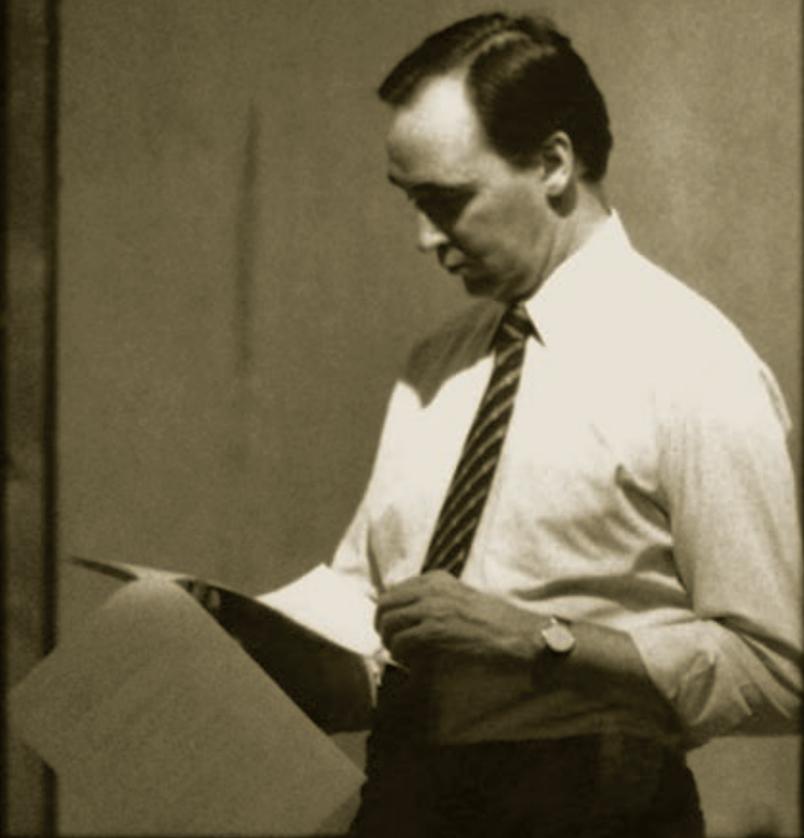


ANNIVERSARY EDITION

# RECOLLECTIONS OF A BLEEDING HEART

A PORTRAIT OF PAUL KEATING PM

'A classic: an insider's account of the working of the political process, with its paranoia, its envies, its fevered inconsequentiality, its joys, crammed with wisdom and a lovely detachment.' *The Sydney Morning Herald*



## DON WATSON

WITH A NEW FOREWORD BY CARMEN LAWRENCE  
AND AFTERWORD BY DON WATSON

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‘This is much more than a paeon of praise to Keating. There is wit and remarkable candour which puts it streets ahead of most political biographies . . . a penetrating insight into a Labor prime minister. Despite the millions of words already written about Keating, it adds much.’

Mike Steketee, *Weekend Australian*

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‘. . . a masterpiece . . . simply the best account of life, politics and combat inside the highest office in the land ever written.’

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‘. . . a beautifully told story that is sure to become an instant classic of political history.’

José Borghino, *Marie Claire*

‘... it is the portrait of Keating that ... is surely the book’s triumph ... it is impossible to leave *Recollections of a Bleeding Heart* without more affection for a politician and man who fought his own bouts of apathy and had a crack at dragging Australia out of its crippling slumber.’

Peter Lalor, *Daily Telegraph*

‘This is truly one of the great works of Australian political writing.’

Troy Bramston, *Australian Journal of Politics and History*

‘... a sheer delight to read ... written by a man who would have difficulty putting together a dull sentence ...’

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‘Reading Don Watson’s account of those turbulent years is a little like being the Prime Minister’s Office resident mouse, privy to all the meetings, the rhetoric and the invective. A remarkable, honest, frank and at times humorous account of a turbulent time in our political history.’

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‘... a revealing and engrossing portrait of a brilliant, if perplexing man [and] a unique reflection on modern politics, government and Australia from a man who can write and who has a sense of proportion and humour.’

*Brisbane News*

‘... a great human political biography of the life and times of a complex prime minister. In years to come, it will be ranked with some of the great political biographies of the past 100 years ... a great work of political anthropology ... a wonderfully entertaining memoir of an historian who is activist, participant and observer ...’

Noel Turnbull, *Courier-Mail*

On publication, Don Watson's *Recollections of a Bleeding Heart: A portrait of Paul Keating PM*, won the *Age* Book of the Year and Non-Fiction Prizes, the Brisbane *Courier Mail* Book of the Year, the National Biography Award and the Australian Literary Studies Association's Book of the Year. *Death Sentence*, his best-selling book about the decay of public language, won the Australian Booksellers Association Book of the Year. *American Journeys*, a deeply personal work investigating the meaning of the United States, won the *Age* Non-Fiction and Book of the Year Awards in 2008 and the inaugural Indie Award for Non-Fiction and the Walkley Award for Non-Fiction. *Bendable Learnings: The wisdom of modern management* is his most recent title.

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## CHAPTER I

*Nothing except a battle lost can be half so melancholy as a battle won.*

WELLINGTON, DISPATCH FROM WATERLOO

IN THE LONG boom of the fifties and sixties when there were signs of progress everywhere, Paul Keating's father, Matt, talked fondly of the days before the war. As well as the Great Depression and its hardships he remembered a more easeful time when space abounded and more of Sydney's beauty remained on show. It was a softer Sydney, the patterns of life more leisurely. There were also the comforts of religion and tradition: and if one of the traditions was sectarian, who knows if that was not another source of certainty.

After the war it all changed. Out on the western frontier, Bankstown, where the Keatings lived, suddenly became a suburb. Just as quickly other suburbs joined it. Where there had been paddocks there were now subdivisions, streets and bungalows. Where there had been only Australians of Irish and English descent, there were 'New Australians': Greeks, Poles, Lithuanians and Latvians. Ten thousand new people a year came to Bankstown. The place boomed. Matt's family prospered. With two friends he escaped wage slavery and went into the business of transit cement mixers. For Matt and his wife, Min, it was all progress and all for the good. But he still talked about pre-war

Sydney as if they were golden years. You should have seen it then, he would say. And we had it all to ourselves.

Paul had something of the same. Change excited him. In what others saw as comfortable and familiar, he saw decay and lost opportunity. More than most politicians, he was fed by his imagination. His convictions often traced to a radical awareness of possibility. He liked movement, progress, crashing through, overturning, shedding, giving the slip to history and his enemies in a single bound. Yet the thought seemed never to leave him that there had been once a more spacious, more perfect age. But the time had passed, eluding him; leaving him with this melancholy and this desire to fill his senses with such examples of its perfection as he could find. Because it would not be back: not this side of death at least, and about the other side no-one could say anything with certainty.

Matt Keating was dead. One Saturday afternoon in 1978 he set off from home for the shops at the top of the hill. He walked past the house where Paul and his wife Annita lived, and said hello to Paul who was washing his car in the front drive. Matt was just sixty. His hair was still black. But he had heart problems and the doctor had recently adjusted his medication, the anticoagulant Warfarin. Undeterred, he and Min were about to go on their first trip abroad. They had their bags packed for England. A few minutes after Matt passed by, a pedestrian told Paul that a man had collapsed on the footpath a little way up the hill. Paul Keating told the story many times, rather like a passion play. Matt was a good man, everyone said, including Annita who saw a lot of him in the first years of their marriage when she was in Bankstown with their baby Patrick, and Paul was so often in Canberra.

It might be thought from talking to Min Keating about her son, Paul, that her influence went no further than providing him with an environment in which his personality and ambition might thrive. As a child he enjoyed her unqualified love and approval. As a teenager he was provided with a room on the lower level of the house in Condell Park. He kept lovebirds there. He liked photography so it became a darkroom. When his interest in

music developed it was soundproofed, and he listened to records on the hi-fi his mother had given him when he was ten. Then it was fitted with a telephone so he could pursue his interests in the wide world. Outside was the suburban frontier, incessant progress in lock step with the relentless advance of conformity. Down in his room he could invent himself, but in his parents' image, like an embryo in an egg. It was the beginning of what he came to call 'the refuge of the inner life'. At Berkelouws he bought second-hand copies of *Connoisseur* and 1930s *Strand* magazines. Rock and roll, Chopin and Beethoven found their way to his hi-fi. He managed a band called the Ramrods and when he set up a recording deal with EMI for them, he was led to the EMI library where he found recordings by Elisabeth Schwarzkopf and Maria Callas, Otto Klemperer and the Philharmonia Orchestra, Nathan Milstein and Dietrich Fischer-Dieskau. He developed a taste for the classical, for things of quality, provenance and class. By then Min's kitchen had become a place for Paul to meet with like-minded members of the Labor Party—young turks like Laurie Brereton, and older mentors like Ron Dyer and Doug McNally.

In two hours of conversation in 1996 Min Keating could not think of a single thing that her boy had ever done wrong. It is true, she said, that one day he snatched a hat from a Protestant boy's head and threw it into a tree, but that was all and it was soon forgiven. His grandmother, who lived with them until he was twelve or so, was even less inclined to think Paul capable of error or weakness: if a sharp word was addressed to him at the dinner table she refused to eat. It might sound like a mother talking, Min Keating says, but he *was* always wellbehaved and considerate and loved by his three younger siblings. He was attentive and sensitive to his mother. To his father, Matt, he was respectful and admiring, and Matt never raised his voice to his eldest son—which is something that many people with fathers might find hard to believe. Paul was a marvellous boy and, in both his mother's judgment and his own, he bathed in unconditional love. 'I have found that those persons who consider themselves preferred by or favoured by their mothers,' wrote Sigmund Freud, 'manifest in life that

confidence in themselves, and that unshakeable optimism, which often seem heroic, and not infrequently compel actual success.’

There was no apparent Oedipal rebellion. He took both his politics and his religion from his parents. Matt and Min were devout Catholics. He was an altar boy and in his mid-thirties in the national parliament clearly retained more than a shy hope that what he had been told as a child was true. Speaking on a condolence motion for an old friend and colleague Frank Stewart he said: ‘He died after Easter Sunday and those of us who shared some of his view like to think that he died in a state of grace and will live an eternal life with Christ. Our most fervent wish is that his family will join him in a life with Christ after death.’ Min bought tailor’s offcuts to make Paul’s clothes. He went to his first day at work in good cloth, a shining suit of armour as it were and better than anything the Establishment wore, and thereafter never went in anything else. When he got his first pay packet he brought home a little bust of Beethoven and gave it to his mother, she says, with the words, ‘Here Mum, put some class in your life.’ It still sat on her mantelpiece in 1996.

Condell Park adjoined Bankstown, the famous western Sydney suburb that had once been called Irish Town. Bankstown retained some of the communal strength of the country town it had once been, and whatever failings it might have had in this regard the Catholic Church made good. The community, the church, the Labor Party were all tough, tribal—like the family in whose soft bosom he grew. It was true that in the family voices were not raised and conflict was rare. But collectively they knew about conflict and raised voices and had no fear of them. The Keatings had been Langites, followers of John Thomas (Jack) Lang, the maverick one-time premier of New South Wales who had split from the Labor Party in 1940 and was expelled in 1943. Then there was the split in the Labor Party in the 1950s. They had inherited an awareness of Irish Catholic persecution, and knew a little about sectarianism in their own lifetimes. Keating often recalled how on his first day at his first job the manager, a Freemason also named Keating, said to him, you must be one of the

Keatings that was dragged up by the Catholics. He believed sectarianism still pervaded Australian society and the ALP at least into the 1970s. He told Craig McGregor in 1977, 'I resent it. You wouldn't have these doors closed against you if you weren't a tyke.' As a child an interior world pervaded with unqualified parental love had been given him, and as a young man he was granted dispensation to go to fight the enemies abroad. What becomes of such a special boy? He might easily become rather like Paul Keating.

Paul Keating, Prime Minister, told me the story more than once: how in his boyhood he went with his father to buy a newspaper at the local shop. At the shop the newspaper told a familiar story. A federal election had just been held and the front page announced, 'Menzies Back!' Not that the Keatings hadn't heard, or hadn't expected it, but seeing the news in black and white deepened Matt's gloom. To make the day more miserable still, as they crossed a vacant lot on the way home they were attacked by a pair of nesting magpies. Matt Keating rolled up the newspaper with the depressing headline and swatted at the birds and cursed Bob Menzies. 'Menzies bloody back!' Paul says that as he watched his father battle the birds, he knew that one day he would do something to make life miserable for the Liberal Party.

He would have to be patient. It must have been the election of November 1958 when those birds bombed—all the other elections during Paul Keating's adolescence were held in December, by which time fledglings have left the nest and parent birds are peaceful again. It was Menzies' fifth consecutive victory and he would have two more before he retired, and his successors would have another two. It would be twenty-three years before Labor got back on the Treasury benches, but when they did Paul Keating was there.

In our youth Bob Menzies was invincible. He rode gracefully on a long wave of economic prosperity, basked in the charismatic glow of a young Queen on the throne of England, watched as Bert Evatt, Labor's leader, first lost a good part of the ALP and then a good part of his mind. Politics became a sport for Menzies'

personal indulgence, and it always had the same result: he won and his opponents looked like nincompoops. In 1941 he had been written off as a creature of the Establishment whose race was run. But Chifley let him in again, and then Evatt locked himself out. By the late fifties Menzies ran the country as if it were his own creation: blimpish and Anglophile, yet also contriving to look like the bell-wether of the nation's progress. He was master of all the mediums—parliament, town halls, radio and, when it arrived in 1956, television. Australia was his personal pond and he sailed on it like a superior rubber duck.

My family voted for Bob Menzies without fail: in every one of his seven successive election victories, and for the Liberal Party in the two that followed his retirement. Indeed, it is almost certain that no member of our family—no member known to us, at least—had voted Labor since Federation. To me, born in the year he was elected, Menzies was the known world. Labor was a mystery as dark as Satan and I scarcely knew how anyone with a soul to be saved could vote for them. We were dairy farmers. On all sides our antecedents were rural—small farms, reliable rainfall, steep hills, hard work. On all sides they were Protestant. Presbyterian mainly. Their roots were deep in the districts they helped to pioneer, and deep in Australia itself: the most recent branch has been here for at least five generations and the oldest came with the Second Fleet. There is a short streak of temperance on one side, and a very long streak of social and political conservatism on both. No Irish. A handful of children in the green uniforms of St Joseph's convent sat at the back of our school bus, but we hardly knew what a Catholic was. Our elders may have considered them an affront to reason and enlightenment, people without minds of their own because they were instructed from Rome, but we children didn't because we rarely spoke to them and when we did, it was derisively. They might as well have been Aborigines.

Our origins and sympathies were, like Menzies' own, Scots and English. The country from which for piddling crimes our convict ancestors were dispatched in 1789 was almost beyond criticism in our 1950s childhoods. British snobbery and class divi-

sions were despised, the fall of Singapore in the Second World War was considered a betrayal and Earl Haig in the first one was a fool, and we subscribed to the national suspicion that the Poms had used Australians as cannon fodder in both. However, these were little more than blemishes on a relationship whose blessings were almost without measure. Britain was the fount of culture, character and tradition—and the market for our butter. We were not so graceless as to forget that the Americans had saved us from Japanese tyranny, but nor did we forget that they were late into both wars. We thought Americans lacked both humility and a genuine sense of humour. They were full of themselves. We voted Liberal and we honoured the Queen, and we went on doing it even after Britain joined the European Common Market in 1963 and abandoned her loyal Australian butter producers.

We were also Victorian. No other state had played any part in our history since my father's family left South Australia in 1900. When in 1969 I drove up to see the hippie musical, *Hair*, I became the first member of my family to visit Sydney. We might have described ourselves as 'provincial' were it not that we felt a certain worldliness conferred on us by membership of the British race and Commonwealth. And if the word 'provincial' suggests a regressive or inert mental state, it did not properly describe us: conservative yes, and forever expecting another Depression or an invasion from the north, but we had no doubt that the country was making progress and our family with it.

With the wars and Depression, it had been a long slog. When my father was twelve or so he and his younger brother (born a few months after Anzac and given the names Ian Hamilton after the British commander at Gallipoli) walked seven miles from their farm to the nearest town to see Cecil B. De Mille's *The Ten Commandments*. They walked home in the dark. The farm was a soldier settlement block, a reward for three years on the French battlefields. People like this were not inclined to believe in the perfectibility of man or society, or the capacity of governments to dispense justice. Justice in the main was dispensed as the Commandments had been, as the weather was. Just as the

worst kind of church was that which put hierarchy and elaborate ritual between man and God, the worst kind of government was that which also put itself between man and his Maker, as if it could remodel His universe including the inequalities within it. Labor governments, in other words: socialists who fancied it was just to distribute the nation's wealth as if all were equally deserving; those who served and those who had not, those who led moral lives and those who didn't, and those who worked as hard as they could and those who did as little work as possible. Such views were in manifest defiance of commonsense and the laws of God and nature. Therefore Labor was an anathema. Labor was unions and men who hid in the crowd instead of pitting themselves against nature and the marketplace. Labor was centralised power. Labor was Bolshevism. Labor was Godless—and when not Godless, usually Catholic. And Irish. Labor insulted what they had done in the war and the memory of their fallen comrades. Nothing Labor did could dispel the suspicion that they held Britain and, by implication, the sacrifices we and others like us had made for it, in contempt.

The figure most loathed, when you got down to it, was Jack Lang. Lang was the great troublemaker. In the worst of the Depression when 30 per cent of the workforce was unemployed, Lang reneged on payment of his State's debts to Britain. Jack Lang, we gathered, had been the devil himself. Still, it might have been different after World War II had the Cold War not broken out, had the miners not gone on strike, had the communists pulled their heads in, had Chifley not tried to nationalise the banks. But it wasn't different—the pattern continued as before. Labor kept its socialisation objective: the 'socialisation of production, distribution and exchange'—we knew that plank in their platform by heart. It was all we knew of Labor and all we needed to know. When Menzies said that there was 'no substitute for hard work' and it was 'the first duty of every man to stand on his own two feet', and that Labor's socialism created instead 'flaccid dependence', it didn't matter that they were platitudes, they described precisely the principles of our moral economy. And when he said

that communists were traitors and trade unionists were trouble-makers, he echoed the sentiments my father brought back from a stint in the Melbourne railway workshops where he had gone to work after rheumatic fever caused his discharge from the army in 1940.

Television came and we did not buy a set. After visits to Melbourne on the train my elders said what a shame it was to see so many aerials on the poor houses of Richmond. It was proof that the working classes lacked thrift and were too often their own worst enemies. We were close to poor ourselves, but being farmers we reckoned we worked harder, deferred gratification more conscientiously, earned more for the country than city people did, and never went on strike.

And this seemed to be our era at last—as if Menzies’ good luck might yet rub off on us. Progress was slow, but our horizons widened. On the road on which we lived, a dozen farmers milking just forty or fifty cows raised and educated their families, delivering them with the aid of rural subsidies and scholarships into lives of reasonable comfort and opportunity. Until the 1950s no-one in our family had gone to school past the age of fourteen. But three out of four of us matriculated. Two of us went to university. In another unprecedented development we all kept our teeth. In 1967, La Trobe University opened in the working-class northern suburbs of Melbourne and I went in with a couple of hundred others from similar economic and educational backgrounds. Timing is everything. Had I been born five years earlier, in Paul Keating’s year, I might not have gone to university. I would also have missed Bob Menzies’ conscription ballot. As it turned out I went to university and was balloted out of the draft. In the process I took a turning which was another first for the family: I took a left turning. They should never have sent that boy to university, I could hear them say from miles away. But the Liberal Government had gone on too long. It had no meaning left in it—none at least that was not provided by the Cold War and the US alliance; no energy or direction; it was all drift and the Prime Minister, Bill McMahon, was egregious proof of its decline. I did

not join the Labor Party, but my first vote was for Labor and every one since. Nonetheless I never found it hard to understand why many industrious Australians of a certain ancient Protestant cast of mind find Labor principles repellent to good sense and the national interest.

Almost everything in Paul Keating's youth was different from my own. The difference reflects the great divide in culture and experience that ran through the old, pre-multicultural Australia. All the familiar elements—ancestry, religion, politics, class, culture—were the opposite of mine. When those magpies bombed him he was fourteen and a student with the Brothers at De La Salle, Bankstown, where the things he was taught about 'the primary matters in life' stuck with him. At fifteen, in keeping with the habit of most boys of his class and generation, he left school. He took a job as a clerk with the Sydney County Council. And he joined the Labor Party and set about the essential task of reuniting disaffected local Catholics with it. At that age I would not have known *how* to join a party or where to find one. The fifteen-year-old Paul Keating was secure in both his religious and political attachments: ideologically, institutionally and socially they overlapped and reinforced each other. At school, at home and in the church, his education confirmed the certainties of childhood and left him, one presumes, with a sense of completeness and certainty that few fifteen-year-olds enjoy. When he was fifteen and wholly integrated, I was ten and attending a country consolidated school, grinding towards the normal discomposure of adolescence.

Min, Anнита and Paul Keating are united in their estimation of Matt Keating. He was a kind man; not weak by any means, Min says, but soft, a 'gentle soul'. Min met him at the Palais Royale in 1938 and admired his dancing. They married four years later. Matt supported Jack Lang and his splinter group of the war years, the Australian Labor Party (Anti-Communist) as it was known. For reasons indecipherable to anyone not expert in the cimmerian labyrinth of the human soul and the New South Wales Labor Party, Lang made himself an enemy of John Curtin and his federal

Labor Government. After the war, like other Langites, Matt melded readily with the Catholic-inspired, anti-communist Industrial Groups, though not with the man who increasingly drove them, the Victorian B.A. Santamaria. Matt was a boiler-maker employed at the State railway workshops. Possibly the noise of that place gave him tinnitus—a condition that causes bouts of incessant ringing in the ears. Paul had developed tinnitus by the time he became prime minister. In that long period of economic growth and suburban sprawl Matt's company flourished. By the late fifties Marlak Engineering was employing fifty people. In the late sixties, had their bank been prepared to advance the funds, they might have secured a substantial contract with the Malaysian Government. But the bank did not advance the funds. Matt and his friends sold the company for about a million dollars. Matt remained a Labor man of the old school who believed the ALP must have a radio station and a daily newspaper to succeed. In the 1940s he might have had an ambition to enter State parliament with the group led by Lang.

For the last twelve years of Lang's life Paul Keating saw him regularly, and for six of those years he saw him for an hour every Monday and Thursday. Lang was as old at the federation of the Commonwealth as Keating was when he entered parliament. He was Henry Lawson's brother-in-law. The old man impressed Keating with the power of his personality and the breadth of his history, the way he 'distinguished all the subtleties and felt all the pulses of the Labor movement'. Lang, Keating said, thought in black and white. There were no shades of grey. He was hated by the media and he hated them. In Keating's view, no politician had 'suffered the hate that Lang suffered'. But he loved the working class and believed that the articulate among them had a 'God-given duty' to serve their people: 'If God has given you the capacity to handle and grapple with politics and to be articulate you have a duty to serve your own class.' Keating declared 'a very great affection for him'. Lang died in September 1975 and Keating said these things in the House of Representatives to honour him. He also said that just as Lang's enemies had used the

NSW governor through the British Colonial Office to ‘strike down’ Lang’s Depression Government, just then the present Opposition in the federal parliament was trying to use the Senate to strike down the Labor Government. Six weeks later they used the governor-general.

For all this, Paul Keating insists Jack Lang had no influence on his political thinking or his judgment of other political figures like Curtin. Lang was one of the three Labor politicians he most admired. The federal treasurer in the Depression, E.G. (‘Ted’) Theodore, was another. Theodore offended orthodoxy, and anticipated Keynes, by advocating re-inflation of the economy. His career was destroyed by a scandal over a business interest and he walked out of politics to go gold-mining with Frank Packer in Fiji. Theodore was a great rival of Lang’s. The third Labor leader Keating admired was also a Lang opponent, John Curtin. The three of them were ‘gallant people’ who ‘charged into the party, did things, took unusual attitudes, took risks—they were achievers’. He might have added a fourth, though he never led the party; the man he liked and listened to the most in the Whitlam Government: Rex Connor, the minister for minerals and energy, who wanted to build a mighty government-owned pipeline connecting Australian cities to the oil and gas reserves of the North West Shelf, the man who wanted to ‘buy back the farm’. When the government fell, Keating succeeded Connor in the portfolio in the shadow ministry and deftly moved Connor’s national policy ambitions from the state to the market. That would be the hallmark of Keating’s career—not to change the objectives of the Labor Party, but to change the means.

Lang told him that some politicians were people of weight and substance and some were skyrockets who issued a great shower of sparks but ‘a dead stick always fell to earth’. And it was Lang who advised that it was important ‘to own things’. Paul Keating never told me of any other wisdom Lang imparted, but nor did he disguise his fondness for him. It was Keating who successfully moved the old man’s reinstatement to the party early in the 1970s. His mother insists that Lang had little influence

compared to Matt. She says Matt was by far the greatest influence on her son. It remains, however, that in 1969, when Matt advised Paul to wait another term before he made his run for parliament, Min said ‘do it now’ and Paul did it.

Paul Keating has another memory of an event just a couple of years after that 1958 election. On the way home to Bankstown his train made an unscheduled stop under a bridge and he sat reading about John F. Kennedy’s victory in the United States presidential election. It might not have been the first time this thought had ever crossed his sixteen-year-old mind, but this was the time he always recalled. The thought was: if one Catholic can get to the White House another one can get to the prime minister’s Lodge. In our house Kennedy’s election prompted no such thoughts. In our family we did not aim in political directions, or to points so elevated. As children we were not in any danger of having our heads turned by hearing parents say that one day we would be prime minister. Paul Keating, on the other hand, pursued his political ambition as naturally as we went round the cows, and he went with an ambition to overthrow the very people and the very things which my family believed in as a matter of faith.

To the Keatings, the Menzies ascendancy was an affront to nature. Labor was the natural party of government in Australia. Labor was born to rule. What had Menzies done to earn his success, except stay upright while the Establishment and a torrent of good luck bore him along? An economic boom, a Cold War to suit his conservative creed, an incompetent opponent, a divided Labor Party and the dividends of Labor’s postwar nation-building and welfare state—all these spoils were his to enjoy. It was not that Menzies stood for capital and the Keatings for labour. Matt Keating’s transition from the workshop to a successful engineering business worked as leavening on his son’s thinking. He would always take the view that it was one of the proper goals of Labor to create an economy in which more people could escape the factory floor and succeed in business as Matt had. Paul Keating never had an argument with capital, only with its distribution and availability.

By the time Paul Keating became Labor's leader the party had never subscribed so unequivocally to the doctrine of the free market: yet, despite some recent fraying, its relationship with the unions remained the defining one. That was the miracle of the Accord, and the legacy of a ruling group from both the political and industrial sides who believed that the world would be saved by intelligence rather than by ideology or morality. All Labor leaders have had to reconcile the seductions of glorious self-interest and Marx's view of capital as 'dead labour that, vampire-like, lives only by sucking labour, and lives the more, the more labour it sucks'. Populists, demagogues, pragmatists, Olympians and people of plain commonsense have led the Labor Party. None of those categories, singly or combined, defines Keating's response. He tended to believe in both sides equally and defended them with equal passion. None of his predecessors was more passionately pro-capital, but when roused to fight for labour, he also sounded more like Marx than any of them had.

Far more than any Australian, it was Winston Churchill who inspired him from his early teens. Churchill was not like other leaders: other leaders were pusillanimous, pedantic and safe. Churchill was none of these things. Churchill was lion-hearted, big-brained, in all things his own man. Churchill saw through the posturing and hokum. He recognised deceit, including self-deceit. In a favourite Keating phrase, he knew 'where the weight was'. When he was about twelve, Keating says, he read Hugh Trevor-Roper's *The Last Days of Hitler*. More than anything learned from his Catholic schooling, World War II made him conscious of evil, he says. It governed in the world wherever people had made faint-hearted, weak and wrong decisions. It was the mark of all great leaders that they understood this: they saw further, sought the truth stripped of piety and legalism, had the courage to go straight for it. Because his father's brother, Uncle Billy, had been captured there and later killed in Borneo by the Japanese, the young Keating was also conscious of the Singapore disaster. He read it as most historians did—as Britain abandoning Australia; sometimes he might say betraying it. But the Singapore business never

dimmed his admiration for Churchill. Unlike those who led Britain and Australia in the 1930s—unlike Menzies—Churchill knew where the weight with Hitler was, and what would be the consequences of appeasement. He might say that Churchill had betrayed Australia at Singapore, but he had acted in what he took to be Britain's interests and the interests of beating Hitler. Keating's argument was less with the British leader than with Australians who could not draw the obvious lessons from it. His argument was therefore particularly with Menzies and his acolytes.

Bad as he was in Keating eyes, Menzies was no more the villain than those on the Labor side who made his success possible. Bert Evatt, Labor's federal leader, was a villain because he was inept—perhaps also because he was a rationalist, a middle-class lawyer and over many years an opponent of J.T. Lang. Worse, he had turned on the Catholic anti-communist forces in the party while giving comfort to their enemies the reds. In 1951, as leader of the Opposition he had defended the communists when Menzies tried to proscribe them. He had gone to bat for them again at the Petrov Commission in 1954 and after that partly self-made disaster the party had fallen apart. Evatt did not believe in communism, but he believed in civil liberties. The Keatings believed in Labor. When Evatt played into Menzies' hands and Labor split, it seemed to them the direst stupidity. Some on the Labor side said Evatt had stood for principle and saved the honour of the party, but in the Keatings' world people were inclined to say he was a bigger fool than the communists.

A day or two after New Year 1992, Mark Ryan phoned to ask if I'd like to write speeches for the new prime minister. Ryan had run Victorian premier John Cain's media office during the 1988 election campaign. In those days I was writing speeches for Cain. Soon after the election Ryan left Cain to join Keating's office and he thrived there. When Keating went to the back benches, Ryan was parked in Ros Kelly's office. Kelly was the Minister for the Environment, but Ryan's main occupation was

rounding up the numbers to roll Hawke. Now he was running the Prime Minister's media office at the age of twenty-eight. Growing up on the edge of the desert in Quorn, South Australia, failed to starve him of personal confidence and self-possession. He had found his way to the Prime Minister's side not by riding on the party, by studying economics or even by apparent effort, but rather by exercising a kind of fearless natural gumption and one of those minds, ideal for politics, which when it runs up against a problem does not stick to it or get entangled, but bounces off in the direction of salvation. He would have done well in espionage, and he had something of that look as well.

I told him 'No'. I had family responsibilities. Children completing their final years at school. I wanted to get back to serious writing. I was sick of politics. The occasional speech perhaps, as I had done for Ros Kelly, but full-time was out of the question. Ryan typically did not press the case.

The speeches for Cain had supplemented my income, much of which came from writing Max Gillies' parodies of Bob Hawke. Speechwriting had its moments, but to do it properly and to make the drudgery and compromise bearable you need to feel some passion for the cause, the politician or the party. I lost half of that when Cain went, and by the time Keating got the job in Canberra I had lost it all. So long as one felt sorry about Cain one felt dark on the federal government which had made life hard for him. Cain resented Keating for starving Victoria of funds, and positively loathed him for unleashing economic rationalism and all its attendant villains on the country. I did not subscribe entirely to this view, but to enough of it to think he had a point. When my wife and her partner lost the business they had built over fifteen years, interest rates were as high as 20 per cent. Later, when I was in the job, I could never repress a snarl whenever Keating said that those interest rates had 'de-spivved Australia'. It was true up to a point. Entrepreneurs who had been held up to us by both sides of politics as models of the new economy in the eighties were now either going broke or going to gaol. The question was, who created the spivs? And who created the economics commentators,

the secular priests of our time, who for a decade had told us how to think and what to expect? They were *not* broke because they had never risked a dollar of their own, or backed an idea of their own and, sadly, I sometimes thought, they couldn't be sent to gaol.

I spent three months in Tokyo in 1991 and when I came back Melbourne felt stunned and deserted. Empty shops and lease signs everywhere, quiet streets, not a crane in sight. There was a kind of sullen silence in the air. Of all recessions in my lifetime it was the only one to make you think the Depression must have been a bit like this. My complaint, however, was less the economic policy than the lack of direction and ideas. The Hawke Government had lost more than its economic credibility. It was spiritless, as if the leader's narcissism had leached the life from it. Max Gillies' early takes on Hawke had been gentle and moderately fond, but in later years the subject so consistently surpassed the satire it was difficult to find in the imagination anything to match it. It was a good time for disappointed radicals, I suppose, but it felt as if the entire national project might turn to dust. Manning Clark captured the mood on a postcard he sent not long before he died. 'I hope Australia does not peter out,' he wrote. It was the recession, but it was also the lack of anything to grip the mind. In two years or so it seemed only the war against Iraq seemed to light up Hawke. Everything in Australia seemed to drift.

Yet, from outside, it was often difficult to see the Keating alternative as anything but another species of hubris coupled to the same economics. As a backbencher in mid-1991, he had attacked Hawke's new federalism, setting himself up as the traditional Labor guardian of Commonwealth powers. In October 1991 he made a good speech on the subject at the National Press Club, by way of throwing down the gauntlet. But in a recession, who cared about the relative powers of the Commonwealth and the States? The people wanted to know if they had a future, or if the country did. In exile Keating proposed another traditional Labor measure, active government intervention in the economy to revive growth and boost employment. Because it was in contradiction of his earlier position on the recession, his enemies said it

was a cynical tactic to buy more caucus votes. Perhaps it was, but it was also the result of his deciding that the recession was deeper than he had first thought, and he was amazed when Hawke did not read it the same way and change tack.

The electorate was scarcely more engaged by the argument over the economy than by the argument about new federalism. They were not interested in what either of them had to say. They hated the spectacle of Keating and Hawke fighting for supremacy. They hated the revelation of the Kirribilli agreement by which Keating was promised smooth succession to the leadership. Who was witness to this deal? Who voted for it? Not the people, but a millionaire and a trade unionist. The miracle was that the government was still in office; that in 1990 they had won an election with interest rates at 17 per cent or more and unemployment climbing towards the dreaded double digit. It must have encouraged some of them to think that if they could win that they could do anything.

So far had my own faith fallen, when John Hewson announced his radical right manifesto, *Fightback*, I found myself admiring it. Parts of it—the energy in it, the conviction. So did others who had never voted anything but Labor. A former stalwart of the Cain Government told me he would vote for it. One could hate its imitations of Thatcherism and the crassness of the philosophy, but at least there was a core of belief. Labor by contrast was doing a fair imitation of the Liberals at the end of their long era, and whoever led them risked comparisons with Sir William McMahon. In high-blown despair at all this, I vowed on New Year's Day 1992 to give up all political interests, including satire, speechwriting and reading the newspapers, and, even if it meant poverty, return to scholarship and creativity. I had a contract to co-write a history of Australia since the war with the historian Stuart Macintyre. I told the publisher to expect it that year. It was a few hours after this that Ryan phoned. When I told my wife and friends that I had turned the offer down they said I was mad. Do it, they said. It will be a fabulous experience and there's an election due—it will be all over in a year.

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I met Paul Keating in the doorway of his office on 9 January. He was wearing one of those famous suits and patent leather shoes. Before I went in someone from the media office told me how inspiring it was to work for him; but he didn't look capable of inspiring anyone. He stood front-on and gave me his little short-arm handshake, and a look with his famous brown eyes. The first impression was tiredness, languor, withdrawal. By the time I left half an hour or so later it was sadness, melancholy. It would remain the dominant impression. It's why I liked him and knew at once that I wanted the job.

Hawke had been gone three weeks but you could sense his presence in the room. The new prime minister said he could still smell his cigars and the Lodge reeked of them. 'Old Silver' he called him, and every time he mentioned the name he flicked his eyes towards the big desk at the other end of the room as if Old Silver were in it or under it. I couldn't smell his cigars, but I wasn't the usurper. Hawke had been the only prime minister to sit at that desk, the only one to occupy this office. Keating was not as hostile to Hawke as I thought he might be, but he was frank. I said I wondered if there were any lengths to which Hawke would not go to have revenge. Keating said he was a bitter bastard and might make a bad enemy.

It seemed a reasonable question because of an interview Hawke had given the TV journalist Mike Willesee three days before. Hawke told Willesee that he thought the new prime minister might see the world through the 'prism' of his old mentor, that icon of bitterness and division, Jack Lang. Hawke had been the great consensus prime minister, the great healer of the wounds of 1975. Lang was the great splitter. Hawke put the Labor Party and the country together. Lang split the Labor Party in the thirties and spent much of the long time left to him (he was ninety-nine when he died and looked like Methuselah) heaping vituperation on his former colleagues, including another great healer (and reformed drinker) the wartime Labor prime minister, John Curtin. Lang was one of the least liked people in Australian political history and just then Paul Keating's polls suggested he

would have run him close for that honour. John Curtin was one of the best loved people in Australian political history, and in his heyday nearly 80 per cent of the electorate approved of Hawke. As a young man Paul Keating sat at the feet of Jack Lang. Just now Bob Hawke chose to sit at John Curtin's.

Hawke told Mike Willesee that he didn't go in for heroes—he wasn't that sort of person—but if he had gone in for them John Curtin would be the one to get the nod. Curtin had been a brave and astute wartime leader. He stood up to the British, forged a new alliance with the Americans, and created the blueprint for a postwar new order based on Keynesian principles he had grasped even before the General Theory was published. He died in office and before his time, succumbing finally to the work and worry, plagued to the end by self-serving malcontents and ideologues of the Jack Lang variety. He was a martyr for his country, the Labor Party and intelligent commonsense. In Bob Hawke's view, and in many others', Curtin was not only Australia's greatest prime minister, but a great leader by any standards—world class might be the contemporary measurement—and no-one of goodwill who knew the facts could question his stature.

Paul Keating had questioned it, however. He had done it a year before in a speech which marked the beginning of his campaign to wrest the leadership from Hawke. This was the 'Placido Domingo' speech, delivered on the evening of 7 December 1990 at the National Press Club, Canberra. A mere kilometre from the Lodge, Keating told the assembled journalists that Australia had never had the great leaders it needed and deserved. The United States had had them. At crucial times in American history Washington, Lincoln and Roosevelt had taken their country and transformed it. But Australia had not been so fortunate. Our wartime leader and 'trier' that he was, John Curtin was not in that league. 'We've never had one such person, not one.' It was a frank, passionate speech—the more so because speeches at the Press Club dinner were supposed to be off the record. And the day before, one of Keating's closest friends, a key member of his fighting unit, the secretary of the Treasury, Chris

Higgins, had died of a heart attack at the age of forty-seven. Keating had begun his speech by talking about Higgins and what happens when someone who was making ‘a serious contribution’ and not getting much credit for it suddenly dies. He had a meeting with him at seven that evening and at nine he was dead. And when it happens ‘you feel as if something is happening to you, something moving, the earth is moving on you’.

He went on to talk about Australia. Politics was about leadership, and countries needed leadership. People thought politicians were shits, but ‘politicians change the world’. And the trouble with Australia was the country had never had a politician like that. Australia needed ‘a national will and national leadership’. ‘Leadership,’ he said, ‘is not about being popular. It’s about being right and about being strong,’ he said. ‘And it’s not whether you go through some shopping centre, tripping over TV crews’ cords. It’s about doing what you think the nation requires, making profound judgments about profound issues.’ As the most popular prime minister on record, and grand master of the mall crawl, Bob Hawke was not likely to be in much doubt about his treasurer’s meaning.

Mark Ryan recorded it, which was wise because well before it was over the journalists had decided what it meant, and within hours Keating’s off-the-record address was news. The recording is a benefit to posterity because what he said and what has been made of it are very different things. As an impromptu political address it has few equals in Australian history, not only for what it precipitated—the demise of Hawke and the rise of Keating—but for the pungency of its messages about Australia. People wanting to discover what the Keating Government was about will find the gist of it in this speech. Australians apologise for themselves by saying that they do not have the 230 million people that the US has, he said; but ‘they weren’t 230 million when Thomas Jefferson was sitting in a house he had designed for himself in a paddock in the back end of Virginia writing the words, “Life, Liberty and the Pursuit of Human Happiness”’.

In his interview with Mike Willesee it was not the implied

slur on his own leadership that Hawke recalled, but the slur on Curtin. Against himself it was mere treachery, but to call Curtin a 'trier' was heresy. Hawke did not mention those with whom Keating had compared him. He told Willesee that he had urged Keating to study Curtin's achievements, but he had always resisted him. It was ignorant as well as mean of Keating to belittle such a man. Then again, said the wily Hawke, that was what Lang had done. And Keating had learned from Lang, of course. When Bob Hawke said that Paul Keating saw the world through the prism of Jack Lang he meant he saw it with the same twisted psychopathology which made Lang so hateful. It is reasonably safe to presume that he also meant that Keating's slighting reference to Curtin slighted R.J. Hawke. Hawke embraced Curtin's 'greatness' as if it were his own. Hadn't they both pulled the country together when it was most necessary? Hadn't they both given up drinking to serve Australia? Hadn't they both had to suffer fools and the envy and malice of colleagues? It was uncanny. They might have been father and son. So the deposed prime minister put aside the injury to himself and manfully defended his spiritual father instead. But if the Australian people were half as shrewd as Bob Hawke liked to say they were, very likely many viewers decided he was really putting his own case and appropriating Curtin's mantle as he did it.

The morning after the Placido Domingo speech Keating said he had not intended to wound or challenge Hawke, and thirteen months after it he said the same thing to me. Perhaps he was right. Perhaps only the subconscious could have been so ruthless. He had not been in a challenging frame of mind that night, he said. The speech was intended as a tribute to Chris Higgins, who had so devotedly served the economic revolution. To Keating, Higgins had been a 'star'. That night at the Press Club he had reflected on how few had been the 'stars' in Australia. He recalled what the English author, Bernard Levin, had once told him after a Placido Domingo recital—that Domingo was sometimes brilliant, sometimes not, but he was always good, and this set him apart from his rivals. Keating told the Press Club, who after

all loved to hear him boast, that he was the Placido Domingo of Australian politics. He meant that he would always give quality performances, because that's what the job demanded—and his performances would always be better than his opponents, better by far than John Hewson, the new, young leader of the Opposition with a doctorate in economics and a career in banking behind him. He had Hewson's measure, he told them: 'You know an opponent, you get to know them, you get the psychological grip, the feel, and I have him.' The press could write Paul Keating down, he said, but they'd never be able to deny him. It had been a speech to remind the press about the integrity of economic policy, finding where the 'value' was among all the 'fairy floss', the importance of spinning the tale, streaming the economics and the politics, selling the story of the great adventure in reform. The journalists were not entirely wrong to read it as they did, but in doing that they missed the philosophy underlying it.

That day in the office thirteen months after the Press Club speech, Keating told me that he admired Curtin but to rank him with Lincoln was like comparing 'Leonard Bernstein to Mahler'. Mahler was a 'star' and when you have heard or seen a 'star'—like Klemperer conducting Richard Strauss, or Kreisler or Heifetz playing the Bruch Violin Concerto—you don't want to hear the others. Music inspired Keating: he would take you to the Lodge on an afternoon and plant you dead centre between the giant speakers of his sound system and pump you full of these great performances. At two o'clock on a weekday afternoon I have seen a tear run down his face as Schwarzkopf sang that aria Brahms added to the *German Requiem*. Perhaps it put him in touch with the immortals as music can for some people, or with feelings he could not otherwise divine, but at our first meeting he said he listened because it humbled him. 'Before a big thing,' he said, 'I fill the room with music. It reminds me that what I have to do is just a speck of sand.'

I told him that I was not an economist. He said not to worry, he would teach me. There was less to it than a lot of people thought. I said to him that I thought Australia needed someone to

lead it and ideas to govern it, and I wondered if he might be the person. I had not read the transcript of the speech then. Had I, his reply might have disappointed me. He said, 'I'm no leader, but I know what has to be done.' That's what he would always say. It could encourage you to think he was speaking candidly when he said that the speech was never meant to suggest he was the leader Australia needed.

Even if it had not precipitated the challenge to Hawke's leadership, the Placido speech might still be justly famous. Not only for the ideas about Australia it contained, but for the language. Long after his political career was over Keating told me that he wished he had studied Marx and Weber, for the pleasure it would have given him to grapple with their ideas. But his loss was politics' gain. It left his language blessedly free of the social sciences, and being also free of the law, it was almost completely unconstrained. In its natural environment it served as the raw instrument of his intelligence, a shillelagh or a paint brush as circumstances demanded. With it he could sell an idea better than anybody else in the government. He painted word pictures, created images and moods at a stroke. He could turn ideas into icons, make phrases that stuck. He could cut through to the meaning and, as Gough Whitlam said, restate it in a useful form faster than any politician of his generation. The way people spoke reflected the way they thought and the way they acted. If they talked in circles they walked in circles. If they talked in legalese they legislated their way round problems instead of cutting through them. If they qualified everything they said, everything they did would be qualified. Politics was full of them: people, he said, with brains like sparrows' nests—all shit and sticks.

Sometimes Keating murdered the language (and sometimes it deserved to be murdered), but when he was on a roll with it he could remind you of what language can be and what it can do—of what it was, perhaps, before the academy got hold of it. At these times he also reminded speechwriters that they are never more than a step removed from being supernumeraries.

There was an extraordinary intimacy about the man. He talked as if we had known each other for years. He wanted the job badly three years ago, he said, but now he was tired. He had used up most of his ‘horsepower’. You ‘use up a lot of horsepower in these jobs’, he said. But the truth was most of the work had already been done. Most of the big changes had been made. The rest was mainly management and fine tuning and not letting it slip. Some micro reform, but there really wasn’t a lot more that needed doing.

He took the leadership from Hawke because it was owed him and it had been promised him. All through the eighties he had done more of the work than anybody else and come up with more of the ideas. He had helped make Hawke prime minister. He had defended him when he was in trouble. In 1987, in Paul Keating’s view at least, it was he who had blown a hole in John Howard’s tax proposals and that was crucial to winning the election. Hawke could not talk about winning four elections without acknowledging the crucial role Keating had played in at least the last two of them. In 1988 he had delivered the budget which ‘brought home the bacon’: the one with the \$5.5 billion surplus, the public sector borrowing requirement at zero, ‘the best set of government accounts Australia has had in its history’, he said. He had delivered Australia from the shadow of the banana republic. Andrew Peacock said he was ‘wallowing in shattered aspiration’ for the leadership. But Keating, looking like a cat with a mouthful of canary, said he still got a kick out of being the treasurer; it was the ‘high side of the street’. But no sooner had he said it than Hawke went on television and said Paul Keating was not irreplaceable—and Keating seethed.

Still, he put it behind him and laboured on. In 1989 at the Menzies Hotel in Sydney he made the speech which pulled the government back to economic fundamentals and preserved its credibility with the markets and the press. He had stiffened Hawke’s spine when it seemed to turn to jelly, then tramped the country in the campaign of the following year. He had been the principal force in parliament, in the cabinet, in the caucus,

in the party. It was Keating more than anyone else who had made the Labor Party relatively 'phobia free'. He'd got the party thinking internationally and that had got the country thinking internationally. When the government was judged, his stamp would be indelible. There was no show without Keating, and when after his first challenge failed he went to the back benches for six months, the point was proved. Within weeks the new treasurer John Kerin had been humiliated. The government's response to the Opposition's new free-market vision was feeble. Hewson had bolted in the polls and for the first time in a decade the Liberals now occupied the high ground of policy. There was no denying that Hawke had given Labor leadership, or that the success of Labor's model owed a great deal to his unique combination of intellect, salesmanship and charisma. His style had more in common with modern American fundamentalist preaching than anything picked up from John Curtin, but it worked. That charisma made all around him braver. It helped Paul Keating to have him there, a political buffer for the saturnine architect of unpopular reform. If Keating sometimes protected his leader in the parliament, Hawke's favours came in the form of that aura of conviction—half chapel, half floor show—he cast over the electorate in a period of great change. The two of them made a formidable double act. Together they personified the policy model. But by the end of the decade Keating reckoned Hawke was no longer offering leadership. By 1991 he was speaking of three wasted years—for the government, for the country and for Paul Keating. Keating had put the country's interests before his own—the government's interests, the party's interests, everything before his own. When Keating realised that Hawke would not keep his promise he marched in on him, here in this office where we sat. He fronted him over there at the desk and Hawke had said no, he was not going to give it to him; he took the Placido Domingo speech to be a personal attack which voided the agreement. Besides, he was enjoying the job too much, he said, and he intended to be still in it when he went to London later in the year, because he had been promised the keys to the city.

He might not have killed the father in the Freudian sense, but when he overthrew Hawke, Keating did ‘kill’ a brother and an elder of the tribe. That did not mean he had done anything that required an apology, or a demonstration of remorse. There is no clear reason why he should have felt any guilt at all. It had happened in the natural element of both men and according to the customs of the tribe, not to say of all politics and war. Keating had done no more than Hawke had when on the eve of the 1983 election he snatched the leadership and the prime ministership from Bill Hayden. Hawke never seemed consumed by remorse, although giving Hayden the governor-general’s job might be interpreted as an act of reparation. Nevertheless, it was not the way Keating wanted to get the job. It sounds trite, but there was no happiness in the memory, just another pain to add to the melancholy.

Keating’s relationship to Hawke was not like Hawke’s to Hayden. It was more brotherly. The bitter three-year struggle for the leadership masks a legacy of shared adventure and achievement. Together they had transformed the party, the electorate and the economy. There had been something great about the partnership, and not the least part of the pleasure for Keating might have been the sublimation of his ambition in those years. So long as he knew his time was coming, he could enjoy the role of indispensable lieutenant; he could play hard man, maverick, power behind the throne; he could be whatever it suited him to be, including both the antithesis of Hawke and his most loyal and able ally. And with every step make himself the intriguing—for some, irresistible—shape of the future. The press gallery fell in love with him and, when the final struggle began, supported him openly. Being treasurer always has its drawbacks, but Keating overcame them with shows of fearlessness, colour and elan which lent the job a certain nobility and made his claim on the prime ministership morally indisputable. When Hawke hung on past the appointed time Keating’s feelings of betrayal went beyond frustration. It was much more than having his political ambitions thwarted: this was a violation of the natural order, a defiance of

the Gods. The two of them had, in Keating's argot, put together a nice little story, with all the threads joining nicely, with a nice little ending—and Hawke had sabotaged it. There was something shocking about it. Keating always denied that the execution of Hawke caused him any grief. That of course does not rule out the possibility that it depressed him. And even if the overthrow of Hawke did not disturb his mind, the possibility remains that he was deeply troubled by the circumstances which made the execution necessary. His father's death apart, had anything else in his life given him more reason to mourn?

Media support for Keating grew in inverse proportion to public sympathy. By the time of the first ballot most newspaper editors seemed convinced that he would make the better prime minister and when he lost it—by 22 votes—they were not dissuaded. The press gallery, by their own admission, were 'enthralled', 'seduced'. They liked what they called his 'word magic'. They looked forward to the 'touch of excitement' he had promised them he would bring. After that first ballot he told them with a wry beguiling grin: 'I want to thank you, because I like you. I don't know why I do, but I do. I don't like all of you, but I like most of you.' It was the Bankstown lover at work, the laconic Lothario. 'Yes, he seduces us from time to time,' said Alan Ramsey, the *Sydney Morning Herald's* commentator. Ramsey was arguably the pre-eminent print journalist in the gallery. 'He seduces the government, the cabinet and the caucus. He's been the dominant figure in the past two years. He also behaves like a thug from time to time,' he said. The Hawke camp had been angry enough with the press bias before the ballot; they were understandably livid when support for Keating blatantly continued after his defeat. In the years to come it was tempting to think that a lot of the goodwill he needed from the gallery as prime minister had been burnt up in the struggle to get the job. Before the victory over Hawke the media owed Keating for providing much of the substance and theatre of politics; it is just possible that after the victory some of them had it in their minds that Keating was in their inexhaustible debt.

The new Prime Minister Keating had no trouble making a case for himself, but his legitimacy depended on more than the logic or the justice of his position. He was going to have to earn that, and the task would be more difficult because he came without a story to tell. He had had *such* a story not long ago and he had been such a master at telling it. He had pulled off an economic revolution that every preceding generation of Australians would have found odious and unthinkable. Story-telling had been the key. He had achieved something a Marxist might call praxis—he managed to raise the theoretical consciousness of the people consistent with the revolutionary changes he was making to the real world. But the story unravelled with the recession, and calling it ‘the recession we had to have’, having also said that he controlled those who controlled monetary policy, seemed only to confirm that he was the author of a failure.

Not without reason, Hawke and others had wondered if Keating was ‘wide’ enough to be prime minister. His greatest supporters thought he might have spent too long in the treasurer’s office. As prime minister he needed to prove himself all over again, if not to reinvent himself, then to at least renew the government. It would require fresh thinking and energy. But at that meeting in January 1992, neither was evident. The absence was partly due to his conviction that most of the work had been done. The big changes had been made. What remained might be significant but it was significant tinkering. He was emphatic about that. Another thought was enervating him: the timing was all wrong. In 1988 he was at his peak, there was still some time in the economic cycle and the tide was not so far out politically. He had wanted the job badly then: the job he had first imagined might be his late in 1960 when a tyke like himself became president of the United States.

And thirty years later, here he was in the office he had coveted. But he didn’t feel triumphant at all. The government’s cycle had well and truly finished and it trailed miserably in the polls, and his own excitement and energy had ebbed. It was bizarre that at forty-six he could think it had come to him too

late in life. Yet fundamentally that was what he told me three weeks after he won the job. It was not just the political mess, or the let-down anyone is prone to feel when a long-held ambition is finally realised. There was always the other, singular, private Keating drama that you couldn't get at, and that he struggled to control. It is hard for someone who is not a psychologist to describe this state of mind. It is a bit like depression, and I think that often he was depressed. A less clinical but perhaps more suggestive description is the 'bewildered solitude' of Robert Musil's *The Man Without Qualities*: 'whereas all other lives exist a hundredfold, being seen in the same way by those who lead them as by all the others who confirm them, his true life existed only for himself'. One way or another he was always somewhere else. Even when you had his most earnest attention, or some policy issue did, when he was in full political flight, he was never more than a moment removed from his personal drama.

He told me he would give the electorate 'quality'. You could sell 'quality'. You couldn't sell 'crap'. 'What we'll give them will be 24 carat,' he said. He did not believe Labor could win the next election, which had to be held within the next fifteen months. But he would have a go. I said, more or less, that if he would have a go I would. He more or less welcomed me aboard, and in doing so said, 'No-one who ever took this job was less exhilarated about it than I am.'

But as I reached the door he said, 'It's got to be fun.' He showed me out and passed me on to his principal adviser, the alarmingly tall and bald Don Russell in his dark Boss suit with his big gold ring, who sat in the room opposite his master's door like a fire-dog missing its pair. And with what turned out to be an almost permanent expression of slightly puzzled, slightly smug nonchalance, Dr Russell signed me up. My first speech would be the Prime Minister's Australia Day address.

A former Treasury official and then an adviser to Keating when he was treasurer, Russell had been honeymooning in France when news came that Keating had won. (It was a measure of how far they thought the job had drifted from their grasp—Ryan was

holidaying in Germany.) People said Russell was very skilled at fusing the economic with the political, that he could make political and economic desiderata seem to be one and the same. He had enemies who said that he was a bloodless economic rationalist, notorious for remarking that from the treasurer's office he had heard the economy snap—like a neck—under the weight of official interest rates, that he had given the country a recession and taken off for Paris. Mark Ryan and Simon Balderstone, who were both his colleagues and friends, called him the Chief Pointy Head, or the Tall Bald Pointy Head, 'pointy head' meaning economist, economic rationalist or econocrat. With his fellow economic advisers he believed the economy was the main game, by which he meant the only one to really matter. Everything else was 'flim flam' or 'fairy floss' and deserving mockery and condescension. But Russell defied categorisation: on one reading he was a solipsist who handled people and affairs with that mixture of cold calculation and serene ineptness which to many outsiders—and some insiders—came to embody the house style of the Keating office. He was insouciant, insensitive and calculating. While the rest of us endured political life with egos uncertain and fragile from disappointment and exposure, his seemed as limitless as the unweaned child's. Yet like the child, he was also soft and open to persuasion; it was just as true to say that he was in the game for the excitement of nation-building and the addiction of politics. He liked the idea of a 'virtuous circle' of sound policy, good works and astute politics. That was the creative impulse in him: he was an optimist who, whatever else he lacked in comparison to J. M. Keynes, shared his cheerfulness about the prospects for good in economic theory intelligently and intuitively applied, and believed good should be its aim. What was more, he was probably the only person alive with the capacity to think along the singular and formidably effective lines that Keating did. He also had the virtue of utter loyalty to his prime minister, and even at the worst of times I liked him.

I returned to the Victorian beach where I had been holidaying and wrote the Australia Day speech. I did an interview

with Michelle Grattan from a phone booth. I told an ABC reporter that I thought the Prime Minister was misunderstood. John Cain phoned to say congratulations, but Keating didn't deserve me. I flew back to Canberra in a new suit from Henry Bucks, in business class with all the other suits. I applied for a Diner's Club card. In the space of a week I drifted a thousand miles from ordinary life. I took a room on a weekly basis at the Telopea Park Motel, and paid in cash from my travel allowance. I began to make the daily fifteen-minute walks to and from the parliament. The Prime Minister read the Australia Day speech in his office and said to me, nodding, 'Good words'.