



The Fall of the House of Fairfax

Some on the left will be bemused or even entertained by the spectacle of the Fall of the House of Fairfax, with the closure and sale of its newspapers, journalists' strikes and internecine rivalry.

Yet paradoxically, the end of the publishing company which, for most of its 140 years, has been stuffy and deeply reactionary will create a far worse situation in Australia's media. It will be more concentrated, less diverse and more prone to direct intervention in the political and business interests of its proprietors.

But all this will take time to work itself through. More immediately, an almost unprecedented strike by journalists on the *Sydney Morning Herald* has sharply spotlighted an issue usually muffled within media circles, let alone in public debate: editorial independence. The strike resulted in the sacking of general manager, editorial, Martin Dougherty, and the elevation of former *Herald* editor in chief, Chris Anderson, to the board; but most of all it resulted in journalists taking a rare stand on an

issue of principle and professionalism.

What was this principle? Essentially, editorial independence meant that an editor and journalists produced a newspaper largely free from pressures from proprietors and their mouthpieces. The phrase first arose in this context when it seemed that the *Financial Review*, *Times on Sunday* and the Macquarie Radio network would be sold to Holmes a'Court. Journalists feared that a newspaper largely devoted to business was uniquely vulnerable to pressure if it was owned by a businessman whose interests ranged far beyond the media industry.

The possibilities and also the limits of editorial independence were shown most sharply during the editorship of the *National Times* by Brian Toohey. With a board that included a clutch of knights of the realm, almost certainly all of whom were supporters of the Liberal Party, Toohey's paper produced a stream of disclosures on corruption in politics and business and on intelligence and defence secrets which discomfited

and, at times, enraged Australia's establishment.

Toohey's disclosures also upset the Labor side of politics, and one of the hidden worries about the privatisation bid by Warwick Fairfax was that he, his mother, Lady Fairfax, and their advisers Martin Dougherty and Laurie Connell had close links with rightwing Labor.

A corporation which gives its editors and journalists a degree of editorial independence is a little hard for dogmatists on the left to swallow, too. It means that if there is bias, sexism, invasion of privacy or plain errors of fact, this stems not from "journalists being told what to write" by interfering proprietors. Rather, it arises largely from the journalists themselves, their own professional culture and the prejudices and values of the wider society.

But in any media organisation, whether independent or not, the positive side of this professional culture is the only obstruction to an interfering proprietor or a biased editor. Some of this culture has been

institutionalised in the AJA Code of Ethics: the rest of it is largely undefined, contradictory and largely dependent on the whim of an editor.

The *Herald* journalists' strike was important, then, because it started to define (or defend) some of this territory. But it also went further, arguing that the owner's right to appoint an editor should be tempered by the sharing of that responsibility with journalists.

This tension between journalists and owners lies at the root of the privatisation bid by Warwick Fairfax. The more modern (and profitable) Fairfax group which emerged in the early 1980s depended crucially on a 1977 boardroom coup in which the old Sir Warwick was deposed as chairman and replaced by his son James, who controlled the company until takeover/privatisation by the young Warwick.

It was under James that many of the independent and less hidebound practices of "Fairfax journalism" developed. But Sir Warwick's wife, Lady Mary Fairfax, never forgave the indignity of her husband's overthrow, and she was among those who propelled the twenty-seven year old Warwick, fresh from Harvard, to make the disastrous bid. Aimed at securing the *Herald* forever from its rivals, the takeover has rather put Fairfax on the auction block, and led to the closure of two of its newspapers.

At best, Fairfax will become a small NSW-based owner of several newspapers. At worst, the banks who so generously lent young Warwick \$2.7 billion will finally foreclose and sell the *Herald* to the highest bidder. If that occurs, commentators will make much of the *Dynasty*-style, intra-family rivalry that brought Fairfax to a tragic end.

But the larger tragedy will be that the ultimate owners of the *Herald*, *Age*, *Sun-Herald* and *Financial Review* will probably be "normal", interfering newspaper owners who will try to roll back the small gains of independent and investigative journalism.

David McKnight

Taxing Questions in NZ

February 6 was Waitangi Day in New Zealand/Aotearoa. This might appear to be a day for genuine celebration, since it commemorates a treaty signed by British colonisers and representatives of the original inhabitants. **treaty as one which duped them from the outset and which has never been respected anyway.**

The Lange Labor government has moved to strengthen Maori rights under the Waitangi Tribunal enabling land grievances and claims to be heard by a sympathetic, powerful court. Paradoxically, however, it has been Maoris who have suffered more than most from the free market, deregulatory policies of the government, dubbed "Rogernomics" after Finance Minister Roger Douglas.

This contradiction stems from the government's economic analysis to the effect that the only answer to the country's grave indebtedness is tough restrictions on wages and the selling of public assets, combined with tax cuts and incentives for investors, financiers and business. Sound familiar?

Not surprisingly, it has been working people, especially women, Maoris and small farmers, who have carried the weight of "restructuring". Once famed as the "social laboratory of the world", NZ has become a laboratory of a different kind, a paradise for the yuppie, but a hard, uncertain environment for most people.

This basic contradiction of a Labour government outdoing Thatcher in the name of unavoidable economic imperatives underpins the extraordinary goings on across the Tasman over the past six weeks. Until now, the Labor caucus, which is not formally factionalised, has preserved an image of unity.

At the end of January, with Douglas in Europe touting his successes, Lange announced that the Finance Minister's plan of a flat rate

income tax of 23 cents in the dollar would not go ahead, arguing that the plan might undermine measures being formulated by a royal commission into social policy.

On Douglas' hasty return, the two former close allies gave a bizarre display of public wrangling.

The hope that Lange had triumphed over Douglas and his "dry" cronies was short-lived. A fortnight later, the government slashed company tax rates by 20 cents to 28 cents in the dollar, and the top income tax rate from 48 cents to 33 cents (someone on \$30,000 will now pay \$100 less a week in tax). Finally, Lange's announcement that a capital gains tax would be introduced was flatly repudiated by Douglas.

While at first glance the battle seems to be between left and right within the Labour caucus, it is more of a personal power struggle than that. Lange has become increasingly isolated in caucus because of his authoritarian, arrogant personal style. A senior minister has admitted privately that there is a real likelihood of a mover to dump him as prime minister. Lange's apparent appeal to the angry rank and file of the party, who are dispirited by the government's abandonment of social democratic objectives, is as much to do with a personal struggle with Douglas as with a real desire to change direction.

From an Australian perspective, the battle over "Rogernomics" is extremely important. Douglas' success in pushing through his policies, best described as "the free fox in the free henhouse", has been welcomed by those sectors in Australia which are also campaigning for lower company and income tax rates and a switch to indirect taxation along the lines of the 10% goods and services tax now in operation in NZ.

A leading Sydney tax accountant has predicted that Keating's May mini-budget will