

## VIEW FROM THE EYE OF THE STORM

---

LENORE TAYLOR & DAVID UREN, *Shitstorm*, Carlton, Melbourne University Press, 2010, 278pp.

The title of this book comes from a now famous slip of the tongue from former Prime Minister Kevin Rudd on Channel 7's *Sunday Night* program in March 2009. Rudd was defending his government's stimulus packages and temporary borrowings, moves which were made in order to protect the Australian economy from the worst of the global financial crisis. While the Opposition was criticising the strategy for leading to massive levels of debt, Rudd told the nationally televised program that 'either you sit back as government and do nothing and wait for the free market to fix it all up or you step in and try to fill the breach...people have to understand that because there is going to be the usual political shitstorm—sorry, political storm—over that'.

*Shitstorm* was unlucky to have hit the bookshops shortly before the Labor party machine ousted Rudd in favour of his deputy Julia Gillard, but this analysis of how the Strategic Priorities and Budget Committee (otherwise known as the 'gang of four')—Rudd, Gillard, Treasurer Wayne Swan and Finance Minister Lindsay Tanner—dealt with the GFC is illuminating in showing how the rest of Cabinet and the wider Labor Caucus were left out of the decision-making process. The resentment which several MPs and Ministers felt at this exclusion helped feed the resentment that would eventually contribute to Rudd's downfall.

The authors are veteran journalists who have covered politics and economics, and they take the reader through the GFC from the first rumblings of disquiet about the state of the American mortgage market in mid-2007 to early 2010, when Rudd and his government were facing the prospect of an election campaign dogged by the ghosts of the bloated school building program and the botched home insulation scheme. In the wrong hands, a work on financial matters runs the risk of being dry and dull, but this book is far from it. The writing is crisp and provides an insight into the sometimes surreal circumstances under which the 'gang of four', and others, found themselves working during the height of the crisis. *Shitstorm* begins with a description of the October 2008 meeting where the four most senior members of Cabinet decided to pump almost \$8.7 billion into the economy by giving cash bonuses to householders. Only Rudd and Gillard were actually in the cabinet room; Tanner was in Melbourne looking after his young daughter while Swan was in a teenager's bedroom in Washington, looking at Jimi Hendrix posters on the wall while reporting back on worrying reports from crisis talks with the International Monetary Fund. The bedroom was the only place where a secure phone line could be organised for the meeting.

On the whole the book moves at a good pace, making use of quotes from those most heavily involved, including the 'gang of four', Treasury advisors and financiers. Officials who are known only as names in the newspapers (and in some cases are completely unknown to the public) are fleshed out as human beings who worked with a very real fear for the future of the Australian economy. As events unfold the reader is given a view of the crisis from the perspective of individuals most affected at a particular time: 'When the news flash that the US investment bank [Lehman Brothers] was filing for bankruptcy arrived around 2 p.m. in Sydney, the most urgent task fell to Guy Debelle [of the Reserve Bank]. His mission was to ensure that banks had all the cash they needed to settle that day.' This technique gives a refreshing immediacy to the book and underlines the sense of urgency under which the government and public servants worked as the crisis deepened.

However, the flow of the book is disrupted at times by chapters thrown in almost randomly about the government's 'green car' plan to encourage the production of environmentally friendly cars in Australia, the disastrous Copenhagen climate talks and the ultimate failure of Rudd's attempt to introduce an emissions trading scheme, and leadership dramas within the Liberal Party. All of these events rightly belong in a book that covers the years of the Rudd Prime Ministership, but little attempt has been made to weave them into the main focus of the work, appearing almost as islands in the stream around which the main narrative flows. That being said, these chapters still make fascinating reading, in particular the desperate attempts by US President Barack Obama and others to rescue the Copenhagen climate negotiations.

*Shitstorm* is a must-read for those who want to know the inside story of how a government dealt with an economic crisis that was not of its making, and later found itself in a political crisis for which it has to take its share of the blame. The book ends with an epilogue that discusses the political problems for the then Rudd government that the GFC had left in its wake—the overspending in the schools program, the home insulation debacle, and the rising national debt that would make such handy ammunition for the Opposition in a looming election campaign. Given the political events that occurred after *Shitstorm* hit the shelves, the authors are eerily prescient in the final sentence of the work: 'The political shitstorm may be wilder and more damaging than Kevin Rudd ever imagined.'

Cathy Jenkins