

COVER STORY

Families That Fight To gether

Bitter disputes over everything from money to politics

prove that blood is not always thicker than water

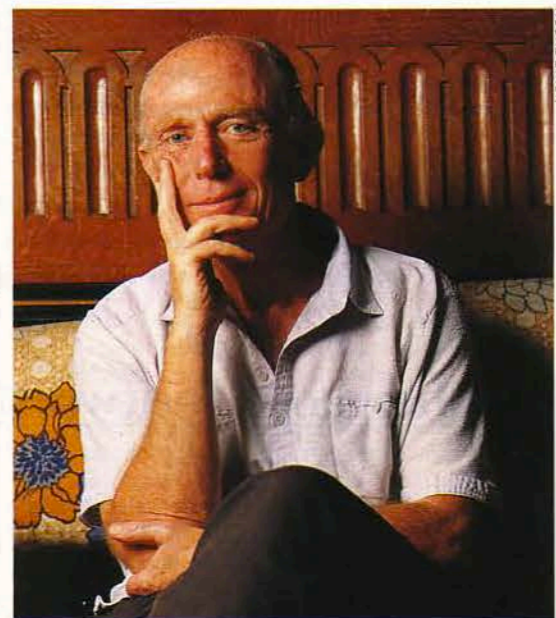
By ROWAN CALLICK

The boy—a timid, plump lad of 12—was proving a difficult case for Melbourne psychologist Moshe Lang. There was a rift between the child and his father, and Lang, who specializes in family therapy, was probing gently for a reason. At last, after months of therapy, the youngster unmasked his secret. "My father," he confided haltingly, "barracks for Collingwood, and he thinks that I do too, but, deep in my heart, I barrack for Melbourne."

Maybe the boy was right to fear discovery. For a devout Collingwood family, renegade football loyalties might be regarded as some sort of genetic failing. Maybe, too, the shy child suspected what most adults have come to learn: families are the most fragile of institutions. They can crack or shatter at a whisper and, when they come apart—often noisily, messily—it is a wizard's chore to put them back together.

Forget the TV sitcom image of happy families, with the tangled traumas of the previous half-hour resolved amid wry smiles, hugs or mock expressions of exasperation. In real life, things simmer, boil, explode. A football argument will start it, but so too will just about anything else—religion, politics, money, marriage, birth,

death. The results can be as trivial as a lingering frostiness over a forgotten wedding invitation; as bitter as the recriminations over a neglected parent; as expensive as a court battle over a disputed will; as violent as a murder triggered by a custody battle. Says psychologist Lang: "There's a need in



Psychologist Lang: trivia can obscure deeper motives

all of us to see the family as supportive and loving. But it is also a place of unrestrained exploitation, conflict and destructiveness."

No one is exempt. Like the common cold, family feuds can spread as easily among the rich and famous as among the poor and unknown. The difference is that, when the rich set upon their kin, the financial stakes are usually higher and the battles often more public. Newspaper headlines provide the perverse comfort that the rich have some of the same problems as everyone else—perhaps with an extra trace of bitterness for spice. Examples: the Sydney solicitor who says he loathes being in the same room as his uncles and cousins, from whom his side of the family has just won about \$22 million in a court battle; a famous Melbourne businessman who buys a company to rival his son's, and they do not speak again; and the woman from a great Australian dynasty who writes to her ailing father, "You are a disgrace to the human race, utterly amoral and totally corrupt."

What is it about families that can turn people into such venge-

ful combatants? It is not just the pressure of close contact—at least not in Australia. Only about 12% of adults live with their parents, compared with 40% of Italian adults and an average 20% in Britain and Germany. And, according to psychologist Lang, even seemingly obvious flashpoints, like arguments over money, can obscure deeper motives, such as emotional revenge. Perhaps, as Lang observes, the causes of family feuds are at least as varied as the number of people involved, with as many versions of the truth as there are combatants. "That's one reason the courts can't truly resolve such issues," he says. "They can only pick one winner."

If people still spend money in legal battle over family disputes—and many do—Lang says it is partly because it gives them their chance to have a guaranteed say. Ironically, court action can also reflect a deep hope for reconciliation—a final attempt to talk in front of a third party. In the end, there are no guaranteed answers. After 20 years of dealing with family problems, Lang is convinced that conflict escalates as long as people believe in simple solutions to family feuds. If they accept that

conflict is a part of human nature, there is a chance of a resolution.

A chance best taken. Grudges are dangerous seeds. If left to grow, they can produce fruit of darkest evil. Family feuds account for 36% of all murders in Australia in which the relationship between the vic-

If families accept that conflict is a part of human nature, there is a chance of a resolution.

tim and murderer is known. Says Canberra-based criminologist Patricia Easta: "We like to think of murder, if at all, as between strangers, but I have been shocked by the variety and violence of the family murders I have looked at." Another criminologist, Satyashu Mukherjee, blames an almost complete breakdown in the relationship between some youngsters and their parents for increased teenage suicides and youth crime.

If violence is the extreme, the norm is the long-term feuds kept hidden in so many homes. Usually, the secrets only become public when the family is wealthy enough to take its fight to court and fa-

mous enough to warrant a headline. In Melbourne two years ago, just such a case revealed a grim feud that had existed for many years within one of Australia's most prominent families—the Grimwades, who once controlled the country's largest industrial companies, including Australian Con-

solidated Industries, Drug Houses of Australia and Commonwealth Industrial Gases. Norton Grimwade had worked on—and later run—the family property near Benalla in Victoria

since he left Melbourne Grammar School at the age of 16. When his father, Reginald, died in 1987, Norton was 52 and expecting to inherit the place. He claimed in court that when he asked his mother, Bernice, to show him the will, she handed him a copy, saying, "I've waited 52 years for this." After he read it, his mother added: "I suppose you are a little put out that you didn't get anything." Norton described her expression as one of triumph.

The background, according to Bernice Grimwade, was that her son had had an extravagant lifestyle—a source of continuing tension within the family—and that he sold a portion of the property in lots between

"All happy families resemble one another, but each unhappy family is unhappy in its own way."

—LEO TOLSTOY (*ANNA KARENINA*, 1875-77)

1983 and 1987, for \$888,000. Norton Grimwade said that the highest annual salary he had received, for 12 hours a day, seven days a week, was \$12,143. He spoke of his mother's influence over his father and his father's irrational behavior from 1970 onwards. "My wife and I were harassed by telephone, ordered to remain at home, and our dogs were shot at by my father," he said. After an 18-month legal fight over the \$1.7 million will, the case was eventually settled out of court and the family is again on speaking terms.

Battles over a will also split the Ricketson family of Melbourne, after Staniforth, the greatest stockbroker of his era—the dominant partner of J. B. Were & Son from 1940 to his death in 1967—divided his seven children, from two marriages, into three classes of beneficiaries: his youngest son, Staniforth junior (known as Sam); his daughters; and his



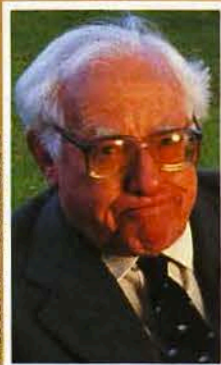
Mother and Son's Ruth Cracknell and Garry McDonald: a love-hate relationship in which nothing is ever resolved

other sons, who received nothing. The chief beneficiary of the will, worth \$2 million in 1967, was Sam, then a schoolboy, who was set to inherit the Ricketson holdings in Were if he followed his father's footsteps and became a stockbroker by a cer-

tain age. Instead, he became a law professor, and is now at Monash University in Melbourne. But, nevertheless, he received a substantial inheritance. Although three other sons had worked for many years with their father at Were, they were offered no share in the business. The bitterness lasted for years.

After the wars of the wills, the most public form of family feuding involves business rivalry. More than 80% of Australian companies are family-owned, and, in the most recent *Business Review Weekly* assessment of the top 200 Australian fortunes, about half involve inheritances. It is no surprise then that family members should keep a commercial eye on each other, especially if wealth begins to recede. Only 30% of family fortunes survive to the second generation, and only 15% to the third. Founders are followed by builders, who are followed by spenders. Only eight of 60 families named in a 1963 survey as "co-owners of Australia" are represented in *BRW's* latest Rich List. One explanation was offered by Tony Nicholas when his 50-year-old brother, David Nicholas—grandson of the co-founder of the Aspro fortune—was jailed in 1990 for fraud. Tony said:

Wentworth vs. Wentworth



Billy: political combat

For some families, like the Wentworths, an old land-owning clan, it seems that battle is in the blood. For many years, William C. Wentworth IV—referred to in his political days as Billy—was one of the Liberal Party's most combative federal ministers. Niece Kate, 52, has shown the same fiery spirit in her attacks on other family members. In a letter that referred to her uncle and some other relations, she advised her father: "You could do one honest act in your life,

father mine, and expose this bunch of crooks for what they are." Kate Wentworth's feud with some members of her family goes back more than a decade. When her mother died 10 years ago, Kate, who was already involved in family litigation, was excluded from the inner circle both at lunch before the funeral and at a function afterwards. Once, when Kate took out a private prosecution, claiming her since-divorced husband had attacked her—he was acquitted—her brother gave the husband \$6,000 to help pay for his defense. Writing to her sister Dorothy, Kate complained of "the heinous collusive criminal activities of my family . . . You all provide such interesting topics for my tapping fingers."

For 11 years, when not writing letters, Kate was occupied with legal cases. The most spectacular began in 1989, after Kate's father, Neville Wentworth, died. Kate began court action for a share of his \$5.4 million estate, essentially left to her

younger brother, Fitzwilliam. In his judgment, Justice John Bryson said that, by leaving the property portfolio to his son, Neville Wentworth had acted on "a dynastic ideal from the distant past." He ordered Kate's brother to pay her \$21,000 a year from the estate. But the interest of the public was less in the settlement than in the extraordinary revelations of a family at war. Shouting matches and displays of rage between Kate and her father had apparently been common, leading the judge to suggest that such conflict may have reflected similarities in their characters.

By the end of the case, the judge had his own views on the character of father, daughter and the family in general. He described the Wentworths as members of that small Australian propertied class for whom the inheritance and management of assets are a central part of life. He noted of Neville Wentworth: "To some he was gentle, a gentleman . . . not so much a gentleman as to refrain from drawing a social-security pension while controlling assets worth millions of dollars." And of Kate, Bryson said her propensity for involvement in conflict and litigation had elements of a disability, an incapacity for successfully grappling with life. She was thus "truly in need of provision for her maintenance." That, said the judge, was why he did not award a one-off payment: there was a fair certainty it would be used for further litigation.



Kate: fiery spirit

Waterhouse vs. Waterhouse

It was the case that fed a bar of lawyers, took nine years to resolve, split a family in two and revealed the secrets of one of the nation's most colorful clans. At its end, former bookmaker Bill Waterhouse and brother Jack are left to pay \$22 million to their dead brother's family, and nephew Martin, who waged the legal fight against them, is left with an expensive victory and a public loathing for the two uncles he no longer regards as part of his family.

The saga began indirectly in 1954, when bookmaker-builder Charles Waterhouse, 39 and 127 kg, died of a heart attack, leaving a widow and four young children. Charles and his younger brothers Jack and Bill had been in business together, and, when he died, Jack and Bill had acted as executors, managing an estate that involved 23 properties, 16 of which had been co-owned by the three brothers. Charles' widow and children, including Martin, claimed that Jack and Bill mismanaged the estate, using it fraudulently for their own profit. The brothers replied that they had merely been finalizing enterprises begun with Charles, and had voluntarily shared some of the profits with Charles' family. The case was complicated because many of the records were missing and numerous witnesses had died. Four Q.C.s were involved and legal and accounting costs were more than \$12 million.

It was seven years before the case went to court and it then lasted almost two years. Justice John Kearney was moved to begin his 461-page judgment, handed down in Sydney in late November, with the comment: "This lamentable family dis-



Martin: "outraged victim"



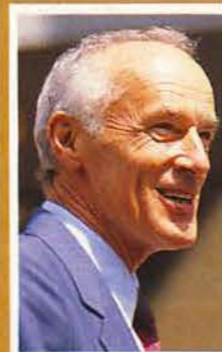
Bill: more embarrassment

pute was in counsels' addresses likened to an Icelandic saga or blood feud." He also cited the awe induced by a case in Queensland in which a judge had advised that "into this dark jungle, full of surprises and mysteries, it is our duty to peer." He concluded that, while there were instances of individual fraud and a more general breach of trust, the defendants were not, in general, intentionally fraudulent. Nevertheless, he found in most instances for Charles' family—who had refused an out-of-court settlement for \$15 million. They are now set to get about \$22 million plus half their costs.

For Bill Waterhouse the case has meant a second family rift—he once went seven years without speaking to his son David—and a new round of public embarrassment, the first coming with his problems on the racecourse a few years ago. Bill and son Robbie were warned off all Australian tracks after a 1984 scandal in which a seasoned galloper, disguised with dye and paint, was substituted for a novice called Fine Cotton in a race in Brisbane.

For Martin, a solicitor, 42, there is no sense of victory. In court he described himself as "an outraged victim," saying the case had damaged his career and his marriage. He estimates he put 20,000 hours into preparing the case. If he had not been a solicitor himself, the trustees would have got away with it, he says. "But what," he asks, "were our alternatives to going to court? We didn't ask our uncles to be trustees of our father's inheritance. We were always the poor relations."

Myer vs. Myer



Ken: untimely action

Politics can split families as easily as it does nations. During the 1972 federal election campaign, members of Melbourne's Myer retailing clan made their divided loyalties public. Ken Myer, elder son of the emporium's founder and later chairman of the Australian Broadcasting Corporation, was among the signatories to an open letter declaring IT'S TIME—a public call for the election of a Labor government led by Gough Whitlam. Ken Myer's mother, Dame Merlyn, and brother Sidney, reacted by sending telegrams to the Liberal Prime Minister, Billy McMahon, dissenting from Ken's views. On the sidelines, Ken's second cousin, Pamela, tried to act as peacemaker, urging the family to "come to their senses and stop this nonsense now."

There was an earlier rift in the family—over money, not politics—when Sir Norman Myer, the founder's nephew and chairman of the company for 18 years, died in 1956. The three children of his first marriage, led by daughter Pamela, went to court to challenge his will. They had each received \$10,000 while Myer's second wife and two sons were granted about \$700,000

between them. The court application was dismissed 17 years later. The friction was compounded by Pamela's publication of a family history, *Prince of Merchants*, which, while lauding her father, still revealed matters that some other family members regarded as private. Another book, a 1973 autobiography by Pamela's husband, Simon Warrender, also carried revealing anecdotes. Warrender, an English insurance broker before his 1950 marriage, remembered Norman's disapproval of his fashion sense. "You can't walk around like this," Norman told his future son-in-law. He took Warrender to the Myer menswear department and had him outfitted with a complete wardrobe—none of it of Warrender's choosing. Next morning a Myer messenger boy arrived at Warrender's hotel with a bill for £200.

The books, election controversies and court battles are long past, and Pamela believes the wounds are fully healed. "Where there is money and power, some people will always try to interfere and divide," she says. "But the next generation of Myers is very fine and very close. Grand families are the foundation of society, and they must stick together."



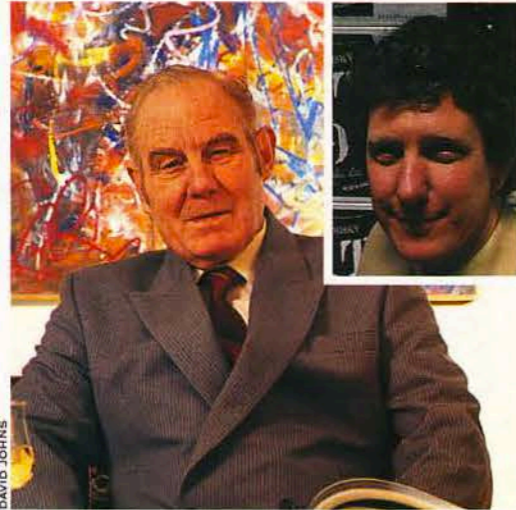
Merlyn: telegram retort

"Far from being the basis of the good society, the family, with its narrow privacy and tawdry secrets, is the source of all our discontents."

—ANTHROPOLOGIST SIR EDMUND LEACH (1967)

"You always have this dissipation once you get to the third generation. There is a broadening of the genetic base. As families grow larger, they grow apart."

Family-owned companies often encounter problems over delegation and board appointments, over the division of proceeds between working and non-working family members, and over private conflicts that spill across into business life. Confusion is always possible because arrangements are often left fuzzy, open to interpretation. In a case involving the Waterhouse family's affairs, a judge said: "As is common in family undertakings, there was little or no attention to formality and little by way of expressed terms." It all can make a division a tricky business, especially when emotions and pride are part of the carve-up. And, even in well-run businesses, there is usually some tension between generations. This emerged four years ago within Melbourne's Murphy wine-merchant family. Son Philip quit the company—started by his father Dan in 1942—and started a rival business. Dan, 73, took a realist's view: "I considered it as my right to be, one might say, the monarch of all I surveyed, even into my 70s, and this didn't please



The Murphys: a son is a son . . .

Philip at all." Says Philip, 42, who has a master of business administration degree from Melbourne University: "It is very difficult for a father and son to work together. The father always regards the son as a son, not as a business partner."

Feelings over the Murphy split may have been heightened by what Philip says

was his father's belief that he was the liquor merchant in Melbourne, whom no one could challenge. "Well, I will, and I'll do very well," said the son. And, so far, Philip has done just that. Next month, he opens his third store; his father has only two. But the focus of competition has shifted. Dan Murphy has been convicted of a \$2 million sales tax fraud—against which he has appealed—and, in the meantime, Philip's sister, Clare, has taken over the management of their father's stores. Thus, the father-son rivalry has become a sibling contest. Although Philip and Clare say they remain on good terms outside the liquor world, Philip has maintained the commercial pressure. His newspaper advertisements still proclaim

provocatively: WE MATCH DAN MURPHY'S ADVERTISED PRICES.

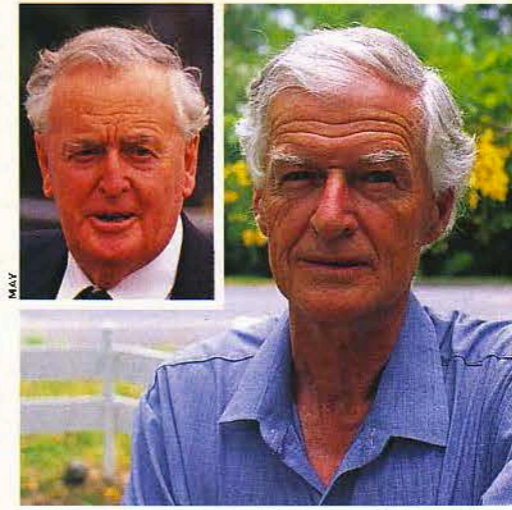
Families can differ over ideas as well as money. Retired Brisbane businessman Les Hoey, a conscientious objector during World War II, is an editor of the radical magazine *Social Alternatives*. His first cousin, Sir Joh Bjelke-Petersen, is the arch-conservative

"And so I give you our toast. To the family—that dear octopus from whose tentacles we never quite escape nor, in our inmost hearts, ever quite wish to."

—NOVELIST DODIE SMITH (*DEAR OCTOPUS*, 1938)

former Queensland premier. Says Hoey, who has not met his cousin since a family funeral 15 years ago: "Joh is privately a friendly chap, but I'm not at all happy about his public posturing and political performance. In general, it's been disastrous." When Hoey first went public with his views, in 1986, he wrote in an open letter to his cousin: "My mother, who thought a lot of you as a young man and also later when you entered parliament, would have been completely ashamed at many of your militaristic utterances." Bjelke-Petersen commented with an unusual sense of fatalism: "You can choose your friends, but not your relations."

West Australian Premier Carmen Lawrence ran into opposition even closer to home. Two years ago, when the newly installed ALP Premier was trying to resist an inquiry into WA Inc.—the disastrous alliance between the previous Labor government and the state's erratic entrepreneurs—it was Lawrence's lawyer brother Bevan who led the group that lobbied for, and won, a royal commission. Asked during his 1990 campaign if he



Non-kissing cousins: Bjelke-Petersen and Hoey

wished to kill his sister's political career, Bevan replied: "No, but if her popularity holds up it will protect those who don't deserve it."

Politics, business, wills. Is there any family out there that isn't squabbling over something—big or small? Probably not too many, according to Sydney-based script-

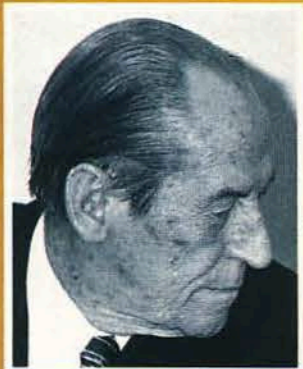
writer Geoffrey Atherden, creator of the Australian Broadcasting Corporation's television comedy series *Mother and Son*. The central theme of the series is the love-hate relationship between a middle-aged man and his dependent, manipulative mother. The son also feuds constantly with his dentist brother. Nothing is ever quite resolved—and that is just the way Atherden wants it. "In life," he says, "even a daughter's untidy bedroom may never be sorted out until she leaves home."

The program can be painfully cathartic and Atherden receives letters and calls from people who say it has helped them come to terms with their own family problems. Even so, Atherden has no fears that reality will kill the comedy. After an episode features a particularly excruciating level of conflict, he asks the live studio audience if they have experienced anything similar. "Generally," says Atherden, "they say it's worse at home." ■

"One would be in less danger/ from the wiles of the stranger/ if one's own kin and kith/ were more fun to be with."

—OGDEN NASH (1931)

Ansett vs. Ansett



Reginald: blunt

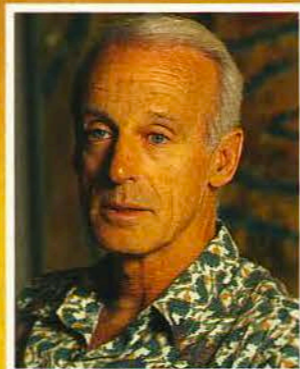
Sir Reginald Ansett and his eldest son, Bob, had two things in common—their surname and their granite determination. Ansett senior, a blunt man with pioneer instincts, built a namesake airline. Bob, a lycra-smooth motivator with an American accent, ran the Budget car rental company. When they eventually clashed in the marketplace, it became Australia's most famous family feud.

Bob grew up with his mother in the United States after his parents divorced, only seeing his father about once a year. But, aged 30—he is now a fit 58—he settled in Australia to develop his rental company. For 12 years, the two men met regularly for meals or in their offices. Says Bob, today engaged in public speaking and consultancy work after becoming bankrupt two years ago: "We developed an adult relationship. I was building a business and he had a very successful one. We confided in each other and I learned a great deal of his philosophy." But, in 1977, the relationship changed from familiarity to rivalry. Reg bought Avis, one of Budget's main competitors, and refused Budget access to Ansett airport terminals. "I felt betrayed," says Bob. "I told him he would be in for a real battle. He was a little surprised

that I took that point of view, but he underestimated me."

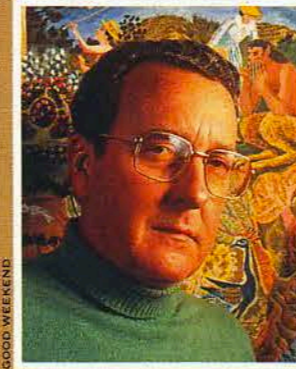
Bob Ansett, as always, used the media brilliantly to fight for terminal access. He pushed the underdog line, portraying Ansett and Avis as rich bullies on the corporate block. With two determined egos committed to business success, it was inevitable that it became personal, especially after 1979, when Budget broke the airlines' terminal monopoly and became the market leader.

Ansett Airlines lost Avis and Reg later lost Ansett. He became ill soon after and died, aged 72, in 1981. "Our battle gained a momentum of its own," recalls Bob. "Because of the nature of both of us, we never really reconciled our differences." When he discovered that his father was seriously ill in a Melbourne hospital, he tried to see him one last time, but Reg, determined to the end, refused. Bob suffered great remorse over the feud that had split them but wonders today whether he could have acted differently. "I may have been more of a chip off the old block than my father thought." There was a strange postscript. Two years ago, Bob played his father in a telemovie on the life of boxer Lionel Rose. For a few brief minutes, father and son were one.



Bob: lycra-smooth

Fairfax vs. Fairfax



James: an heirloom lost

The prize was the Fairfax media group that owned some of Australia's best and most profitable newspapers, including *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review*. One man, James Fairfax, saw it as a family heirloom, best protected by the unity of the clan. His step-brother, Warwick, saw instead a private grail—a thing to be seized and held by a single act of pirate daring. In the end, the treasure was lost and the family left with ill-

feeling and what James describes as a "broken dynasty." Publicly at least, the feud began in 1976, when James wrested the chairmanship of the company from his father, Sir Warwick Fairfax, 75. The embittered knight reacted, according to a friend, like a wounded tiger. He called his second son, Warwick, then 15, and told him of what he saw as James's treachery. The seeds planted in young Warwick's mind that day may well have decided the eventual fate of the group. When Warwick senior died in January 1987, James felt that, with the patriarch gone, it was an opportunity to bind the clan together again.

Young Warwick, then 27 and back from the U.S. with a Harvard MBA, had other ideas. He told one of his advisers at the time: "The company has some very good assets, but there is no

leadership and no direction. I simply have to try to take over." His "Operation Dynasty" won the company for a time but in the process he lost the family's support. At the final board meeting, attended by family members, an associate of Warwick thanked them for the dignity with which they had accepted the loss of control. Warwick's second cousin, Sir Vincent Fairfax, turned to James and remarked, "Wouldn't you think the little ponce could have said it himself?"

Warwick seemed to recognize the scars he had created. He wrote to Vincent's son John in September 1987: "I know that you feel very hurt now. You had a vision of another Fairfax who cared about the business coming home . . . yet no sooner does he come home than he stabs you in the back and tramples on you . . ." What James described as Warwick's "arrogant belief in his truly appalling business judgment" led rapidly to the unraveling of his control, with the company going into receivership and Warwick moving to the United States, where he now lives with his American wife and son William. He hopes that William will have a normal life, with none of the pressures of the Fairfax name. "That makes me very happy," he says. "Once upon a time there was a dynasty. Fortunately, it's over."



Warwick: a dynasty dashed