

THE HON WAYNE SWAN MP

Acting Prime Minister

Treasurer

THE JOHN BUTTON LECTURE

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LAND OF HOPE AND DREAMS

*** CHECK AGAINST DELIVERY ***

One of the aspects of my job I enjoy most is speaking to different parts of our community about so many different facets of our economy. In roughly eight years in the Treasury portfolio I've made hundreds of speeches on economic topics, which is of course no great surprise particularly given the white-knuckle ride the global economy has been through in recent times.

But tonight I want to do things a bit differently. Tonight I want to talk to you in a very personal way about some of the values that have underpinned these speeches and about some of the influences that have shaped those values. In particular I want to talk to you about the ends of economic policy: what sort of society we want, and the sorts of lives we each aspire to lead.

To answer those questions we need to broaden our debates beyond the usual parameters of economic argument and policy-making. Most importantly, we need to talk about culture. Because it is culture perhaps more than anything else which influences our values, which in turn shape the type of society we want to build and the sorts of lives we want to lead.

The late, great John Button would have understood this. John Button was a lawyer and a politician, but at heart he was a literary man. He once wrote: "I wanted to be a writer. Other things happened. My life went in different directions." His inspirations came not from great economists like John Maynard Keynes, but from great writers, such as George Orwell, in whose footsteps he once wanted to follow. John actually managed to become a writer after he left politics in 1993, and devoted himself to story-telling, autobiography and sharp, prize-winning essays about the Labor Party.

Our inclination is perhaps to say something like: "despite his literary bent he played an important role in the great economic changes of the 1980s and 1990s." I think that's wrong. It was precisely because he had wider interests, and because he was profoundly interested in literature, the arts and culture more generally, that he was able to put economics to work for the betterment of the country and play a huge role in the modernisation of the Australian Labor Party in the early 1970s.

So tonight, to honour the example of John Button, not many statistics, but lots of talk about culture. For John Button, the inspiration was literature. For me it was and remains music. My direct involvement in politics began when I joined the University of Queensland Labor Club in May of that tumultuous year of 1974. It was my third year of university and the time of the double dissolution election that Gough Whitlam fought and won.

I was young, just 21 years old. Through 1974 and '75 when I became the President of the University of Queensland Labor Club, I lived in a university-owned house down the road from the campus. As you can guess, it was both Labor Party Central and party central rolled into one. A five-bedroom bungalow, with double doors onto a front patio where, when the party revved up, we turned the stereo up to eleven. We treated the neighbours to some great music until the very early hours. Imagine, lying in bed, being lullabied to sleep by Derek and the Dominos performing the great guitar and piano rock anthem "Layla". Or Bob Dylan, before and after he picked up his electric guitar. British bands like The Who – in their 60s and 70s incarnations. But most of all, Bruce Springsteen.

I nominate "The Boss" not in any way to dismiss Australian music. There are few bigger fans of Cold Chisel than me. And in fact there's a good pub argument to be had about who is a superior poet of working class life, Bruce Springsteen or the Chisels' chief songwriter Don Walker. Or which is the best

political band, the E-Street Band or Peter Garrett's Midnight Oil. But the Boss was and remains my musical hero. And not just mine. He's the favourite musician of the Prime Minister and many other members of the Government. This is no surprise. Of course, there's the extraordinary quality of his music, after decades in the business. But it's much more than that.

Like Springsteen, I and many caucus members came from working class families, and got the chances our equally talented brothers, sisters and friends often never got, after watching our parents being denied the opportunities in life that their talents deserved. The Prime Minister has spoken movingly about her father, who escaped going down a coal mine but never had the chance to get the university education he wanted. Our forebears were the sorts of people that a previous generation of political artists like Woody Guthrie had written about: war veterans, farmers who came to grief in the great depression, cane cutters, mechanics... Labor activists... people like my own grandfather, who was gassed and wounded in the First World War and who went to his grave far too young.

Like many of our generation, we became politically active at university – but in a different way to those who came from I suppose more comfortable backgrounds. We wanted change in the society we saw around us, but our life experiences meant we never let our feet get too far off the ground. We remembered our parents and families; we remembered the kitchen table concerns of working people; we became 'bread and butter idealists' and we joined the ALP.

We are in many ways the Springsteen Generation. And if our generation has an anthem it is Born to Run. That great song, with its soaring lyrics and amazing sax solo by Clarence Clemons, appeared on the Boss' third – and in my opinion best – album, also titled Born to Run. I think I've got it in all its forms – vinyl, cassette, CD and on my iPod. Born to Run was released as a single in August 1975, and it's the song we listened to during the Dismissal in November of that year and the bitter election campaign that followed. The song has never left me.

I've stopped doing it now, but, as my wife reminds me, I had a habit for a long time of dancing to it at parties – very badly, with no rhythm at all. I still crank it up loud on Budget night and after our family dinner parties. It's about trying to stay young when the carefree days of youth were coming to an end. Perhaps that's why it stuck with us. It's a song about realising that big and daunting responsibilities are just around the corner.

But it's also a song about a way of life that was just starting to disappear. Post-war expansion had delivered enormous benefits to the American working class. Rising living standards. Big cars. Upward mobility. But in 1975 that was starting to unravel. The Vietnam War had just ended, petrol prices were rising, and the recession of the Jimmy Carter presidency was about to begin. The hints of it are all there in Born to Run if you listen to the lyrics closely enough. Springsteen later described that album as the dividing line between the carefree concerns of his youth and the political concerns of his adulthood.

Crucially, Springsteen never let the success of Born to Run go to his head or make him forget where he came from. He never stopped singing for the people he grew up with: the American Blue Collar working class of New Jersey and the mid-West. They were his people, and they became both the subjects and the audiences for his later albums.

I want to quote what he had to say later looking back on that time:

[In 1977] I was Twenty-Seven and the product of Top 4- radio. Songs like the Animals' "It's my life" and "We gotta get out of this place" were infused with an early pop class consciousness. That, along with my own experience – the stress and tension of my father's and mother's life that came with the difficulties of trying to make ends meet – influenced my writing. I had a reaction to my own good fortune. I asked myself new questions. I felt a sense of accountability to the people I'd grown up along side of.

A sense of accountability. For so many of us working for the Labor cause, it's this sense of accountability that has kept the flame burning, particularly through the darker days over the years. In truth, it's this sense of accountability which so often lit the flame in the first place. It's a sense of responsibility to those who've known hardship, or who've been deprived of the opportunities everyone should have,

that has stirred Labor people for over a century and which drives us still now.

It's the same sense of responsibility that the Prime Minister spoke of last week when recalling her decision to pursue a career in public life: "I came out of the law, I made a decision to do [politics] – I made a decision to do it first and foremost because I was incensed as a young person that there were kids who weren't getting a decent education. It's what propelled me into politics. It's propelling me on today." It's exactly why she continues to compel and inspire us now, through the toughest terrain on the reform path – this sense of responsibility that burns more powerfully in her than in any person I've known in two decades of public life.

Part of this sense of accountability and responsibility is staying attuned to the constant evolution of our economy and our community. It's this same sense of accountability that enabled Springsteen to observe the big changes going on in American working class life. It's often the case that great artists – people like Bruce Springsteen – tend to pick up the subterranean rumblings of profound social change long before the economic statisticians notice them. Changes start long before they become statistics.

If you listen to the albums that came out after *Born to Run* – albums like *Darkness on the Edge of Town*, *The River*, *Born in the USA* and *Nebraska* – you can hear Springsteen singing about the shifting foundations of the US economy which the economists took much longer to detect, and which of course everyone is talking about now. He saw that for ordinary people life wasn't getting any better; other people were grabbing all of the gains. As he put it, the sense of daily struggle in each of his songs kept growing. And he responded with an abiding question: when are ordinary people – the people who get up in the morning, work hard and look after their families going to get a fair go? Nothing has fuelled my own public life more than this question.

For instance, the song *The River* was based directly on the collapse of the New Jersey construction industry in the late 70s and the disastrous effect it had on his sister who was married to a building worker. From the track *Atlantic City* on the *Nebraska* album:

Now I've been looking for a job, but it's hard to find

Down here it's just winners and losers and don't get caught on the wrong side of that line...

Or from *My Hometown* on the *Born in the USA* album:

Now main street's whitewashed windows and vacant stores

Seems like there ain't nobody wants to come down here no more

They're closing down the textile mill across the railroad tracks

Foreman says these jobs are going boys and they ain't coming back to

Your hometown...

And how about this, from the song *Badlands* on the *Darkness on the Edge of Town* album:

Poor man wanna be rich

Rich man wanna be king

And a king ain't satisfied

Till he rules everything.

When I listened again to that song recently I struck me that Springsteen could have been talking expressly about a few people that I've written about lately. Since my controversial essay was published in *The Monthly* in March I've been asked often whether I now regret having criticised some of Australia's wealthiest and most outspoken mining tycoons. My answer is simple: no, I don't regret a word of it. Not for a second. In fact, my only regret is not going in hard enough, because every criticism I made has been played out almost to the letter on our national stage.

You will recall my original charge: that the rising influence of vested interests is threatening Australia's egalitarian social contract. I argued that a handful of powerful people not only think they have the right to a disproportionate share of the nation's economic success, they think they have the right to ma-

nipulate our democracy and our national conversation to gain an even bigger slice of the pie.

In the wake of the debate my essay unleashed, let me make one further charge: there is an equally concerning view emerging that such vested interests should somehow be immune from criticism. They should not. They think the rest of us should fear them. We do not. I certainly do not.

Simply for arguing that every citizen has an equal right to be heard; that we need a diversity of opinions in our media; that taxation should be progressive; and that the mineral wealth that lies beneath our soil belongs to all of us, I was accused of preaching class warfare, and called unfit to be Treasurer of this country. I was told that I was siding with the wealth consumers not the wealth creators; that I wanted to slice the pie not grow it; and that my day job was simply to shut up and to make the wealthiest Australians wealthier still. In short, the idea was promulgated that I had transgressed some new, unwritten Australian law that limits the scope of our democratic debates in this country with this command: don't criticise the powerful, don't argue for equality.

My reply is this: the egalitarian and democratic values I put in my essay in *The Monthly* are the values of the overwhelming majority of the Australian people, and in seeking to discredit those ideas, my critics are seeking to diminish the ideals on which our country is built.

The events of the last six months have strengthened my case even further. In that time, the three people I named in my original essay have made my case for me by the blatantly self-interested way they have campaigned against the Minerals Resource Rent Tax – a tax which asks them to do no more than pay a fair return to the Australian people for the right to mine and export the non-renewable resources which belong to the whole nation.

Take Clive Palmer. He came out in a blaze of self-promotion and expensive billboards announcing he would try to unseat me from the electorate of Lilley. (Ironically, his political campaign bore exactly the same slogan as his mining company bears.) It was a naked threat to use his massive wealth to overturn the Government's tax policies. Of course, he has since skulked away from that fight in an epic display of political cowardice, but has also promised he'll be seeking LNP pre-selection in a different seat, so his efforts to use his immense wealth to buy influence through the LNP and force his way into the Parliament continue apace.

Or take Andrew Forrest. Within days of my *Monthly* article he deployed his wealth to buy full page ads in national newspapers to insist he was not deploying his wealth to have a disproportionate say in our nation's future. And now he's bankrolling a major High Court challenge to overthrow the Minerals Resource Rent Tax that the vast bulk of the mining sector has itself agreed to pay.

Or take Gina Rinehart. She is baldly seeking the power to manipulate public opinion by buying Fairfax Media and explicitly refusing to sign the company's charter of editorial independence. As veteran economic journalist Ross Gittins – who has got stuck into me plenty of times over the years – observed: "I'm not particularly keen on the idea of anybody telling me what I'm allowed to say about the mining industry."

So one tycoon is using his money to challenge the principle of fair taxation through electioneering. A second is using his money to challenge it through the Courts. And a third is using her money to challenge it by undermining independent journalism. Parliament, the Constitution, independent journalism: all three are fundamental pillars of our democracy, being used as their playthings, supported every step of the way by the Leader of the Opposition.

In the face of all this we have to stand up and be heard, because when the massively wealthy buy the loudest megaphones, the voices of the people are drowned out. Amid the debate that followed my essay, one idea that seemed to emerge implicitly among some of my critics was that wealth is created only by certain groups in our society, occupying certain places in our economy. By contrast, the truth at the core of our labour movement is that the wealth of our country is created by every Australian. You can create wealth by owning a business, but you can also create wealth by working for a business. You can create wealth by working on the top floor of an office tower, but you also create wealth working down a mine, in a factory, in a shop, in a hospital, in a music studio, a kindergarten, a school, a TAFE college and a university. We are all wealth creators, and the inference that small business owners, union mem-

bers, the low-paid, the poor, the old and the ill have no legitimate voice in our economic debates, and have no right to share in our national wealth, is one that I'll fight to my last breath.

I'll keep up this fight because I believe with deep conviction that you can't treat the creation and the distribution of wealth as two separate matters. From the very start of my political career, I've believed deeply and espoused widely the central economic philosophy of growing wealth to spread opportunity. Along with the 800,000 jobs created under this Labor Government, nothing makes me prouder than going to a factory floor or a 40th floor boardroom and saying we've grown our economy by almost 10 per cent since the carnage of the GFC while many other advanced economies still haven't even got back to the starting line. That's something sadly but quite deliberately overlooked by some of my critics in their haste to play the deeply simplistic 'class-warfare' card.

Now, there are some who accuse me of disparaging individual achievement and disparaging billionaires; either they haven't actually read the essay or are deliberately misrepresenting it. As I wrote at great length in the Monthly – the overwhelming majority of Australian entrepreneurs and businesspeople are to be absolutely commended for the risks they take and the wealth they create for our country. My argument is simply that we should be creating economic opportunities for everyone. We can't just quietly accept a situation where a handful of people can stymie economic reform which aims to spread opportunities to others.

Indeed the worst thing we can do as economic managers is create a society in which there are just a few at the top and teeming millions at the bottom, with hardly anyone in-between. That type of society is an economic disaster waiting to happen, because where vast inequalities exist, fewer people are able to gain the skills, knowledge and encouragement they need to succeed. There is less achievement, less wealth creation, and less prosperity for everyone to enjoy. Rather than risking a stagnant and widely divided society, we should be – and are – building a society with a vast middle class and a high degree of social mobility. That's the meaning of economic equality in the 21st Century and it's the central and abiding purpose of the Labor cause today.

Obviously, you have to make a pie before you can slice it – and I'm deeply proud that we've grown our national pie by nearly 10 per cent since the GFC – but eventually you do have to slice it. The choices you make in slicing the pie reflect fundamental moral judgements. They also reflect important economic judgements, because, economically divided societies tend to be societies without common purpose, without cohesion, without cooperation, and eventually without economic growth.

America's leading economists now bear this out. From at least the early 1980s onwards, working class Americans have been losing their share of American prosperity while the wealthy have been gaining dramatically more. So much so that leading economists and sociologists like Paul Krugman, Joseph Stiglitz and Robert Putnam now observe that wealth inequality, not race, is the most divisive factor in US society.

One leading Australian observer of big-picture socio-economic change Paul Kelly has recently made a similar point, writing that:

“The backdrop to the 2012 Obama-Romney presidential campaign is a historic fall in the incomes and wealth of America's middle class that creates a profound test for economic and social policy, fuels anger and alienation within the country and plays into the bigger fear of US decline.”

In Australia, I'm immensely proud to report that the picture is a much healthier one. While median household wealth in the US declined by more than 30 per cent between 2004 and 2010, here in Australia it has increased by more than 20 per cent over the same period. Of course this isn't to say that the global recession and its aftermath have not had any impact here in Australia. But the great achievement of Australia is that continuing wealth creation has not meant large-scale inequality. Quite the contrary, it has been accompanied by a broadening middle-class and a degree of social mobility which is central to the optimism and social cohesion that sets our country apart.

So let me put this proposition to the critics: far from relying on class warfare, my argument is one whose central economic imperative is actually to avoid the class warfare that is fomented when inequalities of wealth, opportunity and living standards are allowed to mount unchecked. When you

widen the wealth gap, you increase resentment and division of the sort that people like Paul Kelly now see playing such a decisive role in US politics. But, as I have said, artists like Bruce Springsteen saw this trend coming long ago.

It's the message – or more precisely, the warning – that has underscored his music for the last 35 years, and it dominates his latest album and his best for many years, *Wrecking Ball*. This message is that to build a better society we have to ensure the fruits of economic growth reach everyone. And the warning is that if we don't include everyone and don't listen to everyone, the social discord which could follow will put our growth and prosperity at risk. This is what Springsteen is speaking out against. "Whenever this flag is flown," he sings on *Wrecking Ball*, "we take care of our own."

We take care of our own. It's a powerful message which has enormous relevance here in Australia. It's the same egalitarian version of patriotism that gets us out of bed in the labour movement, that cuts us to the quick and stirs us into action when we see attempts to diminish it in the name of unashamed self-interest.

So if I could distil the relevance of Bruce Springsteen's music to Australia it would be this: don't let what has happened to the American economy happen here. Don't let Australia become a down-under version of New Jersey, where the people and the communities whose skills are no longer in demand get thrown on the scrap heap of life. Don't let this be a place where ordinary people's views are drowned out and only those with the most expensive megaphones get a say. Don't let it be a place where Gina Rinehart can buy *The Age*, *The Sydney Morning Herald* and the *Australian Financial Review* with her pocket change and try to trample its fierce and proud independence unchallenged.

Don't let it be a place where one man's strident anti-reformism for the benefit of powerful vested interests is rewarded with the highest office in this land. Just as George W. Bush pushed through massive tax cuts for the wealthiest Americans during his Presidency, so too does a key element of Tony Abbott's platform lie in delivering massive tax cuts for our richest, at the expense of our community's poorest.

He says yes to lower taxes for mining billionaires and massive mining companies, and no to everything else. No to tax relief for small business. No to a bit of extra help paying the bills for low and middle income families, no to a more dignified retirement for Australian workers. The gross economic inequality of this position is the kind of injustice that corrodes Australia's precious social contract and is exactly the kind of peril that Springsteen is warning against. But he's not the only one. Springsteen's form of politically-committed music has notable Australian examples too. As I mentioned earlier, I've been a huge fan of Cold Chisel since the 1970s. My first concert with my wife was a Chisels concert in Canberra where they played tracks from their *East* album.

How about this from the song *Standing on the outside*:

Standing on the outside lookin' in

Room full of money and the born to win

No amount of work's gonna get me through the door

It's a story about unequal chances and the damage that can do. Think also about those great songs written by Don Walker, like *Khe Sanh* and *Flame Trees* – which are as moving and evocative as anything written by Springsteen, perhaps even more so. And my kids tell me the political tradition lives on in Aussie hip hop bands like the *Hilltop Hoods* among others.

They should be a reminder to us that the contest of ideas isn't one that is played out solely in the chambers of the parliament at 2pm or in the pages of a handful of newspapers. It's played out with deep passion and immediacy in our culture, in our ways of living and communicating with one another. When we seek out the source of our motivations, we should look far afield: from great literature, from film, from speeches and from music. We should look to our history, to the stories of our grandparents, of our parents, of the communities we grew up in, of our party and its history, of the lives of our heroes like John Button. We don't do this enough.

When events like the Global Financial Crisis loom, our response isn't just informed by our economic judgments, important though that they are, but also by the values that have been transmitted to us by

over a century of struggle for the Labor cause. Labor people know that even when times are tough, we still have choices. Our values will guide those choices. This explains why our first reaction to the carnage of the GFC was to ensure that ordinary people's living standards weren't destroyed through recession and unemployment.

We don't acknowledge often enough this truth about the importance of our political culture in shaping these values. We don't talk nearly enough about our party's broad traditions and political culture – certainly not in ways that are appealing to young people who tend not to watch *Insiders* and *Lateline* but who do watch *Rage* and *The Voice*, and who do have strong political views which they share through social media, along with their favourite literature, art, music and theatre.

We should talk about our party's history, its literature and its music, because doing so is essential to transmitting our egalitarian beliefs to new generations of activists. They are beliefs that have deep roots in mainstream Australian culture. They are also universal concepts that we share with all cultures. Concepts like equality, justice, patriotism, not leaving people behind but advancing as a community. Concepts we can hear in the strains of great musicians like *The Boss*.

Of course I completely understand that Springsteen's not everyone's cup of tea. I understand that we get our inspiration from sources of limitless variety. We get inspired by the stories of our past and the music and poetry of our own time, from the tireless battlers of the shopfloor to the fierce political warriors of the parliament like John Button or Mick Young or Julia Gillard.

As we battle through some tough times at the moment, as we bed down some very tough but vital reforms for our country, we're going to need to draw deeply on these inspirations. But I know, as you know in this room, that if we do this, if we put our purpose and our passion to the fore, then we can prevail and we can win an even more inclusive and decent future for the people our movement represents.

It is with this in mind that I've called this evening's lecture *Land of Hope and Dreams*. Because that's what I think this country is. A land of hope and dreams, but they must be hopes and dreams for everyone, not just for a fortunate few.