can do nothing but good. For too long every major problem in Welfare has been the victim of intellectual sloth. Humanity is only too ready to believe that it has ‘solved’ a problem, if only the problem can be hidden away and a decent silence maintained about it. It is a matter for rejoicing that the silence over Welfare has ended.\textsuperscript{97}
\end{quote}

The IEA’s relations with dissenting Labour Party members gave the press much to talk about, but it was from within the Tory Party that the Institute, predictably, gained its most influential disciples. Keith Joseph contacted the Institute in 1964 following a Tory defeat.\textsuperscript{98} At around the same time, Margaret Thatcher was introduced to its founders. As mentioned previously, Thatcher’s main interest at the time lay in welfare economics. After a three-year junior ministerial post at the Ministry of Pensions, she called upon the IEA to help her refine her arguments for increased private provision in

\textsuperscript{96} Cockett, p.144
\textsuperscript{97} Brian Walden, ‘After the NHS’, review, \textit{British Hospital Journal and Social Service Review}, 21 February 1969, cited in Cockett, pp.147-8
\textsuperscript{98} Harris and Seldon with Erickson, pp.50-51
social welfare. Geoffrey Howe, another Tory disciple of the IEA, hoped the think tank would strengthen and temper Thatcher’s anti-redistribution argument so that she would one day be more influential. ‘I am not at all sure about Margaret’, he wrote in a letter to Seldon and Harris,

Many of her economic prejudices are certainly sound. But she is inclined to be rather too dogmatic for my liking on sensitive matters like education and might actually retard the case by over simplification. We should certainly be able to hope for something better from her—but I suspect that she will need to be exposed to the humanising side of your character as much as the pure welfare market monger. There is much scope for her to be influenced between triumph and disaster!\(^\text{100}\)

Thatcher went on to adopt so many of the IEA’s ideas that Seldon later remarked, with indignation ‘in the sense that she had copied some of the things that we had argued for years and years and years, to call it by her name, it is arguable that we anticipated her.’\(^\text{101}\)

Apart from some notable works on advertising, Seldon and Harris were almost exclusively concerned with the welfare state. Having both grown up in working-class neighbourhoods, both felt qualified to speak about what the poor needed and wanted and to dismiss the arguments made by ‘elites’ and social workers in favour of state intervention. Seldon and Harris both projected a version of the new-class discourse emerging from the United States. In an article published in the *Daily Telegraph* in 1970 Seldon argued that the ‘kindly rich’ only supported the welfare state in order to appease their own ‘bad consciences in making or inheriting money’. In addition, he claimed that policy makers had abrogated the responsibilities of the individual to

‘arrogant social workers, sociologists and socialisers….Instead of taxing people for ‘free’ services it [the government] must pump money

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99 Cockett, p.171
100 Brian Howe to Arthur Seldon, 28 Oct 1969, IEA papers, cited in Cockett, p.171
101 Harris and Seldon with Erickson, pp.53–54
into their pockets so that they can pay with dignity, and learn through choice the knowledge and self-confidence of the middle classes.\footnote{Seldon, ‘A Time Now for Self-Help’, \textit{Daily Telegraph}, 8 Oct 1970}

Harris, in an interview years later claimed that during these years, if he met public-school boys, he would ‘mock their county accents because these were the people who would condescend to help workers along with little state hand-outs and subsidies and benefits’.\footnote{Harris and Seldon with Erickson, p.35} Both Harris and Seldon advocated a system akin to Friedman’s negative income tax, to be determined by the market.

While the IEA took an active role in the tutelage of Joseph, Howe and Thatcher, it also began to extend its influence on the international scene. Seldon, Harris and Fisher were all members of the Mont Pelerin Society and during its annual meetings, made lasting connections with international figures such as Milton Friedman and George Stigler.\footnote{Ibid., p.42} And, with the financial assistance of Antony Fisher, similar Institutes were set up throughout the mid-to-late 60s in various parts of the world. The Fraser Institute in Canada was just one of nearly a hundred Institutes modelled on the IEA.\footnote{Ibid., p.44 and Milton Friedman, ‘The IEA’s Influence in our Times’, in ibid., pp.70–72}

Like Joseph, Howe and Thatcher, the IEA had placed faith in the Heath Government’s stated economic liberalism. They were sorely disappointed. In September of 1973, the Tory MPs founded the ‘Selsdon Group’, named after the place at which their first official meeting took place: the Selsdon Park Hotel. Its purpose was to work within the Party to force a change of leadership and economic direction.\footnote{Cockett, p.212} It became the first of many fringe groups actively attempting to push the party to the right. The Selsdon Declaration outlined the group’s position on welfare:

We oppose the view that the State should have a monopoly in health, housing, education and welfare. We uphold the right of the individual to cater for his own preferences in the market, believing that State provision should supplement rather than replace private provision.\footnote{Selsdon Group, ‘The Selsdon Declaration’, adopted September 1973, cited in Cockett, p.213}
The following month, the international oil shock occurred.

Harold Wilson’s Labour Government came to power in March 1974. After an initial agenda of nationalisation, guided by the Secretary of State for Industry Tony Benn, it responded to the recession and alarming stagflation with a rapid retreat from spending. By 1975, a monetarist position on the economy had become dominant within the Labour Party.\(^{108}\) Within just two years, the ideas of the IEA and the Selsdon group, previously sidelined by mainstream politics, had displaced Keynes in their struggle to define a new ‘common sense’. All their predictions about Keynes and the economy appeared to come to pass. Not only was this true within the Tory Party, but, as with Keynesianism, a policy ‘consensus’ had crept upon the two parties. That same year, Margaret Thatcher became leader of the Tory Party.

As Keynesianism appeared to be dying a sudden death, Keith Joseph gave perhaps its most famous obituary in the form of the Upminster Speech of 1974.

For the past 30 years in our party competitive efforts to improve life, we have overburdened the economy. We have overestimated the power of government to do more and more for people, to re-shape the economy and indeed human society, according to blueprints. We have tried to take short cuts to Utopia.\(^{109}\)

In a nod to the New Right’s preoccupation with displacing the new class, he added: ‘Our well-intentioned social workers and misguided left-wing teachers have between them helped to erode the will to work’ and ‘[n]ever in the course of this nation’s history have so many good intentions by so many people created so many disappointments.’\(^{110}\)

In the same year, Thatcher and Joseph founded the Centre for Policy Studies in order to continue the nation’s conversion. Joseph claimed that the centre had been founded

\(^{108}\) Ibid., p.216
\(^{110}\) Ibid., p.9 and p.22
in order to ‘survey the scope for replacing increasingly interventionist government by social market policies and to seek to change the climate of opinion in order to gain acceptance for them’.

The climate was receptive. The collapse of Keynesianism opened up the way for alternative economic agendas to come through. The New Right offered an alternative that seemed to abrogate governments of future responsibility for its citizens in high-cost areas. Not only that, similar economic agendas were being implemented to various degrees all over the Western world, mainly on the advice of prominent figures such as Milton Friedman and Friedrich von Hayek, men who had also played an influential role in the ideas of the British New Right.

The left had been predicting and fearing the rise of the New Right in Britain since the 1960s. David Collard of the Fabian Society warned in his publication The New Right: A Critique that ‘the majority of academic economists have not taken the New Right seriously’ and that the IEA was already ‘influential’. While others on the Left debated issues such as nationalization, Collard claimed that the ‘left is being successfully outflanked by the New Right’.

Certainly, the organisational power of the New Right in Britain and America built steadily throughout the 1960s and in the lead up to the oil crisis of 1973. In America a mild stagflation had already occurred. An American President had employed an anti-welfare and small-state discourse, albeit without the practical implementation of such an agenda. Members of the New Right network such as Daniel P Moynihan and Milton Friedman held positions of power and influenced others in these positions. However, without the recession it is doubtful that the New Right would have been given the opportunity to move from the periphery to the centre of politics in Britain or the US.

The following chapters will examine how Australia came to be part of this global hegemonic project. They will argue that rational actors within established institutions and purpose-built think tanks transported and rearticulated the ideas of the American and British New Right while at the same time building a New Right network within Australia. New Right anti-welfare discourse was therefore constructed within this global sphere. Its transformation into dole-bludger discourse required the

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incorporation of peculiarly Australian concepts and discourses in order to fully articulate the lived experience of Australian people.
The growth of new right welfare ideas in Australia

Throughout the late 1960s, and in the years leading up to the recession of 1974, Australian New Right figures lacked a coherent organisational structure. The libertarian movement, present most visibly in the Sydney University Freethought Society and, after the split, in the Libertarian Society, could more adequately be described as a left-wing anarchist group.¹ Their philosophy was based on the early thought of Sydney University philosophy lecturer John Anderson and encompassed elements of anti-authoritarianism, anti-planning and pluralism. The society was, however, opposed to activism and ‘political manipulation’ and, in keeping with a devotion to pluralism, maintained that the views of the group were not applicable to the rest of society.² Despite including among its members influential figures such as Justice Michael Kirby, and notable philosophy academics such as David Armstrong and John Mackie of Sydney University and A. J. Baker of Macquarie University, the group remained very insular.³ The right-wing arm of the Andersonians, also Sydney based, was more committed to the ‘Old Right’ Cold War cause than to economic libertarianism.

Unlike its American counterpart, the libertarian movement did not have any members in positions of political or administrative power willing to engage in ‘political manipulation’. A Libertarian Party did not exist until 1975, when it appeared in the form of the Workers Party. And, with the exception of David Kemp, a Yale PhD candidate who had returned to Australia in 1972 to serve on various parliamentary committees, there were no New Right figures within the ranks of the Liberal Party. In

¹ Anne Coombs, Sex and Anarchy, The Life and Death of the Sydney Push, Viking Books, Ringwood, 1996
² John Docker, Australian Cultural Elites: Intellectual Traditions in Sydney and Melbourne, Angus and Robertson, Sydney, 1974, p.151
contrast to the US, Australia’s grassroots New Right activists were virtually non-existent. Unlike the US and the UK, there was no peripheral group of men and women ready and waiting to stage a coup come the recession.

Despite this seemingly insurmountable hurdle, an Australian New Right agenda and discourse did exist during these years. Like those of the US and the UK, it became powerful and mainstream during the recession and increased its power in the post-recession years. What is different about Australia during these years is that it did not need a grass roots New Right network. As small-state and anti-redistribution ideas emerged in America and the UK, powerful Australians began to change their outlook. Links were forged between overseas New Right figures and influential Australian institutions, among them, the Treasury, the Associated Chambers of Commerce in Australia (ACCA) and the most influential economic think-tank in Australia, the Institute of Public Affairs (IPA). This chapter will trace the transfer of ideas from America and the UK to Australia. It will argue that an exchange between international New Right figures and key figures within Australian institutions enabled New Right welfare ideas to enter the mainstream during the recession of 1974. It will also show that a wider anti-redistribution movement continued to grow in the post-recession years. Importantly it will argue that a ‘collapse of Keynesianism’ was not an automatic affect of the recession. The recession simply allowed a space within which Keynes could be questioned. It was up to members of the New Right to construct their own theories and agendas as common sense and to discredit Keynes in the process. For this reason, this chapter will contribute to the argument that the ‘shift’ to neo-liberalism in Australia does not represent a ‘paradigm shift’ in which one set of theories naturally replace another in a time of crisis, rather it represents a conscious hegemonic struggle to displace old theories and reconstitute others as the prevailing ‘common sense’.

The Institute of Public Affairs
The Victorian Chamber of Manufacturers in 1941 and 1942 formed the Institute of Public Affairs. C D Kemp in submitting his proposal for the formation of the Institute spoke of the need to influence both businessmen and the general public, and to contribute to the welfare of the nation. Institutes were formed in Victoria, New South Wales, South Australia and Queensland in 1943. The IPA network, and in particular the Victorian branch, became extremely influential within Australian politics, not only
advising and collecting funds for non-Labor political interests, but eventually, with the exception of the NSW branch, playing a decisive role in the formation of the Liberal Party of Australia. The Victorian branch went on to provide much of the platform and propaganda for Liberal-Party-contested election campaigns in the coming years. By the time the Institute of Public Affairs began promoting small state and anti-redistribution agendas their position in Australian society was already well established.

From its inception the IPA supported with some reservation the economic theories of John Maynard Keynes. Small enclaves within the Institute, particularly within the NSW branch, had contested Keynes, believing it ‘a fundamental perversion of how the economy could and should work’. Their support for the unpopular theories of Austrian economist Friedrich von Hayek had very little influence on the Institute in either its capacity as Liberal Party advisor or as proselytiser for capitalism. By the early 1970s however, these enclaves began to extend. A recession in 1974 helped anti-Keynesian economists to ‘disprove’ Keynes’s theory within the Institute and to offer Hayek as a substitute. Influential American and British converts helped the ‘enclaves’ to bring about a shift to broadly defined New Right economics. Like American and British think tanks, the IPA began calling for a reduction in the rate of public spending and personal income tax. These calls would become louder in the years that followed.

By the time New Right economics began to exhibit real power within the IPA, the think tank’s influence extended far within politics, media and education. The Institute’s ‘economic education’ campaign, which began in 1972, was a conscious strategy employed to further extend IPA ideology. In 1972 alone, IPA publications were used in over 1000 schools. Many others were on a waiting list. Because this material was provided free-of-charge to schools, demand was so high that not all orders could be filled. In the same year, one IPA booklet entitled ‘Better living – the Key is Productivity’ which promoted a ‘trickle down’ theory of income distribution,

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4 The NSW branch of the IPA supported the United Australia Party and raised funds in competition with the Liberal Party of Australia. Marian Simms, _A Liberal Nation: The Liberal Party and Australian Politics_, Hale & Iremonger, Sydney, 1982, p.16
was distributed to 200 companies and their 40 000 employees. An additional 60 000 copies were distributed free of charge to teachers, schools and students.\textsuperscript{7} The booklet was just one of many produced in conjunction with the Productivity Promotion Council of Australia as part of a ‘national education campaign’. Among other things, this campaign sought to convince Australians that the market was the best place for the allocation of resources and that government should wind back its role in the process.

Companies regularly ordered large numbers of IPA publications for distribution to employees. The bi-monthly publication Facts, which included parables, cartoons and ‘lessons’ to be learnt, was distributed to 60 000 employees by companies such as BHP, Rheem, the Commonwealth Bank and Mt Isa Mines.\textsuperscript{8} In addition articles from Facts and the more scholarly IPA Review were regularly sent to the editors of leading newspapers and republished. In 1972 alone, 2 459 column inches were given to IPA material.\textsuperscript{9} ‘We are most grateful for their co-operation’ the Chairman of the Executive Committee announced at the Institute’s AGM in 1973.\textsuperscript{10} It is no wonder that the IPA regarded itself as holding a position of high esteem among workers, students and ‘opinion moulders’ across the country.\textsuperscript{11}

By the time of its conversion to an anti-redistribution agenda, the Institute also claimed to have established links with Treasury and powerful government bureaucrats, and to be directly influencing policy as a result. In a call for more business funding to enable it to continue its work, an Institute Annual Report stated:

\begin{quote}
The work of the Institute is largely concerned with the advocacy of policies designed to stress the importance of the individual and to be of benefit to free enterprise in both the economic and political spheres. There is undoubted evidence that these views have an important influence on government thinking and policy at Canberra. The Director of the IPA has himself established relations of confidence and
\end{quote}

\textsuperscript{7} Ibid.
\textsuperscript{8} Ibid.
\textsuperscript{9} Ibid.
\textsuperscript{10} EA Jones, Report Chairman of the Executive Committee, IPA 30\textsuperscript{th} Annual Report, 1973
\textsuperscript{11} Jones, IPA 29\textsuperscript{th} Annual Report
trust with senior treasury officials and top people in other government departments. As you know for many years the IPA has strongly advocated a reduction in personal income tax which has been an ever increasing burden, escalating with the march of inflation. The Institute was therefore very pleased to see the substantial reductions in the rates of tax in the Commonwealth Budget in August. I am sure that businessmen will appreciate the importance of work such as this, and provide the IPA with the financial support to carry out its activities effectively.¹²

At the end of 1972, a drastic change in the Australian political climate occurred. After 23 years of LCP governments that had, for the most part, been conducive to advice from the IPA, the ALP was returned to office. Under the leadership of Gough Whitlam, the new government rapidly increased social spending. Within its first year the government increased welfare benefit rates, relaxed eligibility requirements, created new social programmes and made other social programmes universal instead of means tested. In addition, the Minister for Social Security, Bill Hayden, began to speak of welfare as a basic human right and called upon people to claim their various entitlements.¹³ The IPA went into damage control, calling on more funds and further assistance in reaching the public.

At the annual general meeting of 1973, the Chairman of the Executive Committee called for concerted action to extend the consumption of IPA publications. The annual circulations of Review and Facts had remained steady at 20 000 and 50 000 respectively, yet in such ‘troubled times’ the Institute should seek to ‘boost these circulation figures quite substantially’ via an expansive free mailing list. The Institute’s subscribers were encouraged to ‘maintain their support and increase their annual contributions’ as a means of achieving this. The President of the Institute, W. D. Brookes, announced: ‘Seldom in the history of the Institute has an annual meeting been held at a time of such uncertainty, even bewilderment, within the business community’.¹⁴

¹² Ibid.
¹³ See chapter 7 and chapter 8 for a fuller examination of Hayden’s 1972-3 welfare reforms.
In the months following the election of the Whitlam Government, issues of *Facts* were devoted to illustrating the problems associated with increased government expenditure. A front-page article in the April-May 1973 issue claimed:

Today we all seem to be looking to government to do more and more for us—from the well-to-do businessman to the old-age pensioner. If we get into a jam, whether from sheer bad luck or because of our own mistakes, we expect the government to help us out. It was once held that the job of democratic government was to provide a basis of law and order leaving us free to go about our own concerns. Now we expect the government to look after us from womb to tomb.\(^{15}\)

The same edition warned readers that higher personal income taxes were on the way and that the majority of these taxes would be spent on social welfare.\(^{16}\)

Throughout the recession years, funding for the IPA’s ‘education’ campaign increased substantially. New funding from business sources enabled the IPA to spread its message beyond the workplace and into the homes of employees. Managers supplied employee addresses to the Institute ‘so that the whole family could read its message’.\(^{17}\) Every edition of *Facts* during these years contained a prominent article on taxation and redistribution. In addition, these articles often contained references to international New Right thinkers who took on the status of ‘expert’ while advocating populist discourses and strategies for ‘irate taxpayers’. In the October-November 1974 edition of *Facts*, page three was devoted entirely to Milton Friedman’s call for a ‘Personal Independence Day’, which the IPA believed could be equally applied in the Australian context. The campaign also employed the ideas of American libertarian philosopher Robert Nozick by encouraging readers to think of paying taxes to the government as a type of ‘servitude’.

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\(^{15}\) Anon. ‘Big Brother’, *IPA Facts*, April–May 1973, p. 1


\(^{17}\) ‘Profits and Prices’, *IPA 31st Annual Report 1974*
An eminent American Economist, Milton Friedman, recently suggested that the United States needs a new public holiday to complement National Independence Day—a Personal Independence Day. Such a holiday may be equally applicable to Australia. The new holiday would mark the day of the year when we as a community ceased working just to pay for the expenditures of government and started working to pay for our own personal expenses. Up till that day, all the income we earned would be taken from us (in taxes, Council rates, etc.) to meet the expenses of governments. For the rest of the year all our earnings would be available for the satisfaction of our own personal needs and desires.\footnote{Anon., ‘A Personal Independence Day’, \textit{IPA Facts}, October–November 1974, p.3}

The campaign, though never reflecting a serious option for the taxation system, enabled people such as Friedman and the members of the IPA to illustrate that the number of days ‘worked for the government’ had increased over the years and to provide readers with a tangible measure of the rate at which government spending was stripping ‘personal freedom’ at any given point in time. The Centre for Independent studies (CIS) has adopted the idea and continues to calculate total per-capita tax revenues by GDP per-head to each year reveal what it calls ‘Tax Freedom Day’; the day ‘when Australians will finally finish paying for the government’s spending for the year so they can start to work for themselves.’ In 2006 they calculated this as ANZAC Day, 25 April.\footnote{Gina Schwass, ‘Tax Freedom Day fall[s] two days later than last year’, CIS media release, 20 April, 2006} Following the Personal Independence Day campaign, Friedman’s observations began popping up in \textit{Facts} on a regular basis. These observations contributed to a running theme in \textit{Facts}. They characterised taxpayers as ‘ordinary people’ who were pitted against an oppressive government.\footnote{Anon., ‘Taken for a Ride’, \textit{IPA Facts} April-May 1975, p.3}

By the time Friedman made his first visit to Australia in April 1975, the Institute was ready to make a commitment to a new style of economics. The next edition of the \textit{IPA Review} described Friedman’s visit as a ‘breath of fresh air’ and as a ‘compelling exposition’ and claimed that his lecture tour had made a ‘deep and salutary impact on...
the Australian economic and political landscape'. Among the outcomes that could be attributed to Friedman’s visit was the IPA’s first public and categorical statement of support for New Right economics. Though the Institute refused to support Friedman’s monetarist position in total, it did so only because it believed that more blame should be attributed to those who forced the government to increase the money supply by constantly demanding wage increases and benefits.

We do not by any means accept Friedmanism in toto...The point we are concerned to make is this: the increase in the supply of money is the immediate cause of inflationary price rises; but the cause, in turn, of the expansion of the money supply, lies in the public demand for excessive wage increases and excessive government benefits [emphases in original].

Throughout the recession and in the years that followed, the IPA also began to increase its media campaign against ‘big government’. Although the Institute had never been quiet on the issue of government taxes and restrictions, particularly when they affected business, a new discourse began to appear on the pages of Facts. This discourse reflected elements of the emerging new-class discourse that had become the obsession of neo-liberal anti-redistribution advocates in the United States. Prior to this, rhetoric on over-blown government had focused on the negative effect of dependence. While still incorporating this element, the IPA shifted its focus to the government employees themselves and to waste caused by the ‘over-employment’ of ‘under-productive’ public servants. Again, citing Friedman as an expert on the matter, the IPA claimed that ‘unnecessary’ government growth reflected a disregard for public money exercised by bureaucrats. Not only that, it reflected a self-seeking bureaucracy and a tendency for individual departments to build themselves up in relation to other departments, all for their own benefit and all at the expense of the taxpayer. This, according to Friedman, or at least the IPA’s understanding of him, was a ‘simple truth’. From 1975 onwards, Friedman’s ‘simple truths’ penetrated the IPA almost completely. In doing so, they also penetrated the consciousness of school

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21 Milton Friedman’s Visit, *IPA Review*, April–June 1975, p.29
22 Ibid., p.33
students, workers and other beneficiaries of the Institute’s ‘economic education’ campaign.

Constable & Bain, a Sydney stockbroking firm under the leadership of Maurice Newman, brought Friedman to Australia. The IPA were among numerous individuals and organisations to be influenced by Friedman’s visit. Many had already embarked upon the shift to market liberalism during the recession and regarded Friedman’s visit as an opportunity to consult one of its most famous proponents with regards to their own transition. Others regarded it as an opportunity to promote the monetarist position in the popular media and to gain new converts. The financiers of his visit certainly saw it this way. The firm’s sole intention was ‘to heighten public awareness of the dangers of inflation and to point to possible cures consistent with the maintenance of individual liberty and free enterprise.’

During his time in Australia, Friedman addressed audiences in Sydney, Canberra and Melbourne, held discussions with Reserve Bank and Treasury officials, and spoke to government and opposition members and to business and academic leaders. He also spoke at the National Press Club, and on the ABC-TV program Monday Conference. A repeat was aired six weeks later. An economic adversary of Friedman’s, the left-wing Keynesian economist Joan Robinson also appeared on the program that month. She spent a great deal of time contradicting Friedman’s views on inflation, and claimed that cost-push inflation was a result of the struggle between capital and labour and not a result of money supply factors. According to Jerry Courvisanos and Alex Millmow, who have produced the only academic study of the tour, it was Friedman’s lecture that was illegally taped by schools and universities and shown ‘endlessly over the next five years’.

25 Jerry Courvisanos and Alex Millmow, ‘How Milton Friedman Came to Australia: A Case Study of Class-based Political Business Cycles’, University of Ballarat School of Business Working Paper, no. 3, 2005/03
26 Milton Friedman, Milton Friedman in Australia, Constable & Bain and the Graduate Business School Club, Sydney, 1975, preface
27 Ibid., and Milton Friedman, ‘Address Delivered by Professor Milton Friedman, American Economist, to the National Press Club’, Canberra, 9 April 1975
28 Courvisanos and Millmow, p.10
29 Ibid., p.10
30 Ibid., p.12
Constable & Bain later claimed that Friedman’s visit ‘captured the imagination of the Australian people, achieving beyond expectations the aims of the sponsors.’

Certainly, the tour did shape the opinions of prominent economists who had retained a certain amount of scepticism in relation to Friedman’s theories. Economists such as Colin Clark, Heinz Arndt and Duncan Ironmonger came away from his tour with the feeling that most of Friedman’s theories were ‘probably correct’. Following the tour Clark and Arndt publicly criticised Labor Treasurer Jim Cairns’s handling of the economy, with Arndt predicting inflation would raise to over 30 per cent if Keynesian policies remained in place. Ironmonger, the deputy director of the notoriously anti-Friedmanite Melbourne Institute of Applied Economic and Social Research, contributed to the public display of support for Friedman by remarking to Friedman on the televised *Monday Conference*: ‘A lot of what you are saying is agreeing with a lot of what we’re saying. A lot of sense is being said which is a comfort to us’.

However, many economists remained unconvinced by Friedman, positing instead an adoption of the economic theories of Freidman’s major opponent in the US, John Kenneth Galbraith, who coined the term ‘Revolt of the Rich’ to describe the New Right push into economic and social policy and claimed in his 1974 book *Economics and the Public Purpose* that ‘Left to themselves, economic forces do not work out for the best except perhaps for the powerful’. Some 130 Australian economists had lent their support to the economic policies that Cairns had taken into the May 1974 Federal Election. They had known of Friedman’s theories at the time and had disregarded them. The shift for many of these economists would take a much longer process of persuasion.

In another sense Friedman’s visit helped to give credence within parliament to the monetarist line that had been run by the Shadow Treasurer Phillip Lynch during the 1974 election period, and to the views of the Reserve Bank of Australia, who were at this time having little to no luck reaching the Treasurer with their monetarist line.

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31 Friedman, *Milton Friedman in Australia*, preface
32 ‘Moderate cut sought in currency rate’, *Canberra Times*, 22 April, 1975, cited in Courvisanos and Millmow, p.10
36 Courvisanos and Millmow claim that Junie Morosi blocked access to Cairns by the RBA and Treasury officials, p.9
Shortly after Friedman’s visit, Bill Hayden who adopted Friedmanite rhetoric, espousing the need to restrain government spending in order to beat inflation, replaced Cairns as Treasurer. His budget, which according to Barry Hughes was designed to deny the LCP Senate majority the chance to block supply for the second time, appeared as close to Lynch’s inclinations as possible.\(^ {37} \) On budget night, during television and radio interviews, Fraser and Lynch had trouble differentiating their own policies from those of the Whitlam Government.\(^ {38} \)

Friedman’s visit strengthened the resolve among already converted politicians and economists and drew some others to the Friedmanite ‘cause’. But as P.P. McGuinness pointed out in 1975, the visit did not result in a ‘sudden conversion’ because it was already well under way.\(^ {39} \) Friedman’s television appearances, and the newspaper reports that followed did, however, lead to a wide discussion of his theories. Following his visit, school textbooks on economics included a chapter on the subject of ‘Friedman v Keynes’, and according to Brian Buckley, press agent to Phillip Lynch, followers of Friedman began using the phrase ‘well, as Milton Friedman says, contradict that if you are game’.\(^ {40} \) Friedman’s visit was a very important experience on which the New Right could further build a relationship with the public. It provided the New Right with an ‘expert’ whose name could be raised in general conversation, in media, parliament and bureaucracy, in schools and universities, and instantly recognised by people outside of these institutions. This process was further enhanced the following year when Friedman received the Nobel Prize for Economics.

Inspired by Friedman’s successful visit, the IPA arranged for F. A. Hayek to give a lecture tour the following year. In conjunction with a Sydney economics consultant by the name of Roger Randerson, the IPA sponsored a month-long programme of engagements that ‘would have taxed a man in the prime of his life’ let alone a man of 77 years.\(^ {41} \) The Institute’s zeal for New Right economics was evident within the ‘F.A. Hayek Issue’ of The IPA Review, which followed his visit to Australia. The issue was intended as a ‘dedication’ and as a ‘contribution towards the fulfilment of a hope’; the

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37 Hughes, p.47  
38 Ibid.  
40 Ibid., p.11  
41 Anon. ‘Professor F A Hayek’s Australian Visit’, IPA Review, October–December 1976, p.79
hope being that ‘Australia, and especially its educational institutions, will not lightly
disregard the ideas of this great man, but give to them the thought and the study they
deserve’. Hayek addressed the Institute’s 1976 annual meeting. According to the
IPA Review, he was in the presence of a devout audience:

No one among the 200 people who attended the I.P.A. Annual
Meeting on December 20th will readily forget the standing ovation
which greeted Professor Hayek at the conclusion of his Address. This
was the spontaneous response of an audience, the members of which
sensed themselves to be in the presence of a truly great mind.

Hayek’s address to the Institute revolved around the issue of economic planning. The
paper outlined the benefits of economic Darwinism and the tendency for planning to
stunt man’s natural evolution. The Institute saw Hayek’s visit as a reflection of a
parting of the ways between those who favoured liberty and those who favoured
welfare. At least, his visit was intended to shore up the arsenal of those who favoured
liberty:

Professor Hayek came to Australia at a peculiarly appropriate time. It
is clear that this country has reached a grand climacteric, a fateful
parting of the ways so far as its political and economic future is
concerned. The momentous question is whether, in the years ahead,
libertarian values are to prevail, enterprise, both corporate and
individual, is to be properly rewarded, and the market is to be allowed
to perform its traditional function of allocating the resources of the
community in the most effective manner in the interests of all; or
whether government is to assume an ever larger role in the distribution
of resources and income, in the provision of so-called Welfare and in
the general direction of the lives of the people. In short what is
ultimately at stake is the survival of individual freedom.

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42 Ibid., p.82
43 Ibid. p.79
44 F A Hayek, ‘Address to the 33rd Annual Meeting of the Institute of Public Affairs’, IPA Review,
October–December 1976, p.84
45 Ibid., p.80
On the final page of the issue, the IPA advertised a job for a research economist and statistician. There was only one essential criterion: 'a personal commitment to the values of individualism, free enterprise and the market economy.\textsuperscript{46}

\textit{'Economic education' and the American influence}

The Australian New Right were not only inspired by American and British New Right thinkers, they were also inspired by the success of American initiatives and often sought advice and approval from key New Right organisations within the US in particular. Probably the most important development in the business-funded propaganda campaign occurred in 1976 with the establishment of Enterprise Australia (EA), an initiative of the Australian Free Enterprise Association Ltd. an organisation formed by the IPA and an ex-Liberal Minister Sir Allen Fairhall, with donations of $35 000 each from CIG, Esso, Kodak and United Permanent and later Ford Motors and IBM.\textsuperscript{47} EA was intended as an umbrella body whose main task was to help other business funded proselytisers to co-ordinate their activities in the area of 'public education'. Prior to the launch of EA its soon-to-be director Jack Keavney travelled to the US where he gained 'a great welcome and every assistance' from the American Economic Foundation. The relationship between the two organisations grew stronger throughout the coming years as Keavney spent more time learning from what he termed his 'US counterparts', a process which involved extended visits to the US and sponsoring US New Right business figures to visit Australia. Tours involved not only meetings with business leaders but also meetings with the Prime Minister and the Minister for Industrial Relations, during which the 'free enterprise position' was put forward and received warmly.\textsuperscript{48} Enterprise Australia extended its influence into many areas. Not only did it co-ordinate the massive 'economic education' campaign targeted at school students and company employees, it also wrote sermons promoting the free enterprise and small state agendas for sympathetic ministers to recite to unsuspecting church goers.\textsuperscript{49}

\textsuperscript{46} 'Research economist and statistician', \textit{IPA Review} Oct–Dec 1976, p.96
\textsuperscript{48} Ibid., p.165
\textsuperscript{49} It is difficult to ascertain how many ministers took up the opportunity. 'The Christian and Industrial Relations: A Paper Prepared for Use as a Sermon and For Reproduction in Church Publications', Enterprise Australia, Sydney, 1978, cited in Carey, 'Social Science, Propaganda and Democracy', p.74
The ACCA embarked upon its own economic education campaign in 1972. As the most organised representatives of commercial capital in Australia, the ACCA had for some time engaged in the distribution of propaganda, both as a means of articulating and promoting the organisation's social philosophy and as a means of promoting commercial capital agendas. The ACCA's social philosophies were broadly anti-Keynesian even during the 1950s and 1960s. Negative individualism and Social Darwinism informed the propaganda produced during this period, resulting in calls for less government interference and lower taxation. However, the election of the Whitlam Government, followed shortly by the stagflation and recession of 1974, resulted in the ACCA embarking upon its largest and most expensive propaganda campaign yet. The transition to New Right economics was unproblematic for the organisation. Its ideology had always been inspired by laissez-faire and broadly anti-Keynesian. The economic crisis ensured that their opinions gained more attention, adding to the weight of a New Right network. The ACCA was no longer forced to maintain a defensive counter-position as it had been throughout the 'Keynesian era'.

In the first year of the 'economic education campaign' the Chamber began expressing fears about the Whitlam Government, and in particular, its 'big government' agenda. In addition, the Chamber feared that regular consultations with industry leaders in the ACCA would not continue under Labor.\textsuperscript{50} The economic education campaign expanded in response to these fears and, like the IPA's campaign, focused on convincing the public that taxes were too high and government too large. Aspects of the campaign included training private enterprise spokesmen for television and radio, and commissioning articles for press distribution.\textsuperscript{51} By 1975, 61 companies had come forward to lend their financial support. At least some of this financial support went toward funding a series of videotapes for schools. These videotapes put forward the economic outlook of the Chamber and that of its major partner in the venture, the Institute of Public Affairs.\textsuperscript{52}

\textsuperscript{50} Report of the Council 'National Chamber Intensifies Programme to Promote Free Enterprise', \emph{ACCA 69th Annual Report}, 1972–3, p.13
\textsuperscript{51} 'Economic Education Campaign', \emph{ACCA 70th Annual Report}, 1973–4, p.15
\textsuperscript{52} 'Economic Education Campaign', \emph{ACCA 72nd Annual Report}, 1975–6, p.16
The momentum of these public opinion campaigns had become so intense during the recession years that the ACCA felt it necessary to organise a summit conference to 'plan concerted action'. The conference, and a subsequent meeting held at Commerce House in Canberra, established the Assembly of Australian Business Organisations (AABO) as a means of forging unity of purpose between leading businessmen and business organisations. The founding members were: Australian Bankers' Association, Australian Chamber of Commerce, Australian Finance Conference, Australian National Travel Association, Australian Retailers' Association, Australian Road Transport Federation Insurance Council of Australia, Life Offices' Association of Australia and the Real Estate Institute of Australia. In addition to its role as a 'clearing house for business to use in its dealings with government', the AABO was required to develop a 'concerted action programme on a national level' in order to combat 'socialistic government policies' such as those that were contributing to a bloated public sector. As part of this concerted action, the AABO were to 'devise and coordinate a programme for the most effective communications' with the public. The committee contacted 16 organisations it viewed as being engaged in the dissemination of the free enterprise point of view, or at least having a stake in such a project. By this time, almost all of the 16 organisations were committed to market liberalism and engaged in an attack upon government redistribution policies.

The AABO gained some inspiration from the American New Right. Both enlisted the help of advertisers in the construction of the campaign. In 1975, advertising giant Comptons in conjunction with the Advertising Council, and the US Department of Commerce implemented an economic education campaign. The Australian version of this advertising campaign employed advertising agency Clemenger to report on the Australian scene. The 'manager' of the economic education project, Allen Dawson, left for America the following year to 'gain first-hand experience' of the US economic education programmes and their implementation.

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53 Ibid., p.16  
54 Presidential Address, ibid., p.4  
55 Carey, 'Ideological Management', pp.160-161  
56 Ibid., Note 28  
57 'Economic Education Campaign', ACC 73rd Annual Report, 1976-77, p.17
Up to this point, businesses such as CIG, Esso, Kodak and United Permanent, along with specific industry groups such as the Australian Bankers Association, the Australian Financial Conference and the Australian Mining Industrial Council, had pumped millions of dollars through organisations such as the IPA, the ACCA, the Australian Industries Development Association and the American Chamber of Commerce in Australia (AmCham) that in turn funded ‘information campaigns’, which to varying degrees pushed a New Right economic agenda.\(^{58}\) These campaigns encouraged a new way of speaking about welfare by highlighting ‘waste’ and ‘irrationality’ within the public sector, and within the welfare sector in particular. According to organs like the IPA, any growth in the welfare sector reflected greed, not need, and meant higher taxes for everyone. The ‘handout mentality’ Australians clung to resulted in greatly reduced take-home pay packets, a sore point due to the simultaneous rising inflation. Consequently, the IPA argued that the distribution process should be shifted to the market where men like Hayek and Friedman had ‘proven’ it belonged.

The Centre for Independent Studies
The Whitlam Government’s ‘socialistic policies’ and the 1974 recession helped the New Right to convert established business organs and think tanks. The right-wing think tanks formed after 1974 were entirely committed to New Right economics from the outset. While the IPA concentrated upon workers, employers and students who had otherwise received what they saw as inadequate or antagonistic economic education, the CIS sought to influence academics, politicians and working economists. The CIS saw as its main aim the dissemination of literature of an economic liberal bent. This, its founder Lauchlan Chipman claimed, was necessary in order to combat the contemporary academic literature which all seemed to represent ‘socialist or welfarist’ ideology.\(^{59}\)

In 1975 Greg Lindsay, a high school maths teacher from Hawthorn, wrote to Lauchlan Chipman who was, at the time, working as a professor of philosophy at the University of Wollongong. He explained to Chipman his idea of setting up a centre for right-wing academic thought. Lindsay had recently read and been inspired by

\(^{58}\) Carey, ‘Ideological Management’, pp.163–64
\(^{59}\) ‘Interview with Lauchlan Chipman’, *CIS Newsletter*, Spring 1977
Chipman’s review of Robert Nozick’s *Anarchy, State and Utopia* in *Quadrant*, Chipman’s intellectual turning point.\(^{60}\) He expressed to Chipman his idea to find other likeminded academics to be associated with the Centre. Among other things, Lindsay was committed to the idea that the expanding welfare state had been the major cause of Australia’s economic ills, and that in order to resurrect an ailing economy, Australia would need to reduce the welfare state and shift the responsibility for income distribution to the market.\(^{61}\)

Prior to the establishment of the CIS, Lindsay familiarised himself with the ideas of American New Right thinkers. In 1974 he began subscribing to the American right-wing magazine *Reason*, which occasionally published the writings of Murray Rothbard and Karl Hess. He also began to order a great deal of literature from the Foundation for Economic Education in New York. Among the books ordered were Adam Smith’s *The Wealth of Nations*, Milton Friedman’s *Capitalism and Freedom* and Friedrich von Hayek’s *The Road to Serfdom*. At the end of 1975 he visited the New Right institutes in the US and while in New York struck up a friendship with Murray Rothbard.\(^{62}\) While in Australia Lindsay had attended and been influenced by Bob Howard’s Ayn Rand discussion group which he ran in his flat in Glebe. In 1975, the discussion group metamorphosed into Australia’s first libertarian party, the Workers Party, the philosophy and discourse of which will be examined in Chapter 4. Howard’s library, which consisted of ‘thousands of books’ was a particular source of inspiration to many Sydney New Right thinkers.\(^{63}\)

The CIS believed that it could combat the welfare state by contesting and eventually changing what it saw as the dominant intellectual philosophy. According to Chipman

\[\text{The important thing... is that philosophers, far from having no influence, have a tremendous amount. The ideas were very powerful, so even if the societies were bad because the men were bad, or if the}\]

\(^{60}\) Ibid.


\(^{62}\) Hyde, *Dry*, p.67

\(^{63}\) Cahill, p.104
societies were bad because the ideas were bad, such societies only
came into being because the ideas were thought of in the first place.\textsuperscript{64}

One of these bad ideas according to Chipman was the notion that people could
‘demand something for nothing’.\textsuperscript{65} Lindsay was equally concerned to alter the
production of ideas at an academic level, even leaving the Workers Party whose ideas
he fully supported, in order to devote himself to the task. Lindsay was led to this
decision by Hayek’s essay \textit{The Intellectuals and Socialism}, which made him ‘realise
that what I was seeing was an intellectual problem and not a political problem.’\textsuperscript{66}

Lindsay and Chipman were only deterred by one thing during the early stages of the
Centre’s establishment. In 1976, Antony Fisher came to Australia. Fisher was a
British New Right leader and co-founder of the CIS’s counterpart institution, the
Institute of Economic Affairs. His aim was to set up an IEA-style think tank in
Australia. Lindsay in particular viewed the establishment of an IEA in Australia as a
rival to the CIS in terms of membership and funding, though he was in general
agreement with the Institute’s philosophy.\textsuperscript{67} In the end nothing came of the Australian
IEA. However, those responsible for its initial planning were to become central to the
establishment and funding of other New Right think tanks.\textsuperscript{68}

Throughout the next four years the Centre could safely claim to be one of the most
influential non-government organisations in Australia. This immediate influence was
noted by the organisation during its 30th anniversary celebrations earlier this year.\textsuperscript{69}
Among its members and intellectual contributors were: Maurice Newman, a
stockbroker who had been responsible for bringing Milton Friedman to Australia,\textsuperscript{70}
Ross Parish, a professor of economics at Monash University, Sudha Shenoy at the
University of Newcastle, Naomi Moldofsky at Melbourne University, W.P. Hogan
and Colin Simkin, both at the University of Sydney, and Michael Porter at Monash.
Another major contributor was journalist for Kerry Packer’s \textit{Bulletin}, Peter Samuel.

\textsuperscript{64} Greg Lindsay, ‘Interview with Lauchlan Chipman’, \textit{CIS Newsletter}, Spring 1977
\textsuperscript{65} Ibid.
\textsuperscript{66} Hyde, \textit{Dry}, p.68
\textsuperscript{67} Ibid.
\textsuperscript{68} Cahill, p.104
\textsuperscript{69} Peter Coleman, ‘Happy anniversary’, \textit{The Australian}, 4 May 2006
\textsuperscript{70} Ibid. and Hyde, pp.68–9
During the Institute’s early years Samuel wrote pamphlets for the CIS and he became a member of the CIS Board of Advisers in 1979.\textsuperscript{71} His writing for \textit{Bulletin} was informed heavily by neo-liberalism. In January 1974 he was one of the first journalists to cast taxpayers as ‘victims’ in what he termed ‘the multi-million dole scandal’.\textsuperscript{72} By 1979 the Centre believed that its agenda, having been in place for four years, was gradually coming to fruition. In the September \textit{Newsletter} titled \textit{The Price Australians Pay} it was stated that ‘The CIS in its current research programme is beginning to make inroads into many of the areas that collectivist thinkers have held to be sacred for so long.’\textsuperscript{73}

Also in pursuit of an intellectual audience among whom to spread its message was the Centre of Policy Studies (CoPS). Established under the auspices of Monash University in 1979 by economist and CIS member Michael Porter, CoPS was awarded a Research Centre of Excellence grant by the Fraser Government. The grant totalled $2.6 million and enabled the Centre to bring to Australia various ‘big name’ New Right activists involved in the implementation of similar agendas overseas.\textsuperscript{74} In later years Michael Porter recalled the effect this money had on the think tank:

\begin{quote}
The effect of that [$2.6 million grant from the Fraser Government] was to give one Professor in Australia (me) a budget unlike any before or since, so imagine, I brought out Milton Friedman, I brought out all the big names... the best and the brightest, so for six years I had this massive budget.\textsuperscript{75}
\end{quote}

Despite the network’s general satisfaction with the penetration of the anti-big government message among the public, very few were fully satisfied with the

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\textsuperscript{71} David McKnight, ‘Rupert Murdoch and the Culture War’, La Trobe University Essay, \textit{Australian Book Review}, February, 2004
\textsuperscript{73} ‘The Price Australians Pay’, \textit{CIS Newsletter}, vol 3, no.1, Sept 1979, p.1
\textsuperscript{74} Cahill, p.119. Under the Hawke Labor Government the centre received numerous research grants. In the latter half of 1984, for example, CoPS received $60,500 to conduct research on: ‘the interaction between the taxation and social security systems’, ‘alternative arrangements for the funding and structuring of education’ and ‘the policy problems and welfare implications of State enterprises and the implications of alternative arrangements for State enterprises’. Bob Hawke, PM, Question on notice, \textit{House of Representatives, Parliamentary Debates}, 20 November 1985, p.3312
\textsuperscript{75} Cahill interview with Michael Porter, cited in Cahill, p.119
\end{flushright}
progress of the small government agenda within the Fraser Government. To this end an Australian version of the American Business Roundtable, comprised of Australia’s top executives, was established. The American organisation upon which the Australian version was modelled boasted ‘an astonishing record of success’ in its proposed endeavour ‘to control the national legislative agenda’. The Australian New Right desired the same control over the national legislative agenda, particularly in light of Fraser’s failure to deliver the New Right agenda he had promised on so many occasions.

During the Fraser Government’s first term in office, a major welfare policy shift did not occur. Despite the government’s constant talk of winding back the welfare state, actual steps in this direction were isolated and partial, and as Chapter 7 argues, ‘economic rationalist’ reforms in the area, though discursively powerful, were, for the most part, aimed at ‘image making’. By the end of Fraser’s first term, many New Right activists had had enough. The IPA, among many New Right critics, set out to push policy further in the direction of market liberalism. The IPA’s biggest criticism was reserved for Fraser’s inability to reduce the size of government. In its 1978 Annual Report, the Institute claimed that bureaucrats soaked up the largest portion of taxpayers’ funds and that ‘the fault lies in the very nature of the service itself which is gathering a growth momentum which nobody, not even a government determined to keep real growth of public expenditure down to zero, seems capable of controlling’. In addition, the Institute stated that public reaction to the ‘overblown’ welfare sector had become more vocal and reflected disappointment with the government’s record so far. The report was capped off by references to the Californian taxpayers’ revolt and suggested that people ‘from all walks of life’ should pay attention. By 1980, the IPA declared ‘big government’ the ‘greatest issue facing our society. It will transcend all others and form the battle lines of tomorrow.’

Despite the intense pressure placed upon the government by think tanks and various business groups, and despite the fact that the government had by this stage made some

76 Carey, ‘Ideological Management’, p.157
78 Ibid.
79 Ibid.
80 WD Brookes, ‘President’s Address’, IPA 37th Annual Report, 1980
significant changes to both its ideology and policy in the area of welfare benefits, New Right activists were still not happy. The government, though rhetorically committed to the reduction of the welfare state, was not moving fast enough. According to the IPA, the government was failing to make inroads into the taxation system, and income redistribution was still a major and unwanted part of the government’s plan.\textsuperscript{81} The next chapter will examine attempts within government to bring about a New Right welfare agenda, highlighting the role that various New Right actors in government played in bringing about a shift to dole bludger versus taxpayer discourse.

\textbf{Conclusion}

The struggle to institute New Right common sense in the area of welfare came not as the result of an organic domestic movement, but as a direct result of the integration of powerful Australian institutions within overseas, and in particular American, New Right networks. The rapid rise in inflation during 1974–75, and the 1974 occurrence of stagflation, allowed the New Right to make headway within these Australian institutions. America, having experienced the same economic trauma in the late 1960s had produced their own ‘saviours’ in the form of newly celebrated libertarian and neo-conservative economists, philosophers, commentators and politicians, who preached among other things a reduction or abolition of the welfare state. During the economic crisis it became easier for the New Right to deconstruct the old Keynesian programme and rearticulate common sense on its own terms. Australian converts constructed the ideas of international New Right figures such as Hayek and Friedman as the new ‘common sense’ and ‘discovered’ their own Australian ‘experts’ to rearticulate the ideas for an Australian public. Many converts sought these ideas and promoted them. Others were faced with them in their mailboxes, at work, in classrooms, at University, in newspapers, in parliament and on TV; and under conditions of financial strain, were encouraged to understand them as a reflection of their own experience.

\textsuperscript{81} JS Balderstone ‘President’s Address’, \textit{IPA 38th Annual Report}, 1981
The New Right, the government and the welfare state

When the Coalition found itself back in government under Malcolm Fraser after three years of Labor it also found itself in the fortunate position of controlling both houses of Parliament. Prior to the December election, and certainly in the lead up to the Governor-General’s decision to remove the Whitlam Government in November 1974, the Fraser Government had embarked upon what seemed to be a campaign to seriously cut government expenditure and shift responsibility to individuals. The future Treasurer Phillip Lynch spoke passionately about the death of Keynes and about his desire to implement one style or another of New Right economics. And in the face of criticism from economic adversaries, the Labor Government seemed to have abandoned Keynes too, with its main economic spokesman claiming shortly after the December election that saw him become opposition economic spokesperson: ‘Keynesianism is no longer appropriate’.1

Even conservatives on the Right held out hopes that the Fraser Government would bring Australia from the ‘brink of socialism’ to a new era of individualism. As the well-known Catholic Conservative of the Cold War era B.A. Santamaria explained in his 1981 book Against the Tide, Fraser ‘promised in good faith what Mrs Thatcher was to offer... He promised drastically to reduce government expenditure’.2 His Failure to do so despite such a large majority and control of both the House of Representatives and the Senate has resulted in a long line of critics, stemming from his Treasurers Phillip Lynch and John Howard to present-day right-wing commentators Gerard Henderson and current editor of the CIS journal Policy, Charles Richardson. Richardson has provided the most recent article-length attack in the 2001

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1 Barry Hughes, Exit Full Employment, Angus & Robertson, London, 1980, p.132
retrospective of the Liberal Party *Liberalism and the Australian Federation*. While providing some ‘excuses’ for the Fraser Government’s failure to implement the New Right economics of which it so often spoke, Richardson’s analysis is nonetheless that the years 1975-83 were full of unrealised potential.

Gerard Henderson, who at the time worked for Fraser’s Transport Minister Kevin Newman and now heads the conservative think tank the Sydney Institute, has consistently argued this since the 1983 publication of his article ‘Fraserism: Myths and Realities’ in Australia’s right-wing journal *Quadrant*.³ In his 1994 history of the Liberal Party *Menzies Child* he claims that ‘the essential problem with Malcolm Fraser was that during his period in office he sustained public criticism for his perceived hardness but lacked a policy direction which would have achieved the economic benefits flowing from a real—as distinct from rhetorical—tough mindedness’.⁴ John Howard as Treasurer in the latter years of the government agreed. His increasing alignment with the free-market dissenters within the Party, who after 1980 referred to themselves as ‘dries’, led him to consider resigning his position in protest.⁵ The most salient and oft repeated criticism came from the millionaire advertising executive and spokesperson for the libertarian Workers Party, John Singleton, who summed up the mood among New Right advocates: ‘Malcolm Fraser has expressed his fondness for Ayn Rand. Ayn Rand has expressed her fondness for Malcolm Fraser. Obviously neither knows what the other is talking about.’⁶ As the New Right became stronger over the course of the government’s term in office and in the coming years, Malcolm Fraser came to be, as his biographer Patrick Weller puts it ‘the subject of a Liberal demonology’.⁷

This chapter, rather than dismissing the Fraser Government’s New Right turn as ‘mere rhetoric’ will examine the influence of New Right welfare ideology in the government at the time and the consequences arising from this. It will seek to illuminate the internal struggles between New Right advocates, traditional

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⁵ Ibid., p.260
conservatives and pragmatists and to give due weight to the New Right contribution to the Liberal Party. To these ends it will examine the spread of neo-liberal ideas through Treasury and the effect of this on government policy and discourse, while in addition examining the shift within the Liberal Party that came about from the mid-to-late 1970s, eventually culminating in the ‘dry’ faction that still dominates the party today. While acknowledging that Fraser’s New Right critics are in a sense correct, this chapter will argue that the ‘demonology’ has significantly overshadowed the very real influence that the New Right had on the Fraser Government’s welfare policy and discourse throughout the 1970s and early 80s, and for this reason a major shift within the Liberal Party has been chalked up as mere ‘hyperbole’.8

The Treasury
Those who claim (or complain) that the Fraser Government, in spite of its New Right rhetoric, never possessed a New Right agenda are mistaken. They underestimate the extent to which small government and anti-redistribution philosophies penetrated various sectors of the Fraser Government and the public service they relied upon for advice and action. Market liberalism had already penetrated some of the government’s most powerful preserves by the time the Fraser Government was elected to office in 1975. Perhaps of greatest importance was the shift to neo-liberalism among the government’s economic advisors and the Treasury itself.

From the moment that stagflation occurred in Australia, neo-conservatives and neo-liberals on the right increasingly argued that the economic crisis of the 1970s was actually caused by the very system that had been designed to prevent economic crises: Keynesianism. The New Right began to claim that Australian and overseas economists now supported an economic system in which the market became the primary regulator of income distribution, and that the shift in thinking had occurred as a result of ‘indisputable evidence’. However, most economists, in Australia at least, were still committed to Keynesianism at this time. As Simon Guttman has pointed out in his 2003 PhD thesis, 130 economists lent their support to the Keynesian economic policies that the Treasurer took into the 1974 election. Contrary to this, the Australian

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8 Henderson, *Menzies’ Child*, p.263
Treasury housed many market liberals.\(^9\) Greg Whitwell, whose work analyses the Treasury’s ideological shift from the mid 1950s to the 1980s has argued that from the mid-1970s onwards the ‘Treasury line’ came more and more to lay blame on government spending as the cause of stagflation that wracked the Australian economy. From this time onwards, Treasury embraced broad principles of neo-liberalism.

A strong relationship was forged between the Coalition and the Treasury during the first months of the Fraser Government. Phillip Lynch’s ministerial staffer at the time Ainsley Jolley claimed that ‘Treasury had a strong influence over the text of the government’s major economic statements, the cut backs in government spending and the decision to hold the exchange rate at a fixed level’.\(^10\) During this period, John Stone, a prominent neo-liberal and later a New Right activist, held a senior position within the Treasury as Deputy-Secretary from 1971-1979 and Secretary from 1979 until his resignation in 1984. Throughout the period in which the Fraser Government held power, Stone had a unique opportunity to influence the Prime Minister on a number of occasions. One such occasion occurred in 1978 when prior to the budget being handed down, Stone accompanied Fraser on a month-long trip around the northern hemisphere. Together they met with prominent neo-liberals such as the inflation conscious international financiers group as well as other New York financiers, many of whom regarded Stone as slightly ‘pink’.\(^11\)

While Stone was instrumental in the Treasury shift he was not primarily responsible for it.\(^12\) During the 1960s the economics departments at which many members of the Treasury had received an education were already teaching neo-classical economics under the hybridised title of ‘neo-classical synthesis’. This theoretical position essentially combined Hayek and Keynes.\(^13\) In addition, numerous officials had received an education in neo-liberal economics overseas as had their Reserve Bank counterparts. Key members of the Reserve Bank of Australia, a thoroughly monetarist organisation by 1975, also received their education at American institutions in which

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9. Simon Gutman, The Rise and Fall of Monetary Targeting, p.44
12. Cahill, p.275
the neo-classical synthesis or straight monetarism was taught. Among them, future leader of the Liberal Party John Hewson, completed a PhD in economics at Johns Hopkins University in Baltimore, a department whose right-wing leanings has earned it in excess of $8 million in funding from right-wing ‘philanthropy’ organisations since 1985.\textsuperscript{14} Hewson returned to take up a position with the Reserve Bank from which he advised Treasurers Lynch and Howard during the Fraser years.

Many Treasury officials, including the Secretary preceding Stone Sir Frederick Wheeler, had served at the World Bank and the IMF; two institutions that were among the first to make the transition to New Right economics.\textsuperscript{15} This education ensured an early and strong shift to neo-liberalism within the Treasury, but it took some years before it would influence the Federal Government. In fact, Treasury’s relationship with the Whitlam Government was acrimonious until the recession of 1974 opened the way for a temporary reconciliation.\textsuperscript{16} The 1975 election of the Fraser Government made for a far better working relationship. Under the Liberal Government, and on the back of a recession, Treasury ideas, more often than not, became government ideas.

Along with John Stone, a key neo-liberal upon whom the government relied was W. P. Hogan, professor of economics at Sydney University and economic advisor to Fraser and, from 1976, a member of the CIS. In 1973 Hogan was a fan of the mixed economy. He believed that the goal of government was to find a balance between the search for efficiency and the ‘widely held desire for equitable treatment of all members of the community’.\textsuperscript{17} Hogan’s view is typical of the period directly preceding the recession. Adherents of the neo-classical synthesis believed that government interventions such as those necessary for a regulated redistribution of income were to be tolerated in some cases, given the ‘imperfections of market

\textsuperscript{14}The University also has a number of centres, a hall and a residential college named after John M. Olin, or more accurately after his funding of them. The Olin Institute disbanded in 2005 but during its lifetime it aimed to provide ‘support for projects that reflect or are intended to strengthen the economic, political and cultural institutions upon which the American heritage of constitutional government and private enterprise is based.’ Media Transparency, ‘Grants to Johns Hopkins SAIS’, viewed 12 May, 2006, http://www.mediatransparency.org/recipientgrants.php?recipientID=183
\textsuperscript{15}Cahill, p.276
\textsuperscript{16}Patrick Weller and James Cutt, \textit{Treasury Control in Australia}, Ian Novak, Sydney, 1976, pp.24–26
\textsuperscript{17}Cited in Marian Simms, \textit{A Liberal Nation: the Liberal Party and Australian Politics}, Hale and Iremonger, Sydney, 1982, p.147 (original reference not provided)
behaviour’. Hogan also insisted that in a democratic society no other system would be tolerated. There were no calls to prune public expenditure or stem the practice of redistribution because the philosophy was essentially viewed as just or binding.\textsuperscript{18}

By 1975 the story had changed. Hogan, like many other economists within the government’s inner circle, came out to attack redistribution and the Whitlam Government’s economic practice in particular. His primary claim was that the redistribution of income was responsible for stagflation. This was totally contrary to Keynesianism, which worked on the theory that redistribution was needed to maintain the purchasing power of welfare recipients and low-income earners, which in turn would maintain a healthy level of demand within the economy. Instead, Hogan demanded that government get out of the economy and free private industry from government-imposed restraints. The market was declared the proper distributor of goods and incomes.\textsuperscript{19}

Like the American neo-conservatives, Hogan also saw danger in the competing ‘special interests’ with which government had to contend. In his opinion government should not have made itself appear responsible for the economic shortcomings of others. To illustrate, he drew comparisons between the overloaded government and the fable of \textit{Treasure Island}:

\begin{quote}
\textit{Squire Trelawney}, a pillar of provincial establishment, was as narrow in experience as he was ambitious for treasure. Despite his role as owner and sponsor of the expedition his blabbing about possible new treasure changed the basis of the expedition. His raising of expectations about future prospects increased the competition for berths in the ships company, led to changes in the recruitment of crew, and ensured instability in the claims upon the new treasure. [Emphasis in original]\textsuperscript{20}
\end{quote}

\textsuperscript{18} Ibid., p.147
\textsuperscript{19} Ibid., p.148
\textsuperscript{20} WP Hogan, ‘Whither the Australian Economy’, paper presented at the Australian Finance Conference, Canberra, 1975, p.10
Hogan advocated an overhaul of the taxation system in order to reduce claims on government resources and government control over the distribution of resources, a technique he saw as ‘hazardous to future economic stability’.\(^{21}\) He also advocated a restriction of the money supply.\(^{22}\)

In 1975, Hogan proposed monetarism and pruning back the welfare state as a remedy for the economic crisis, but by 1977 he had begun questioning welfare as a worthwhile goal, crisis or no crisis. Hogan began talking about substantial inequalities in income and wealth as an ideal stimulus to efficiency within the market place.\(^{23}\) In addition, he claimed that ‘the recent discussions of concepts such as “liberty”, “rights” and “justice”’, contained within the works of Nozick and Hayek in particular, ‘do much to queer the pitch of those arguing for greater equality on the basis of some collective measurement of incomes and their distribution.’\(^{24}\) Like Hayek, Hogan saw arguments for ‘liberty’ and ‘justice’ that incorporated ‘welfare rights’ as unfounded. Likewise, Hogan continued to chastise those who looked to government to solve their economic problems. By this stage he claimed that it was impossible to maintain a functioning economy and maintain a system of income redistribution. ‘The harsh discipline of economic management reflects the tiresome fact of not being able to have your cake and eat it too’.\(^{25}\) What had only ten years earlier been seen as an outdated and somewhat obscure theoretical position was now being declared ‘common sense’.

After a long period of conflict with the ALP, the appointment of Bill Hayden as Treasurer in June 1975 proved to be a fortunate turn for the Treasury, for the first time since the Whitlam Government was elected, the Budget was shaped along Treasury lines.\(^{26}\) New Right ideas were starting to appear within the rhetoric and action of the ALP. The demise of Jim Cairns’ credibility as Treasurer was helped along by media owners largely sympathetic to New Right economic approaches.\(^{27}\) Within the media,

\(^{21}\) Ibid., pp.5 and 3
\(^{22}\) Ibid., pp. 6 and 7
\(^{24}\) Ibid., p.18-19
\(^{25}\) Ibid., p.9
\(^{26}\) Weller and Cutt, p.26
\(^{27}\) See chapter 7 for more detail
Cairns came to be regarded as a symbol of Keynesianism and therefore as a symbol of outdated and ultimately damaging economics. Hayden’s 1975 Budget provides just one example of the government’s shift to a ‘fight inflation first’ approach. Hayden’s approach was to restrain government spending and maintain unemployment at its current high level in order to bring inflation down. He mirrored Friedman by claiming that unemployment below a ‘natural rate’ only accelerated inflation. During his Budget Speech Hayden also countered Keynes by claiming that deficits caused inflation.\(^{28}\) Treasury received the Budget warmly.\(^{29}\)

Five months later the Governor General removed the government from office. Its successor, the Fraser Government, embraced the Treasury and developed a strong working relationship with both Hogan and Stone. Since the economic crisis, members of the Liberal and Country Parties had been espousing the ideas of overseas New Right activists and calling for lower taxes and a vastly diminished welfare state. As we have seen earlier in this chapter, while in office, Malcolm Fraser claimed Ayn Rand as an influence and as his favourite author. Rand herself confirmed that he was a subscriber to her fortnightly publication *The Ayn Rand Letter*.\(^{30}\) In 1972 he declared that Rand should be required reading for all politicians.\(^{31}\) Members of the Australian New Right hoped for something big. They were disappointed. Although the government held a majority in both the House of Representatives and the Senate, it appeared very quickly that a New Right agenda would fail to transpire without some concerted action. The CIS, the IPA, the Chamber of Commerce and the Treasury all placed pressure upon the government to deliver on its rhetoric.

**The dries**

Some of the most effective pressure came from inside the party, in the form of a faction that would later come to be known as the ‘dries’. The dries were a persistent force in parliament. Their numbers were substantial and they spoke often. Their relationship with the front bench was such that they sometimes caused annoyance, constantly applying pressure for more reforms, and sometimes acted as a source of

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\(^{28}\) Hughes, *Exit Full Employment*, p.119 and chapter 9

\(^{29}\) Ibid., p.115


\(^{31}\) John Edwards, *Life wasn’t meant to be Easy*, Mayhem, Sydney, 1977, p.27
ideas for other ministers. As Treasurer, John Howard was particularly interested in their input. The issues on which they were most vocal included: tariff reform, taxation and welfare.32 John Hyde, one of the leading dries, described the faction during the Fraser years as ‘a counter-establishment loosely united by ideology, networks, a mutual support mechanism and a comprehensive economic view of the Australian disease’.33 From 1975 onwards, the loosely defined group of New Right LCP members gained strength and numbers. The Country/National Country Party was not short of support. Ray Braithwaite and Stephen Lusher identified as dries. The major force came from the Liberal Party. Jim Carlton, Peter Rae, John Hyde, Murray Sainsbury, Grant Chapman, David Hamer, Ross Maclean, Peter Shack, and the Minister for Business and Consumer Affairs, John Moore, were all dries.34

Although the dries gained more power during the 1980s they were not merely a minority group of backbench rebels. They were also part of an increasingly powerful extra-parliamentary New Right movement closing in on the Old Right. While frontbenchers expressed similar sentiments but remained pragmatic, the dries were closely allied with the Treasury and the Department of Finance, both of which offered advice and support throughout the Fraser years. As John Hyde notes:

Once the Dries in Parliament ‘came out’, good one-to-one advice on any issue was plentiful. Both solicited and unsolicited, it came from officials of the Treasury, Department of Finance, the Social Welfare Policy Secretariat, the Reserve Bank, the Industry Commission, some business economists and several academics. The officials respected state secrets but, if a matter was on the public record, we were sometimes alerted to it.35

In 1978 the dries received an added boost to their campaign. After reading the proceedings of the second seminar of the CIS, John Hyde was so impressed at the ‘liberality’ of what he read and the ‘competence with which the arguments were marshalled’ that he arranged to meet with Greg Lindsay. ‘I had by then decided that

32 Simms, p.161
33 Hyde, Dry, p.103
34 Simms, p.161
35 Hyde, Dry, p.108
the Government I sat behind was ducking the hard issues and I knew I needed to help people of a liberal persuasion’, Hyde later explained.36 Hyde’s diary recorded several meetings with Lindsay and other CIS members. By 1980, Hyde claimed that ‘the CIS and the Dries in the Federal Parliament regarded each other as effective allies in a common cause that had nothing to do with party politics’.37

The dries worked within their own parties to change opinion and legislation but their tactics were not always well thought out or particularly convincing. Meetings consisting of ‘economic literates’, organised by dry backbenchers, shut down counter-points, preferring silence to debate. At one meeting Senators John Watson and Michael Baume were howled down for disagreeing with Hyde’s statements on protection and taxation. Hyde claimed that the meetings were remarkably uniform in opinion. He preferred it that way.38 The public were subject to much less outwardly aggressive tactics. In later years Hyde claimed, in a book chapter called ‘Winning the Good Fight’, that he had used a particular strategy in order to put the message of small government to the people:

A cause can gain and maintain a degree of moral superiority by continually and publicly setting its policies in the context of values the public already holds – e.g. it is just, it is democratic, it will assist the poor and so on. Defence of the same policies in terms of efficiency or ideology will not be as readily accepted.39

The notion that a reduced welfare state would help the poor is one that may sound odd at first, yet it was (and is) a common tactic of neo-liberal anti-welfare-state proponents to couch welfare cuts in this language. ‘Those who are in the most need’ will benefit from a reduced welfare state through ‘targeting’ strategies and ‘waste reduction’, while those who are merely ‘dependent’ on ‘handouts’ will be forced to become independent. As part of his plan to ‘assist the poor’ Hyde pushed for the

36 Ibid., p.59
37 Ibid., p.70
38 Ibid., p.108
introduction of a ‘welfare loan’ system, which would require unemployment benefit recipients to pay back their benefit when they obtained a job.⁴⁰

Some dries were in positions of influence outside of their role as members of Parliament. Tasmanian Senator Peter Rae for example was Chairman of the Senate Committee and regularly appeared in Rupert Murdoch’s *The Australian* as a columnist. By 1981 the dries were becoming more organised. John Hyde, with the assistance of Jim Carlton, who the following year would become the Minister for Health, organised a meeting of like-minded MPs and other New Right figures. Hyde and Carlton were anxious that the group should have what he termed a ‘ruse’ handy should they be discovered and accused of trying to unseat the Prime Minister. Although Hyde had warned Fraser that he intended to ‘blackmail’ him into effecting New Right policy change, unseating him seemed only a remote concern considering that Fraser’s major contest for the position was Andrew Peacock and Peacock was equally unsympathetic to the dries.⁴¹ In the words of John Hyde, ‘Carlton’s strategy was brilliant’. The group would plan and consolidate its power while claiming ostensibly to discuss the book *Australia at the Crossroads*. According to Hyde, Michelle Grattan of *The Age* was the only journalist to become aware of the meeting. Hyde ‘disingenuously fobbed her off with a story about studying the *Crossroads* book’ and she not knowing who was to attend, did not follow her lead.⁴² While very few at the time appreciated the meeting’s significance, it was the most important formative experience for the parliamentary dries whose place within the New Right network was indelibly consolidated through the meetings.

The now infamous ‘Crossroads’ meeting brought dries together to develop a plan of concerted action. According to Hyde a number of important objectives were achieved by the meeting:

> It spelt out the economic problem for people who were focused on only part of it. It placed this within a political context and identified the means that the think tanks had long accepted by which policy gains

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⁴⁰ Hyde, *Dry*, p.113
⁴¹ Ibid., p.108
⁴² Ibid.
can be achieved. It established a network that extended into State and Federal Parliaments, business, the finance sector including the Reserve Bank, agriculture, the think-tanks, academia and the churches...It painted for all of us what Keating was to call ‘the big picture’. Henceforth, each policy skirmish would be part of the campaign.43

The meeting also led to the decision to set up a club of ‘market favouring’ Liberal and National Country Party parliamentarians, the Society of Modest Members. According to Hyde, ‘its purpose was to facilitate communication... and to give encouragement when the path was steep and lonely.’ It began with over 100 members.44 Several more Crossroads meetings occurred at which ‘details of tactics were refined’.45

The dries were not as rebellious as people give them credit for. Their agenda represented one side of an argument that was occurring within the LCP, but did not represent its totality. The dries were far less patient than their allies whose rhetoric supported the dry campaign but whose actions remained somewhat piecemeal.

**New Right rhetoric in the Liberal and Country Parties**

In 1975 Fraser outlined his ‘National goals and objectives’ at the Australian and New Zealand Association for the Advancement of Science (ANZAAS) conference. He declared Keynes dead and spoke of Keynesian economics as ‘history’. This ‘history’ had left the economy in a mess. It was never to be repeated. Fraser spoke of people who looked to this past Keynesian age. He termed those people ‘romantics’, in essence, unrealistic and lacking in ‘common sense’. He also referred to Keynesian economics as a ‘sop to our conscience’. Conscience defined in this manner would have to be put aside or redefined in favour of realism.46

One of the most effective arguments put forward was that Keynes had been right, but only in a specific context, namely the Depression. Once the Depression subsided Keynesian economics became intrusive and unnecessary. The market could once

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43 Ibid., p.109
44 Ibid.
45 Ibid.
again resume its rightful place as the distributor of incomes and services. On top of its supposed ‘irrelevance’ Keynesianism was also announced as the cause of the 1974–5 recession, a discursive strategy shared by proponents of New Right economics all over the world. Fraser represented one among many LCP members when he stated:

It is an ironical but tragic circumstance that Keynesian economics, wrongly interpreted and hence applied is now the cause of the greater part of our current ills. Keynes wrote at a time of Depression and unemployment. He wrote to cure the social and economic ills of his day. He wrote at a time of acute lack of demand and of massive unemployment. He legitimised deficit financing in the circumstances of the 1930s as a means of creating demand and employment. If Keynes were writing today he would propound different remedies. [Emphasis in original]47

Those who used this discourse must have known that the ALP was not essentially practicing Keynesianism when the recession hit. Rather than ‘pump priming’ by running a deficit, the Whitlam Government actually recorded a surplus of $211 million in the 1973-4 period.48 For this reason, Keynesianism could not have been the cause of the recession. It is simply the case that at an international level Keynesian demand management had failed to ward off the recession. The purpose of this discourse was to cement New Right economics as the only alternative to the recession. If a discursive dichotomy could be formed in which people had to choose between the defunct and ‘evidently’ dangerous Keynes and a New Right alternative, then this would form an integral part of the New Right hegemonic project. In the words of Stuart Hall: ‘The claims in the economic arena are not that “monetarism works” but that there is “no alternative”’.49

Once the LCP had been elected in December of the same year, the rhetorical assassination of Keynes continued. Three months after the December election, the Minister for Finance, Phillip Lynch, gave a ministerial statement on the economy and

47 Fraser, ‘National Objectives’, pp.26–27
48 Hughes, ‘The Economy’, p.16
49 Hall, ‘Toad in the Garden’, p.41
economic policy. In it he stated that government spending would be cut back and that anyone who disapproved was using 'outdated' economics.

To some, cutting back on government spending and the deficit seems paradoxical; we hear it argued that it will not contribute to economic recovery but, on the contrary, will simply serve to depress activity still further. In today's world that orthodox 'keynesianism', in my judgement and in the judgement of the Government, is no longer appropriate; on the contrary, it is hopelessly outdated.50

Lynch not only declared Keynes outdated, he claimed that the government's chosen course had the authority of world opinion behind it, and therefore was the only option. 'The world' had rejected Keynes and Australia would be wrong to fight the trend. The IMF, the United States and even 'the home of Keynesianism', the United Kingdom, had all rejected big government. It was time Australia did the same.51 Australians had no alternative but to show restraint and sacrifice where they had been accustomed to receiving from the state. Hence forth, the provision of welfare would be 'judged rigorously on the principle of need'. The exact meaning of need as defined by the government was never clearly spelt out.

Unlike the Treasury, who had very little need for such a tactic, the government presented its New Right agenda in popular terms, appealing to values thought to be already present within society. The main methods by which this was achieved had already been tested in Britain and the USA. The LCP actively sought to represent 'big government' as 'big brother', an evil and intrusive bureaucracy that limited the freedom and 'liberty' of citizens. This idea was very much in keeping with the libertarian philosophies of Ayn Rand, Friedrich von Hayek, Milton Friedman and Robert Nozick. In addition, anti-bureaucratic sentiment was popularised through the use of a new-class discourse that had been popular among American neo-conservatives since the late 60s. The taxpayer was represented as the supreme bearer of rights and the redistribution process as an affront to those rights.

50 Phillip Lynch, MP, House of Representatives Parliamentary Debates, 4 March 1976, p.577
51 Ibid., and Phillip Lynch, MP, Address by the Treasurer, the Hon. Phillip Lynch, MP, to the Financial Times Conference, media release, Sydney, 13 October, 1976
New ways of thinking about the state and about rights and justice were an integral part of the popularisation of a new economic ‘common sense’. These concepts were commonplace among the think tanks, but the government’s ability to reach more people and to popularise the philosophies of Friedman, Rand, Nozick and Hayek, far surpassed the abilities of the think tanks. The terms in which these philosophies were expressed were intended to connect with feelings of financial stress among low to middle income earners, especially given the effects of the recession. The new economic common sense was therefore accompanied by a legitimising philosophical common sense, which sought to redefine contested notions such as ‘rights’ and ‘justice’ and to replace the social with the individual. By placing the rights of the taxpayer at the apex, claims for welfare rights could be declared to be ill-founded and illegitimate, mainly because ‘property rights’ as defined by libertarian philosophy could not exist in conjunction with welfare rights.\(^ {52} \)

Most members of the government followed a neo-conservative as opposed to a libertarian line on taxation. This meant that while it was agreed that government should still collect and spend taxes, it was also agreed that the process should accord with the wishes of ‘the people’. More often than not the wishes of the people coincided with the wishes of the parliamentarians promoting them. This meant that rhetoric on taxpayers’ rights coincided with and supported government policy. In a parliamentary debate in March 1976, Senator Kathryn Martin claimed, while discussing unemployment benefit:

There is no doubt at all that there was enormous resentment in our society, and there still is, towards people who claim that they do not have to work but that those who do have to work should keep them as well... We have a responsibility to them [taxpayers] as the people who fund the operations of government, to ensure that the basic democratic process, that is the right of the taxpayer and the right of the voter to direct how their money will be spent, is safeguarded.\(^ {53} \)

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\(^ {53} \) Senator Kathryn Martin, Senate Debates, 18 March 1976, p.637
Minister for Social Security, Senator Guilfoyle, expressed a similar view to the Australian Institute of Directors in April 1976 when she claimed that ‘the extent of distribution judged desirable is a matter of community choice’ and that ‘the question of “who wins and who loses” must be viewed in the light of community discontent’.54 At other times, members of the LCP invoked libertarian discourse to support policy. Robert Nozick’s characterisation of taxation as theft in his book Anarchy, State and Utopia played an important role in the promotion of a small state agenda during parliamentary debate. Liberal member for Petrie John Hodges likened the receipt of dole money to shoplifting and encouraged each taxpayer to view him or herself as a victim of crime.55

LCP members also advocated a shift away from government responsibility in the area of resource allocation. Like Hayek, and others who drew upon him, they claimed that Keynesianism had created ‘unrealistic expectations’ of what governments could do and that it was time to shift more of the load to the market. In an address to the Stanford Research Institute in Sydney during 1976, Fraser insisted that:

Over a long period governments...aroused excessive expectations about future incomes, and about the rights to future incomes divorced from the responsibility to work. The progress by which governments have fuelled unrealistic expectations and squeezed out enterprise and opportunity must end.56

During the same year the Governor General in outlining the government’s programme, urged a larger role for the ‘voluntary welfare’ sector, to pick up the government’s slack.57

Around this time too LCP members began to use ‘socialism’ as short hand for Keynesianism. This reflected techniques used by the New Right in America to bring

54 Senator Margaret Guilfoyle, ‘Economics and Social Security—Who Pays?’, Speech to the 6th National conference of the Australian Institute of Directors, Wentworth Hotel, Sydney, 1 April 1976, p.15
55 John Hodges, MP, House of Representatives Parliamentary Debates, 30 March 1976, p.1125
56 Address by the Prime Minister, Malcolm Fraser, to the Stanford Research Institute – Sydney 15 Nov 1976, N136/99 Major Speeches and Statements, IPA Archives, Noel Butlin Archives Centre.
57 Governor General’s speech, House of Representatives Parliamentary Debates, 25 Feb 1976, p.303
Old Right Cold War crusaders over to the cause. While outlining the difference between a socialist and a liberal, Fraser stated that ‘the socialist will turn to government-sponsored solutions while the liberal asks, “can individuals solve it for themselves, can the government create the climate in which that can happen?”’

Senator Douglas Scott of the National Country Party claimed in 1978 that ‘socialism’ had been the cause of unemployment. It had encouraged people to demand entitlements under circumstances of financial strain. Incorporating supply-side economics into his argument, he claimed:

Unemployment is in no small measure the legacy of its creator. I believe and most Australians now believe that basically the creator of unemployment has been the leaden hand of socialism. The refusal to work and to grab opportunity has led a significant number of Australians into a state of mind in which they assume that the state is there merely to provide. As I said earlier in my remarks, the state can only provide what it takes from the people. The more it takes from the people the less is their incentive to get on with the job of production.

For some, the word ‘socialism’ conjured up ideas of a controlling and aggressive state that invaded the rights of its citizens. Others had to be told outright that this had been occurring under the Keynesian welfare state. At the Hobart Press Club in 1976, Malcolm Fraser claimed that the costs of demanding more from government were ‘liberty, diversity and ultimately self respect’. He added that:

Throughout the Western World there has been a fundamental reappraisal of the course that has been taken. The path of rising taxation, expanding bureaucracy[,] growing regulation and centralisation of power is no longer seen as the path to a better life—it is more clearly seen now for what it is: the path to a 1984 kind of

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58 Fraser, ‘National Objectives’, p.24
59 Senator Douglas Scott, Governor General’s Speech Address-in-Reply, Senate Debates, 2 March 1978, p.302
society... That is why, for example, in the welfare area we are stressing reforms...[emphases in original]  

The Coalition and new-class discourse

During the recession and increasingly in its aftermath, the government also began using another popular New Right discourse that had emerged from the neo-conservative movement in the United States and particularly from prominent New Right activists such as Irving Kristol and Norman Podhoretz. This discourse, later termed ‘new-class’ discourse, invoked an image of an elite ‘new class’ of welfare bureaucrats and middle-class intellectuals whose purpose in supporting the ‘social justice industry’ was purely self motivated. The ‘new class’, therefore, wasted taxpayers’ property in a fashion that did not benefit the economically disadvantaged. Their main object, according to proponents of the discourse, was career advancement and institutional power. Victorian backbencher Neil Brown articulated this when in 1978 he stated:

We have become so preoccupied with the need for social welfare and support of one means or another that we find now that there is virtually a social welfare establishment. Like all establishments, it is concerned to entrench itself to increase the number of clients who are dependent on it and to expand the proportion of resources over which it has control. Like all establishments, it reacts with outrage if any suggestion is made to limit the boundaries of its empire. We have now given such an impetus to the social welfare establishment that we run the risk of encouraging a dependent mentality.  

This discourse enabled its proponents to claim that welfare did not help ‘the people’ in fact it hindered the people. ‘The people’ did not want middle-class elites ‘interfering’ in their lives. The new class were out of touch with what ‘the people’ wanted. In contrast, the LCP claimed to speak on behalf of the people, vocalising their desire for lower taxes, a decreased welfare state and ‘less interference’ in their lives.

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60 Prime Minister Malcolm Fraser to Hobart Press Club, 27 Oct 1976, Major Speeches and Statements, IPA Archive, Noel Butlin Archives Centre, N136/99  
Remarkably, the people’s wishes mirrored the New Right’s vision for economic recovery. In Fraser’s ‘National Objectives’ speech in 1975, under the heading ‘Solution to Crisis’ he claimed that ‘In our society individuals will not tolerate and ought not to tolerate vast increases in government’s right to direct how their incomes will be spent.’ He added that if the current distribution of resources were deemed to be acceptable by the people ‘they would not be making such vigorous claims to increase the real value of their take home incomes’. In saying this Fraser drew a discursive line between those who promoted social services and those who desired more take-home pay. Essentially, the latter were probably the highest users of social services and welfare payments, but to choose more take-home pay over social services became synonymous with being ‘one of the people’. Those who chose social services were obviously ‘bludgers’ or part of the ‘new class’.

LCP members began to find opposition to welfare and to the new class among all sorts of ‘average Australians’ just as Kristol and Podhoretz had found among ‘average Americans’. Not only did this serve to promote anti-welfare identification among the working classes who were always identified with the label of ‘average American’ or ‘average Australian’, it also served to separate disgruntled Old Left Democrats and ALP supporters from parties that had changed their focus quite markedly over the previous decade, particularly under Lyndon Johnson and Gough Whitlam.

While making a claim against the Labor Party and the new class, the New Right sought to attach itself to the traditional Labor Party constituency by representing itself as the true defender of the worker. This was a strategy engaged in by the American New Right both in the promotion of new-class discourse and in the promotion of taxpayers’ rights. As Chapter 1 has stated, the development of this strategy arose for the most part not from the new-class discourse developing within the New Right in the US but from the work of two American Democrats hoping to revive their own Party. The Real Majority, written by Richard M. Scammon and Ben J. Wattenberg claimed that the key to winning a majority of voters lay in defining them. The average American according to the authors, had mixed views about race and civil rights, was fearful of crime and most importantly ‘had always voted with her pocket book’.  

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62 Scammon and Wattenberg, The Real Majority, p.63
New Right adapted the profile to ensure that it included resentment towards the beneficiaries of the ‘average American pocketbook’, that is, government employees and welfare recipients.

Members of the Fraser Government adopted this New Right strategy and language without necessarily identifying fully with a New Right agenda. Essentially it could be adopted by anyone wishing to separate ‘taxpayers’ from welfare recipients in order to gain support for policy decisions. Its effectiveness during a time of recession lay in the fact that it provided a plausible scapegoat for the economic pressures felt by ‘average Australians’. Senator Peter Rae, a parliamentary ‘dry’ waiting for the term to be coined, articulated the rhetorical divide when he claimed in 1978:

I think one of our troubles in Australia at the moment is that to quite an extent we are suffering from a hardening of the compassion artery as a result of the constant twitching of the hip pocket nerve as people have been required to pay more and more to cover the cost of compassionate action. I was intrigued during the recent election campaign, while in the field for some three weeks meeting hundreds of people in factories, timber mills, shops, pubs and other places that the one matter that was raised constantly by the average person was his concern about unemployment. But it was not a concern for the unemployed; it was a concern for the amount of money it was costing the country to support people whom they regarded as not wanting to work.63

Conclusion

The discursive shift itself was of great importance to the future of welfare in Australia, and on this score Fraser claims to have ‘achieved a total revolution in the economic debate’ with his speechwriter David Kemp claiming that the government ‘administered a crushing intellectual defeat to “democratic socialism” and its objective of bigger government’.64 This discursive shift also in its own way directly influenced welfare policy making, as Chapter 7 of this thesis will reveal. But just as it

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63 Senator Peter Rae, Senate Debates, 23 Feb 1978, p.102
64 Cited in Richardson, p.226
is important to regard this discursive shift within the party as a major breakthrough for
the New Right it is also important to recognise the very real shift in ideology and
policy that was occurring around Fraser; in his own party as the parliamentary ‘dries’
coalesced and gathered strength after 1980, and among Fraser’s economic advisors
including those within the Treasury. Zealous New Right advocates therefore held
sway within the government’s closest circle, and those outside of it such as the
antagonistic ‘dries’ functioned as a powerful lobby group and as a threat, particularly
as their alliance with John Howard strengthened.

Evidence of just how far this shift has taken the Liberal Party is Fraser’s refusal over
the last decade or so to take responsibility for his government’s ‘failure’ to implement
the New Right agenda. When quizzed on the subject by Gerard Henderson he claimed
that it was in fact his advisors and ministers who restrained him. It was their ‘fault’.
Fraser told Henderson that he had urged Margaret Thatcher to learn from his
‘mistake’, advising her: ‘You’ve got to get in quickly before your ministers believe
your political opponent’s programs are their own programs. And so go in with a broad
axe. Don’t go in with a tomahawk...She’d been warned when I hadn’t been
warned.’ 65 This comment should be regarded less as an actual reflection of Fraser’s
goals while in government and more as a reflection of the almost complete dominance
of these goals within the Liberal Party by 1991, the year in which the interview was
conducted and in which the Liberal Party Leader John Hewson released his strongly
neo-liberal Fightback! package.

The Fraser Government was an effective vehicle for the New Right. It forged strong
connections with government institutions into which US-educated New Right
advocates flooded in the early 1970s, strengthening the conversion of these institutes.
The government’s discursive attention to tax cuts and a reduced welfare state also
encouraged New Right activists to put forward their ideas and to expect results, and
when these results were not forthcoming, to begin the ideological shift from the
inside. While ‘the Fraser Government’ as an entity cannot be regarded as New Right,
Fraser himself regarded its contribution to the economic debate within Australia as

65 Henderson, p.257
transformative. And as this chapter and Chapter 7 argue, his analysis is, in many respects, right.

So far this thesis has examined the growth of New Right ideas in Australia. It has in particular been keen to point out the effects of the American New Right in this respect. The following chapters will examine the ways in which the Australian New Right popularised neo-liberal and neo-conservative welfare ideology for an Australian audience. The next chapter will highlight a particular discursive strategy identified by Antonio Gramsci as a key component of hegemonic projects and used by the New Right in Australia. Nationalism, or national character discourse, helped the New Right to construct meaningful anti-welfare discourses that would incorporate the knowledge and existing discourses of Australians. They were however problematic. As the next chapter will show, dole-bludger discourses that incorporated ideas about Australian national character and nationalism were not easy to negotiate. In keeping with Gramsci’s theory, their success or lack thereof lay in their ability to articulate the real lived experience of Australian people.

66 Richardson, p.226
Anti-redistribution. Pro-Australia!
The Workers Party, the economic right and Australian national character

For a hegemonic project to have any success on a national level it must appear as the accumulation of 'national-popular' collective will. Antonio Gramsci claimed that while hegemonic projects must necessarily be international in outlook and interact with the ideas and strategies of other nations, the application of the project to a particular country must incorporate aspects of the 'national culture' and assume a 'national character'. If a particular project is to assume a 'national character' it must develop a vernacular language. Thus I have examined in the previous chapters the international frame within which the Australian New Right hegemonic project was constructed. This chapter and the following will examine attempts to 'Australianise' New Right anti-redistribution agendas.

This chapter will examine Australian-national-character rhetoric and its application to the differing redistribution agendas within and between the Workers Party, and the Coalition. It will argue that the promotion of redistribution policy invoked entrenched national character discourses that incorporated anti-authoritarianism, anti-intellectualism, egalitarianism and the Australian as 'worker'. Finally, this chapter will argue that although national-character and popular-interest rhetoric is malleable, there are always a number of versions in play to which competing discourses must conform. In addition, national-character rhetoric must not deviate too far as to be totally removed from the way in which people see their own lives.

1 Gramsci, pp.130–31
Antonio Gramsci has argued that within political institutions class struggle often takes the form of an ideological struggle to define the national or popular interest. Rival claims to this effect represent conflict within and between classes. The rhetorical application of these notions reflects a constant renewal and accommodation of relationships between classes. Rival claims to define the national character are part of this political process. In the words of Gramscian Marxist Ernesto Laclau:

Every class struggles at the ideological level simultaneously, as a class and as a people, or rather, tries to give coherence to its ideological discourse by presenting its class objectives as the consummation of popular objectives.²

An advocate attempts to gain legitimacy for an economic policy by shifting cognitive frames. As a main component of this project, the advocate aims to achieve consent through the use of legitimating symbols and representations, popular mythologies and promised rewards. However, an advocate has a very restricted space within which to move. Previous rival claims have struggled to achieve acceptance for many years and have already made their mark. When attempting to gain acceptance for a new economic agenda, an advocate must reuse and redefine national character mythologies already in play. These have been previously shaped by all sides of politics and are therefore reasonably malleable. While drawing upon and developing existing national-character rhetoric, an advocate must also present a version of the national character that appears to be open to interpretation. One with which a wide range of people can identify. This makes the object of gaining a workable degree of consent somewhat easier and enables the advocate to claim with some plausibility that their particular interests are those of the society at large.³

The Australian character was defined and utilised in many different ways by the economic right during the mid-1970s. Many of these differing versions can be directly related back to the policies they were used to promote. The advent of a party totally opposed to redistribution of any kind, coupled with changing redistribution agendas

³ Gramsci, p.182
amid an increasingly neo-liberal coalition, provide us with the perfect testing ground for the use of Australian-national-character rhetoric. Within the Liberal and Country Parties alone, differing approaches to redistribution policy meant that a truly ‘Australian’ economic redistribution, one in which the ‘Australian character’ would be reflected, was contested. For the Workers Party, redistribution of any kind came to be represented as the antithesis of the Australian national character.

The formation of the Workers Party

On the Saturday night of Australia Day long weekend, 1975, friends, supporters and invited others made their way to the Eastern side of Circular Quay. There inside the Opera House, poised to celebrate the beginning of a potential economic rebellion, were the members of Australia’s newest political party. Against the backdrop of the Harbour, with the bridge in sight, John ‘Singo’ Singleton and a young economic libertarian by the name of Bob Howard, declared the Workers Party officially launched.\(^4\) Twelve days later the party began a series of regular public meetings at the Koala Motor Inn on Oxford Square. A crowd of 130 attended. They were told, among other things, that the Workers Party could be relied upon to tell the ‘truth’ about Australia. This truth consisted of assertions that taxpayers were being ‘ripped off’, that Australia was ‘stuffed’, that ‘human leeches, parasites, no-hopers and bludgers’ were sucking the country dry, and that the ‘good guys’, the true Aussies, were being taken for a ride.\(^5\)

In the weeks that followed the Australia Day launch, newspaper headlines declared the party ocker and uncouth. John Singleton was given unflattering nicknames such as ‘the prince of ockerdom’ and ‘John Simpleton’.\(^6\) More favourable articles described him as ‘very Australian looking’ and, on more than one occasion, compared him to Paul Hogan. Others declared that he was ‘just the sort [of Australian] that you would recognise overseas’.\(^7\) The party was never mentioned without reference to its Australianness, assumed or otherwise. From this vantage, members of the Workers Party were able to declare themselves fit to judge their own policies as truly

\(^6\) Johnson, ‘White Knight’
\(^7\) Ailsa Craig, ‘John Singleton: He Believes in the Workers Party (Otherwise he wouldn’t do this Commercial)’, Woman’s Day, April 21 1975, pp.43, 45, 48
Australian. The job of convincing others looked relatively easy. John Laws and Channel Ten provided assistance in this matter. In 1976 Bob Howard was given a weekly five-minute slot on Ten's *Family Circle* during which time he was able to raise issues of concern for the 'average Australian'. His party connections were never revealed. Likewise John Laws agreed to 'use party material supplied to him on a regular basis which promotes party philosophy without identifying it as such.'

Unlike Laws, the print media did not provide favourable comment. Workers Party press releases were used as dartboards in more than one newspaper office. Those throwing the darts were divided into two camps; reporters who loathed the party's uncouth Australianisms and declared the party unfit for political life for this reason, and reporters who believed the party's Australianisms were part of an elaborate hoax to win the support of the battler. Those in the latter camp set about to expose the party as 'elite', and therefore less Australian than supposed. Those in the former camp dwelt upon Singleton's attire and asserted love of beer. Neither questioned the version of Australian national character that was put forward by the party. In fact it was assumed that the party did represent the true Australian character, though either falsely or a little too well.

Somewhere a little further to the left, members of the LCP made their own claims about the Australian national character. In the midst of a Whitlam descent, pushed along by the 'failure' of Keynesian economics, prominent members of the Coalition, together with the Treasury, were calling for a new economic programme. Those who called for the changes cited welfare recipients as an affliction upon 'the nation'. They claimed that the system of redistribution had led to the erosion of the 'Australian way of life'. An economic programme reflecting the Australian virtues of hard work, independence and support for the nation's primary and secondary industries would restore the Australian way. To maintain the existing system of redistribution would ultimately mean death for the true Australian character.

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8 Outline of Proposed Functions of Publicity and PR for the Workers Party in NSW 1976, Records of the Workers Party (Australia), National Library of Australia, MS9818/3
9 Christine Maher to NSW State Assembly of Workers Party RE: PR Activities Past and Present June 15, 1976, Records of the Workers Party (Australia), National Library of Australia, MS9818/3
Anti-authoritarianism

The Workers Party, the Liberal Party and the Country Party frequently asserted that Australians, by their very nature, were anti-authoritarian. For the Liberal and Country Parties, however, anti-authoritarianism was an adaptable concept, to be used or discarded depending upon the policy. Under some circumstances, such as those related to issues of 'law and order' anti-authoritarianism was absent and the 'will of the people' was more likely to reflect the Australian desire for safety and justice. Discussions concerning welfare reform, on the other hand, often used anti-authoritarianism as a defining feature of the Australian national character. When applied for the purposes of anti-redistribution rhetoric, this simply meant that Australians, by their very nature, would not tolerate unwelcome government interference in the direction of their resources.

The key word here is 'unwelcome'. Both the Liberal and Country parties claimed that the Australian people welcomed certain types of redistribution, while other types did not reflect 'the will of the people'. In particular, 'dole bludgers' were singled out as the 'unworthy' recipients of redistribution, while farmers, small business people and an undefined category of recipients called 'the truly needy', were chosen as rightful recipients by 'the will of the people'. This type of redistribution, though not sparking the 'anti-authoritarian' nature of the people, was said to stem from the Australian national character. The concept of 'mateship', with its consequent notions of egalitarianism and a 'fair go', was invoked to support these redistribution policies.

Members of the Country Party, in particular, focused upon the farmer and the small business owner as the rightful recipient of help. This help could be delivered in the form of assistance to industry or welfare payments to individuals. Bruce Lloyd was the most vocal proponent of welfare payments to individual out-of-work farmers. He believed that farmers were not being given a 'fair go' by social security officers. He also claimed that the exclusion of farmers and small business people from unemployment benefits based on property ownership, constituted an injustice.\footnote{Bruce Lloyd, MP, \textit{House of Representatives, Parliamentary Debates}, 28 September 1978, p.1540} Alexander MacKenzie emphasised the point by claiming that rural unemployment should be contrasted against other less serious welfare cases. While claiming that the
Leader of the Opposition was not serious about rural unemployment he asked: ‘Why should other more needy people in the community be penalised when single parents are living in de facto relationships, often both being supported by the welfare dollar?’

Assistance to rural industry was also seen as justified based on the idea that Australians would ‘get their money back’. The assistance would be repaid through productivity, which would in turn benefit the nation as a whole. In reference to the superphosphate bounty which had come under attack from the Whitlam Government in 1975, the Liberal member for Forrest, Peter Drummond, reminded Australians that

The rural industries of Australia are certainly not a drag on the taxpayer. One has to remember the contribution that the rural industries of Australia make to our export income and also the amount of money which flows through the community.

According to Drummond, the rural industry should inspire Australians to give because ‘one can see that the rural producer is more than pulling his weight within the community’. Queensland Country Party member, Percival Millar agreed: ‘Where is the thought on the future productivity of Australia... Where is the great Australian concept of a fair go?’ Other deserving groups were pensioners, who had, through a long life of labour, already given to the nation, and ‘those most in need’. Although ‘those most in need’ were never really defined, they were often placed in opposition to ‘dole bludgers’ who, by cheating the system, were not exhibiting ‘mateship’ toward ‘those most in need’ or toward ‘average Australians’. Redistribution that did not arise from the ‘will of the people’ constituted an act against the Australian national character.

The concept of mateship, and in particular the absence of any visible relations of mateship between ‘dole bludgers’ and ‘average Australians’, could also be used in

13 Ibid.
support of anti-redistribution agendas. Mateship, when defined by socialist writers in the 1930s, 40s and 50s, represented the 'camaraderie of the battlers'. It was something that did not exist in the relations between workers and employers or between members of the ruling class. Socialist writers Ralph Gibson and Russel Ward saw these relations as being predicated upon greedy, grabby and underhanded ethics. It was essentially seen as 'un-mately' to appropriate a portion of the rightful earnings of a worker. The image then lent itself to an idea that mates didn't grab from their mates. Ralph Gibson in 1951 claimed that: 'Socialism has its roots in Australia's past. The idea of working together, instead of grabbing from each other, the idea of mateship, goes back in our history'.

When used in this context 'mateship' is clearly intended to promote a class-based version of Australian national character where 'workers', as opposed to 'non-workers', exhibit the true Australian national character. The fact that mateship promotes solidarity instead of individualism at first seems problematic for anti-redistribution rhetoric. However, there are components of the concept that can quite easily be utilised by anti-redistribution advocates. Most obvious is the notion that the full value of a worker's labour is rightfully his. Mates do not grab from mates. Secondly, while mates help their mates, it does not seem acceptable for mates to force mates to help them. This would, in fact, be 'un-mately'. These two aspects of the concept came to be used frequently when describing welfare recipients as people who 'cheat on their mates'. Liberal Senator Shirley Walters, used this negative version of mateship when she stated:

There have been a lot of reports lately about our government being anti-dole-bludgers. This is true. Our government is opposed not only to those who cheat on unemployment benefit but also to those in the community who cheat their fellow man in Australia.

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16 Senator Shirley Walters, *Senate Debates*, 16 March 1977, p.204
Country Party member Alexander MacKenzie expressed a similar line claiming that, much to his distress, the old Australian way of refusing to be a burden on one’s fellow man had disappeared.

Our national spirit and identity and endeavour appear to be waning...It has been said on many occasions that we as Australians are an ‘I am alright Jack’ nation. I believe that a new dimension can now be added to that. We can say ‘if I am not alright Jack, you have got to bail me out’. Jack, of course, means the Government, the taxpayer, the employer or our fellow Australians — anybody but ourselves.\textsuperscript{17}

In this statement, the idea of asking for help almost proves that one should not receive it. Those who possess the ‘national spirit, identity and endeavour’ are not those who ask for help. Mateship has not only been appropriated but turned inside out to promote a discourse of self-reliance.

While the welfare agendas of the Liberal and Country Parties called upon Australian national character mythologies to support the idea of ‘good’ and ‘bad’ redistribution, the Workers Party claimed that all redistribution was the antithesis of Australian national character. According to John Singleton and the Workers Party, mateship meant ‘leaving people alone to achieve what they want’.\textsuperscript{18} Redistribution of any kind was contrary to mateship because it constituted theft. It also constituted an act of aggression perpetrated against the individual by the state. Therefore, no redistribution could accord with ‘the will of the people’ as ‘the people’ were, under all circumstances, entirely individualist and anti-authoritarian by nature. In addition, Singleton claimed that all plans for redistribution should be subject to a people’s referendum. This would ‘prove’ that ‘the people’ rejected such plans and, as a result, the government would have to reduce its programmes to comply with ‘the people’s wishes’.\textsuperscript{19}

\textsuperscript{17} Alexander MacKenzie, MP, \textit{House of Representatives, Parliamentary Debates}, 9 March 1977, p.31
\textsuperscript{18} Douglas Aiton, ‘John Singleton: An Ocker Come of Age’, \textit{The Age}, 3 December 1976, p.8
Concepts of Australian individualism and anti-authoritarianism were used to support most Workers Party policy. The party claimed that taxation was the greatest affront to the anti-authoritarian national character and that any calls for the redistribution of 'stolen money' in the name of 'the public good' were not justified. South Australian Workers Party member, John Algirdas Ludwig Leonardo Pocius, called upon all Australians to boycott taxation in the name of 'the nation':

I will not pay my income tax and am prepared to pay the consequences. Enough has been paid by me in all other kinds of taxes. I will publish an open letter to this effect in "the Advertiser" on June 4. If I get away with it we will have the rebirth of a nation. Goodbye subsidies, doles, bounties, assistances! Welcome enterprise and hard work!²⁰

In response to this, some not-very-well-attended anti-tax rallies were held in Rundle Mall.²¹

For the Workers Party, anti-authoritarianism could also be used to support individualist social policies. In an A to Z book of political musings entitled *Rip Van Australia*, John Singleton and Bob Howard claimed that 'democracy is inherently immoral...Majority vote is now being used to distribute privilege and enforce conformity on all Australians' and

The law must be used for its proper function — to protect individual rights. Not to slowly strangle and smother all voluntary human activity. There ought to be a law against it — a great big law called non-interference.²²

Members of the Workers Party were committed to both economic and social libertarianism. As such, the 'will of the people' and the national character were often

²¹ Anon., '“Tax Revolt” in Rundle Mall', *Workers Party Bulletin (SA)*, no. 18, August 1978
used to support policies such as the legalisation of illicit drugs and pornography, and laws against conscription. The Workers Party constitution, for example, promised: ‘The repeal of all laws restricting or controlling the production, transportation, sale, possession or use of any food supplement or drug.’

This type of thinking was not common in the major right-wing parties, even among those who were becoming committed to the idea of a smaller state. Like mateship, anti-authoritarianism was an adaptable feature of the people’s will. It could be reinterpreted or subsumed depending upon the policy. For members of the Liberal and Country Party, anti-authoritarianism could only be deployed against interventionist economic policy. The presence of moral and social conservatism within both parties forbade it from being used as a support for social policy.

Anti-authoritarianism is a theme that has been consistently utilised throughout past Australian-national-character rhetoric. The use of the Eureka Stockade as a defining moment for the Australian national character is indicative of this. Both the left and the right have focused upon the anti-authoritarianism exhibited by the insurgents. Likewise popular literature that sets out to describe the national character often focuses upon anti-authoritarianism as a major theme. Donald Horne claimed that ‘Generally, authority is despised. Politicians and government officials are distrusted and police are often hated.’ In a slightly different take on Australian anti-authoritarianism, Craig McGregor wrote that ‘the Australian suburbanite is probably freer from the stifling pressure of social authoritarianism than any other city dweller in history’. The implication of references to anti-authoritarianism is that the Australian is only free to live in his or her natural state when he or she is free from oppressive direction and constraint. It is therefore an obvious choice for someone wanting to discredit a form of redistribution. Taxation and ‘big government’ become the ties that bind and prevent the Australian from reaching his or her ‘natural state’. In the words of Malcolm Fraser:

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In our society, individuals will not tolerate and ought not to tolerate vast increases in government’s right to direct how their incomes will be spent. The evidence for this is plain. If people were prepared to accept this changed distribution of resources they would not be making such vigorous claims to increase the real value of their take home income.\textsuperscript{26}

On many occasions, members of the Liberal Party were keen to present a particular kind of populist anti-authoritarian language themselves and to present this as a display of empathy with ‘the people’s’ desires and aspirations. Many claimed that those deciding how money should be spent were not fit to do so. ‘The people’ possessed more ‘common sense’ than government. Therefore, government should return economic initiative to ‘the people’. The Liberal member for Diamond Valley, Neil Brown, used words to this effect:

So often government decisions and legislation proceed on the assumption that all wisdom rests in the government and that the government can best determine what is good for the people, and particularly can determine the best way in which their money should be spent. That has always seemed to me to be a very strange assumption to make because in many cases those doing the directing and the regulating are not involved in what they are controlling and regulating and have had no experience of it at all.\textsuperscript{27}

In a similar vein, Malcolm Fraser told the Hobart Press Club that:

It will always be possible to point to problems where more government spending could help. What needs to be kept much more clearly in view than in the past is that people tend to know their own needs much more clearly than government ever can.\textsuperscript{28}

\textsuperscript{26} Fraser, ‘National Objectives’, p.29
\textsuperscript{27} Neil Brown, MP, House of Representatives, Parliamentary Debates, 8 March 1978, p.557
\textsuperscript{28} Prime Minister’s Address to the Hobart Press Club, 27 October 1976, Records of the Institute of Public Affairs, Noel Butlin Archives, N136/99
This language also tapped into the rhetorical construction of ‘the people’ as far more valuable thinkers than the authorities. ‘The people’ were presented as being ‘grounded in reality’ and therefore more capable of directing their own money than authorities could ever be. In light of such a fact ‘the people’ should therefore cease to regard government provision as natural.

As previously noted, anti-authoritarianism was an extremely malleable feature of the Australian national character. Anti-redistribution rhetoric could also be supported by the idea of a strong state and a ‘national fervour’, invariably spurred by government action. Rhetoric supporting work for low wages as a substitute for benefits often utilised this Australian ‘authoritarian’ concept. Conservative rhetoric within both the major right-wing parties tended to focus upon the need for a strong state to support a coming together of the ‘national energies’. This meant that rather than allowing people to receive welfare benefits, the government should force them to work. This would get the country back on track and truly reflect the ‘Australian way of life’. Alexander Mackenzie reflected this version of the Australian national character when he implied that Australians should regard themselves as employees of one big company.29 In a similar call to the ‘national energies’, Liberal member for Bradfield, David Connolly, insisted that

If this country is to work itself out of the present extremely serious economic malaise we need the full cooperation of every Australian citizen at all levels of the Australian economy. That simply means that we cannot tolerate a rate of unemployment of 300 000 people. Every opportunity must be taken to ensure that figure is reduced by reasonable government action and ensure that those who remain unemployed are truly those who require the maximum degree of government assistance.30

Unlike the Workers Party, most members of the Liberal and Country Parties encouraged the idea of a national community imbued with particular characteristics. They often termed this ‘Australian society’. With the possible exception of the soon to

30 David Connolly, MP, House of Representatives, Parliamentary Debates, 30 March 1976, p.1115
be termed ‘dries’, very few within the LCP saw total individualism as a desired or achievable goal. The Workers Party believed solely in the individual and denied the existence of anything resembling a ‘nation’. In fact, its members claimed that the concept of ‘the nation’ was used to coerce individuals into doing what the state wanted them to do. The Liberal and Country Parties focused upon ‘unwelcome’ redistribution as an affront to the nation and the individual, and called upon all patriots to support the government’s welfare reforms. Most of these calls to patriots identified undesired redistribution as a threat to Australian society. Alexander Mackenzie believed that a welfare ‘disease’ had entered Australian society and was slowly destroying it. While in 1975, Malcolm Fraser’s famous ‘National Objectives’ speech claimed under a heading ‘solution to crisis’:

There is a tendency for governments because they have ready access to financial resources, to suggest that all problems can be solved by the expenditure of dollars. Such a government encourages the worst in society. It creates a selfish community. It promotes a cynical and evil philosophy which cannot be sustained, that will only lead to the destruction of the society which practices it. Governments must again learn how to say no.

Egalitarianism, anti-intellectualism and the new class of elites
All three parties exhibited strains of anti-elitism within this discourse. The Liberal and Country parties used the discursive tools of conservatism to hark back to the Australia of old and lament its loss in the face of growing ‘new-class intellectualism’. This new-class intellectualism, it was said, denigrated the common sense and wisdom of ordinary Australians. The Workers Party, likewise, eschewed a ‘new class’ of powerful bureaucrats whose job it was to ‘shuffle paper’ and remove personal will from the individual. All three parties claimed that these intellectuals exhibited no real knowledge or expertise that could not be gained in ‘the school of hard knocks’. Their ‘expert’ opinions were a mere reflection of ‘elitism’ and of Whitlam’s overblown welfare state.

32 Fraser, ‘National Objectives’, p.30
In making these claims, the Workers Party and the two major right-wing parties reconstructed a version of the ‘new-class discourse’ described in previous chapters. Primarily stemming from the work of neo-conservatives such as Irving Kristol and Norman Podhoretz, the discourse spoke of ‘the ‘betrayal’ of the national interest by university-educated elites with a liberal and cosmopolitan agenda’ as Marian Sawer and Barry Hindess have pointed out in their 2004 book *Us and Them*.\textsuperscript{33} It represented this new class of elites as contemptuous of ‘average Australians’ and of the ‘common sense’ that they possess. It also represented the ‘new class’ as having a vested career interest in the growth of government. This, it was claimed, led to the implementation of more and more ‘outrageous’ and inefficient social justice schemes. As I have already noted in the introduction to this thesis, new-class discourse is not generally regarded as having been present in 1970s Australia. An examination of the anti-redistribution rhetoric of these three Parties, however, reveals its early formation.\textsuperscript{34}

Like Kristol and Podhoretz the LCP drew upon conservative traditionalist discourses to claim that the national values had been eroded by the ‘new class’ and by welfare expansion. The two major right-wing parties claimed that in the good old days there had existed an Australia in which the common sense and endeavour of the average Australian was celebrated. This Australian society existed before the present one, though its time and exact location was never specified. At times it existed in the pioneer spirit that, according to Alexander Mackenzie of the National Country Party, was in desperate need of ‘rekindling’; a mission that could be achieved through a realisation of our economic future:

> We must realise in which direction our future lies, both strategically and economically, in the world. In my view, we need a confirmation of our national identity. We need a rekindling of the Australian spirit which has carried us through recession and prosperity[,] war and peace, conflict and consensus.\textsuperscript{35}

\textsuperscript{33} Sawer and Hindess (eds), p.2
\textsuperscript{34} Chapter 6 will examine its popularisation through the 1977 ‘tax revolt’ campaign run by Rupert Murdoch’s national daily newspaper *The Australian*.
Others claimed that it had existed in 'old fashioned ideas' of some period before the Whitlam Government, which had, through its focus on education and expansion of the bureaucracy, created a society that shunned the working class, the producers, and the average Australians. The Whitlam Government's policies had, according to the Liberal member for Evans John Abel, been 'aimed at changing the whole social attitude and the Australian way of life'.\textsuperscript{36} Efforts to rediscover the Australian way of life would involve the reduction of 'handouts' and the 'elitism' they fostered.

An important part of this discourse lay in the claim that the new class had eroded the traditional Australian virtue of egalitarianism. The discourse claimed that the driving force of the 'class' was to gain more and more power over the ordinary Australian and to do so through its own expansion. Individual members of the class were regarded as 'rent seekers' who through providing more welfare schemes for a society ultimately opposed to them, ensured his or her own career advancement. They therefore consciously engaged in class division. Those who supported the current redistribution policies, including the Labor Party, welfare workers and welfare recipients themselves, were part of a 'social welfare establishment'.\textsuperscript{37}

The new class, it was said, has also modelled themselves as a cultural elite. They did not engage in the activities enjoyed by 'all other Aussies', believing instead their own pastimes superior to those of average Australians. According to John Singleton, for example, elites were known to 'sip sherry and have a sit down dinner with cultured conversation' whereas he, an average Australian, 'would rather have a beer and a barbeque...That's the way most Australians like it'.\textsuperscript{38} By locating class within culture the Workers Party therefore encouraged an identification of individualism with egalitarianism. This virtue of the Australian national character, it was said, could not be found within redistribution. Redistribution advocates were themselves anti-egalitarian.

Liberal member for Eden-Monaro Murray Sainsbury claimed to support these 'maligned' Australians against the elitists:

\textsuperscript{36} John Abel, MP, \textit{House of Representatives, Parliamentary Debates}, 31 May 1977, p.2189
\textsuperscript{38} Elizabeth Riddell, '...Otherwise I wouldn't do these commercials', \textit{Australian Men's Vogue}, May/June, 1977, pp.48-50
The class-conscious society was created to a great extent in recent years by the Whitlam Government. It believed that people were better if they earned more money or if they had a better formal education. I believe that the present Government is getting away from that and moving towards a day when Australians will be measured on the merits of how much they produce and how much they try and help other people in society.  

This common discourse constructed the 'new class' of intelligentsia as the opposite of average Australians. The new class was neither productive nor in any way helpful to other people in society. They did not help the poor with their welfare schemes, which were mostly ill conceived and unnecessary. Their opinions could not be regarded as legitimate. John Sullivan of the Country Party asserted that in this the new class were at odds with the community and that 'as a community we still firmly support and encourage the work ethic, despite some of the attacks mounted on it by certain sections of the intelligentsia, sections probably more accurately described as the pseudo intelligentsia.' In contrast, 'common sense' existed outside of government and bureaucracy. It could not be gained in educational facilities.

This discourse of anti-intellectualism stems back much further than its use within an anti-redistribution frame. Both the left and the right have claimed anti-intellectualism as an inherent part of the Australian National Character. Donald Horne's *Lucky Country*, the best-known 'examination' of the Australian National Character, claims that 'it has been the Australian style to deny the intellect' and '[t]he demand for mindlessness can be so pervasive that able men deliberately stumble around with the rest less they appear too clever, and therefore too 'impractical'.' Horne, a right-wing Andersonian and frequent writer for *Quadrant*, was in the 1960s one of the main proponents of 'new-class' discourse in its pre-New-Right form. His attacks on university-based intellectuals in the 1960s were a harbinger of the 1970s and the

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41 Horne, p.215 and 47
discrediting of university-educated ‘elites’. In *The Lucky Country* Horne for example claims:

Some academics consort with businessmen and some with politicians or government officials, but the attitudes of most to practical affairs reveal the frustrations of the social fragmentation so strong in Australia. Often the academics’ discussion on public affairs is no better informed than anyone else’s: where it is better informed, as with economists, it is sometimes not thought out thoroughly enough to be intelligible to an educated audience. There is a very strong sense of difference, and of moral superiority.\(^{42}\)

In the following decade, New Right anti-redistribution discourse lamented the expansion of university-educated elites, along with their impracticality, illegitimate moral superiority and false knowledge, into the welfare state. No longer did Australia’s intellectuals look down on ‘average Australians’ from their ivory towers within Universities, their shift to the public service meant that they now interfered in the lives of average Australians from whom they were so far removed. In their calls to wind back the welfare state, all three parties were keen to place themselves in opposition to these ‘intellectual elites’.

The Workers Party often stressed its disregard for the new class by emphasising the lack of education among its own ranks. Singleton recalled for reporters stories of his failures at university. Among these stories was one in which he failed the advertising section of his economics paper. These stories enabled Singleton to disassociate himself from his university degree while simultaneously discrediting the expert knowledge of university intellectuals; they did not possess the common sense that he did. That was why he failed within the institution and they succeeded. Instead Singleton claimed that the average Australian, through experience in the world, knew more than the cloistered intellectual. ‘I realised how irrelevant [university] was. I think you can learn more about anything by doing things. The old apprenticeship

\(^{42}\) Ibid., p.207
system.  Singleton also claimed to have not read any books, except for Ayn Rand. As the public face of the party, Singleton’s education in ‘the world’ superseded the formal educations of its other influential members such as its President Dr John Whiting, its co-founder engineer Bob Howard (who, according to the blurb on the back of Rip Van Australia, did half a PhD before deciding ‘there were better things to do’) and its major researcher, ANU-educated economist Mark Tier. The views of the party could be presented as having arisen from ‘common sense’ alone.

Ultimately attempts to popularise libertarianism and infuse it with the ‘Australian National Character’ meant that the Workers Party had to reconstruct as ‘anti-intellectualism’ a philosophy that had been regarded as peripheral intellectualism in its Andersonian days. Singleton believed in anti-intellectualism as a marketing strategy. A protégé within the advertising industry claimed that one of the most important lessons he had learnt from Singleton was ‘never to write cleverly because most people aren’t clever and everyone is wary of clever people anyway’. Strategies employed by the Liberal and Country parties differed from the Workers Party. The two major right-wing parties did not claim to lack formal education but to defend the interests of those that did against the elite. Instead they put forward their own ‘experts’, trained within the ‘rational’ sciences such as economics, to discredit the ‘soft’ intellectuals within the welfare sector. International economists such as Milton Friedman and Friedrich Hayek were evoked as rational thinkers more in tune with the lived experience of average Australians. The use of Friedman as ‘expert’ increased after his visit to Australia in 1975 and seemed confirmed by his receipt of the Nobel Prize for Economics in 1976. Friedman’s expert opinions were referred to as ‘proved in this country’ through the ‘bitter fact of experience’. Other ‘experts’ existed within Australian New Right economic think tanks such as the IPA and the CIS, and within the ACCA, an organisation whose laissez-faire social Darwinism had existed even during the height of Keynesianism. These people all existed outside of the government sector and could therefore be constructed as ‘separate’ from new-

43 Craig, p.43
44 Ibid.
47 See chapter two for a fuller examination of the ACCA and its economic and social philosophy.
class intellectuals. More so, their place within the ‘real world’ (the market) meant that they could not be regarded as ‘rent seekers’. Their ideological position could therefore be presented as based on ‘real fact’. The Liberal and Country Parties therefore manoeuvred their discourse to claim that Australians were not inherently anti-intellectual. In fact the common sense possessed by average Australians led them to accept legitimate intellectuals and disregarded others.

Another charge levelled against the ‘new class’ of elites was that they did not support the values of average Australians. It was claimed that the new class rejected the traditional Australian family and contributed to the breakdown of family values through the implementation of welfare schemes. As noted in previous chapters, rhetorical links between welfare and family breakdown had been popularised in America by neo-conservative sociologist and assistant-secretary to the Department of Labor, Daniel P Moynihan. Moynihan’s book *The Negro Family: The Case for National Action* claimed that an expansion of welfare had resulted in an abandonment of the traditional family structure among black Americans. Nostalgia for an Australia of old where breadwinners ‘had a responsibility to their families’ and ‘liked to leave their families well catered for’ informed much of the conservative anti-redistribution discourse of the government. In the new Australia, ruled by the new class, Australian families were no longer revered. Single parent benefits, in particular, were blamed for a rise in the rate of divorce, especially among Indigenous families. By contributing to a breakdown of family values, the new class could also be blamed for undermining the goal of assimilation and for enhancing division within society.

Despite its nature as a radical organisation, the Workers Party also invoked a discourse of traditional family structure to support its anti-redistribution agenda. This discourse was far less successful. Rather than constructing an ‘Australia of old’ through which Australians could interpret their own lived experience of the past, the Workers Party called for a return to the family structure of ‘village society’ in which

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50 Senator Shirley Walters, *Senate Debates*, 16 March 1977, p.204
51 Anon., ‘Welfare system pay flaws ruin blacks’, *The Australian*, 1 December, 1975, p.3
those with no earning capacity would be looked after by friends and family (combined with some private welfare insurance) and all others would fend for themselves.\textsuperscript{52} This must have seemed a frightening prospect. While conservatives within the Liberal and Country Parties constructed their anti-redistribution agenda as belonging to an Australia that everyone knew and loved, the Workers Party harked back to a traditional family structure of centuries past. Australians could not identify with this version of the family nor were they asked to.

Instead of promoting Australian values such as the family, it was claimed that the elites used their position to ‘whinge’ about Australia and to promote ‘trendy’ and ‘fleeting’ causes. In making this claim, the Fraser Government and the Workers Party employed an early version of the discourse of ‘political correctness’.\textsuperscript{53} One Workers Party badge, designed to mock the social justice claims of the left read: ‘Keep land rights for gay unemployed whales in the ground’. An advertisement for the badge suggested: ‘when you become bored with the issues involved, turn the button over and use it for a mini-pavlova or pizza tray’.\textsuperscript{54} In Malcolm Fraser’s ‘Electorate Talk’ of 1978, ‘average Australians’ and their free enterprise values were contrasted with those who promote the ‘politics of despair’.

Mr Hayden is advocating the progressive destruction of free enterprise in this country—death by inches for the Australian economy. They are sad and sorry policies, out of touch with Australian aspirations—out of touch with reality. They demonstrate again—in the starkest terms—that Labor no longer represents the working men and women of this nation... The knockers and whingers will be left lamenting...

\textsuperscript{52} Singleton with Howard, p.272

\textsuperscript{53} Discourses that identify ‘political correctness’ as an ‘elite’ value have been identified as a product of Hansonism and the Howard era: See for example, Pal Ahluwalia and Greg McCarthy, “‘Political Correctness’: Pauline Hanson and the Construction of Australian Identity”, Australian Journal of Public Administration, vol 57, no3, September 1998, pp.79-85; C Greenfield and P Williams “‘Howardism’ and the Media Rhetoric of ‘Battlers’ Vs ‘Elites’, Southern Review, vol 34, no 1, 2001, pp.32–44

\textsuperscript{54} Advertisement: Keep Land Rights for Gay Unemployed Whales in the Ground”, Workers Party Bulletin (Adelaide), no 24, Dec 1979
Australians have demonstrated very plainly that they reject the politics of despair and discontent.\(^55\)

**Average Australians as workers**

As well as defining what ‘the people’ and ‘Australian society’ wanted, it was common within this rhetoric to define ‘the people’ themselves. By defining ‘average Australians’ in a way that separated them from ‘undesirable’ welfare recipients, such as ‘dole bludgers’, anti-redistribution rhetoric could essentially deem the latter ‘unAustralian’. Within all three parties, anti-redistribution advocates set about to define the Australian as ‘worker’ in opposition to an unAustralian ‘non-worker’.

Almost all Australian-national-character rhetoric places work at the centre of Australian life. The work-centric Australian national character has wide appeal because it glorifies and gives legitimacy to economic struggle. Part of its strength lay in the fact that it is under-defined, however one defining feature within anti-redistribution rhetoric is the presence of a wage. It is therefore the breadwinner-worker that is most often conjured, while women working within the home are subsumed as part of the worker’s family. When used by the right, the work-centric Australian does not possess features such as being the subject of exploitation by employers. Rather, he or she possesses a number of other characteristics. Those with a claim to be Australian workers do not accept what is not earned. They ‘struggle in the face of adversity’ and overcome obstacles by individual effort.

All workers, accordingly, are regarded as ‘nation builders’. Left-wing radical nationalists have supported this rhetoric by applying it to the outback itinerant-worker and the convict, primarily to show that the real ‘nation builder’ is the working class, with whom their employers share none of the glory. The work-centric Australian national character is therefore firmly entrenched within the rhetoric of the Left and the Right, but is defined rather differently depending upon the economic agenda of the advocate. Either way, the prevalence of the work-centric Australian national character

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\(^{55}\) Malcolm Fraser, Electorate Talk, 19 November 1978, media release, Records of the IPA, Major Speeches and Statements, Noel Butlin Archives Centre, N136/100
places the ‘non-worker’ on the outside and provides the perfect vehicle for anti-redistribution claims.\textsuperscript{56}

According to John Singleton, all average Australians were workers and all workers were average Australians. The two could not be separated. The Workers Party’s very name therefore suggests a desire to claim the party as the true representative of the Australian people. Singleton claimed that the name had been chosen for this reason. The party, he said, wanted to attract ‘the Australian people’ to the libertarian cause and to sever all ties between the worker and ‘Socialist Marxist ideologies’ such as the welfare state.\textsuperscript{57}

The Workers Party put a great deal of effort into defining the average Australian worker. Election pamphlets claimed that workers consisted of:

Men and women who want to provide for themselves and their families with their own efforts, people who want to stand on their own two feet and keep their self-respect, men and women who want to work a little harder to get ahead, [and] people who want to save for security in the future.\textsuperscript{58}

The party actively excluded anyone on welfare from membership of average Australia. ‘Average Australian workers’ were told that welfare recipients had been elevated to the position of first-class citizens under the Labor Party’s economic policies. Workers were referred to as ‘underdogs’ and were told that they had been sidelined in favour of ‘a few unfortunates’.\textsuperscript{59} According to the Workers Party, average Australians did not need the welfare state. They possessed a national character in which hard work played a central role. By their very nature, workers were more than capable of looking after their own affairs. In April of 1975, John Singleton told the readers of \textit{Woman’s Day}:

\textsuperscript{56} John Docker, \textit{In a Critical Condition: Reading Australian Literature}, Penguin Books, Ringwood, 1984, p.15
\textsuperscript{58} ‘Give the Good Guys a Break Vote 1 Hugh Frazer Workers Party’, Hills By-Election October 1976, Records of the Workers Party (Australia), National Library Archives, MS9818/6
\textsuperscript{59} \textit{Ibid.}
If people were all dumb, bone-lazy, selfish, and had no ability to think for themselves you'd need this all-powerful state. But if you believe, as I do, that people are clever, hard-working, good guys, you don't need it at all.60

Anyone claiming otherwise was a ‘non-worker’.

In addition to defining ‘the people’ as workers, members of the party were anxious to prove that they were also ‘average Australian workers’. Despite the party consisting of more than its fair share of millionaires, a fact pointed to frequently in the print media, a redefinition of the term ‘worker’ made this claim possible. Election material often carried the slogan ‘we are the honest workers of Australia’.61 Under the new definition the name could be applied to ‘those who really do work’. The full list of those specified ran: employees, managers, executives, and business owners. According to the party these people ‘are equally all workers whose interests are common and inseparable’ [emphasis added].62 Those interests were: less tax, less government and more freedom.

Members of the Liberal Party, on the other hand, focused upon the blue-collar worker as the embodiment of the Australian national character and as the victim of redistribution. The party made no visible attempt to integrate business elites into the category of ‘worker’. Rather than claiming that workers and managers were essentially the same, the Liberal Party claimed that employers, for different reasons, shared the workers’ concerns about redistribution. Wealthy figures, such as those specifically identified as ‘workers’ by the Workers Party, disappeared from view. The battle, Australians were told, was one being fought between ‘average Australian workers’ and ‘welfare bludgers’.

‘Average Australian workers’ were presented as the instigators of calls to curb redistribution. Bruce Lloyd of the Country Party claimed that:

60 Craig, p.48
62 ‘Why Call it the Workers Party’, February 1977
Most of the complaints, in my area at least, come from the ordinary working person. He is fed up because after he finishes his day’s work and goes down to the pub at night, he finds somebody who has a spurious welfare claim and has been at the pub all day. It may be that the person abusing the system is the next-door neighbour such as a de facto claiming benefits incorrectly. It may be a person who is claiming unemployment benefit while he is working or it may be a person who is claiming multiple benefits. These ordinary people are wild because it is their taxes that are being squandered.63

While using similar rhetorical devices to the Workers Party, the LCP were doing something quite different. They were claiming to represent the average working man without claiming to be him. This made their rhetoric somewhat more convincing but also removed the emphasis from what the party wanted and placed it entirely upon ‘the will of the people’.

In addition to the claim that they were the true representatives of working Australians, the LCP focused a great deal of attention upon discrediting the Labor Party’s claim to this title. Like the Workers Party, the LCP made claims that the ‘average Australian worker’ had been relegated to the bottom rung of society. Under the Labor Party’s redistribution schemes, it was claimed that welfare recipients themselves formed part of ‘the elite’. Alongside them were those who registered their opposition to the views and agendas of average Australians and their parliamentary representatives. This meant anyone who supported the current income redistribution policies.

The inclusion of the unemployed among the ‘elite’ is based almost entirely upon their ability to engage in leisure. For this reason, the unemployed were often referred to as the ‘leisure class’. Essentially, by placing this new leisure class next to the work-centric Australian, the LCP were emphasising the lack of national character among welfare recipients and thus reinforcing the claim that workers were the true owners of national character. What seems difficult to reconcile here is the fact that leisure is, and

63 Bruce Lloyd, MP, House of Representatives, Parliamentary Debates, 31 May 1979, p.2743
has always been, variously regarded as an essential part of the national character. Russel Ward for example has defined the ‘typical Australian’ as a man who ‘though capable of great exertion in an emergency, normally feels no impulse to work hard without a good cause’. Donald Horne gave this impression in his bestselling book *The Lucky Country* when he claimed ‘on an Australian beach on a hot summer day people doze in the sun or shoot the breakers like Hawaiian princes on pre-missionary Waikiki’. In another passage, Horne declares that Australians are the best in the world at cutting down hours of work and increasing holidays, and that they are largely inimical to the desire for excellence. In fact, the typical Australian, as he or she is presented in most popular literature, favours lifestyle over hard work.

What makes an anti-leisure rhetoric work, however, is the fact that *unearned* leisure has always been seen as an affront to the worker. This is especially true when one considers representations of the economic elite as a leisure class who gain unearned leisure at the expense of the labourer. In LCP anti-redistribution rhetoric the economic elite was removed from scrutiny. By denouncing unearned leisure among welfare recipients, the coalition was able to use a familiar rhetorical device while changing the actors to fit its own economic programme.

The use of an anti-leisure rhetoric also provided another chance for the Coalition to reassert its position as the representatives of the workers. By supporting a ‘leisure elite’, the Labor Party had abandoned its support for the average Australian worker. In March 1976, Senator Kathryn Martin made this claim:

> As I recall my history and political science lessons, one of the bases of the Labor movement was an objection to the fact that the leisure class of times gone by was the wealthy class and that those who were born wealthy or who had acquired wealth along the way at the expense of the aforementioned worker in fact could indulge in leisure. We seem to have had the contrary thesis given to us now. Whereas before there was an objection to the idea of the nobility or wealthy class being a

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64 Ward, pp.1–2  
65 Horne, p.21  
66 Ibid, p.220
leisured class, it is being proposed now that there is nothing wrong with money being given to people as a means of subsistence, nothing at all wrong with whether they make any sort of contribution or are absolute parasites in society, as long as they are not noble or well-bred.... Those same charges can be made now against the sort of person who will sit down and say: 'No I don't want to work. I don't want to contribute to society, however, I want society to keep me'.

The Workers Party underestimated the importance of this rhetoric and failed to reinterpret the worker/leisure-class dichotomy. Instead, they aimed to convince voters that leisure and luxury were signs of independence, a quality possessed by all true Australian workers. Therefore, anyone seen to be indulging in a lavish lifestyle could be regarded as even more Australian than those who did not. John Singleton cited himself and Lang Hancock as perfect examples of his point. By focusing upon the wealthy as the embodiment of the average Australian worker, Singleton provided a radical redefinition of the 'average Australian' and 'worker', one that was perhaps too radical for his audience.

By over-defining the term, the party also left itself open to criticism from sections of the media. Those who believed that the party was faking its Australianisms in order to attract votes from 'battlers', used the inclusion of millionaires and entrepreneurs under the label 'average Australia' to discredit the party. *The National Times* in particular, printed stories characterising the party as elite and by all definitions an affront to the 'average Australian worker'. When describing a meeting of party members, the newspaper's reporter, Glennys Bell, wrote:

A safari-suited Dr Yuile was there. Several elegantly goateed men were there. One even proffered a definition of the Workers Party person: 'I don't think there is anyone here who doesn't belong to the entrepreneurial class, one way or the other' thus establishing a new class line in the egalitarian Australian society... The women were lissom, chic and well groomed. The men were peripheral O'Connell

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68 Johnson; Craig
Street country. There was a cerebral sprinkling of economist types and trendy academics... It was a ritzy group, a sort of rack-of-lamb and riesling equivalent of the barbeque-and-burgundy Australia Party set.  

The Sydney Morning Herald took a similar line when interviewing Workers Party candidate and polo champion Sinclair Hill:

Although Sinclair Hill constantly claims to be ‘just a farmer’, he is perfectly at home in a cocktail setting, having once entertained the Duke of Edinburgh at his family’s 150,000-acre property at Willow Tree.  

Likewise, Woman’s Day refused to describe the party members as ‘workers’ instead referring to them as ‘new young trendy elites’. Lenore Nicklin of The Sydney Morning Herald suggested the party might better be termed ‘The Bosses Party’.

Conclusion

The Australian national character and the people’s will appeared in many different guises during the redistribution debates of the mid-to-late-1970s. While some aspects of existing national-character rhetoric were adopted with slight variation, others were turned inside out to match the redistribution policies of the advocate. The ‘will of the people’, which ultimately rested upon the natural impulses of the Australian character, was applied likewise. In the process, new discursive cleavages were constructed between ‘average Australian workers’ and unAustralian welfare recipients. Not all of these discursive cleavages were successful.

By concentrating a great deal of effort upon defining the worker and the average Australian, the Workers Party came unstuck. It deviated too far from Australian national character mythologies that were already in play in order to fully accommodate its redistribution agenda. By explicitly including millionaires among

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71 Craig  
72 Nicklin, ‘Introducing the new Workers Party’
‘average Australians’, the party alienated those who felt different, or opposed, to economic elites. By claiming that lavish lifestyle represented the true Australian spirit of independence, the party failed in its efforts to attach an agenda to those who saw their lives as an economic struggle.

The LCP, in providing a vague and under-defined ‘average Australian’ could present a far more acceptable version of the national character. This meant that members of the Coalition forged a more convincing link between their audience and their redistribution agendas. While almost anyone could identify with the ‘average Australian’ employed by members of the Coalition, the under-defined nature of the concept meant that there was very little chance of bumping into one’s enemies within the category. One’s enemies were on the outside, in the form of undeserving welfare recipients.

The following chapter will examine the ‘Australianisation’ of New Right anti-redistribution discourse within the popular media. It will seek to identify the methods by which media texts articulated the real, lived experience of their Australian audience within a New Right anti-redistribution frame, while at the same time incorporating the ideologies and agendas of proprietors, editors and journalists. In addition to the current chapter, it will further explore the construction of ‘new-class’ discourse, and its ‘nationalisation’, as part of the anti-redistribution frame of the 1970s. As the major purveyors of New Right discourse in Australia, an examination of the role of the media is vital to our understanding of how the New Right project was ‘nationalised’.