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× × ×

Australians in favour of their country becoming a republic: 21 per cent.

× × ×


Average public approval for U.S. aid to Contras among Nicaragua's neighbours - Costa Rica, Honduras, El Salvador and Guatemala: 72 per cent.

× × ×


× × ×

Number of new settlers arriving in Australia for each 100 leaving the country permanently: In 1978 270, in 1986 550.

× × ×

Average Australian housing loan interest rates: In the 1950s 4.5 per cent, in the 1960s 5.7 per cent, in the 1970s 8.4 per cent, in the 1980s 13.9 per cent.

× × ×

Number of prisoners in Australia (August 1987): 11,726. Increase in prison population (latest 12 months): 5.5 per cent. Increase in total population: 1.4 per cent.

Proportion of pupils from broken or single-parent homes at Sydney's exclusive Scots College: one-third.

× × ×

Average duration of unemployment for all unemployed: 46.5 weeks.

× × ×

Proportion of people who attend church regularly: In Australia 22 per cent. In England 12 per cent, France 17 per cent, Holland and Germany 2-4 per cent.

Australians who say they have no religion: In 1976 8.3 per cent, in 1986 12.7 per cent.

× × ×


× × ×

Number of Commonwealth public servants retiring in 1986/87 on invalid pensions for each 100 retiring on an age or early age public service pension: 71.

× × ×

Total loss incurred by all Australian railway services in 1986-87: $1.3 billion or $81 for every Australian.

× × ×

Number of workers' compensation (Workcare) claims relating to mental disorder made by Victorian teachers for every similar claim made by NSW teachers: 7.

× × ×

Number of questions asked in referendums in Australia since Federation: 38. Number successful: 8.

Australia At Risk

Australian education has lost its way.

Professor Claudio Veliz in this Review analyses the lamentable condition of Australia's universities. His article is a sympathetic response to Allan Bloom's best-selling The Closing of the American Mind, a book which condemns the failure of American education to impart an appreciation and understanding of the traditions, foundations and central texts of Western culture. While there are differences between the American education system and our own, this failure, as Professor Veliz eloquently argues, affects Australian universities as much as American. It is a problem, moreover, which Mr. Dawkins' recent green paper on higher education, with its emphasis on making universities more economically and socially relevant, amalgamating institutions on the assumption that bigger is better, and consolidating central government management of the tertiary education sector, fails even to recognise. Professor Veliz will propose an alternative road to reforming the universities in the next issue of IPA Review.

The condition of secondary education is no better. At no time in the last 50 years has there been such dissatisfaction about curriculum, organization and structure, standards, values and finances. This is particularly so with the government system. One indication is the extent to which students are now leaving the once strong "free" public education system for an expensive private education. In NSW the proportion of students in State schools has fallen to the lowest this century.

Yet the "reforms" which have done so much to damage confidence continue unabated, resulting in the dismantling of external examinations and the common curriculum, the abolition of effective discipline procedures and a reduction of the accountability of teachers. Moreover, it is secondary education which has failed to provide university entrants with a grounding in the appreciation of their culture, the lack of which Professor Veliz discusses.

In Britain, far-reaching steps are being taken to raise educational standards, focus school curricula on the acquisition of essential knowledge and skills and improve the quality of teaching (see IPA Review Nov-Jan 1987/88). In America the report commissioned by the Reagan Administration, A Nation At Risk, released in 1983, did much to alert public and government attention to the critical state of education in America and establish a clear agenda of sound reforms. In Australia, by contrast, as public expenditure on education has increased, governments, educational planners and oppositions appear to have lost sight of the proper aims and functions of education.

There are three functions which ought to be restored to a central place in the educational enterprise. First, schools should provide young people with the skills and competence they need to find satisfying employment or to further their studies at tertiary institutions. There is an urgent need for a renewed emphasis on the teaching of basic skills.

Second, Australian schools should be involved in the important task of preparing young people for the responsibilities of citizenship in a democracy - of caring for its institutions and traditions, improving them where necessary and becoming active participants in the society. Institutions survive when they are understood. Democracies, unlike totalitarian systems, depend on citizens believing in the fundamental worth of their society. It is thus important that children not be taught to view their society's past cynically and its future with fatalism, as they undoubtedly are in some classrooms and as they will be increasingly in the future if the resolution by the Australian Teachers' Federation that Australian history courses be re-written, to reflect an Aboriginal viewpoint, is put into practice.

Third, education is unavoidably a moral enterprise. Most parents would expect schools, through instruction and example, to reinforce virtues such as self-discipline, courtesy, honesty, diligence and tolerance as they train the mind. The absurdity and corrosiveness of so-called 'value-free' sex education is discussed in this Review.

To complement the restoration of these aims, mechanisms of accountability, seriously lacking at present, should be introduced. Such a mechanism could be instituted in the form of State-wide testing of standards for primary and secondary students. The results of these tests would provide parents with a real indication of how their child's school is performing. It would also provide a means for governments to judge how well their policies are working.

In no State in Australia are the real problems in education being given the attention they deserve. Government Education Ministers seem to be captives of an "education club" of bureaucrats, union officials and selected academics. The esoteric language and preoccupations of many of the reports on secondary education which emerge from government reflect the remoteness of this "club" from the concerns of parents and employers.

In part this is a consequence of the lacklustre performance of State oppositions which have a special role in analysing and drawing public attention to failures of public policy. How many parents can name the Shadow Minister for Education in their State?

The growing concern about the state of our schools must mean that education is likely to become one of the three or four key political issues of the next decade. And so it should. The future of our children is at stake. Australia is at risk.
The Closing of the Australian Mind?

Claudio Veliz

Allan Bloom’s The Closing of the American Mind (published by Simon and Schuster) has struck a nerve in American society, its sales surpassing all expectations. It describes a deep cultural malaise in America’s universities, which has parallels in Australia.

The shock of recognition, plausible and illuminating, must be taken into consideration when attempting to explain the growing popularity, both within and outside the United States, of Professor Bloom’s The Closing of the American Mind. Substantially the same book, suitably modified by local circumstances, could have been written about the universities of any major English-speaking country. Certainly here, in Australia, Bloom’s diagnosis of the malaise affecting academic life appears to be distressingly apposite, although the patient’s response, the local remedies, and their effects, are different; it is the same affliction visiting two comparable societies, sharing much of the same ancient cultural traditions, religious latitude and basic political disposition. Their respective academic arrangements however are significantly different, and this is reflected in their capacity to resist and overcome the current crisis.

The United States has the most dynamic, diverse and numerous academic institutions on earth. There are thousands of universities; some entirely funded by the state; others mainly from private sources; some principally sponsored by religious organizations; others by regional groupings of industrial corporations. They range from the largest and the richest in the world, to the smallest; from the ones offering the greatest range of courses of study, to the most severely specialized.

Australia stands far to the opposite end of this continuum, with one of the least diversified higher education systems of any major western democracy; her 20 universities are administered largely in the same manner, using comparable salary scales, similar career structures, and with most other internal administrative and academic arrangements standardized or modified in consultation with the central authorities. It is only a gentle exaggeration to say that Australia has one huge university with 20 campuses strewed over her vast territory; what affects one, affects all; the intrinsic vulnerability of one tends to be that of the others as well. Compared with the United States, there is little room to move, and prudent acquiescence appears to be the course of action most likely to ensure an undisturbed flow of adequate resources.

The correspondence in the diagnosis of the malaise affecting both countries does not reflect a want of Australian originality, nor is it restricted to the problems affecting universities, but derives from the dominant cultural tradition of our time, that of the English-speaking peoples. Within this tradition, a weighty role is assigned to individualism, relativism, and egalitarianism, the factors to which Bloom attributes much of the responsibility for the erosion of values and authority that has stifled the intellectual life of his country and severed the young from their literacy inheritance.

In their modern guise, these problematic factors are decidedly of English provenance. The parentage of relativism and the excessive ‘openness’ to which Bloom refers, can be traced without effort to Ockham’s nominalism, the blossoming of science in 17th century England, and the Protestant and aristocratic latitudinarianism of the century of Dr. Johnson. The earthy egalitarianism of the English-speaking peoples has a disconcertingly pious ancestry of Welsh and Scottish, as well as English, religious dissidence, that in its day inspired the Encyclopédistes and philosophes who laid the intellectual foundations of the bungled revolutionary attempt of 1789, to transform France into England. Lastly, individualism was not the final product, but one of the decisive ingredients of English industrial capitalism; the stout root rather than the fruit of that stately tree.

More, the problems described by Bloom are inconceivable in a backward and poor country. They are problems of prosperity and leisure, bound up inextricably with the success of an economic revolution initiated and kept going precisely by a lively and resilient individualism; a revolution in technology and science nurtured by a relativism that valued the practical above the dogmatic and abhorred prejudice as much as established principles; and a social revolution inspired by the evangelizing egalitarianism of the chapel and sustained by the mass mobility generated by increased productivity and

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shortcomings of this vigorous cultural tradition, and among the latter, few have been more evident than the deterioration of educational standards, both at the secondary and tertiary levels. Bloom subtitled his work, *How Higher Education Has Failed Democracy and Impoverished the Souls of Today's Students*. Had he been writing about Australia, he probably would have added a reference to teachers and university lecturers, because the rot he describes resides principally in the souls of the ageing and intellectually dependent hippie mentors in schools and universities. Their tight, tenured grip still refuses to let go the transforming dreams of so many years ago, when it appeared to them that the Californian counter-culture at its permissive worst, was the true portent of the Australian future. Today their error is as obvious as the fact that elementary literacy was an early casualty in their undeclared campaign against the establishment. Their former students, including political leaders as well as journalists and other lecturers and teachers, vie daily with each other in what looks like a spirited competition to show the greater disdain for linguistic propriety, but the apparent confidence of their assault on the vulnerable defences of the language is not founded on principle or faith, but on the serenity that only unmitigated ignorance can bestow.

The first public complaints about this unattractive trend were controversial, and elicited lively responses and disclaimers. Today, the number of editorial articles, features, documentaries and public lectures decrying it is so large that the controversy has been stilled, and those responsible for the outrage have lapsed into embarrassed and embarrassing silence. No one would wish to gloat over this melancholy turn, but it is not out of place to note that even Miss Germaine Greer has protested against the unnecessary retreat into mindless illiteracy, using language so colourful and unrestrained that no other argument was required to prove her point.

Its notoriety notwithstanding, it is sadly possible to regard this as a minor misdeed that hides an infinitely greater dereliction of which could indeed impoverish the lives of many and for a very long time. Grammar was not sent alone to the scaffold, but was sacrificed together with much of the literary tradition that provides the context and legitimation for stylistic refinement, and for the delicate web of allusions, comparisons, intimations and metaphors with which the fabric of civilization is constructed, enriched, and kept in good repair. Yet more importantly, this common inheritance of words, forms, and deeds; thoughts, courage, and imagination, is precisely the community of mind and spirit that gives meaning to humanity. Deprived of it, men are thrown back to biological imperatives; deaf to the voices of the best of their human ancestry, they become one-dimensional, predictable and even absurd, exerting themselves immensely to discover the wheel, and ultimately forced to cultivate the shallowest dimension of the self.

It is now possible for an intelligent and diligent Australian student to enter university almost totally ignorant of the European cultural antecedents of his own thoughts, the temper of his time, or the formative experience of his country. The phrase 'totally ignorant' is not used frivolously. I have had the sobering experience of encountering clever students, triumphant holders of HSC credentials, who believed that 'Eureka' was the Aboriginal name for the site of the stockade; had never heard of Pericles, Cervantes or Balzac; did not know what the Book of Job was or where it could be found; knew something about Hamlet ('It's a play, isn't it?'), but not about Homer, Figaro, Faust, Don Juan or Othello. These students can proceed to complete with brilliance any number of degree courses on a diversity of specialisms, none of which will do anything to rectify the awesome deficiency. They can thus be disgorged into the world armed with impeccable professional knowledge and accreditation, ready in due course to advise governments, opine about higher morality, teach in schools and universities, intervene in the administration of institutions, and otherwise influence the lives of others in important ways. Successful on the surface, but in reality, incomplete human beings, all the more pitiful and dangerous because ignorant even of their crippling disability.

A reading of Professor Bloom's book suggests that students in the United States share this melancholy deprivation with their Australian counterparts. Released by a flawed education from any responsibility in the ennobling community of pride, hope and aspirations of their discarded cultural inheritance, nothing is demanded of them: they are left alone to live as they please, titillating and satisfying the worst, the lesser, and the most egocentric part of the self. Bloom comments forcefully on this aspect of the problem and
enlists Tocqueville's biting observation about democratic societies in general and the United States of America in particular, where "...each citizen is habitually busy with the contemplation of a very pretty object, which is himself..." adding that this contemplation is now intensified "by a greater indifference to the past and the loss of a national view of the future" which, taken together lead to "...inevitable individualism, endemic to our regime." (p.86)

What is now abundantly clear is that most Australian academics have not been able, or sufficiently willing to decline the bureaucratic embrace. Coddled by the Commonwealth and threatened by the zealots, most have opted for prudence, hoping that if they refrain from doing anything that could be construed as offensively individualistic or callously original, they will be left in peace.

It is virtually impossible to disassociate the exacerbation of this flawed and egocentric individualistic disposition from the trend described by Bloom. This differs decisively from what has occurred in Australian universities in the past few years, during which the growing influence of what can justly be described as a 'bureaucratic mode', strongly supported from all sides of the political spectrum, has sapped relentlessly the vigour of any existing or potential academic individuality.

Bureaucratization

Firstly, it was the government led by Sir Robert Menzies, that in a latter-day response to the distant echoes of mid-Victorian confidence in the edifying, palliative, and generally beneficial effects of education, chose to assist universities by ensuring adequate funding by the Commonwealth. It does not require a Weberian imagination to understand that this resulted in the acceptance of a number of very reasonable centrally suggested arrangements and controls that have in turn led, in the classical manner, to the institutionalization of a centrally funded and centrally coaxed system of higher education. The intentions of governments have remained impeccable, but the drift is unmistakable. The present Minister's latest announcement speaks volumes. "The Government," he states, "believes that important changes are required in our higher education system to improve its response to a range of priority national objectives...the capacity of the Government to provide additional resources necessary for the expansion of the higher education system will depend on the response of institutions and those who work in them to this need for change." As the Castilians put it, "A buen entendedor, pocas palabras" (few words are needed for he who understands well).

The growth in the size of universities and the troubles of the sixties and seventies gave decisive encouragement to this trend towards further bureaucratization. Until only a few decades ago, even the most prestigious academic centres were relatively small organizations led by a handful of scholars, each of whom was without doubt distinguished in his discipline, but who were, with few exceptions, unworldly in administrative and financial matters, skills rarely required to run entities that seldom exceeded the size and complexity of a neighbourhood sporting club. Suddenly, in a period of less than two or three generations, Australian universities became major corporations with sizable budgets and large bureaucratic establishments. The impression they made on the naive and the uninformed, was that of privileged entities with formidable clout; seats of power and influence. During the late sixties and seventies, these amiable and defenceless institutions offered a tempting target for the disgruntled and disaffected of that turbulent period, who held typically puerile and ill-defined expectations that control of the universities would enable them to make Australian society congruent with their appetites and inclinations. Their abysmal failure in the national stage, has obscured the fact that many of them did indeed succeed in gaining a foothold in the universities, where they were delighted to discover that the more outrageous their antics, the better were their chances of touching the heart and conscience, or eliciting the fears, of many a pusillanimous academic or senior administrator ready to purchase a little tranquillity at the price of judicious compromise.

While the Commonwealth wanted efficiency, accountability and, not unnaturally, a return as convincing and prompt as practicable on its investment, the frustrated revolutionaries of culture wanted to make the most of the opportunity offered by compliant faculties and departments. They were especially keen to dismantle what they regarded as unacceptable hierarchical structures of the old academic order, and substitute new, democratic procedures designed to ensure the participation of students and administrative staff in the many new committees created expressly to ensure that no decision of any possible significance was left in the hands of a single individual. The highest priority was accorded to

the elimination of any vestige of ‘autocratic vertical authority’, which was their tortuous way of referring to personal responsibility, and ‘elitism’, reserved as a term of abuse to describe any activity involving the participation of more than one literate academic, which they considered to be objectionable.

The onslaught by this particularly idiotic version of egalitarianism was resisted with varying degrees of determination and success by different universities and, within universities, by different departments and faculties, so that once the troubles were over, some had survived with relatively minor wounds while others, unable or unwilling to defend themselves, had substantial changes forced upon them, with results mostly negative and occasionally disastrous.

What is now abundantly clear is that most Australian academics have not been able, or sufficiently willing to decline the bureaucratic embrace. Coddled by the Commonwealth and threatened by the zealots, most have opted for prudence, hoping that if they refrain from doing anything that could be construed as offensively individualistic or callously original, they will be left in peace. They have helped to transform universities into large aggregations of tame committees superbly skillful in avoiding responsibility, manned mostly by reluctant recruits stupefied with boredom, but very much alive to the risks incurred in showing unwillingness to play the game.

The Demand to be Useful and Relevant

Universities have been bureaucratized from within and instrumentalized from without. Reasonably well funded, prudently administered, and still retaining some of their former prestige, they have been understandably besieged by governments and by the public at large to offer expert advice; to give professional training of every conceivable kind; to find efficient solutions for complex social and political problems; to produce an abundance of science and technology, preferably applicable immediately to pressing needs; to foster the theatre, chamber music, painting, sculpture and the cinema. They have also been required to place their knowledge, wisdom and experience visibly and effectively at the service of the larger national objectives. Furthermore, in a prosperous, advanced country such as Australia, enjoying virtually unimpeded social mobility, in which modernity has rendered obsolete the traditional roads to social advancement, the universities are popularly regarded, especially among immigrants, as the most accessible, acceptable, and apparently most fair path to the higher ground.

Unable to resist the flattering tide, universities have assumed a variety of interesting and important responsibilities that have taken them some distance away from their principal and crucial role and, worst, they have encouraged the public in general, and the government, in particular, to regard them as instruments, as means, rather than as ends. One of Bloom's forceful warnings is precisely about this subtle and decisive misconception. "The university," he writes, "must resist the temptation to try to do everything for society. The university is only one interest among many and must always keep its eye on that interest for fear of compromising it in the desire to be more useful, more relevant, more popular." (p. 254)

A great university, Bloom reminds us, is a place where the questions are asked that ought to be addressed by everyone, but are not asked in ordinary life or expected to be answered there; it is an ambit of free enquiry that excludes, by definition, what is not conducive or is inimical to such enquiry; it is a place where the distinction is made between what is important and what is not; a great university stands for finality as opposed to instrumentality; it protects tradition, not idly or capriciously, but because tradition provides the context for the highest level possible of civilized discussion.

The trend towards instrumentalization and relevance moves relentlessly away from this ideal and is accompanied invariably by the intrusion of numbers into matters that are not, and should not, be quantified. This degrading tendency leads perceptibly to thinking that the problem is not one of raising academic standards, but of augmenting the number of university places; not one of having good universities, but bigger ones, and lots of them; not whether students are competent, but whether they are numerous; not one of good libraries, but of big libraries. The insidious corruption overflows and spills outside where it becomes part of the folklore to think that it is not the quality of universities that wins votes, but their quantity and geographical location.

The bizarre idea that a university could possibly be an effective instrument for bringing about economic advancement, social harmony or political pre-eminence, is very much a creature of the enlightenment. Unlike other consistently unsuccessful initiatives, this one can claim many fathers, among which by no means the least convincing case is the one that can be put forward on behalf of the gifted and all-powerful Marquess of Pombal, who ruled Portugal for 27 years during the second half of the 18th century. Pombal had earlier served as Ambassador in England where he acquired a fervent admiration for the way in which his hosts managed their polity and their economy. Misunderstanding entirely the causes of the well-being of mid-18th century England, he attributed the decisive role to the universities which, as is well-known, at that time were at their slothful and corrupt worse, and certainly had very little to contribute to the incipient Industrial Revolution. Pombal concluded otherwise, and from his all-powerful position proceeded
to harness Portuguese higher education to "...a range of priority national objectives." Vague, indistinct and unclear subjects such as those proximate to philosophy, history and the human studies were discouraged in favour of what he proudly named 'practical studies'; clear and distinct, and supremely useful for the construction of roads, the erection of bridges and public buildings, for healing the sick, improving rural production and encouraging trade and manufactures. At his disposal he had ample funds, popular support and unlimited power. Nothing seemed to stand in the way of the first rational, enlightened and university-led Industrial Revolution. Alas, Portugal still awaits the mighty surge into prosperity promised by Pombal's 'practical studies'.

Considering its uninterrupted record of failures, the Pombaline idea has proved astonishingly resilient. The list of those who have succumbed to the temptation of using the universities to solve the more intractable problems of government has never ceased to grow. The latest to add their names to it are those who place their faith in the capacity of universities to become what they quaintly describe as 'knowledge-makers', producing something that they hope will be fully and efficiently put to work by eager 'knowledge-users'.

Pombal and his 20th century disciples who wished to transform universities into instruments of policy, have all failed because of a fundamental misconception. Good universities are not the cause, but the consequence of good societies; they do not bring about economic progress and social harmony, but are themselves the product of these happy conditions; they do not create prosperity and civilization, but are one of their most complex and demanding results.

Professor Veliz will discuss remedies to the ailing condition of the universities in the next issue of IPA Review.
The Public Finance Hall of Shame
Jacob Abrahaimi

The top ten government financial blunders.

A large and ever-growing number of government projects and programs are so badly conceived or managed that no reorganization, marketization or even privatization could transform them into efficient, worthwhile projects or programs. These are the blunders and bloopers of governments.

In the Bicentennial year, when recognition is given to the activities of Australians in almost all possible and imaginable spheres, some recognition ought to be given to the outstanding government blunders of the past 200 years. An appropriate form of recognition would be admission to the Hall of Shame of the biggest extravagances to a newly-created public finance Hall of Shame.

The candidates from the first 200 years of European settlement for admittance to the Hall of Shame are so numerous that it would be impossible to detail them in a short article. I therefore propose to inaugurate the Hall of Shame with ten great financial blunders from the past decade or so.

Government failures occur mainly because governments are not accountable in the same way as private enterprises are accountable to their shareholders. People are often beguiled into "accepting" government projects that would not be carried out by private enterprise, because pressure groups in the community that benefit promote the project while the general taxpayer is unaware of the cost and has nobody to protect his interests. This lack of accountability allows governments to initiate and persist with projects that:

• serve only the self-interest of the politicians who have authorized the program or the bureaucrats who devised it. It may serve their financial interest or be an exercise in self-aggrandizement;
• are an exercise in pork-barrelling where taxpayers' money is used to buy votes either by providing a service or facility to a select or relatively few or by expensively pandering to the ideological predilection of a traditional or potential backer;
• provide what may be a worthwhile service or facility but in such an uneconomic or grossly inefficient manner so as to have no hope of achieving the stated aim. This may occur when the government wishes to disguise the nature of an unpopular program by, for example, piggy-backing an unpopular program on a popular one or when the bureaucracy lacks the skills to administer the program.

Private sector projects that fail are terminated and where appropriate the managers concerned can be sacked. Public sector blunders are rarely terminated, and are often allowed to linger for years, while those responsible for the failure are almost never taken to task. When was the last time a public servant was sacked or a politician resigned for the failure of a project under his control?

Dr. Armstrong, the former head of the Australian Bicentennial Authority, left the Authority when questions were raised about the direction the Authority was taking, but was rewarded with a $500,000 golden handshake paid out of taxpayers' funds.

As far back as July 1983 Ranald McDonald, a prominent member of the ABA, resigned because of, among other things, the "expensive life style of its members, the cost of the Authority and the hundreds of thousands of dollars wasted on outside consultants." Others have cited wastage such as $20,000 for 20 days' work on a planned women's program, or $120,000 on a "focus and development" report which did not fulfil its brief, and the failure to address properly mainstream issues, as a basis for considering the ABA an extravagance.

Not all financial blunders are obvious to the lay observer; indeed some projects appear on the surface to be highly successful. The recently-opened National Tennis Centre in Melbourne is a case in point. It cost over $70 million (and probably many more dollars which have been diverted through other budgets). The Centre, by all accounts, is a huge success as a tennis venue but economically it amounts to a massive burden on Victorian taxpayers. By one account it is costing the Victorian community some $30,000 a day in interest charges alone.

Before turning to the first ten members in the Hall of Shame, special mention must be made of the Australia Council, which has distributed over $300 million of taxpayers' money since 1980. While there is room for debate on the merits of Government support for the arts and the form it should take, there is little doubt that some, perhaps even many, of the Council's outlandish grants in recent years have been an extravagant waste of taxpayers' funds. A grant to FILEF, an organization affiliated with

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the Italian Communist Party, and a grant to the Victorian Builders Labourers' Federation to maintain a "mural artist-in-residence", are but two examples of waste of public money out of an increasing number of such cases perpetuated by the Australia Council.

Turning now to the top ten in the Hall of Shame, they are presented below in no particular order.

1. Workcare

This workers' compensation scheme introduced by the Victorian Government, Workcare, replaced the private workers' compensation insurance scheme. The stated objectives of the scheme were to reduce claims, diminish costs to employees, promote safety in the workplace and encourage rehabilitation of injured workers. It has failed to meet its objectives and despite recent changes is unlikely to succeed. Payments exceed costing, the number of claims is 10 per cent higher than target, funding levels are less than half the target, and it is open to widespread abuse.

After less than two years of operation it is carrying a deficit of $1,700 million. According to Workcare's consulting actuary, on present performance Workcare will have no net assets by 1991/92. Despite its obvious shortcomings, South Australia has copied the Victorian Workcare model and New South Wales has a similar scheme on the drawing boards.

2. Proposed Sale of Surplus Hercules Aircraft

This project is relatively small - costing taxpayers only $30 million - compared to some of the other blunders, but it rates a special mention for earning its organizers the Tirath Khemlani medal for services to foreign middle-men.

In this instance the middle-man was an American businessman with no background as an aircraft broker who, for reasons that are lost in the files of the Department of Administrative Services, was given in 1980 the contract to sell 12 surplus A-model Hercules planes on behalf of the Australian Government. The Government wanted only $1 million per plane, some of which were worth more than $3 million.

Over the next few years the Government granted 11 extensions of time in which to sell the aircraft, but all it got for its efforts are nine Hercules aircraft, which are now probably unsaleable and unusable, corroding away in a remote corner of Laverton Air Base, two planes which had been delivered but for which the Government received no money, and a law suit from one potential purchaser.

3. Parliament House

A number of Canberra buildings could qualify for inclusion in the Hall of Shame but none more so than the new Parliament House. No doubt the old Parliament House is overcrowded and inefficient but the new building goes way beyond providing an appropriate workplace for our Commonwealth parliamentarians. Its construction was characterized by total lack of cost control and abuse of union power. It is the politicians' monument to themselves and a very expensive exercise in self-aggrandizement. With a few exceptions, in particular Malcolm Fraser and John Howard, the overwhelming majority of members of Parliament of both parties were in favour of the new House when it was first mooted in 1978.

Included in the building are bars, dining rooms, squash courts, tennis courts, indoor heated pool, gymnasium, sauna, TV and video rooms, a system of closed circuit TVs and other luxury facilities, all constructed with the most expensive materials, apparently on the principle that money was no object. The politicians who already over-estimate their importance to the well-being of Australian society, will, no doubt develop an even more exaggerated sense of self-importance once they move into their new home.

The all-up cost of the new Parliament House when completed later this year will be over $1,000 million - more than twice the original cost estimate, adjusted for inflation.

4. Early Retirement Scheme in the Ministry of Transport, Victoria

In 1983/84 the Victorian Government introduced an early retirement scheme open to all employees aged over 50 who wished to retire from public transport authorities. The scheme was meant to be part of a grand plan to reduce staffing and improve efficiency of the public transport system.

The scheme was financed by borrowing $87 million and was financially viable only if the retirees were mainly not replaced.

As things turned out in the two years 1983/84 and 1984/85 some 2,325 employees chose early retirement from the two main transport authorities (State Transport Authority, including Met Rail and the Metropolitan Transport Authority) while the State Transport Authority alone added 2,565 new employees, leaving Victorian taxpayers with a bill of $87 million and a bigger workforce to support than before the early retirement scheme was introduced.

5. Community Employment Program

This job-creation program, which has been in operation since 1983, is based on the false premise that governments can increase employment by taxing the already employed and paying the unemployed to perform
tasks 'invented' by public servants and 'community workers'.

In practice the CEP has turned out to be very costly with relatively little success in promoting full-time, long-term employment. According to one estimate it costs taxpayers $500 a week for each CEP job.

An added problem with the scheme has been the diversion of CEP funds for questionable purposes. For example the Gay Publication Co-Op received a CEP grant for the production of magazines such as Outrage and Gay Community News.

In its first three years of operation CEP cost taxpayers some $1,300 million, all for the creation of 87,000 mainly short-term jobs. The recent extension of the program for a further three years will go close to doubling the original allocation.

6. The Submarine Project

The Commonwealth Government has allocated some $2,600 million for the construction of six submarines at a cost of $430 million each. This could be up to $200 million more than the cost of a state-of-the-art submarine from Britain or Holland. It therefore seems that the Government is willing to outlay several hundred million dollars, perhaps even $1,000 million, more than is necessary to obtain the submarines.

The insistence by the government on construction in Australia appears to be directed at job-creation in the shipbuilding and allied industries. While the intention may be to develop an Australian defence industry, the cost in this instance appears to be excessive.

The biggest cost to the Australian economy from this project may be much more than $1,000 million overspending on the submarines. In the long term taxpayers will have to subsidize the shipbuilding industry that will emerge from the heavy investment in submarine building facilities in Australia.

7. Parliamentarians' Superannuation

Australian parliamentarians, particularly in the Commonwealth Parliament, are fond of telling the public how badly paid they are. They point to the backbencher's salary of less than $50,000 a year as proof of the poor treatment meted out to them. What they don't tell the

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A Monument to Big Government

The New Parliament House should have been a Bicentennial monument to the strength of democracy in Australia. Instead, unable to control its own growth and dominated by unions, it has emerged as a symbol of what is wrong with government in Australia.

- Employees receive a $10 allowance each day merely for showing up to work.
- This attendance allowance, however, does not guarantee that employees will actually stay at work. Some have been found disappearing to second jobs off the site such as driving taxis, while others have been known to be simultaneously employed on two different contracts on the project - until they were caught.
- Crane drivers get an allowance of up to two hours overtime each day to compensate them for climbing to and from their cranes, an operation which takes around 45 seconds.
- Employees also receive an $80 a week site allowance, well above the average building site allowance which ranges between $30 and $70 a week.
- Taxpayers will also have to pick up the tab for a $100,000 sweetheart deal arranged with the site's plumbing union to get 200 striking plumbers to return to work following a nine-week strike last year.
- Perhaps most telling of all, industrial disputes on the New Parliament House site have cost the project on average a remarkable one week's work each month for the past two years (since September 1985). In 1984 a dispute over severance pay shut the entire site down for 14 weeks.

long-suffering taxpayer is the value of their non-salary benefits, particularly their superannuation scheme, which according to one calculation is worth on its own as much as the parliamentary salary.

The parliamentarians have voted themselves a retirement package of such generosity that it far exceeds what most taxpayers themselves can ever hope to receive.

The scheme provides a retirement pension of 50 per cent of current salary, indexed for all future salary increases, to parliamentarians who have served either three terms or eight years in Parliament, provided the retirement is involuntary. With the current average short life of each parliament a pension of 50 per cent for life can be earned after six years of service. After 18 years of service the pension is 75 per cent of salary.

Superannuation for Commonwealth parliamentarians in Canberra in the past ten years is costing taxpayers over $100 million. State parliamentarians’ superannuation schemes vary but by private sector standards are also extravagant.

8. Darling Harbour

Besides being a major urban redevelopment program, a major purpose of this project in Sydney is, it appears, to have the NSW Government re-elected later this year. As an exercise in pork-barrelling this project, costing $800 million, is probably the most expensive attempt at buying votes in the entire history of European settlement in Australia.

An interesting feature of this project is the way in which the Government attempted to promote it on the basis of supposed benefits that will accrue to the general public from the 30,000 jobs it claimed would be created as a result of this project. The State Treasury has since suggested 5,000 jobs with a possible further 6,000 created indirectly are more likely. At this rate each job will cost NSW taxpayers over $20,000.

While the project, when completed, will no doubt have many attractive features, it is not likely to ever provide value for money for NSW taxpayers, who by 1992 will have spent, on present estimates, $800 million on the project. The final cost is anyone’s guess.

9. WA Government Authority’s Purchase of BHP Shares

For reasons that are not entirely clear the West Australian Government Insurance Corporation (SGIC) in November 1987 purchased a parcel of 39.3 million BHP shares for $285 million from Bell Corporation. It was an unusual purchase for SGIC which before that purchase had a capital base of only $20 million and assets of $909 million.

The purchase probably involved a negative cash flow for SGIC because the interest bill on the purchase was possibly $40 million while expected dividend was only $12.5 million. In addition, the prospect of capital gains was limited.

Almost immediately following the purchase of the shares the price fell from $7.25 per share to $7.16 creating a loss of almost $4 million to SGIC. In the weeks following the purchase the price continued to fall and at one stage (9/12/87) SGIC was down $45.2 million on its $285 million purchase - a loss of some 15 per cent within less than a month. In January this year, Bell agreed to sell more than half of its remaining BHP shares at $7.00 each, some 26 cents less than the price paid by SGIC.

10. Commonwealth Public Sector Superannuation

The Commonwealth public service superannuation scheme is not as generous as the politicians’ scheme but because of the large number of members - some 400,000 - its cost to taxpayers is far greater than the parliamentarians’ scheme.

The enormous cost to taxpayers arises from the fact that normal retirees are provided with a fully indexed pension ranging from 36 per cent to 52.5 per cent of salary, depending on length of service. This is beyond what financially responsible private sector employers can generally provide their employees.

But the scheme earns its place among the first ten entrants into the Hall of Shame largely because of its invalidity retirement provision. Persons retiring on grounds of invalidity can receive a pension of up to 70 per cent of final salary, some 17.5 per cent higher than the maximum available to normal age retirees. This provides a strong incentive for many to have themselves invalided out of the public service rather than retire gracefully on reaching 65 or taking an early retirement with a reduced pension.

In 1986/87, for each 100 persons taking up an age or early age retirement pension some 71 retired on invalidity grounds, with a significant number suffering mental disorders.

While the total cost of the scheme is not known (since it is unfunded) it would probably require at present some $2,000 million a year of taxpayers’ money if it were to be fully funded.

The States which run similar schemes to the Commonwealth and employ many more people add greatly to the burden on taxpayers.
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Economic Reform
New Zealand Sets the Pace
Roger Douglas

Roger Douglas, Minister of Finance in the Lange Labour Government, believes that market-oriented policies benefit Labour's traditional constituents more than does old-style socialism. Following recent battles in cabinet, he outlines his program to restructure the New Zealand economy.

The culmination of 20 years of economic stagnation presented the incoming New Zealand Labour Government in mid-1984 with a rare challenge. At first, New Zealand's economic downturn had not been apparent. Throughout the 1960s our terms of trade were strong, and Britain continued to be a major market for our traditional agricultural products. Rigidities in almost every aspect of economic life were masked in the late sixties and early seventies by the fact that New Zealanders were relatively wealthy by world standards. But like most OECD nations, we responded poorly to both the first and second oil-shocks with insular and inflation-producing solutions. So, by the end of the 1970s, economic rigidities were only being masked by an increasingly large public sector, consequently large budget deficits and, inevitably, major public debt growth.

In 1982, with inflation rampant, the last National Government imposed a wage and price freeze, and an ever longer list of draconian regulations including strict interest rate and credit growth controls, and financial institutions being subjected to compulsory Government stock-holding ratios. Exchange controls were strict. In addition, New Zealand suffered among the highest tariffs in the OECD, a hugely distorted tax system, and a system of agriculture subsidies which, when later withdrawn, proved almost to have crippled our traditional pastoral industry. In a sense, this was New Zealand's flirtation with old-style socialism - from the traditional Tory party. We had State control of everything that mattered, but no positive outlook for our economic future. In fact, the outlook was worsening.

The Muldoon Government was resoundingly dumped at the polls in July 1984, leaving the country on the brink of financial collapse. Our foreign exchange markets were closed, and a 20 per cent devaluation was unavoidable.

Public opinion in New Zealand was more than ready for a change of direction. Most importantly, people accepted that the road to recovery would not necessarily be swift or easy, and that it required a new degree of national cohesion and effort. Into that climate, policies pursuing major structural change were welcomed both for their freshness, and the fact that they proved New Zealand was finally waking up to trends already cemented in most other OECD countries.

While the initial results - particularly lifting wage, price, and financial controls - gave New Zealand inflation and interest rates well above its trading partners - this largely reflected how much later we were starting on the process of economic recovery. However, the return to single figure inflation in the year to December 1987 has shown New Zealanders that the policies of the past three-and-a-half years are working. By budgeting for our first budget surplus since 1952 in this financial year (1987/88), we have also made a powerful demonstration of what can be achieved.

From the start, our style as a Government has been clear and determined. Our basic strategy has boiled down to several key points.

Firstly, our approach has been to implement change in quantum leaps. It must be comprehensive and wide-ranging. Piecemeal reform can undermine the process of change.

Secondly, reforms must be implemented in the form of packages where there are offsetting costs and benefits for the community as a whole. A sense of fairness is essential, so that all groups are seen to share the burden and benefits of adjustment.

Thirdly, the pace of change is important. There are considerable lags between the implementation of policy changes, and the achievement of positive outcomes. In-sufficient momentum risks deferring the benefits of adjustment, and thereby increasing the costs. This in turn risks eroding the constituency for the overall strategy. In this respect, public education is important. It must be clear why past approaches have failed, why there must be change, and what the benefits of change will be. Vested
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interest groups have too often in the past captured the policy process for their own benefit at the expense of the consumer.

Fourthly, change has to be harmonized in different areas so that they are mutually reinforcing. Improvements in fiscal and monetary policy, liberalization of markets, debt reduction, and tax reform measures should all, as far as possible, be introduced together. Ultimately, we have clearly identified that the price for refusing to change will be a lot higher than the price of changing.

We have a situation in New Zealand today where many people can earn more as beneficiaries than in work. That is obviously both socially and economically disastrous.

For example, one of the major success stories of the first term of this Government was the creation of new state trading corporations. In many areas - particularly the state sector - one of the problems in previous policy approaches was a fixation with inputs rather than outputs. It was generally believed that the best way to improve any area of social service or Government commercial activity was to pump more money into it.

Yet despite growth in the public sector from around 30 per cent to around 40 per cent of GDP in the decade to 1984, there was comparatively little real improvement in the level and quality of either social services, or the performance of state-owned commercial activities.

The question for us, as a Labour Party, had to be whether these state-led activities were in fact achieving traditional Labour aims? Did the system lack incentives for those people to whom services were being provided?

A fundamental change in attitude was required - both to improve the use of resources and therefore benefits to end-users - and to help control the rapidly expanding public purse. As a Labour Government concerned primarily for people's well-being at all social strata, we had to start looking in a more sophisticated way at the results, rather than the raw amounts, of our spending. Otherwise, we risked running an even larger public sector. In this process, we had to stress that the people involved in these activities were not the problem. Rather, it was the systems under which they had to operate.

The result was that many of those employed in areas such as railways, forestry and coal-mining, were actually doing jobs which represented little economic value to the country as a whole. Their livelihoods were inextricably linked to continued patronage by governments which were facing increasingly strong pressures to curb growth in public expenditure.

To get some true accountability, it was vital to make state trading organizations run like real businesses. Management had to be decentralized. People on the spot with the relevant knowledge needed to be trusted and responsible for decision-making. Normal commercial disciplines needed to be applied. In addition, objectives needed to be clarified. Under the one roof of a government department, we were often asking people to carry out a confusing and contradictory array of commercial, regulatory, and policy functions. In creating state-owned corporations, one fundamental step was to separate those different functions.

While the new corporations are hardly a year old, many are already demonstrating remarkable turnarounds. Major productivity gains are being achieved, and workplace practices are changing markedly, with further state-sector labour market reform before Parliament at present.

Most of the corporations have recently issued reports for their first six months of operation showing operating surpluses, where previously losses were the norm.

Over the decade ahead, we can expect those corporations to improve radically their use of resources, and
their commercial performance. Rather than being a drain on the public purse, they can look forward to real growth and sustainable job creation.

These reforms are on-going, and represent the most fundamental restructuring of New Zealand's public sector this century. They have been achieved only with huge effort and commitment from all the parties involved.

Throughout this process, it has been the Government's task to maintain the pace and direction of reform, giving a vision of the future for the corporations and their employees. One of the most important lessons has been that once decisions are made, they need prompt implementation.

Inevitably, there were quite large job losses in some of the corporations, with a period of uncertainty for many people prior to their announcement. As others of my colleagues have observed, this proved to be one of the most difficult times of our first term. For the sake of both those involved, and the successful implementation of major change, such periods of uncertainty or confusion need to be kept to the minimum.

The New Economic Package

A further demonstration of our broad-based approach to new policy initiatives occurred with the announcement of a package of new tax, benefit and other measures last December.

The key elements of this package were:
- a single rate of personal income tax, no higher than the current average personal tax rate (24.6 per cent);
- a new Guaranteed Minimum Family Income, to substantially boost incomes of families of full-time wage and salary earners;
- accompanying rebates for low income workers without children to offset the impact of the single tax rate;
- a substantially lower company tax rate (currently 48 per cent) accompanied by further measures to broaden the corporate tax base;
- a system of divided imputation, taking effect from April 1, 1988;
- a major program of government asset sales to realize up to $14 billion by 1992 and repay approximately one-third of public debt (currently $42 billion);
- phased halving of most current tariff levels;
- new housing and primary health care initiatives;
- an overhaul of occupational licensing arrangements and local government;
- a rise in the rate of Goods & Services Tax (a VAT-type tax) to 12.5 per cent, no earlier than October 1, 1988.

Since that announcement, it as become clear that the schedule for implementation of the tax/benefit measures in the package was too tight.

In addition, decisions on income maintenance issues such as the proposed Guaranteed Minimum Family Income, and housing and primary health care initiatives will not be addressed until the report of the Royal Commission on Social Policy, due in April this year. This Commission is undertaking a wide-ranging review of New Zealand's social policy needs.

In the meantime, the Government has announced a revised package of measures for the 1988/89 financial year. These measures largely deal with business tax reform, although there is also a substantial further flattening of the personal tax scales. The key measures in this package are:
- a two-tier personal tax scale from October 1, 1988 set at 24 per cent up to $30,785 per annum, and 33 per cent above that, with a rebate to offset the impact on low income earners;
- a company tax rate of 28 per cent from April 1, 1988 six months earlier than in the original package;
- previously announced base-broadening measures such as removal of deductibility for superannuation contributions, a new international tax regime, and new rules for provisional taxpayers to go ahead as planned.

This package is fiscally positive for 1988/89, but does not pretend to answer our need for further fiscal constraints in the future.

Other elements of the package not relating to tax or benefits remain as before.

The revised package is designed primarily to give certainty to business for the coming financial year, while giving the Government time to work through the major issues associated with assistance for families and low income earners. Clearly the revised package does not address the position of either of these latter groups. While the flatter personal tax scale will provide extra incentives to those on relatively high incomes to save, and invest in productive activities, similar incentives do not yet exist at the low income end.

This remains the area where the Government must, to my mind, meet two fundamental objectives - both essential to any Labour Government. The first is to give assurance and protection to those sections of the population who need it. We have to ensure reasonable living standards for those at the low income end of the scale.

But secondly, we also have to make sure there are reasons built into the system which encourage those people to seek and keep work, to improve productivity and to save. We have a situation in New Zealand today where many people can earn more as beneficiaries than in work. That is obviously both socially and economically

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"Rogernomics" - The Real Challenge
Michael Porter

It is a delicious irony that it has taken a part-time pig farmer, albeit an economically expert one, to attempt to remove the snouts from a multitude of Muldoon troughs. Post-war New Zealand economic policies, intensified under Muldoon, suppressed markets and entrenched what was really a system of upper and middle-class welfare, and in a way which made even Australia look good. But now the tables are being turned, as the "post-Adelaide" Hawke Government and the Opposition appear to retreat from the economic rationalist line, and as Roger Douglas, to date, successfully fights off pressures to return to interventionist policies and implements a wide-ranging package of reforms. And all this amidst a world stock market crash!

The Roger Douglas era, as confirmed in the December 1987 "Government Economic Statement", and the recent reforms, as summarized in this issue of IPA Review, offer a clear vision and the prospect of a consistent set of tax, welfare, deregulatory and privatization policies capable of raising incomes by enhancing incentive to effort. The quid pro quo is removal of a large number of expensive and distorting sectional benefits. The only question mark over the emerging package - apart from the internal flak - is whether labour, education and health markets will be subject to the same rationalist approach and whether the associated budget cuts will allow an end to deficit finance. (It is noteworthy that real spending on health and education has risen 20 per cent over the last 15 years, with no noticeable benefits.)

Until the advent of the Lange/Douglas Government, it is fair to say that interest groups, including farmers and large corporations, were encouraged to cling to government rather than use their own initiative. New Zealand suffered even more than Australia from the heavy-handed use of subsidies, tariffs, quotas, regulation, state enterprises and other forms of interference by government - all of which dragged economic performance down. Artificial centralized wage rounds entrenched protection, since the uncompetitive outcomes focused eyes on Wellington rather than the expanding world marketplace.

On the monetary front, New Zealand saw Prime Minister Robert Muldoon attempt to lower interest rates and prop up the exchange rate by fiat, against the advice of his officials and with profoundly destabilizing consequences, given the underlying government and external deficits. In this dirigiste environment New Zealand slipped from near the top to around the bottom of the league of Western living standards. Debt reached third world proportions, and inflation cruised at double digits. The good news was that this abysmal performance created a willingness to think about the fundamentals that determine economic well-being.

The beneficiaries of state intervention in New Zealand can hardly have been the low-income groups. It is in this sense that it is correct to classify the Douglas/Lange reforms as equitable. In international and relative terms, low-income groups were being created in New Zealand by the very policies purporting to help them - they were low income earners because they were protected, and paying inflated non-market prices. Government propped up contrived "Think Big" projects, and supported welfare and tax regimes which made work and investment unattractive. The gainers were the owners of assets whose values were pumped up by protection - and these groups are suffering in the deregulatory shake-out.

In Roger Douglas we have, then, an extraordinary phenomenon - a politician who has seen these economic arguments more clearly than most economists, who has written two books (There's Got to be a Better Way and Towards Prosperity) about them, and who has been uncompromising in implementing reforms. And he has done all this without vitriolic attacks on those having the independence to stand up to interest groups and to propose economic reforms. By way of contrast, it is a sad characteristic of some of the economic Ministers in Australia that they can often seem obliged to attack those advancing similar economic proposals (such as in Spending and Taxing - the Centre of Policy Studies book prepared for the National Priorities Project). From observing Roger Douglas it seems that it is possible to be decent and deregulate, to flatten tax rates and promote equity, to talk one thing and do the same thing!

And there is no paradox in a Labour government advancing such market-oriented proposals. It is clearly possible, in a country where regulation has sapped initiative, to promote economic efficiency without sacrificing equity, due to the capacity of pervasive economic liberalizations to expand the size of the economy and thereby make it easier to assist those in genuine need. The only question, as noted in Mr. Douglas' paper, concerns the lags in achieving the benefits - and it is to matters such as these that economists ought to be devoting time and energy. It is precisely the preoccupation with equity at the expense of efficiency and the unwillingness to bear adjustment costs, that has constrained incomes - including low incomes - from really growing.

The New Zealand reforms also are demonstrating that it can be politically as well as economically advantageous to occupy the high ground of economic reform. The nervousness in the stock and foreign exchange markets in January and February 1988, when there appeared to be a Prime Ministerial move to halt the Douglas' reforms, confirms the market support for change. The temporary fall in the SNZ, and the rise in interest rates is, I suggest, an illustration of the problems of half-hearted liberalizations - since they may create expectations of a reversion to old ways.

(over)
This all suggests that Australian politicians who stick to their economic guns will do well, so long as they offer widespread, and not just localized reforms.

The Reforms So Far

The first phase of Roger Douglas’ policy included floating the exchange rate, a 10 per cent value added tax (Goods and Services Tax), broad-based deregulation and “corporatization” of many state enterprises.

In the modified second stage of the “Douglas Revolution”, there is a proposed 50 per cent across-the-board cut in tariffs, an attack on occupational licensing, the deregulation of telecommunications by January 1989, and the selling of $14 billion of state enterprises (which, would seem to include the “big ones”, such as Electrocorp, Telecom, Air NZ and BNZ if the target is to be met). The package includes a two-tier tax structure, of 24 per cent over the $0 to $30,875 range, and 33 per cent above that level. The tax rate cuts are made possible by a significant base-broadening of both corporate and personal income tax, with a particular example being a withdrawal of tax advantages for savings in the form of superannuation, but, through lower tax rates, an increased incentive to save in the most rewarding manner. (However, burgeoning costs and distortions of Government’s superannuation schemes are yet to be addressed.)

The move toward a “level playing field” has been extended, then, from consumption goods to income earners, with the proposed introduction of full imputation removing the double taxation of dividends. The corporate tax rate is to be 28 per cent for resident companies and 33 per cent for non-resident companies, but with the gaps in rates suggesting scope for further levelling. There are also consistent reforms to fringe benefit and provisional taxation.

The flatter personal income tax rates, in combination with a rebate of up to $855 for low income earners (raising effective marginal rates over a limited range to 28 per cent), and the broad-based move to deregulation and privatization, is a package worthy of support. While missing some of the advantages of the original December 1987 package, the new policies avoid a complex minimum income scheme and associated poverty traps. Our own analysis has lead to similar interim proposals in Australia. The efficiency gains from flattening and lowering marginal tax rates are large, and contrary to Senator Walsh’s assertion, well-documented.

The fairness of “flat tax” reforms in the short run depends on how pre-tax incomes are determined. By and large, we live in a “post-tax world”, with income differentials judged both after tax and in the context of income profiles. Any overnight shift say to a 23 per cent tax rate, as originally proposed, should also involve lowering regulated salaries - for example, those of cabinet Ministers and public servants - while expecting negotiated increases for lower income groups whose post-tax incomes become uncompetitive. Those who describe the proposed reforms as “regressive” fail to note how in a (newly) competitive economy incomes (should) adjust to new tax rates miss the dynamic process underlying income determination.

The Next Steps?

It has been remarked that it is difficult to be a little bit pregnant - so too I would suggest, it is difficult to be a little bit deregulated.

The next steps would seem clear, then, and should involve enterprises now obliged to compete by having to negotiate their own wages and conditions, enforceable at law, and with the possibility of enterprise unions, profit sharing and incentive agreements consistent with higher productivity. New Zealand is now ahead of Australia, having scrapped the centralised wage round approach. But New Zealand, like Australia, desperately needs labour market systems which do not price less-skilled workers out of jobs - which encourage on-the-job training at low wages if the skill factor is not there, with high incomes once skills are enhanced and higher productivity is achieved. It is harmful, not helpful, to disadvantaged workers to saddle them with high minimum wages - not least because no job means a wage of zero - making a mockery of the jargon of “minimum wages”! What is disappointing to date, in New Zealand, is that these labour reforms are not yet in evidence, a fact which will slow down the speed and effectiveness of restructuring, including the response to lower marginal tax rates.

The Lange/Douglas Government has steps in place, however, with a review of policies towards hospitals, health, education and accident compensation currently in the wings. Indeed, the breathtaking nature of proposed reforms, let alone those which would seem implicit in the current strategy, suggest that Australia needs to face up to the fact that, at least in the political market, the prevailing winds are now from the east.

For the Australian advocates of broad-based economic reforms it is a delight to see such reforms emerging in a country apparently trapped in its interventionist past. What we have in Roger Douglas is a Minister who has worked out what he wants to do and is doing it - whereas in Australia we still seemed plagued by key Ministers who, while they seek to tread the same economically rationalist path, often take time out to attack those who are devoting their time to thinking through fair and efficient reform packages.

Roger Douglas has shown, once again, that conviction in political life can change the course of a nation. The issue now is whether the New Zealand Finance Minister can hold off the interest groups, the short-sighted analysts and the media long enough for the reforms to be implemented and take hold. Similarly, on the home front, the recent Telecom/Adelaide election result, and the cave-in on fundamentals in both political parties suggests that Australia desperately needs its own Roger Douglas, regardless of political party.
The Constitution Under Siege

D. M. White

At a time in our history when the size and power of government has reached unprecedented proportions, the Constitutional Commission seems set to recommend measures to further expand and centralize government in Australia.

The Hawke Government has consistently tried to get Australia's Constitution changed. It lost two referendums in 1984, but persisted by setting up a new Constitutional Commission in 1985. We are in the dark about whether the Government will run more constitutional referendums this year, but there is every indication that it would like to do so.

The Constitutional Commission is due to report in June. But its Advisory Committees have already issued their official recommendations for constitutional change, in five large volumes. These recommendations are therefore of immediate importance.

This article considers the consequences of amending our Constitution as recommended by these advisory committees. To my knowledge, no complete list of the recommendations has been officially provided. But on my count, no less than 84 constitutional amendments are proposed. I do not intend to detail every recommended amendment or every likely consequence. My objective is to identify the major consequences. The underlying question is, "What would Australia be like under this changed constitution?"

I shall be arguing that these amendments would upset every major balance in our Constitution, and enshrine a number of sinister new possibilities. They would also make the central government much more powerful, and substantially more interventionist. It is ironical that this should be proposed at a time when the tide has turned against excessive regulation.

The community has been given almost no idea of what impact these amendments would have on Australia and our way of life. Neither the Commission nor the Government appears to be doing anything to remedy this situation. Nor has the Opposition placed its attitudes to the Commission's work on the political agenda.

The Commission's own advertising strategy in marketing the recommendations is to portray them as merely "updating" the Constitution. This clearly understates the reality. Their implications would be profound and far-reaching. This country would, in effect, have a new and very different constitution.

The Commission has a budget of over $5 million. Whatever people may think of the present constitution, nobody should be under any illusion about the fact that a cashed-up raider is currently laying siege to it.

It is extraordinary that so little attention has been paid to the consequences of making particular constitutional changes. It is nearly 200 years since Burke wrote that "the science of constructing or renovating or reforming a commonwealth is not to be taught a priori." Yet the Constitutional Commission and its Committees have paid almost no attention to the question of consequences, and have focused almost exclusively on abstract arguments.

Nothing is more vital than the practical effects of constitutional changes, and it is imperative to look ahead with foresight and political insight.

Economic Power

One glaring example of inadequate attention to consequences is the recommendation to give the Commonwealth power over "matters affecting the national economy." This recommendation has been put forward by the Committee on Trade and National Economic Management. It warrants analysis in its own right, because a more far-reaching power can hardly be imagined.

What would be the consequence of giving this power to the Commonwealth in 1988? The overriding consequence is plain. There would be no sanctuary for anyone trying to escape from almost any conceivable form of Commonwealth economic control. At a time when so many matters are viewed as "affecting the national economy," this power could include virtually everything.

Since Federation, private enterprise has not obtained a great deal of protection against the Commonwealth. But with this power under the Commonwealth's belt, the protection private enterprise has received would be swamped and disappear without a trace.

Dr. D. M. White is a Senior Lecturer in Politics at Monash University and a strategy consultant for industry associations.
Obviously, the question of which matters "affect" the national economy would become a fertile field for lawyers. But in the shifting sands of economic argumentation, any attempt to construe this power narrowly would plainly prove unsustainable.

The recommending Committee refers to none of this. Its claim is that, "although broadly expressed", this power "would empower the Commonwealth to regulate only those economic matters which are truly national in character." One must seriously ask what would have made this Committee fail to draw attention to the logical chasm which exists between "economic matters which are truly national in character", and "matters affecting the national economy."

Not only would this power be virtually limitless, it would also become a profound disappointment to its advocates. For it is premised on the assumption that governments can create economic growth if only they possess sufficient power. This, of course, has been one of the great delusions of the 20th Century.

The Human Rights Recommendations

In calculating the likely consequence of a rewritten constitution, the most realistic perspective to adopt is a Machiavellian one. It would be naive to assume anything but the worst. The Constitutional Commission has tried to create an aura of bipartisanship. But it would be folly to imagine that a new constitution would make future generations of politicians different from those of the past.

In line with this, I start from the assumption that political leaders, parties, governments and sectional groups will generally take every opportunity to exploit constitutional rules to the full in pursuit of their own advantage. This means that they will be willing to maximize the extent of any power or leverage given to them in the constitution, and minimize the limitations imposed by any constitutional constraint.

It must therefore be expected that politicians who are thwarted from one direction will generally try to find another means to get their way. This is particularly true of people who are obsessed with politics - and these often tend to be the most dangerous.

This perspective is directly and immediately relevant to the key recommendations of the Committee on Individual and Democratic Rights. This Committee has recommended an exceedingly complex package of measures.

In essence, the recommendation is:
(i) that certain individual rights be enshrined in the Constitution so that neither the Commonwealth nor any State can interfere with them except under the defence power; and
(ii) that an overriding provision be written into the Constitution which allows either the Commonwealth or any State to pass laws expressly interfering with one or more of a designated subset of these "enshrined" individual rights.

The reader whose reaction is that this seems incoherent probably understands the recommendation correctly! The approach is incoherent, especially from the viewpoint of any genuine concern with human rights. The report offers a number of reasons in support of "opting out", but none of them warrants serious analysis.

Specifically, the Committee recommends that the following rights be constitutionally enshrined but at the same time constitutionally opened up to explicit government interference:

- freedom of political expression;
- freedom of movement;
- freedom of assembly;
- equality before the law;
- freedom of religion;
- access to information;
- a number of legal procedure rights, including a modernized version of habeas corpus, and trial by jury for offences punishable for more than 12 months, etc.

Initially, legislative interference with these rights is only valid for up to three years. But it is renewable indefinitely for further three-year periods.

The rights recommended for unqualified constitutional enshrinement are:

- the right of all Australian citizens of 18 years or older to vote in Federal and State Elections;
- the right of all those entitled to vote to stand for election to their State Parliament or to the House of Representatives.

There is, in addition, the further recommendation that "nothing in the constitution shall deny, diminish or disparage the existence of the democratic freedoms, customs, protections and privileges retained by all Australians under the common law."

There are three likely consequences of these proposals which warrant some comment.

First, the inclusion of these recommendations in our Constitution would result in the enjoyment and protection of rights becoming a matter of profound confusion. A few rights which have in the recent past been under some threat would probably be more securely protected. But against this, the complexity of the recommendations seems certain to generate both a plethora of litigation, and greater uncertainty about what is within one's rights.

In effect, the straight enjoyment of basic rights would first be complicated, and then gradually undermined. This is the inevitable consequence of the
arbitrary proposals:

(i) to enshrine some rights but not others in the constitution; and
(ii) to allow governments to opt out of their obligation to protect some of the enshrined rights but not others.

The real losers as a result of this confusion will be those ordinary Australians who respect the law, mind their own business, and like to manage their own affairs. The winners will be strongly organized interest groups, and relentlessly intrusive governments. In the overall equation, the Australian way of life will be a significant casualty.

A second consequence of this "rights package" is that rights will become political bargaining chips. Governments will often be able to limit people's rights without needing to go so far as "opting out." People will often "get the message" and yield without government needing to do anything. There is no doubt that many future Premiers and not a few Prime Ministers will be heard to say to those who are thorns in their sides: "If you do that, we will have to consider seriously the option of passing laws expressly interfering with these freedoms."

There is no doubt that this will contribute to a long-term devaluation of the currency of rights.

The third potential consequence is one which everybody would prefer not to contemplate - but which should not be passed by. A government of the future might adopt the constitutional procedure of opting out, and thus destroy freedom and democracy altogether. It would be as simple as that. This result could be achieved not only without breaching the constitution, it could be achieved by following a procedure expressly laid down in the constitution.

One can only speculate on why the Committee's Report makes no reference to this sinister possibility. The fact that it is unlikely in the foreseeable future is an insufficient excuse.

It may be said that this Committee's recommendations make the rights to vote and to stand for parliament sacrosanct. But it is the height of political naivety to set too much store by this guarantee on its own. It is plain that without freedom of expression, without freedom of movement, without freedom of assembly, without equality before the law, without habeas corpus, these "democratic" rights are worthless.

It would be insane for a person to put a gun at his head for the rest of his life for no benefit, simply because he expects that nobody will ever pull the trigger. But this is exactly what this package of "rights" recommendations invites the Australian people to do.

The Size of Government

These Committees are almost unanimous in saying that the Constitution prevents government, especially the Commonwealth, from doing enough. The Committee on Individual and Democratic Rights has recommended a few limitations on the powers of government, and its proposal for "People's Referendums" could conceivably lead to some restrictions on government. But these few limitations are heavily outweighed by the expanded powers and capacities for government that are proposed by the other Committees.

The 84 constitutional amendments recommended by the Committees would enable government to "do" many new "things." Commonwealth power with respect to "matters affecting the national economy" is obviously one item. Also on the list so far as the Commonwealth is concerned are explicit powers with respect to:

- regulation of financial markets and all activities relating thereto;
- business and financial activities and undertakings;
- the protection of consumers and their interests;
- minimum regulatory standards for all forms of transportation;
- industrial relations and employment matters;
- social welfare.

There is not so much for the States, although an explicit power to enable them to impose final consumption taxes is recommended.

What this adds up to is that the Commonwealth would have more powers and more spending functions while retaining a solid tax base. The States would have somewhat diminished responsibilities, while actually obtaining a larger tax base.

One likely consequence of these recommendations is more intrusive government. The proposed power to protect not only consumers but additionally their "interest" epitomizes the tendency in this direction. Whether it be regarded as the sinister arm of a big brother, or the helping hand of a benign provider, this recommendation explicitly introduces into the constitution a conception of the role of government which is both paternalistic and authoritarian.

If the Commonwealth was given these powers, the overall tendency would be for government to grow bigger. This can be illustrated by two examples. In the first place, the Commonwealth's expanded battery of economic powers would be almost irresistible invitation, especially to bureaucrats, to step in and do some wand-waving. Secondly, the consumer and welfare lobbies would be able to put enormous pressure on the Commonwealth to make use of the powers with which it will have been newly entrusted.

Even governments which believe in restraining government would find it difficult not to use the new powers they would possess. The adoption of these
The constitutional recommendations would inevitably be a significant setback for the cause of more limited government.

Executive Power

Modern nations need strong but not irresponsible government. This can only be achieved through a proper balance between "control" on the one hand and "constraint" on the other.

One of the most significant consequences of the proposed constitutional amendments is that they would tip this balance adversely. They would increase executive power and discretion, and at the same time reduce the restraints on executive power.

The following recommendations are particularly important in this connection:

• the Senate would in effect lose its power to reject supply;
• the capacity of the Governor-General to act effectively in a crisis against an executive which needs to be act ed against would be significantly hamstrung;
• the Government (specifically the Attorney-General) would have the exclusive power to initiate the proceedings (before a new Judicial Tribunal) which would be required as a necessary preliminary for the removal of a judge;
• the existing prohibitions against Commonwealth discrimination between States or parts of States in respect of (a) taxation, (b) bounties, and (c) laws or regulations of trade commerce or revenue, would be abolished;
• the Constitution would provide that the government holds power by "maintaining the confidence" of the House of Representatives.

In consequence of all this, the executive would have a greater capacity to manipulate the system to its own advantage. Effective controls to force the executive to answer and be responsible, to force it to make the argument for its policies in a serious way, are significantly eroded. This is not a new trend, but it would be accelerated by these constitutional changes. It is also sad that nothing is proposed to improve the quality of parliamentary candidates.

It is sometimes said that so long as the people can vote the Government out, the ultimate sanction is in place. On the other hand, a situation in which the only thing the Government needs to worry about is winning the next election is not conducive to good government. It is in the nature of human affairs that the public interest will suffer if there is less pressure on the Executive to promote it.

There is a further point. In the current political environment, giving to government the power to impose discriminatory taxes between and within States is likely to make a mockery of recommendations such as the constitutional outlawing of gerrymanders.

A final question concerns a possible consequence of writing into the Constitution the proposition that a government holds power by "maintaining the confidence" of the House of Representatives.

Consider the following situation, which could conceivably arise at some future time. A minor party holds the balance of power in the House of Representatives. This party supports the Government on confidence motions, but votes with the Opposition in the House of Representatives to deny supply to the Government. The question is not why a party would do this, for it is easy to imagine a number of reasons. The question is rather what would be the consequence if this situation were to occur.

The problem that would arise is plain. If "maintaining the confidence" of the House of Representatives is the constitutional basis for holding power, and if the House of Representatives supports the Government on motions of confidence, then the refusal of supply by the House of Representatives is not grounds for the Government either to resign or be dismissed. A government in this position would therefore be driven to raise revenue in some other way, and Parliament's "power of the purse" would thus be destroyed.

This is a fathomless abyss which many people would prefer not to contemplate. The committee which recommended the amendment has made no reference to it. But if the recommendation was adopted, a future generation of Australians may have to cope with the situation that I have described. I would add that the nation would fall into an even deeper abyss if the minor party in question were to join the government to legislate against habeas corpus, freedom of political expression, and all the rest.

The Position of the States

The Constitutional Commission's terms of reference require it to report (inter alia) "on the possible need to revise the Australian Constitution to:

• adequately reflect Australia's status as an independent nation and a federal parliamentary democracy;
• provide the most suitable framework for the economic, social and political development of Australia as a federation;
• recognize an appropriate division of responsibilities between the Commonwealth, the States, self-governing Territories and local government."

Nobody should be surprised that the States have lost out very badly in the recommendations of the
Advisory Committees, despite the federalist wording of these terms of reference. But it is interesting to look forward to the inevitable and accelerated decline in the role and independence of the States which would follow from adopting the recommendations of the committees.

The consequences will be substantial.

There is every reason to think that States will be forced to knuckle under far more to the Commonwealth than before. Furthermore, because of the greater availability of political patronage - e.g. through the threat of discriminatory Commonwealth taxation - electors who have thought that they could get the best deal by putting one party into power in Canberra and the other in the States may have to revise that calculation.

As noted already, while the States lose many powers, they also receive an additional tax power. Granted their diminished responsibilities, this power would, if taken up, be likely to result in the States becoming more wasteful. I would also expect the States to come under strong Commonwealth pressure to exercise their new power and levy an indirect tax. If this was to happen, those established elements within the structure of the Commonwealth who have long wanted to get this type of tax in place would achieve their aim through the back door.

There is of course a further consequence of diminishing the power of the States. The States would have even less capacity than they do now to put pressure on the Commonwealth. This would tend to result in the Commonwealth becoming more irresponsible.

**What Sort of Vision?**

Overall, the consequences that have been considered give a disturbing picture of what Australia would be like if the Constitution was amended as recommended by the committees. The underlying reason for this is that the exercise of rewriting the Constitution is badly misconceived.

In the 1890s when Australia's Constitution was originally drafted, there was a new nation to be created. In the 1980s when this Constitution is being rewritten, there is no comparable vision. If one asks what the Hawke Government is seeking to achieve through this exercise in rewriting the Constitution, the answer must be that there is no evidence of any positive objective whatever.

There is no conception of a role for governments as we look to the future. There is no direction for the nation. There is no challenge for individual people. There is nothing but an expansion of the power of the central government.

Ever since the inception of the Constitution in 1901, there has been a small chorus of vocal complaints about it. In particular, the Labor movement has consistently complained that the Constitution gives insufficient power to the Commonwealth. One can only conclude that the Hawke Government's attempts to rewrite the Constitution are part of that continuing obsession.

This helps to explain why the 84 recommended amendments appear to be so pedestrian and disastrous. If the whole exercise is really a matter of settling old scores rather than achieving positive objectives, then it is not surprising that disastrous consequences would be completely overlooked.

It is also important to consider the other side of the ledger. The contention that Australia's Constitution has proved remarkably successful has often been argued, and the argument becomes more persuasive as the first Century of Australian Federation begins to loom on the horizon for the coming generation of free Australians.

In recent times, particularly in several IPA publications, the case against substantial rewriting of the Constitution has been argued powerfully and cogently by Professor Rufus Davis 1. His far-sighted point of view deserves to be reconsidered against the background of the recommendations of the Constitutional Commission's advisory committees. His argument against the Constitutional Commission is a serious one. It is significant that there has been no attempt to rebut it.

To recap, it has not been the purpose of this article to detail every amendment recommended by the Advisory Committees, or to point out every likely consequence. I have not for example considered what sort of lever the statement that "Australia is an ancient land previously owned and occupied by Aboriginal peoples who never ceded ownership" might become if included in the Constitution. Nor have I considered the implications for individual liberty and achievement of a constitutional proscription against "Unfair discrimination on any grounds" between citizens by Commonwealth or State governments.

My objective has been direct and simple - to indicate the broad and fundamental consequences which would result from adopting the constitutional amendments recommended by the Commission's Advisory Committees. There is no doubt that the Australian electorate would reject these amendments out of hand if people knew where they would lead.

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All for Just Eight Cents a Day

The Victorian Government is moving towards accepting prostitution as just another service industry and the prostitutes themselves have already formed a professional association. How long will it be before a university course is offered in the subject—in the social or maybe the physical sciences? It is the ABC, however, on this as on so many other issues, which is leading the way. ABC TV's Talking Shop, which purports to be an intellectual discussion program, recently ran a discussion on sex involving a Sydney brothel-keeper—who preferred to be known as a business manager—a stripper, a female journalist and the infamous author of The Happy Hooker, Xavier Hollander, who now runs a telephone fantasy service. One of the incisive conclusions drawn, suggesting that these ladies could afford to skip first-year women's studies, is that society is merely displacing its patriarchal double standards when it applauds men on the football field for exhibiting their physical prowess but condemns women who sell their bodies for a living. As a vocation, prostitution was compared with social work.

The trend toward confusing bad taste with public education continued on ABC TV's new aptly named youth program, Blah Blah Blah, which, in a desperate grab for ratings, ended one of its programs with the audience practising their condom application techniques on carrots, cucumbers and plastic phaluses.

Now surely that is worth the Government giving the ABC just eight cents a day.

Memories Fade in Time

Congratulations to Soviet leader Mikhail Gorbachev on winning Time magazine's Man of the Year award. However, much to the relief of the Russian people, Mr Gorbachev is yet to achieve the record of that other great Soviet leader, Joseph Stalin, whom Time honoured with its coveted Man of the Year award twice, in 1939 and 1945.

Crisis? What Crisis?
The Moderator of the Uniting Church in NSW, Dr. Geoffrey Barnes, may by nature or belief be an unshakeable optimist, but his enthusiasm for the declining influence of religion strikes me as a degree too sanguine for a church leader. "This process of secularization is really a process of liberation", he claims in a Good Weekend feature on religion in Australia. "I certainly don't see it as a bad thing". He argues that "we are seeing the breaking of (the) connection between Church and State and that leaves the Church freer to exercise its responsibility as a prophetic voice over and against society . . . " The Reverend Donald Cameron, Anglican Bishop of North Sydney, is similarly determined to find a silver lining in the cloud of declining church attendance. The Church, he argues, is merely shedding the nominal Christians for whom Christianity was a matter of unthinking social conformity. Those left are committed Christians and the Church is "stronger for the change".

Dog's Life

We all know it's a high pressure, dog-eat-dog world, but is the Victorian Government's grant of more than $57,000 (according to its bulletin Update) to research the causes, consequences and measurement of stress in greyhounds really justified?

Civil Defence

Sometimes the peace movement seems a little naïve about defence. To counteract this criticism comes a whole new strategic defence system called transarmaments, a system that according to its proponents will replace current military spending. In Making the Abolition of War a Realistic Goal, Gene Sharp describes this post-nuclear defence system. Here is the strategy, according to the account in National Review: "Were the Soviets to occupy our nation, teachers would refuse to teach propaganda. Journalists would continue to write what they pleased. Others might leave trees on the highways to make life difficult for the occupying army. This would so inconvenience the Soviets that after a while, they would go home".

Yuppie Wear

People used to dress up to go to church. The congregation at Grace Church, New York is being told to dress down. The reason is that the church fears being branded a "yuppie church". According to its newsletter, sent to me by church regular, former IPA business manager Roger Harley (now a young, upwardly mobile, New York merchant banker) the church strongly rejects the yuppie label: "the majority of our multitudinous under-35s are making financial sacrifices in order to pursue non-lucrative careers in music, theatre, graphic design, non-profit work, teaching, library science, nursing, editing, painting, writing, and other decidedly non-yuppie fields. In order to enact who we really are," the newsletter recommends "fewer coats, ties, and dresses on Sunday morning"—to be replaced, I expect, by designer jeans and Reebok jogging shoes.

Mrs or Myth

Feminist lawyer, Jocelynne Scott, calls in The Age for a complete recasting of the Marriage Act so that women can enter marriage as equals: "If women are not given equal recognition in their relations with men, then I don't think there is any sense in talking about creating harmonious relations with people from other countries". So much for
Australia's friendly relations with the Western World. She concludes with a ritualistic homage to Aboriginal culture: "Australia has the advantage of being young enough to introduce positive standards, while having a much older Aboriginal society that operates in an egalitarian way, from which we can learn". Marriages in traditional Aboriginal society were generally polygamous—that is, husbands were allowed to take multiple wives; wives were not allowed multiple husbands. A strange model for sexual equality, but one certainly that I am prepared to consider.

NB: Germaine Greer speaking at the end of November at a press luncheon in Sydney said that she would not come back to Australia unless the Aboriginal people invited her. I merely note that promise for the public record.

British Disease Forget heart disease and AIDS. In Britain, according to Angela Mackay in the Financial Review, "Thatcherism has started to kill people". "Recent events—let’s call them tragedies", she continues ominously, "have been spawned directly by the Thatcher Government’s cost cutting exercises". Such exercises, Ms. Mackay argues, are designed to prepare the ground for the demon privatization "and so no matter how much people complain they will not have their needs met". Unfortunately, as the rest of her article shows, people are not having their needs terribly well met by public enterprises renounced for their inefficiency (transport and health).

Double Agent He would probably think you crazy if you suggested that rival football teams Carlton and Collingwood should share the same dressing room or that the victims of incest should run joint holiday camps with the Paedophile Support Group, but former top-rating radio commentator, Derryn Hinch, believes that America and the Soviet Union should share the same bases: "If the Prime Minister, Mr. Hawke, is serious in our Bicentennial year he should build on his visit to the Soviet Union and seriously look at Don Chipp’s proposal that nuclear target bases like Pine Gap become joint ‘spy’ facilities for the Russians and the Americans", says Hinch in the Melbourne Sun.

Who’s Right? A clash of women’s rights has created a sticky situation for the South Australian Correctional Services Minister.

Legislation introduced last year designed to prevent male prison officers strip-searching female prisoners has run into objections from female prison officers. Female officers are appealing against the rule under the Equal Opportunity Act on the grounds that the ban is discriminatory and has reduced their job opportunities. The ban would prevent female prison officers strip-searching male prisoners. "It’s a somewhat delicate issue", explains the Correctional Services Minister, Mr. Bleuins, in the West Australian, "and one that I’m trying to pick my way through carefully".

Nazis Have Feelings Too Hitler was a failed artist. Now we find that Goebbels, his propaganda minister, was a failed novelist. An English translation of a novel written by Goebbels in the 1920s has recently been published in America. The novel called Michael is reviewed in National Review. More tasteless than the novel is the endorsement on the cover by revisionist historian, David Irving, who describes Goebbels as "a tender introspective patriot".

The Other Side Apparently concerned that the case for violence is not being adequately presented in our schools, The Australian Teachers Federation has resolved to send money to the African National Congress (ANC) and South West Africa People’s Organization (SWAPO) to produce literature for Australian school children.

Clayton’s Celebration I have often felt that many modern churches look like they were designed by atheists. So it comes as no great surprise to find that the designer of the official Bicentennial logo doesn’t really believe we ought to be celebrating the Bicentenary.

"I disagree with the overall concept," Dr. Bruce Radke, geologist-turned-artist, told the Melbourne Herald. "It’s unfortunate the Government chose 1988 because it has added a racial flavour by marking 200 years of European settlement... There are times when I have felt like boycotting the whole Bicentenary."

But Dr. Radke defends his design: "If I hadn’t designed the logo, someone else would have done and they may have won with a design with a sense of racial prejudice about it, such as showing the arrival of the First Fleet."

Meanwhile, according to members of the First Fleet re-enactment, the NSW State Government has treated them like lepers since arriving in Sydney. "We were farewelled by Queen Elizabeth, entertained by the Governor-General of Mauritius, entertained by the President at Brazil and treated like kings and queens everywhere else. Yet our own country does not want to know about us," a First Fleeter told the Sydney Morning Herald.

The official policy seems to be celebrate the Bicentenary but not what the Bicentenary signifies.

Ken Baker
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Soup

Mr. J. C. Ryan, President
Phnomn Sorp Corp
Flomster, Illinois 60412

August 1, 1987

Dear Mr. Ryan,

In an effort to help you plan competitive, we are publishing 5-year sales projections for two soup categories: canned and dry. Please keep these projections handy as they will aid you in your product planning over the coming years. Of special interest to you are the dry soup projections.

Canned

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As you can see, industry experts predict in the range of 1.5% to 2.0% growth per year. As you can see, industry experts project in the range of 1.5% to 2.0% growth per year. They also believe the gaps between dry and canned sales will begin to close by 1990. They also believe the gaps between dry and canned sales will begin to close by 1990. They also believe the gaps between dry and canned sales will begin to close by 1990.

Noodle Price Hike

We understand that Noodle Branch is raising their prices. We are certain that they project the price of noodles to double - up to eighteen cents a barrel. How will this price hike affect you? A two-cent increase on all of ourplain soups you sell.

Recommended Reading: "Cup or Bowl?"

This in-depth study discusses the habits of the American soup eater. Cup and it's free and you a copy.

Sincerely,

Mr. R. Welke
Director, Canned Soup Council
After Mudginberri
the turning of the tide
Ian McLachlan

Industrial relations in Australia have changed since the 1986 Mudginberri confrontation. Increasingly the civil courts, rather than industrial muscle, are being used to settle disputes.

Following the successful resolution of the Mudginberri dispute (which resulted in the Meatworkers' Union having to pay damages totalling $1.4 million), the national media has paid little attention to industrial relations. This has led to suggestions in some quarters that rural organizations such as the NFF have called a halt to their push to effect the changes in industrial relations that are needed to improve productivity and ensure that the rural sector is able to compete effectively on international markets. The reality, however, is quite different.

In fact, the historic Mudginberri judgement, which followed the successful resolution of the long, drawn-out disputes over the export of live sheep and the use of wide combs in the shearing industry, appears to have turned the tide. Of course, that is not to underestimate the impact of the SEQEB dispute in Queensland where the union movement also suffered a crushing defeat. The unions now seem to have recognized the futility of carrying industrial action to the point where it becomes a major dispute. The essential reasons for this are that they have recognized that employers are now prepared to respond through the civil courts where necessary, that they have the necessary means to do so, and that such responses could prove extremely costly to the unions. As a result, since Mudginberri a number of industrial actions started by unions have fizzled out before they reached the stage of becoming major disputes.

In short, the reason we have heard less about industrial relations in the rural area is not that the employer side has pulled back: rather, it reflects the fact that unions have not been prepared to push disputes to the point where they attract the attention of the national media. The "quiet" in rural industrial relations is thus more a matter of the national media failing to pick up the successful resolution of disputes at the local level.

But, Mudginberri has had implications outside the rural area: it is quite clear that Mudginberri, together with a series of other successful employer stands, has changed the nature of industrial relations in Australia. There are many examples of successful actions taken in the immediate wake of the Mudginberri and SEQEB cases. These include Dollar Sweets, Robe River and the Sale Cinema case. These have been well-documented elsewhere and I do not want to pursue particular non-rural cases here.

Rather, I want to emphasize that, apart from the direct implications for the employees of Mudginberri Station and Jay and Joy Pendarvis, the Mudginberri dispute had four important consequences:
• greater caution by unions;
• a recognition that employers can win big industrial disputes;
• a greatly increased will to fight by employers;
• the effectiveness of the Australian Farmers' Fighting Fund.

Unions are now far more careful about which industrial whips they use, and this has been evident in a number of cases referred to below.

Internal ACTU documents obtained by NFF also illustrate this point clearly. In Future Strategies for the Trade Union Movement, devised in May 1987, the ACTU notes:

"It is important to appreciate that these cases (Mudginberri, SEQEB and PGEU) constitute only the tip of the iceberg. Throughout industry, employers are exhibiting an increased willingness to seek legal redress (especially under S45D and the common law) in dispute situations."

The ACTU then urges its members to:
• "carefully select targets for all forms of industrial action";
• "alert members and officials of the nature and extent of potential liabilities";
• "develop defensive (and offensive) tactics which can minimize the risk of legal intervention";
• "establish 'early warning systems' to try to head off the possibility of legal action";
• "be prepared to beat a strategic retreat where that is

Ian McLachlan is President of the National Farmers' Federation.

IPA Review, February-April 1988
The prudent course";
- "establish and maintain substantial fighting funds";
- "recognize that legal action can destroy a union".

The growing realization that the union movement is not invincible has, however, probably been the most important legacy of the Mudginberri dispute. Although this may not yet be universally grasped, the attitude of many employer organizations has hardened considerably, as has that of many companies.

Possibly the best example of a change of attitude by employers generally was the response to the Federal Government's proposed Industrial Relations Bill in June of last year. An urgent national meeting of all employer organizations was convened under the aegis of the Confederation of Australian Industry. The willingness of all the groups to act in a co-ordinated manner and their preparedness to accept the leadership of the NFF on tactics and strategy were both significantly influenced by the Mudginberri outcome.

The change in employers' attitudes have been reflected in a greater willingness to resist union claims and to push for improved productivity. From NFF's viewpoint, our involvement in a range of disputes has taught us many lessons. Doubtless, other employer groups and companies also have profited from their experiences. It is quite clear that the skills employers have acquired in areas ranging from publicity, the law and accountancy, as well as industrial relations, have all increased significantly in the post-Mudginberri period. That pool of experience is now available to anyone who wants to draw on it.

Of course, it is of little use being prepared to fight legal battles if you don't have the financial back-up. In this regard, the importance of the Australian Farmers' Fighting Fund cannot be too strongly emphasized. The existence of this Fund has meant that, once the NFF intervenes, industrial disturbances generally cease pretty quickly. In the great majority of cases, no ensuing action occurs at all. Often it takes only a few phone calls.

The trade union movement now knows that a very substantial sum of money is available, and that the will and the skill exist to fight.

There is, however, a critically important point to recognize about the Fighting Fund. To obtain its maximum potential - to achieve the greatest industrial reforms and improvements possible - it must be drawn on to fight issues which we may not win, but which for strategic reasons should be fought. If the trade union movement were to believe that the Farmers' Fighting Fund would only be used in those cases where NFF was certain of winning, it would become far more prepared to chance its arm in cases where our odds are less favourable.

Meatworkers picketing Seymour Abattoirs. The union is now being sued for damages.
Obviously, by the nature of the industries in which NFF is involved, we have had dealings with only a sample of unions. These have included, however, major unions such as the Federated Storemen and Packers' Union, the Waterside Workers' Federation, the Australasian Meat Industry Employees' Union and the Australian Workers' Union. It may be instructive to detail a few occasions where the Fighting Fund has been used effectively against these particular trade unions during 1987.

The Federated Storemen and Packers' Union, in pursuit of its second-tier wage increase throughout last year, was engaged intermittently in various forms of industrial action at Elders Gillman woolstore in Adelaide. The matter came to a head following the imposition of blackbans on wool that was handled while the Union was on strike. NFF, in conjunction with our state member organization, the United Farmers and Stockowners of South Australia, served writs against the union under section 45D of the Trade Practices Act and the common law. The bans were immediately removed. Threats to use those remedies were also made in Queensland in response to the same claims. At Yennora in NSW, threats were also made over a dispute involving wool shorn by non-union labour. Our reaction was the same, as was the result.

In July of 1987, the Waterside Workers' Federation was picketing the "River Torrens" at Devonport because the vessel (which contained wheat for Tasmanian consumption) has a self-unloading capacity. The NFF, in conjunction with our state member body, the Tasmanian Farmers' and Graziers' Association, was instrumental in convincing the Port of Devonport Authority to institute section 45D proceedings against the union. The proceedings came before Justice Morling of the Federal Court (coincidentally the same Judge who handed down the historic Mudginberri damages decision on 21 July 1986). The Waterside Workers' Federation then gave an undertaking to the Court that they would not take any action against the vessel in Tasmanian ports, the pickets were witharth removed and the vessel was unloaded.

This action was particularly important because it involved a government authority instituting legal proceedings. Moreover, the Australian National Line, the owner of the vessel, sustained an Arbitration Commission decision which stated that no waterside labour was required for the unloading of this "self-unloading" vessel at Devonport. This decision has important wider implications for the loading, as well as unloading, of grain.

The Waterside Workers' Federation decided not to proceed with an appeal against the Arbitration Commission decision.

In June 1987 the Australian Workers' Union (AWU) was allegedly banning the loading of grain bound for Geelong from the Riverina. The movement of this grain through Geelong was necessary due to the inability of the Newcastle and Sydney export terminals to shift the NSW grain harvest. The NFF assisted a number of Riverina grain hauliers in a secondary boycott application and Justice Einfeld of the Federal Court ordered that the AWU give an undertaking that it would not engage in conduct in contravention of Section 45D of the Trade Practices Act. This undertaking was given with the full knowledge of the NSW Secretary of the AWU, Mr. Ernie Ecob, who is also the President of the NSW Trades and Labour Council. It represented the first occasion on which the trade union movement has given such an undertaking in relation to section 45D of the Trade Practices Act.

In November 1987, AWU employees went on strike at the grain terminal at Geraldton in protest over new penalty rates which the Arbitration Commission had established for shift work. The NFF, in conjunction with the Western Australian Farmers' Federation, was instrumental in bringing this strike to an end.

The growing realization that the union movement is not invincible has, however, probably been the most important legacy of the Mudginberri dispute.

Prior to June of 1987, only sporadic shift work occurred at Geraldton. The Award provided for penalty rates of 35 per cent and 55 per cent for afternoon and night shifts respectively. Co-Operative Bulk Handling applied for and received approval on 15 June 1987 to have a clause inserted in the Award for long-term shift work providing for penalty rates of 20 per cent and 30 per cent respectively for afternoon and night shifts.

The AWU lodged an appeal on 17 August 1987 against this decision and requested a Full Bench hearing. The AWU members went on strike because an appeal date had not been set.

We threatened the use of the common law remedies of tort. The writs were prepared, but were not served as the strikers returned to work.

Early in 1987 the Australasian Meat Industry Employees' Union (AMIEU) placed a picket line at the Seymour Abattoir preventing Victorian Government meat inspectors from attending work. The Seymour Abattoir is a non-export works in Central Victoria which over the last three years has been subject to almost constant union harassment. Our state affiliate, the Victorian Farmers' Federation, promptly brought this matter to a head by initiating proceedings against the Victorian...
Government and we have had proceedings commenced under common law against the AMIEU. The picket line was removed and the plant is operating efficiently. The proceedings are continuing, however, with a view to obtaining damages against the AMIEU.

**Conclusion**

Our activities to date have not only prevented the rural industry being loaded with additional costs: they have laid the foundations for future improvements in the cost of marketing of agricultural products.

In particular, the "River Torrens" dispute in Devonport should lead logically to a review of the manning of self-trimming vessels when grain is being loaded rather than unloaded. Moreover, our exposure of a wide range of outrageous work practices in the grains industry to the Royal Commission into Grain Handling, Transport and Storage and our activities in the Riverina Grain Handlers dispute should result in the removal of artificial restrictions that add to the cost of the movement interstate of grain. The likely development of carriage of grain by road as well as rail should increase competition and, again, reduce costs.

A key to our success has been our preparedness to use the provisions and facilities of the civil law, rather than the ineffective practices of the industrial jurisdiction. Some people see something evil, even sinister, in that preference, and particularly in the successes that we have had in pursuing this course. However, the reality is that the industrial jurisdiction has consistently conceded to union power rather than applied the rule of law. The NFF quite unashamedly believes that employers are entitled to pursue their rights via our court system. We also believe that in the long run, that will be in the interests of all the parties and will strengthen the Australian economy.

There is still a long way to go in removing blockages in our industrial passageways, which limit the ability of Australian exporters to compete on domestic and international markets. NFF will have no hesitation in continuing the sorts of legal actions we have used successfully in the past, wherever that becomes necessary.

NFF also will carefully assess any new Industrial Relations Bill presented to Parliament. We will not accept any legislation which seeks to create a separate law for industrial matters.

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Articles of Faith

biases which guide the press

Harry G. Gelber

The unquestioned assumptions which guide journalists' reporting of public affairs go deeper than any simple allegiance to a political party.

Not long ago my friend Gerard Henderson wrote in these columns about the Parliamentary Press Gallery - the "Rat Pack", he called them - and their political biases. It was a notable piece, with a lot of telling points, and seems to have aroused a good deal of attention, even some heart-searching, in journalistic circles.

I want to take issue less with what he said than with things he did not touch on. I do not claim to have done original research. I write simply as a watcher of TV, a listener (and occasional contributor) to radio and a regular reader of several leading newspapers. I also concede at once that journalism, like other trades, includes a great variety of people, organizations and attitudes. It is hard to think of any generalization that would apply equally to The Age and to Truth, to the ABC's Correspondence Report and the Willesee program. Nevertheless, it seems right to say that the Canberra Press Gallery very much sets the tone and agenda of political reporting and commentary in this country (indeed, sometimes of the process of politics itself); that the views of the Gallery are set to a disproportionate extent by a mere half-dozen of its senior members; and that these folk seem to have, within certain limits, a marked similarity of outlook. It is not that they agree with one another on each and every issue. But they do adopt a discernibly similar tone, style, approach and agenda for discussion in deciding what it is that merits public and political attention and what does not, and what the dominant perspective on the subject should be.

Gerard Henderson argues, with considerable force, that the leaders of the Press Gallery are at present biased in favour of Bob Hawke and the ALP, against the Liberals and John Howard and even more fiercely against the Nationals and Sir Joh or Ian Sinclair. What that doesn't explain is why the Press Gallery was no less fiercely against Labor in the 1960s or espoused other "right-wing" causes in the 1950s. Is all that merely the result of a change of personalities, or even of a wish to get on-side with a winner?

I think more profound and interesting issues are involved than any current institutional bias for or against Labor or the Liberals. For one thing, to judge from their work, senior members of the Press Gallery for the most part share the broad outlook of their class and station. They are members in good standing of the managerial sector of society, of the upper bourgeoisie with comfortable incomes, almost invariably some tertiary education - probably not in Science or Engineering - and many if not most of the social and political assumptions common in the highly protected, even pampered, world of Canberra. Most of them seem to derive their intellectual framework and general social attitudes from the causes and debates of the 1960s and early 1970s. One supposes that many of them would profess a fashionably radical egalitarianism of a safely abstract kind, would share the callow religiosity of Manning Clark's adulation of Gough Whitlam or the currently conventional obeisance to aboriginality, and have an instinctive sympathy for public versus private effort in most spheres of life.

Moreover, journalists, like others, have professional self-interests. They want recognition, primarily, not so much from editors or even the general public as from other journalists. Few of them dissent publicly from the claims common to their trade: that they are the mirror of truth and the safeguard of democracy; that the public has an unlimited right to know whatever journalists think it right to provide; that in their professional capacities journalists have special rights and a special status at law, for instance in the right not to reveal "privileged" information even if that refusal prevents a check on whether some story or allegation is in fact mere invention, or even if it prevents the police from taking action against criminals or terrorists. Given such attitudes, it is not surprising that senior journalists have learned to veil their self-interest in large abstractions which permit enormous elasticity in their application to particulars; or

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ARTICLES OF FAITH

that the leaders of the profession should claim to speak in the name of the common man and of "social justice" while seeking the private good of media power.

Then there are the classic criticisms of journalism in most places and at most times: the emphasis on sensation and scandal, on brevity and imprecision, on the new and immediate at the expense of the important or profound. The presentation of all things in terms of black and white and the avoidance of complexity. Even if some of these are mandated by a shortage of time and space for journalistic expression, other difficulties, including a frequent sloppiness of concepts and language, are not. One can detect a marked inability to distinguish between the moral and the sentimental, a persistent confusion between political ethics and majority passions, a failure to discriminate between the cosmetic and the real or between respect for equality and mere envy. There is too easy and frequently self-indulgent an acceptance of the absurd idea that since objectivity can never be achieved, the only "honest" approach is open and avowed partisanship. Even more striking is the way in which the Press Gallery regards its role as almost entirely confined to criticism and never to the much more difficult task of construction or creation. Together with that goes, at any rate in recent times, a striking lack of originality of thought, a sameness and predictability, not to say pedestrianism, which ranks the leaders of Australian journalism several rungs below the quality one expects from the Wall Street Journal or the Neue Züriicher Zeitung, let alone Le Monde or the (London) Economist. And also well below the level of the best Australian journalists, who are not to be found in Canberra.

Faith in Politics

There are other tendencies and biases. The leaders of the Press Gallery are certainly biased in favour of the assumption that politics is and ought to be the controlling factor in social processes and arrangements; that in principle there is no facet of personal or family or social life which may not require politics as helper, regulator, adjudicator, provider of justice and "fairness". Few journalists will be found to oppose the principle that family court whose powers and actions are closely regulated by political decision. Few are on record as accepting that medical arrangements should be left solely to agreement between doctors and patients. There are not many to whom it seems to occur that relations between teachers and pupils and especially between husband and wife may simply not be subjects appropriate for political interference. Nor is that view peculiar to journalists. I have over the years asked students in several states at various times whether they think there is anything that a legally and properly elected Government may not do and which, even if imposed by force, would be in principle wrong. It is quite rare for students to have considered such a question and rarer still for them to argue that there are any just limits whatever to the power of Government.

These assumptions about the centrality of the political process are almost always accompanied by sympathy and admiration for the power of effective central Government, by belief in its essential benevolence and by support for an increase and extension of its power, if only for the sake of ensuring "equality" and "fairness". Given that view, it is no doubt natural that there should be a marked fear of, and hostility to, any suggestion for derogation from the central power. Together with that go several other attitudes. One is marked respect for the stronger participants in the process of politics: a sometimes almost fawning attitude to the public service, with whose senior members Canberra journalists often have a complicated and mutually manipulative relationship, the great interest groups like the mining companies or the ACTU, or the political clout of the welfare industry. Another is distrust of many of the checks and balances which limit the Government's power, like state sovereignty, or the role of the Senate or of the Governor-General. The chief focus of attention is rather the Lower House and the "democratically-elected majority" which dominates it at any given time. By contrast, groupings and organizations of all kinds (except, of course, journalists) are to be made "more accountable" to those claiming to speak on behalf of the mass electorate.

Similarly, senior journalists usually exhibit a bias in favour of plebiscitary or participatory political arrangements - which give them, the media, maximum influence on voters - rather than representative ones which would tend to diminish the importance of their role. And there is a very evident tendency - by no means confined to journalists - to regard the media as important, even indispensable, political actors with the right, even the obligation, to help shape the course of public affairs.
At the same time the media display a sometimes astonishing conservatism and fear of serious change, especially in socio-economic matters. Here is probably the reason why the media opposed Arthur Calwell in the 1960s as sharply as they opposed Howard, or for that matter Margaret Thatcher, in the 1980s. In each case they registered dislike, even fear, of proposals for radical innovation. In the 1960s it was the ALP threat of nationalization. In the mid-1980s it became the Liberal threat to diminish the role and clout of central Government. In each case the fear of change was the same. In each case the proposals were dismissed as impractical or disruptive and contrasted with a "democratic" emphasis on the current preferences of the existing majority, qualified only by the half-disguised notion that the existing majority might not always properly understand its true interests but needed to be led by the wise and good, especially in the media.

Relativism

How does one account for the curious dualism of these attitudes, of radical critique but fear of genuine innovation, of obeisance to power but dedication to egalitarianism; of fashionably volatile beliefs and a highly traditional suspicion of tradition leading in practice to conservatism of outcomes? The answer probably goes well beyond the attitudes of journalists and to some of the fundamental assumptions of the contemporary bourgeoisie. There is, for example, the view that there are no serious moral or political standards to be derived from the traditions of the nation or community; that, instead, the very concept of what it is (or should be) to be "an Australian" is a matter of creative engineering by people claiming to speak on behalf of the demos. Hence, of course, the repeated claim that it is possible to engineer new and by implication more desirable patterns by methods like immigration reform or "multiculturalism". That ties in quite comfortably not just with real or invented guilt-feelings about the past, but with conventional views about progress which imply that the past is necessarily less perfect than the present, that the task of the present is to prepare for the future which will, necessarily, be better, that young is an improvement on old, whether in laws or customs or people.

At the same time there is an almost unquestioned acceptance of relativism, especially of "values". All values are deemed to be relative, except the value that all values are relative, which is of course absolute. That, in turn, encourages a frequently blind belief in statistics as the sole reliable and hence legitimate basis for judgment and decision. Given this faith in the future and the absence of traditional guide-posts, together with the fading of traditional forms of religious belief, the attempt to shape new and better patterns for the future is not only a principal method of self-fulfilment but - if only one can create a virtuous pattern which will last - a new and secular way of triumphing over the threat of death and personal oblivion. On the way one can take refuge in combating the fashionable crimes: sexism, racism, elitism. One can seek refuge in admiration of occasional dominant personalities, as well as personal publicity. And one can seek an appropriate political "consensus" in a careful balancing of the contending passions and interests of the strongest groups.

The weaknesses of such attitudes should be obvious. The more one insists that every social arrangement and pattern is subject to constant reassessment in accord with the preferences of fluctuating opinions, the more one condemns any pattern of one's own to equal corresponding evanescence. The more one emphasizes the centrality of politics, and especially of politics defined largely as the process of reconciling contending claims, the more one institutionalizes friction and dispute by increasing the incentives for any group to bring forward large and raucous claims which it then becomes the Government's task to satisfy. The greater the ideological insistence on "equality" and "fairness", the greater the room for dispute and contention about concepts of which there is no agreed definition and policies which can never satisfy all their possible conflicting interpretations. From a political point of view, therefore, and especially from that of a political journalist, a radical insistence on equality and fairness creates difficulties which are in principle insoluble, but also the source of never-ending political contention and publicity. That emphasis on contention and dispute is further encouraged by the military-style language in which the media customarily discuss such matters. All disagreements are "battles". All disputes are "conflicts" in which people use "weapons" to wage "campaigns", for instance in order to "slash" deficits.

The results are manifold. They include, I believe, not just an increasing distrust by the public of the media, but a monotony of treatment of political issues which is ultimately boring, and an inward-looking view of the world which is increasingly obviously at odds with things as they now are. For all of us.
Jacob Abrahimi's article in the last *IPA Review* on the potential for massive savings in Australia's electricity bill if better work practices now operating in Queensland were applied generally attracted considerable interest. It also produced a savage response from Western Australia's Minister for Minerals and Energy, David Parker, a man not usually given to intemperate comments.

Mr. Parker said the suggestions were "ideological baggage from right-wing extremists". Strong stuff indeed, but reflecting the ideological blinkers that are preventing any real progress with the elimination of restrictive work practices which is the greatest challenge now facing Australia.

To recognize the real benefits to the Queensland economy that have flowed from a more efficient use of resources is not to condone the bloody-mindedness shown in both sides of the dispute that led to the changes. Sadly, the union bosses and the Labor Left seem unable to realize that their own intransigence to change precipitates the type of conflict that all Australians would want to avoid. Because widespread change to entrenched labour practices cannot be avoided if Australia is to lift its competitive game and claw its way out of our deepening economic problems, the trade unions will have to change their attitude or the heavy-handed approach that Mr. Parker deplores will gain increasing support in the community. No rational person would welcome the consequences of that development.

There is no indication that Queensland electricity workers are now repressed and exploited workers. On the contrary, as Abrahimi reported, "The evidence is overwhelming that since the introduction of the new practices in 1985 SEQEB is operating more efficiently and with a happier workforce who are better meeting the needs of consumers at a lower price".

How can it be perceived as right-wing extremism to see this as a desirable aim? It is to our shame as a supposedly mature nation that objectives taken for granted in many other countries seem destined to be achieved here only through confrontation.

Nor are the changes in SEQEB work practices as 'radical' as a journalist writing in the *West Australian* claimed. By far the greater part of the savings identified by Abrahimi flow from reduction of overmanning, removal of demarcation restrictions and the introduction of multi-skilling, the last two of which have been identified by Mr. Kelty as essential aims. If such obvious measures are seen as radical or as ideological baggage, we would be well advised to concentrate on the production of bananas. They will be needed.

There are Deficits and Deficits

The furore over the Queensland budget forward estimates that forecast a potential deficit of over $150 million next year if corrective action is not taken misses a key point. For several years the Queensland Government has allocated substantial sums for capital works from recurrent revenues, over $250 million in each of this and the last financial years.

This must be acknowledged as good financial management, particularly as no other State has found the capacity to meet capital requirements from Consolidated Revenue to anywhere near this extent.

It is understood that the forward estimates are based on continuation of this practice and simply make the point that if the Queensland Government wishes to continue this policy recurrent expenditure will need to be cut back or additional revenue raised.

That is hardly a crisis nor, as Mr. Warburton has claimed, does it represent enormous problems or a financial mess. The Government can keep its recurrent budget in balance by progressively reducing the contribution to capital account.

However, it is to be hoped the Queensland Government takes the harder option of maintaining the present policy. If State public sector borrowings are to be further reduced - as they need to be - without running down the public capital stock, all States will need to follow the Queensland example and finance more of their works programs from recurrent revenues.
The First Swallow?

### Public Sector Employment

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(a) Excludes temporary employees engaged on national Census June 1986.

Source: ABS Cat. 6248.0, June Quarter 1987.

Just as the first swallow does not make an English summer, the slow down in the growth of public sector employment last year is unlikely to herald a trend to smaller government in Australia. But the tightening of the brakes by some governments is nevertheless welcome.

In the year to June 1987, the public workforce grew by only 0.6 per cent if the figures are adjusted to remove the aberration resulting from the 40,000 temporary staff engaged by the Commonwealth for the June 1986 census. This compares with overall growth of 7.4 per cent over the three years to June 1986.

As the table shows, the slow-down applied to all levels of government, Commonwealth, State and Local - not before time in the case of Local Government, following a 10.8 per cent increase in staff numbers in the previous three years.

Overall, State Government employment has been growing at a lower rate than either the Commonwealth or Local Government, which is a commentary on the Commonwealth's lack of restraint, given that the States are responsible for labour-intensive services such as education, health and police.

State public employment figures closely reflect expenditure policies. Tasmania has shown consistent restraint, partly forced upon it by severe cuts in that State's share of Commonwealth funding. Nevertheless, a 2.8 per cent increase over four years is a commendable result.

After being among the leaders in the growth stakes for three years, the Burke Government achieved its aim of cutting back public sector employment in 1986/87. Although the 1.6 per cent reduction fell short of Mr. Burke's three per cent target, the achievement was significant.

Leaving the Northern Territory on one side - the figures are affected by transfers of Commonwealth employees - Victoria and South Australia are out in front in terms of public sector growth over the last four years. Of the 82,000 additional staff appointed by the States over that period, 31,000 or 38 per cent joined the Victorian public sector.

Repeated claims by the New South Wales Government of greater restraint than other States in spending and public sector employment are not borne out by the figures from July 1983 when the current ABS government employment series began. In fact, three States have lower percentage increases in public sector employment than New South Wales. Indeed a three per cent increase in budget sector staff numbers in 1987/88, forecast in the New South Wales budget papers, is likely to put that State well up with the leaders by the end of the current year.

The total increase of over 103,000 in public sector employment since July 1983 has increased the cost of Government in Australia by over $3 billion for salaries alone. Two-thirds of the added cost, or $2 billion, falls against the States with Victoria having to find a massive $744 million to pay for its additional 31,000 staff. The additional wages bill for New South Wales is a relatively modest $552 million.
World distribution of debt

- **Very high debt countries** (where gross external debt is three times or more greater than export earnings)
- **High debt countries** (where gross external debt is between two and three times greater than export earnings)
- **Moderate debt countries** (where gross external debt is up to twice as great as export earnings)
- **Low debt countries** (where gross external debt is less than export earnings)
- Debt figures not available

**SOURCE:** based on figures in *Morgan International Data, 1987*
World Policy Review

Summaries of significant articles from policy journals around the world.

Compiled by
Michael James

Japan's Economic Restructuring Threatens its Social Harmony

The Japanese are responding to the inevitable disappearance of their trade surplus with defensive and offensive strategies. Defensively, they are exporting goods that compete in quality rather than price; installing and producing automation equipment; and, most important, moving production out of Japan into other countries. Offensively, they are trying to 'outflank' their competitors: anticipating tomorrow's products by projecting today's trends. This is much riskier than Japan's previous strategy of doing better what the West was already doing well.

Outflanking and going multinational make economic sense, but they imply a degree of deindustrialization in Japan itself that threaten several elements of Japan's famous social harmony: the administrative hegemony of the bureaucracy; the unity between large and small businesses; and, above all, lifetime employment. The Japanese also fear that becoming more integrated in the international economy will make it impossible for them to continue protecting their cultural identity against the forces of westernization. "The fear is what the Japanese call haragai - literally 'gut feeling'. It might be called an existential fear."


Canada: An International Non-Entity

Canada abounds with attempts to create a national identity out of the envious anti-Americanism of its intellectuals (even though it really longs to be recognized by America). It erects tariffs against American imports and imposes numerous 'Canadian content' regulations. But the reality is that the entire world is succumbing to American styles and culture. "The question remains whether Canada can exploit and profit from its special relationship with the US or whether it will remain protective, isolated, and, invariably, left behind."


Liberal Conservatism Restated

Modern liberalism suffers from J. S. Mill's rationalistic individualism that claims to liberate us from the burden of custom and tradition and to leave us free to pursue self-chosen identities. Some versions of conservatism commit the opposite error of regarding society as a single moral community whose values must be rigorously enforced by the state. But while conservatives are right to insist that our identities are inescapably shaped by tradition, modern society embraces a multiplicity of varying and sometimes incommensurable traditions. The liberal ideal of individuality and autonomy can survive in these circumstances; it thrives on the freedom we have to move among the traditions that we find in existence.

Traditions cannot survive indefinitely on subsidies given out by paternalistic governments in the name of 'multiculturalism', but must rely ultimately on their inner vitality and resourcefulness.

The appropriate role of government in promoting cultural diversity is suggested by the classical liberal tradition: it is to maintain the civil association - "that structure of law in which, having no purpose in common, practitioners of different traditions may co-exist in peace."


Health Maintenance Organizations Cost Less

Like most Western countries, Australia faces swiftly rising health care costs, partly because the widely-used fee-for-service system creates an incentive for doctors to
provide more services as a way of increasing their income. Attempts to cope with this problem, such as the establishment of health centres and large entrepreneurial medical practices, have not been very successful.

In August 1986 the Government announced a Health Maintenance Organization (HMO) strategy for Australia. HMOs provide comprehensive health care in exchange for fixed, basic contributions that do not vary with the use of the services. They thus have built-in incentives to economize on health costs and to place more emphasis on disease prevention than on traditional medical practices. HMOs are growing rapidly in America, where they cover about 10 per cent of the population. They have so far provided health care at a standard that is generally equal or superior to that offered by other systems but at a considerably lower cost. In Australia, HMOs would appeal mainly to people with private health insurance. To be viable they would have to purchase private hospitals unless state governments co-operated in developing a national HMO strategy involving public hospitals.


Low Taxes Promote Growth and Liberty in the Third World

Traditional economic development theory paid little attention to taxation. Now more and more scholars are accepting that taxes play a crucial role in the development of Third World countries. However, research suggests that the crucial factor is not the share of the national income collected as revenue but tax rates.

Especially significant are tax thresholds: "Even moderate top marginal rates that bite at relatively low incomes cripple growth." Thresholds are commonly pushed down the income scale by the combined effects of domestic inflation and exchange rate depreciation, so creating negative economic incentives for large proportions of the populations affected.

A significant relationship exists also between overall economic growth rates and political and civil liberties. "Growth, which leads to rising prosperity, is a necessary but not sufficient condition of democratic institutions and individual freedoms."

"Stagnation, which breeds poverty, is almost a sufficient condition for authoritarian governments, political repression, and the denial of civil liberties." The road to freedom is paved with low tax rates and high thresholds.


Russia's New Diplomacy in the Asia-Pacific Region

Mikhail Gorbachev has realized that military might alone does not translate into greater influence in the Asia-Pacific region. The development of the rapprochement with China is limited by China's need to retain close links with the West. Soviet attempts to woo Japan are hampered by the Russian occupation of Japan's so-called 'Northern Territories' and by the fact that "Japan can get along without the Soviet Union so long as its security is assured." The alliance with Vietnam has brought major military gains. But Soviet support for the Vietnamese occupation of Kampuchea hampers efforts to improve relations with China, and continues to alienate the ASEAN countries.

Mr. Gorbachev's policy has been to continue the Soviet military build-up but also to promote economic relations with the region. It has forged economic links with some South Pacific islands and is seeking more. These military and economic efforts are aspects of a single strategy of increasing Soviet political influence in the region.


High School Dropouts: Solutions in Search of a Problem?

For the last 10 years, American public high schools have suffered an apparent dropout rate of 25 per cent between year nine and graduation. Many 'dropouts' enrol in non-school educational institutions offering diplomas or their equivalents, while others catch up on their education later in life when they decide they need qualifications. The 'problem' is to some extent artificially generated by the high schools' vested interest in maximizing their enrolments.

Although dropping out is largely associated with the wider problem of social disadvantage, the education profession insists that the solution lies entirely within the high schools. This has encouraged the steady dilution of curriculum content and the creation of a dropout industry akin to those that perpetuate other social 'problems'. So far there is little evidence that these measures succeed. But there is some evidence that schools striving for excellence in imaginative and stimulating ways have increased their retention rates.

Unionism in the USA
an Australian worker’s experience

Ken Baker

Trade unions have a responsibility not only to better the conditions of their own members but to promote quality workmanship and the national interest, as an Australian unionist discovered when he went to work in the United States.

Alfred Rampertshammer is an A-Grade electrician. He has been a member of the Electrical Trades Union of Australia (ETU) since 1974 and is a former shop steward. Over the years he has worked on many large construction sites, including the Melbourne Underground Railway and the Portland Aluminium Smelter. He and his parents migrated to Australia from Germany in 1956. His great grandfather was a founding member of the bricklayers’ union in Augsburg and was interned in Dachau by the Nazis during the War.

In 1981 Alfred Rampertshammer went to St. Louis, Missouri, the city where his wife’s parents reside. To work he had to join the local branch, referred to as Local No.1, of the electricians’ union, the International Brotherhood of Electrical Workers (IBEW). Local No.1 (the oldest branch of the union) covers the city of St. Louis and 25 counties in the State of Missouri.

It was there that he saw the fundamental clash of values which separates the American union from its Australian counterpart:

"It’s apparent from the moment you walk through the door," he explains. "In the head office of the union in St. Louis there is a large glass display case which contains the American Flag draped across the union flag, crossed rifles and an honour roll of unionists who have died at war defending their country.

"The main office of the Victorian branch of the ETU has a bust of Lenin and plaques from various conferences attended in Eastern Bloc countries."

For those used to associating unionism with left-wing militancy, the Declaration on the inside front cover of the IBEW’s Constitution makes surprising reading. It states in full:

"Our cause is the cause of human justice, human rights, human security.

We refuse, and will refuse, to condone or tolerate dictatorship or oppression of any kind.

We will find and expel from our midst any who might attempt to destroy, by subversion, all that we stand for. This Brotherhood will continue to oppose communism, nazism or any other subversive ‘ism’.

We will support our God, our Nations, our Union."

"You wouldn’t find the American electricians’ union spending money on a youth festival in Moscow or..."
a peace conference in Copenhagen as the ETU did," says Mr. Rampertshammer.

Work Ethic

The ethos of the IBEW is, in some respects, like that of a traditional craft guild. It controls the distribution of jobs, superannuation and the awarding of trade certificates. In a telling variation on the preference for women and blacks contained in US affirmative action regulations, the IBEW insists that a quarter of those working on any site be over 55 years of age, provided such men are available.

But it also demands standards of its members; it expects them to take care and pride in their work. It even requires that members rectify shoddy work, in their own time if necessary. The union's contract with the electrical contractors' association states:

"The journeyman shall be required to make all necessary corrections in work for which he is responsible and to make said corrections on his own time ... provided he first be given the opportunity to correct same."

Among the union's objectives, stated in the Bylaws of Local No.1, are: "to require of our members skill, intelligence and character" and "to make our card and seal a certificate of fraternity, honesty, efficiency and reliability."

"Compare that", says Mr. Rampertshammer, "with the objectives stated by the ETU. They are all about getting more for its members; nothing about requiring a standard of workmanship, let alone character."

The difference in attitude is also symbolized by the fact that in the United States Mr. Rampertshammer worked under a contract - which dealt with "employers' rights" as well as "union rights" - whereas in Australia he works under an award. A contract implies mutual obligations, legally enforced; an award is something gained by one party from another.

The attitude to industrial action is also different. "The contract I worked under in the United States," Mr. Rampertshammer explains, "contained a no strike - no lockout clause which held as long as the contract held. The union's bylaws forbade shop stewards from calling a stoppage of work, to prevent wildcat strikes."

"In St. Louis I got the sense that the union supported the decent, responsible worker; the fellow with a family to support who was willing to put his shoulder behind the wheel and do an honest day's work. Here in Victoria the appeal is mostly to the worst in people."

He recalls a case, small but typical, from when he worked in Portland.

"We were in the shed having lunch and it started to rain. Normally we don't work in the rain, but in this case, the actual worksite was undercover and no

more than ten yards away from the shed. Anyway, the shop steward called a meeting and the men voted to stop work because it would have meant walking ten yards through the rain. So we stayed in the shed and played cards for the rest of the afternoon. I would say that during winter two days per week on average were spent in the shed like this because it was raining outside. Everyone - the men, the union officials, the company - knew it was ridiculous, but no one did anything about it."
tion of industrial relations in Australia, Mr. Rampertshammer believes. Too often they have responded to the pressure of power, not the call of justice.

"Any worksite will have its hotheads and its ratbags. You can say that it's up to the responsible workers to stand up and oppose them. That's true, but it's hard to do that when the union backs the ratbags and the employer does whatever he is told for the sake of industrial peace - even if that means sacking some bloke who offends the union. It leaves the decent, honest worker without a leg to stand on. Who's supporting him? Not the union and not the employer."

"A couple of months ago some men where I was working stopped a concrete pour in defence of John Cummins (organizer for the deregistered BLF). They were sacked - rightly in my view. Since then, most of them have been working other jobs, but it now looks as if most of them will be reinstated with back-pay. These are the same men who a while ago struck for six weeks, were reinstated by the company and received back-pay including back-pay for the overtime they didn't work. I ask myself, what's the point in doing the right thing, when those who behave irresponsibly get the reward?"

That's the real injustice of the system, Mr. Rampertshammer believes: its indifference to principle. Its corrupting influence is that it rewards unjust power.

The four per cent second tier wage rise illustrates the point further. The unions who have something to trade off for their four per cent rise - namely restrictive work practices - are those which have been militant and powerful enough to institute such practices over recent years. The most responsible workforces - those with the fewest work practices - now find themselves with little to bargain with, even though they are often the most deserving of the four per cent wage rise.

Mr. Rampertshammer believes that unions have a necessary role in defending the interests of employees. "But they need to recognize that employees are as dependent on the prosperity of the company and the economy as employers. They also need to recognize that they wouldn't exist if Australia wasn't democratic and free. How many unions - I mean free unions - do you find in communist countries? I don't see how you can be a good unionist and a communist." He recalls an argument with two ETU organizers who called Poland's Solidarity a reactionary right-wing front. The people who are destroying unionism, he believes, are not the so-called New Right, but those union leaders who have made unionism the enemy rather than a pillar of democracy and the national interest. "In America I learned that this doesn't have to be the way things are."

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INTERNATIONAL PUBLIC RELATIONS ASSOCIATION
When Sex Education is a Health Hazard

Rod Kemp and Susan Moore

The so-called "Bible" of sex educators in Australia would fail to convert most parents. Its indifference to traditional morality contrasts with the teaching guide on AIDS issued by the US Government.

The presence in our society of disabling sexually transmitted diseases such as herpes and the life-threatening AIDS has persuaded many parents to accept the need for sex education courses in schools. According to a recent opinion poll, some 84 per cent of Australians are in favour of these courses.

Accepting the need for sex education courses, however, still leaves unanswered the question: how should sex education in the schools be conducted? Should factual information be given to students in the context of traditional morality? If not, in what context should it be supplied?

Education departments are in fact tending to offer so-called value-free education, which is based on the assumption that it is better to provide just the basic facts without reference to moral values. But the facts themselves on sexually transmitted diseases like AIDS can be highly contentious. And many people continue to ask whether education ever can be "value free". Do courses which claim to be morally neutral amount in practice to an assault on traditional moral values?

These issues are dramatized in two guides for teachers published over the last year. The first was issued by the Victorian Government and endorsed by Ian Cathie, the Minister for Education, and Caroline Hogg, then acting Minister for Health (now Minister for Education). The other was published in the United States by the national Department of Education and endorsed by the US Secretary of Education, William Bennett.

The Victorian guide, Sexually Transmitted Diseases: Prevention Education, was released in January 1987. Although national debate about the AIDS epidemic was obviously responsible for the guide's existence, it does not concentrate exclusively on combating the AIDS virus. Issued as a secondary school teaching resource on a broader group of sexually transmitted diseases, it has been praised as paving the way for a new approach to sex education. The Bulletin (September 1, 1987) refers to it as "something of a Bible to educators," a value-free sexuality package on which "some other States" have based courses. These courses are designed to "educate school children about sexual relationships, contraception, peer group and media pressures, homosexuality and so-called safe sex - how to avoid infection by sexually transmitted disease...such as AIDS and herpes."

The American 28-page guide, AIDS and the Education of our Children. A Guide for Parents and Teachers was issued in October 1987. Its focus is AIDS: "what it is, how it is spread, how people can reduce the risk of contracting it." Some 300,000 copies have been printed and will be distributed to every school board, principal and parents' group in the US. Like the Victorian booklet, it suggests that schools have an important role to play in educating young people about sex, and in providing information to reduce the risk of sexually transmitted disease (STD). It recognizes the vital role that parents must play in sex education. And it proposes to start sex education classes on AIDS with junior secondary pupils "in a way that is appropriate to their age and experience." The Victorian booklet has been "trialled with students in years 9, 10 and 11."

To establish the legitimacy of its aims and methods, STD: Prevention Education relies on a species of educationese which Lewis Carroll would have relished ("When I use a word, it means just what I choose it to mean"). It asserts that through the acquisition of 'skills' in "communicating, inquiring, decision-making, assertiveness" and the marshalling of 'facts', pupils will gain increased competence at looking 'critically' at "personal and societal attitudes and values" and at "making personal health choices." Yet, beyond nodding in the direction of "emotional well-being and responsibility in relationships," it avoids direct, precise indications of what 'personal health' is.

Indirectly, the Victorian guide approves 'safe sex', to which it devotes considerable space. No similar emphasis is given to the benefits pupils might derive from sexual abstinence or restraint. In an early section of the

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WHEN SEX EDUCATION IS A HEALTH HAZARD

guide, containing discussion questions on what pupils can do so that they don't get an STD, the listed possibilities are:

- talk with my partner(s);
- use condoms in my sexual relationships;
- have regular check-ups;
- look for symptoms.

Elsewhere, the guide suggests that pupils engage in role play situations in which they can practise "saying no". But how potent can the practice of "no saying" be if the "no" option is not argued in the study, and if the reasons for it are never elucidated?

The US booklet, in contrast, knows the meaning of plain speech. It doesn't pretend to have educational objectives so all-encompassing that saints couldn't achieve them. But it does assess from the very beginning that sex education must be provided within a strong moral context. When he released AIDS and the Education of our Children, William Bennett announced: "We cannot shy away from associating moral values with behaviour. The behaviour of our nation's teenagers is the product of the values they hold, not just the facts they have learnt." The booklet itself states that "any health information developed by the Federal Government that will be used for education should encourage responsible sexual behaviour - based on fidelity, commitment, and maturity and placing sexuality within the context of marriage."

The US guide argues that children must be helped to develop clear standards of right and wrong. "Parents, schools, and community organizations that work with children must install firm standards of conduct that include respect for personal well-being and the well-being of others. Children should be taught the importance of self-discipline and personal responsibility by holding them accountable for their own actions." It argues that sex education courses should speak up for the institution of the family, encourage pupils to learn about the rewards of parenthood, and help students develop strategies for combating pressures leading to risky sexual activity so that they have "a basis for their future sexual decisions."

All the Victorian Government's booklet has to say on the wider moral context of sexual behaviour is that "STDs do not occur in isolation of the issues which need to be explored, e.g. relationships, sexism, self-esteem, our bodies, sexual preferences, communication, etc."

The Role of the Teacher

Particularly emphasized in the American booklet is the importance of the personal example set by the adults who give sexual instruction to the young. Both teachers and parents involved in sex education, the guide suggests, should cite with pupils concrete examples of sexual choice in everyday life and indicate how the strength can be found to handle sexual dilemmas wisely. "Responsible adults will counsel young people against premature sexual activity - that is, engaging in sexual activity before achieving maturity, before acquiring an understanding of

Marriage, fidelity, sexual restraint, and a declared belief in the desirability of heterosexual over homosexual activity are "out" as far as the new breed of sex educators is concerned.

the seriousness of what is involved, before achieving respect for oneself and others and before being willing and able to accept responsibility for one's actions."

In the Victorian booklet, again in contrast, educators are perceived as neutral beings whose role is to "guide and facilitate discussion concerning the issues being examined in a critical, supportive, non-sexist and positive manner." But what adults who teach sex education are meant to 'support', examine 'critically', or to be 'positive' about is nowhere specified. Rather than endorsing any particular values, the guide recommends that teachers encourage pupils' values to be 'identified' - to what purpose is anyone's guess, though pupils are meant to end up with a strong sense of "social responsibility, personal responsibility, self-esteem and assertiveness."

As might be expected, the US booklet gives unequivocal instructions for teachers, providing extensive detail on the medical aspects of AIDS and the spread of the disease, and arguing that the context for factual instruction should not be value-neutral. It recognizes that additional information may be needed and provides guidelines on how this material should be selected. Its focus is on specific course content - topics, sub-topics, questions to be asked and answered, actions to be taken by teachers and pupils - designed to produce responsible behaviour. And it includes descriptions of successful pilot projects already completed in schools using similar material - e.g. the John F. Kennedy Jr. Foundation course called Growing Up Caring. It does not provide plans for single lessons. Implicitly, it relies on classroom discussion, carefully guided by teachers, as the means of educating pupils.

Some basic medical information is included in the Victorian booklet. Extensive information is provided where to seek treatment and information on STDs. Unlike the US booklet, it offers no criteria for selection of material providing this information. It does, however, outline in some detail possible classroom activities on STDs, making use of 'value clarification' techniques
which encourage pupils to confront their own attitudes on particular issues.

There are, in the Victorian guide, discussion topics: "What is 'safe sex'?" "Your 16 year-old brother tells you he might have an STD. What would you do?" There are suggestions for writing a play: Two people "have just met each other...They may choose to have sex or not to have sex, however they both want to be sure that they don't catch an STD." There are worksheet topics: "Who should carry condoms? Does a condom reduce pleasure? In what types of sexual activity would a condom be used?" There are ideas for classroom 'brainstorming': list 'specific sexual practices and discuss them 'in turn'. "Clarify safe sex and unsafe sexual practices." There are also suggestions that topics like "Safe Sex" could be further explored by inviting speakers from various groups like the Gay Men's Community Health Centre to address pupils.

**Differing Factual Information**

A key focus of the Victorian booklet is the use of condoms. A stated aim of the booklet is to encourage students to increase their knowledge about condoms, to dispel myths associated with condoms, and to encourage the use of condoms as an effective preventive measure against STDs.

The US booklet takes a different approach to the use of condoms and stresses that "young people must know that the use of condoms can reduce, but by no means eliminate, the risk of contracting AIDS." It points out that condoms fail about 10 per cent of the time and that some experts think that condoms are even less effective than this as a means of stopping the transmission of the AIDS virus. The US Surgeon General, it adds, has also warned that condoms have "extraordinarily high failure rates among homosexuals." Fortrightly, it makes it clear that any discussion of condoms must not undermine the importance of restraint and responsibility in the minds of young people.

Although both booklets stress the need to provide accurate factual information to students, the information they provide - as we have just seen - is not always the same. Another major difference between the two guides is their treatment of other key facts about safe practices and STDs.

According to the US guide, the key fact which young people must be told is that "there is much they can do to avoid contracting AIDS. Most AIDS results from behaviour that can be avoided. Young people should be told the best way to prevent the sexual transmission of AIDS is to refrain from sexual activity until as adults they are ready to establish a mutually faithful and monogamous relationship."

This information is not available in the Victorian booklet. Rather, the emphasis is on measures which reduce the chances of getting an STD if one is sexually active: "keeping to well known sexual partner(s), using condoms, having a regular check-up for STDs and exploring alternative forms of sexual activity which don't include the exchange of body fluids e.g. erotic massage."

The US booklet points out that the AIDS virus ultimately leads to illnesses that prove fatal. This information is not included in the Victorian booklet. The AIDS virus, according to the US booklet, is most commonly transmitted through male homosexual intercourse, through an infected partner, and through the sharing of needles. This information regarding male homosexuality and AIDS is also not given in the Victorian booklet.

**The New Squeamishness**

If *The Bulletin* article cited at the start of this article is correct that the Victorian booklet is "something of a Bible to sex educators," then it is clear that a "new squeamishness" is emerging. Marriage, fidelity, sexual restraint, and a declared belief in the desirability of heterosexual over homosexual activity are "out" as far as the new breed of sex educators is concerned.

American surveys show that most adults think sex educators should teach moral values. We are not aware of a similar survey in Australia, although it seems likely that a majority of parents would hold views similar to their American counterparts.

It is clear that the Victorian booklet is not 'value-free'. It says nothing about the importance of sexual restraint in the young or in adults. Its treatment of other traditional values is well illustrated in the section headed "Treatment and Information", where the Gay Men's Community Health Centre is listed as a source of information. This section contains no mention of any church group, although there is a footnote which reads, "It may be appropriate to consider contacting self-interest groups working in the area of health for a specific viewpoint - for example, church associated organizations."

The Victorian booklet can also be strongly criticized on the grounds that key factual information (see above) is not provided.

The Premier of Victoria, John Cain, has stated that schools should teach morals. *Sexually Transmitted Diseases: Prevention Education* certainly fails to meet this test. The booklet stresses the importance of consultation with parents, but how many parents have been told that the health course which their children are taking advances a new theory of sex education in which traditional values hold no place? This omission is extraordinary, since it is traditional values which offer the best hope of protecting students against AIDS and other sexually transmitted diseases.
The Archbishop's Bicentennial Guilt

Ken Baker

In viewing Australia's foundation with remorse, Archbishop Penman is in danger of alienating his congregation.

What is it about Manning Clark's Australian history that attracted the Anglican Archbishop of Melbourne, Dr. Penman, twice to cite it with approval in his 1987 Address to the Melbourne Synod? Let me pose the paradox more explicitly: how is it that the holder of high office in a church which is a central institution of the Anglo-Australian establishment can praise a historian whose contempt for that establishment and most of what it stands for is a leitmotif in his life's work?

Manning Clark is one of the leading exponents of the Great Adversary Myth of Australian History. Its themes run through his six-volume History of Australia and, with modifications in tune with changing fashions, feature most recently in Time magazine's Bicentennial Australia Day edition. Intent not on celebration but indictment Professor Clark claims to unveil "the truth about our past...that the coming of the British was the occasion of three great evils: the violence against the original inhabitants of the country, the Aborigines; the violence against the first European labour force in Australia, the convicts; and the violence done to the land itself." British settlement is, in Clark's vision, our Original Sin, violating the harmony and innocence of the Aboriginal Eden, despoiling the land, enslaving labour to the shackles of industry. Thence follows an Iron Age of class conflict and spiritual deadness.

There is a religious dimension to Professor Clark's imagery. And indeed one of the questions which concerns him in his writings, and may have helped draw Archbishop Penman to his work, is the plight of man separated from God. But this theme of religious alienation combines with political rancour to create a distorted vision of Australia's past.

Special disdain is reserved for the middle-class - the "grovelling bourgeois philistines." A passage from Volume 4 of A History of Australia runs:

"In Melbourne, men who kept up an outward appearance of jollity and an affectation of virtue and respectability trembled at the touch of a strange finger on their shoulders, because of their terror that one day their skullduggery would be detected, that Mr. Money Bags, he of the top hat and the striped trousers, would be charged as a common criminal."

The combination of metaphysical concerns - the alienation of Man from God - and left-wing politics in Manning Clark's writings is a potent mix. While it has proved to be disastrous in practice, socialism is one of the most alluring myths of modern times, although now showing signs of exhaustion. Man, it seems, continues to need myths by which to live, and aspects of the socialist myth have attracted sections of the churches suffering from the declining vitality and authority of their own religion in modern times. The Anglican Church is no exception.

Archbishop Penman, as far as I know, is not a socialist, yet, in his Address to the Melbourne Synod, he is impressed enough by Professor Clark's enthusiasm for Henry Lawson's socialist anthem, Anny of the Rear to quote it: "The wealthy care not for our wants, nor for the pangs we feel; Our hands have clutched in vain for bread, and now they clutch for steel!" The Anglican Church's 1987 Social Justice Statement, which the Archbishop commends in his Address as 'excellent', affirms faith in Australian democracy, but at the same time argues that Australia is built on a contradiction "claiming a Christian foundation but making a virtue of inequality based on individualism and competition." Apparently, a truly Christian society should be egalitarian, collectivist, uncompetitive and poor. "The myth of the outback hero," it says, has been replaced by "the business tycoon and neither has shown much responsibility to the nation as a whole or the future of its resources." The contribution of wealth-creating industries, such as mining, to Australia's prosperity is viewed as being gained at a high cost in morality and justice.

Dr. Penman not only accepts Professor Clark's


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negative view of the godless Anglo-Australian establishment and his ambivalence at the civilizing of Australia with British law, but regrets his own Church's role in it:

"It is questionable how Christian was the heritage brought by our migrant ancestors to this ancient land. If the British establishment was profoundly Christian, it was well hidden, and far removed from the cry of the prophet, or of the life of Jesus (Luke 4: 16-20). Furthermore, from the beginning of white settlement, the Church lined up with this establishment and with law and order issues."

"As a Church," he says in his Address to the Melbourne Synod, "we are not able to hold our heads high." The Church's past has become a source of shame.

Original Sin

The founding evil in Australian history, for Dr. Penman as for Professor Clark, is the British settlement of Australia - the white occupation of Aboriginal land. The Melbourne Diocese of the Anglican Church has based its Bicentennial Program, titled Called to the Kulin, entirely around the guilt allegedly incurred by this event. This program, says Archbishop Penman, in his Address to the Melbourne Synod, is possibly "the most significant material we secure and use in the Bicentennial year." It is complemented by the Archbishop's urgent call for a treaty with the Aborigines and the "Faith in a Just Australia" statement issued by the Social Responsibilities Commission of the Anglican Church.

According to the program, Called the Kulin, the Anglican Church is clearly implicated in the founding evil of British settlement and must bear the guilt accordingly. "The central concern in the program," we are told, "is to focus on a fact which we have not acknowledged in our Anglican history; that it was our Christian tradition which took part in the occupation of land belonging to others in 1788...Our continued occupation of the land, without recognition of the claims of Aboriginal Australians, leaves none of us faultless."

At the core of the Program is a service of penitence. With at least one Aboriginal present to hear the confession of guilt, a member of the congregation must recite:

"We ask the forgiveness of God, and of you our brother/sister, for our assumption that the land of Australia was and is ours for the taking; for our callous disregard of the suffering caused you by the loss of the land which was your lifeblood, for dishonest dealing in its purchase, and for the violence with which too often you were displaced.

"We ask the forgiveness of God, and of you our brother/sister, for those amongst us who killed those who opposed them; who regarded Aboriginal people as fair game for rape, poisoning, torture and shooting parties; and for the many who treated, and still treat, your people as if they were less than human."

According to the Program, violence to the Aborigines is linked to exploitation of the land for commercial gain.

"We ask the forgiveness of God, and of you our brother/sister, that we have too often exploited the natural resources of the land for commercial advantage to ourselves; that we have not shared these riches equitably with the traditional owners; and, abandoning the moral values of our Christian tradition, have become a money-loving people who live for pleasure, leaving many of our Aboriginal neighbours dispossessed and poor."

The Program recommends John Pilger's 1985 film, The Secret Country. I viewed Pilger's film again only recently. It asserts, outrageously, that the British pursued an official policy of genocide against the Aborigines:

"Britain waged war against this nation: Massacres as systematic as those practised against the Jews in the 20th Century were carried out in the name of God, King, anthropology, money and land."

This film is described by the Anglican Program, endorsed by the Archbishop, as "an outstanding film which should by seen by all Australians."

This animus against the culture which has nourished the Church is accompanied in Called to the Kulin by an almost reverent view of Aboriginality.

The ceremony places the Aborigine in the role of martyr/healer. The script to be read by an Aborigine compares the plight of Aborigines to that of Christ:

"Jesus was also despised, and rejected...Jesus was killed by unjust people...Jesus received and changed the age-old culture of his people...Jesus, though he was rich, became poor..." and so on. At the end of the ceremony, the Aborigine offers forgiveness to the white
congregation and "pledges to seek with you a new way." It is recommended that the ceremony be held out-of-doors and incorporate Aboriginal music, art and dance. A new symbol composed of Aboriginal motifs has been developed for the ceremony. Is this meant to indicate a new reverence within the Church for Aboriginal culture and spirituality, perhaps with the hope that it can spiritually revive Anglicanism? If so, then the authors of the program are deluded. Nevertheless, a change in the relative value of Aboriginality and of the Church's traditional faith would seem to be evident in the recent appointment by the Anglican Church of an Aboriginal liaison officer, who, while certainly Aboriginal, professes, according to the report in *The Age* to being neither an Anglican nor even a Christian.

The ceremony of penitence requires a member of the congregation to "ask the forgiveness of God and of you our (Aboriginal) brother/sister, for the assumption of the superiority of European civilization over your own" - not an assumption easy to maintain with the litany of crimes and sins of European Australia which follows. Yet, while I am not an unqualified believer in 'progress', this statement seems to me unnecessarily self-deprecating and relativistic. Is not modern Australia clearly technologically superior to Aboriginal Australia? Is not the fact that we can feed many millions more people, including people in other countries, than Aboriginal Australia an example of superiority? Is not the literature and science, the system of justice of European Australia and the treatment of women not superior to that before white settlement?

**Collective Guilt**

Among the many things that trouble me about the *Called to the Kulin* Bicentennial Program is the explicit insistence on the notion of collective guilt or corporate sin. Australia's legal system and its culture, like all liberal cultures, is built on the principle of individual responsibility. Respect for the individual conscience, to my understanding, is also a central tenet of the Christian tradition. The alternative, which holds that an entire race or national group can be held responsible for the crimes of a few of its members, is unjust and conducive to racism.

To have members of a congregation confessing complicity in and pleading forgiveness for crimes of which they had no part, and then to have token Aborigines offering forgiveness for those crimes, simply on the basis of sharing racial and cultural similarities with the victims, is artificial and presumptuous. It is also corrosive of the tradition of individual responsibility which has occupied a central part in the Church's teachings.

The Program's undermining of this foundation stone of a liberal culture is consistent with its generally bleak view of Australia. One does not have to ignore or condone crimes committed against Aborigines or be insensitive to the effect of the destruction of Aboriginal culture in order to recognize that the view conveyed by Archbishop Penman and the Program which he commends is unbalanced.

Is racism as pervasive and deep-seated as the Program makes out? Are we really on a course of 'slow genocide' of the Aborigines as the Program states?

The remarkably successful history of immigration since World War 2 suggests that racism in Australia is not as bad as the Program suggests, and that it alone cannot any longer account for the lack of progress made by many Aborigines. As Ruth Ostrow's book *The New Network* demonstrates, a significant number of the most successful businessmen in Australia are immigrants. Certainly, some encountered prejudice on coming to Australia, but their very success proves that it did not present an insurmountable barrier. Moreover, the queue of people from other countries hoping for the opportunity to come to Australia continues to grow. Despite some inequities, Australia is still in many respects, a land of opportunity and a country without deep conflicts, without deep

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**From a Rabbi a Prayer of Gratitude**

A very different attitude is apparent in the special Bicentennial prayer composed by Rabbi Dr. Porush, Minister Emeritus of the Great Synagogue Sydney, and read in synagogues around Australia. This is an excerpt.

"Lord of the Universe, with hearts full of joy and gratitude we come before Thee in celebrating the Bicentenary of Australia, to pray for the welfare and happiness of this great country and to give thanks unto Thee for the manifold blessings we have enjoyed therein since its foundation.

We pray: pour out thy blessings upon our sovereign Lady Queen Elizabeth and her family, upon her representatives and counsellors, upon the head of the Government and the leaders of the nation, that they may continue to govern this land in the light of truth and peace and to guide the people in the paths of truth and righteousness. Extend thy loving kindness upon all its inhabitants and protect them all from danger and oppression and guard them from war and hunger and from strife and anger."
divisions of class or race.

Undoubtedly, the European settlement of Australia did involve reprehensible acts of violence against the indigenous people. But if the settlement of Australia is to be therefore judged as illegitimate, then there is hardly a country in the world today whose people can claim legitimacy. The history of virtually every nation has involved conquest and violence. Britain itself has fallen victim to successive waves of invaders - Celts, Romans, Saxons and Normans. Are the descendants of the people displaced by these invaders entitled to claim land in Britain? Should the descendants of the Celts, Romans, Saxons and Normans be given the guilt of their ancestors? The legitimacy of a state is not determined merely at its point of foundation, but also by the things achieved since settlement. Not the least of these legitimating achievements in Australia is Parliamentary democracy, a system which recognizes the rights of all citizens regardless of race or ethnic origin.

The successful evolution of Australia from a penal colony with barely enough food to survive to one of the world's most free, democratic and prosperous countries was not the result of luck: it was the product of the hard work, courage and the ideals of our forebears, including Christian missionaries. The Bicentenary, says Archbishop Penman, is not a time for self-congratulation. Yet failure to appreciate the nature and roots of Australia's achievements is to risk them slipping away.

It is ironical that while hundreds of thousands of people around the world are queuing up to get into Australia and participate in its economic and social life, the message being given to Aboriginal Australians is that this is a society hardly worth joining, so tainted is it by racism, commercial exploitation and economic injustice. While the Church is holding out its left hand with a gesture of reconciliation and understanding, with its right hand it is effectively telling Aborigines to stay away, to stay separate. Archbishop Penman's advocacy of a treaty and land rights as well as the emphasis in Called to the Kulin on the different cultural identity of Aborigines are all separatist policies.

To reinforce this approach the views of Aborigines - such as Alderman Bob Liddle and Margaret Valadian - who have warned against the dangers to Aboriginal development of separatist policies are excluded. Bob Liddle's argument that a treaty would solve the conscience of the inner suburban New Class, but do little to help Aborigines living in poverty and in need of employment and training, seems applicable also to the Melbourne Diocese's indulgence in a ritual of remorse. Similarly the many successful instances of Aboriginal participation in the economy and the society in the past and the present have been left out of consideration. The emphasis is entirely on the conflict, the violence, the racism between black and white.

While the loss of their traditional culture has been disorienting for many Aborigines, the assumption that Aborigines in Victoria - to whom Called to the Kulin is addressed - can return to their traditional culture is mostly a delusion. Modernity is too pervasive and powerful a force. As the noted linguist and anthropologist Professor T. G. H. Strehlow observed, for young Aborigines especially, the old ways are lost:

"Despite the white man's welfare handouts, the old sense of security and intra-group human dignity appears to have been almost lost. The young people have become, it seems, virtually a lawless community, with all the horrors which that term implies. The old 'law' has largely lost its force, its remaining guardians can no longer control the younger generations; the new 'white man's law' has not taken any real root among the young people either. The remedy is, of course, a return to respect for the law. But how is this to be achieved? The old law rested on the old religious beliefs, and the young generation will no longer accept these."

Gradual integration into mainstream society, with maximum effort to open up opportunities for Aborigines is the only way forward. The alternative is to leave them lingering in a culture-less no man's land, unable to return to their traditional culture and barred by separatist policies from participating as equals in Australian society. The Church could aid the process of integration, but if it is to do so it must first be more willing to affirm the fundamental worth of the society it is asking others to join.

The irony in the approach taken by the Archbishop and the Melbourne Diocese's Bicentennial Program is the contrast between the great sensitivity shown to the dispossession of Aborigines from their cultural roots and the disregard for the cultural roots of the Anglican Church and its members. This would matter less if the Church were thriving, just as neglecting the achievements of the past 200 years in Australia would matter less if those achievements were totally secure. But in neither instance is this the case. The pity is that the Archbishop has directed his moral authority toward weakening that heritage, rather than strengthening it.

2. For two recent studies which document Aboriginal-European co-operation, see William Kerley, In My Country: Race Relations in the Portland-Warrnambool District, 1834-1886, unpublished, La Trobe University, 1983; Ann McGrath, Born in the Cattle, 1987. Dr. McGrath told The Age that after seven years of research, one of the surprises was discovering how nostalgic Aborigines were about their time working as stockmen on cattle stations in the Northern Territory before the war.
Vietnam Generation has Second Thoughts

Peter Samuel

The brutal reality of communist rule in post-war Vietnam, as in other totalitarian countries, has convinced core members of the anti-Vietnam War movement in the US that they were wrong. Recently they gathered in Washington to discuss their change of heart.

Americans are famous for their mobility. They change jobs, homes, spouses, cities, vices and causes with an apparent ease and frequency that others find unsettling. You see it now right at the top. President Reagan is finding amazing new friends on the political Left, and causing dismay in his old core constituency on the right, with his second thoughts on the Soviets. A love for the new has its upside and its downside, but it is very American.

There have been a lot of second thoughts on the Left here in the US about Vietnam. Indeed it is probably accurate to say that the core leadership of the anti-war Left that wrenched the US out of Vietnam, that so effectively vilified the war effort in the early 1970s and which caused the Congress to progressively reduce funds to the South Vietnamese army while Soviet-made tanks drove into Saigon, much of this core leadership has decided it was wrong, and regrets what it did.

That was most dramatically displayed at a "Second Thoughts Conference" in Washington in the latter part of last year, organized by the former editors of the far-left Ramparts magazine, David Horowitz and Peter Collier. The conference brought together several score 1960s and 1970s radical leaders who have since had various profound second thoughts about the left, and in their individual ways have moved into the political mainstream. It was timed for the 20th anniversary of the great "March on the Pentagon" in which some 100,000 radicals converged on the great low grey building by the Potomac River, headquarters to the US military and symbol of American power. Throngs of leftists then confronted great ranks of baton-wielding, helmeted and shielded national guardsmen and the TV pictures of mob scenes that closed the Pentagon, portrayed for the world an embattled US Government, possibly on the verge of succumbing to domestic revolution.

The second thoughts of this conference in Washington this October were either in the thick of the March on the Pentagon or very much there in spirit, 20 years ago.

Peter Collier said there were no "road to Damascus" conversions among the second thinkers. Most had gradually acquired doubts, agonized and slowly moved away from the left. They had come different distances. A few are conservatives, some are libertarians; many remain socialists and liberals, but all are anti-communist. It was the common criterion for joining the conference that the participants should have come to believe firmly in opposition to communism.

Collier said he and his friends became politically conscious at Berkeley in 1959. They thought of themselves as "beatniks" more than anything else. From the civil rights movement to student power in the Free Speech Movement, he went into the anti-war campaigns during Vietnam. In his circles it was simply "axiomatic" that good people supported the NLF and worked against US involvement.

"We hated the war, but we loved it too. Vietnam justified every excess, every violent thought and deed. Hurling a rock at some corporation’s window, we banished guilt by the thought ‘This is for the Vietnamese’...it also gave us an addictive sense of moral superiority...we talked the revolution constantly."

Collier bought a gun on Tom Hayden’s advice "so I could be armed when the revolution arrived." But with the end of the war the ‘movement’ splintered into environmentalism, consumerism and radical involvement in local politics. He found no new cause. A personal turning point came when his father, a working-class Democrat and a fervent American patriot, was stricken with terminal cancer. Father and son toured the old man’s childhood haunts of South Dakota and Nevada, and talked as never before about the wars and the depression and America.

Peter Samuel, formerly Washington correspondent for The Australian, is now Washington correspondent for the New York City Tribune.
Said Collier: "What he (my father) said and how he said it was so different from the chic bitterness and facile nihilism of my radical friends that I was shaken. It was like hearing speech, real authentic speech, for the first time."

He was shocked, at around the same time, reading about the brutality of the re-education camps and revolutionary tribunals in Vietnam and how "our old allies in the National Liberation Front were among the first to be crushed." For most of the old anti-war movement, however, there were no enemies on the left.

"Like some sort of revolutionary cargo cult, they were ready to move on to the next cause - South Africa, Central America, wherever - ignoring the body count that piled up in the long totalitarian night they had left behind."

Collier says he soon disentangled himself from the leftist ideas, but had more trouble breaking with the leftist community. All his friends were there. For a while he simply opted out of politics, and only became an anti-leftist when he researched a magazine article on the Weather Underground faction and discovered the left was protecting sadistic brutes.

Many of the American second thinkers had swallowed hook, line and sinker the communist propaganda line that the National Liberation Front represented a third-force alternative to both the communists and the US-backed government in Saigon, which could bring peace and a neutral foreign policy to the country. And they had dismissed as cold war propaganda predictions of persecution.

Said former SDS activist, Jeffrey Herf: "After 1975, the boat people, Cambodian holocaust and creation of a Vietnamese gulag shook most everyone I knew who had been in the New Left. All of what we had said would not happen, did in fact occur. The communists were every bit as bad as supporters of the war had said they would be."

Herf then began looking at anti-communist pronouncements on a range of issues in a new light. He was eventually ostracized by his old friends on the left when he wrote a journal article in favour of the deployment of Pershings and cruise missiles in western Europe, saying the social democracies there deserved to be defended against the Soviets.

David Horowitz came of Communist Party parents who had him marching in May Day parades from the age

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The evil behind the illusion

David Horowitz, former editor of the far left Ramparts magazine, director of the Bertrand Russell Peace Foundation, veteran of the 1960s civil rights movement, anti-war and anti-draft leader, now an independent author and scourge of the left, discusses the left's seductive illusion.

"The left celebrates murderers like George Jackson (a Black Panther killer) and mass murderers like Pol Pot. The left rationalizes genocide in places like Cambodia, Afghanistan and Tibet. The left defends monstrous police states like Vietnam and Cuba and in fact in all revolutionary societities. The left supports imperialistic interventions in Africa and Asia. For 70 years the left has created national gulags and has promoted an economic panacea, Marxism, which has impoverished hundreds of millions of the world's poorest inhabitants, which even as we sit here today threatens millions of Ethiopians with imminent starvation. Yet this left is called compassionate and idealistic and progressive not only by its own propagandists but by the institutions of the liberal centre, the very liberalism it intends to destroy. To make cynicism and nihilism appear compassionate and idealistic, this is the power of the left's seductive illusion, the illusion of the revolutionary redemption...the totalitarian poetry...The dream of revolution gives meaning to an individual life and is what gives power to the left. It is the seductive illusion that allows the left to recruit soldiers to its ranks that can neutralize its enemies.

People like to say revolution is beautiful and that it is only the terror arising from it that is evil. But this is not true. The evil is already present in the beautiful. Terror is already contained in the dream of paradise. It is extremely easy to reject the gulags but to reject the totalitarian poetry that leads to the gulag by way of paradise is as difficult as ever. People all around the world unequivocally reject the idea of gulags, yet they are still willing to let themselves be hypnotized by totalitarian poetry and to march to new gulags to the tune of the same lyrical songs. Second thoughts are thoughts that reject not just the gulag created by the left, but the totalitarian poetry, the destructive but seductive illusion of a revolutionary promise."
Regrets, Too Few to Mention
Gerard Henderson

Unlike in America, the Australian left remains unrepentant in its benign view of the communist victory in Vietnam.

In Australia, unlike the United States, Britain or France, there has never been an anti-totalitarian tradition on the left. So I wouldn’t expect to hear of any Second Thoughts conference Down Under within the foreseeable future.

Anti-communism in Australia has been very much the preserve of the non-left. Its main strains have been the "God, King and Country" tradition of the Protestant Ascendancy and the "atheistic Communism" refrain which for a long time provided the banner for Catholic anti-Communism. Neither group produced a tightly argued intellectual case for opposition to left-wing totalitarian regimes. For example, Pope Pius XI’s highly influential encyclical *Divini Redemotoris* demonstrated a complete misunderstanding of the Soviet Union under Stalin. It included numerous howlers, including claims that the Bolsheviks believed in "absolute equality" and had removed "all the moral restraints that check the eruptions of blind impulse".

The Australian left never produced an antipodean version of *The God That Failed* because it was never profoundly anti-totalitarian. When the left finally conceded that Uncle Joe Stalin had too much blood on his hands, they quickly turned their adulation for Mao’s China, Ho Chi Minh’s North Vietnam or Castro’s Cuba - usually a combination of all three. There was never a reassessment of the nature of totalitarianism that had made possible the unchecked absolutist power and tyranny of a Lenin or a Stalin.

Peter Samuel’s report of the Second Thoughts conference demonstrates that those Americans who have turned their back on left-wing totalitarianism have done so because of their profound disillusionment with the brutality (Peter Collier, Robert Leiken, Jeffrey Herf), criminality (David Horowitz) and inhumanity (Michael Medved) of the left and of totalitarian left-wing regimes.

To rephrase Lincoln Steffens, the Second Thinkers in the USA have seen the future and have conceded (after considerable trauma) that it doesn’t work. They have few counterparts in Australia.

Throughout the 1950s, 1960s and almost all the 1970s, the Liberals occupied the Treasury benches in Canberra. In spite of this, the political agenda was set very much by the left. The left ascendancy became manifest and vocal during the mid-1960s at the time of the Vietnam debate and continued stridently throughout most of the 1970s. Opposition to the allied commitment in Vietnam invariably went hand in hand with support for Hanoi and its Viet Cong and National Liberation Front puppets. A fashionable anti-American sentiment (much of which, ironically, was imported into Australia from the self-hating American left) prevailed among the overwhelming majority of those who opposed the Allied commitment in Vietnam and supported the war aims of Hanoi.

The left-wing interpretation of Vietnam (and, by implication, the United States) was to become the virtually unchallenged orthodoxy on Australian campuses and colleges as well as within large parts of the media and, later on, the mainstream Christian churches.

This generation in maturity now holds down key positions in political parties (especially the ALP), the public service, universities, colleges, schools, churches and the media. As such it has political influence outweighing its actual numerical strength.

The Liberal Governments of the late 1960s and early 1970s were simply not up to the task of explaining and justifying the Vietnam commitment. They lost the intellectual debate in spite of their electoral victories in 1966 and 1969. There were some individual Liberals who performed honourably (e.g. Paul Hasluck, Ivor Greenwood, John Jess, Malcolm Fraser and, yes, Don Chipp). But, by and large, the anti-Hanoi role in the Australian Vietnam Debate was carried by only a few academics, journalists, commentators and students (e.g. Frank Knopfelmacher, Geoffrey Fairbairn, Owen Harries, B. A. Santamaria, David Armstrong, Ken Goe, Peter Samuel).

Even before the Second Thoughters came together in Washington last October, there had been a significant reassessment of the Vietnam War among sections of the American left. Joan Baez went to the Thailand-Cambodian border to protest at Hanoi’s militarism and even Jane Fonda (of Hanoi Jane fame) expressed some slight concern at the internal political situation in Vietnam.

Not so in Australia where the left-wing mythology on Vietnam has continued virtually unchallenged. Not one significant member of the Australian left has felt any need to reassess in any way his or her late-1960s or early-1970s interpretation of Hanoi’s aims or the nature of North Vietnamese totalitarianism which has now been
imposed on South Vietnam, Laos and Cambodia.

In September 1978, former Labor Prime Minister Gough Whitlam told a conference at the Australian National University that in fact he disbelieved all the stories of atrocities in Cambodia, Vietnam or Laos.

"I make bold to doubt all the stories that appear in the newspapers about the treatment of people in Cambodia. I am sufficiently hardened to believe that the last refuge of the patriot in Australia is to blast the regimes in post-war Indochina."

Since Hanoi's invasion and occupation of Cambodia, the Australian left has turned against the Khmer Rouge (whom they once described as "liberators"). But as far as the left Down Under is concerned, the God that is Hanoi has not failed.

Not one significant member of the Australian Left has felt any need to reassess in any way his or her interpretation of Hanoi's aims or the nature of North Vietnamese totalitarianism which has now been imposed on South Vietnam, Laos and Cambodia.

Many key figures in the Australian Labor Government also reflect fossilized views of the Vietnam conflict. Despite their move away from most left-wing positions in recent years, one of the first official visits undertaken by Mr. Hayden, following his appointment as Foreign Minister, was to Vietnam where on arrival he was greeted by Foreign Minister Thach with hugs and kisses. Mr. Hayden found ample time for such pleasantries but not enough, apparently, to raise the issues of Vietnamese political prisoners or to express Australia's concern at Hanoi's occupation of Cambodia. There was a similarly guilt-ridden Hayden visit to Vietnam (accompanied by a bevvy of equally guilt-ridden members of the Canberra Press Gallery) in 1985 where he was massively conned by bevy of equally guilt-ridden members of the Canberra Press Gallery) in 1985 where he was massively conned by bevy of equally guilt-ridden members of the Canberra Press Gallery) in 1985 where he was massively conned by bevy of equally guilt-ridden members of the Canberra Press Gallery) in 1985 where he was massively conned by bevy of equally guilt-ridden members of the Canberra Press Gallery) in 1985 where he was massively conned by.

Mr. Hayden has not been alone. It is not uncommon to observe normally rational government ministers go right over the top at the mention of Vietnam. In May 1985 (when asked in Parliament to condemn the actions of one of his junior ministers who had attended a dinner arranged by the Australian Communist Party to celebrate the tenth anniversary of Hanoi's victory) Mr. Hawke not only refused to do so but delivered a long-winded monologue which suggested that he (unlike even Jane Fonda) had learnt nothing from the post-1975 situation in Vietnam, Laos and Cambodia. It was as if nothing had changed since December 1969 when Mr. Hawke was rebuked by the then Labor Leader (Mr. Whitlam) for having attended a Socialist Left meeting which called for a military victory by Hanoi.

On Armistice Day 1986, the Treasurer, Mr. Keating, interrupted a lengthy parliamentary speech (in support of changes to Australia's taxation system) to suggest that the Liberal National Party Opposition "should go and tell the 500 families whose sons were killed in Vietnam that it was a joke". Shortly after, the then Special Minister of State, Mr. Mick Young, also interrupted a routine speech on Australian efforts at counter-terrorism to suggest that some members of the Australian Vietnamese community were trying to continue the Vietnam War. He was happy to report, however, that it was a smaller number than in previous years. No evidence whatsoever was offered in support of this allegation.

Unlike sections of the British Labour Party and large numbers of American Democrats, the ALP has never been profoundly anti-totalitarian. This partly explains, and partly reflects, the absence of a widespread and creditable anti-communist intelligentsia in Australia. In spite of the mass killing and repression under the likes of Lenin, Stalin, Mao, Ho and Castro, anti-anti-communism still remains a fashionable position in left-wing salons (or barbecues).

Writing in the Melbourne Age on the morning of 11 July election last year, journalist Damien Murphy revealed (shock, horror) that he had come across a one-time treasurer of the extreme left Monash Labor Club who participated in the Vietnam demonstrations of the mid-1960s but who has since turned his back on left-wing ideologies and now not only teaches at a non-government school but also subscribes to The Spectator and Quadrant.

At first glance it looked as though here we might have found a representative of that rare species, a genuine Australian "second thoughter". But alas, Damien Murphy indicated that this once prominent leftee would not (dared not?) reveal his real name. Nothing better illustrates the fact that the left still occupies much of the intellectual high ground Down Under.

There won't be a Second Thoughts conference in Australia unless and until the left recognizes that totalitarianism is totally evil - whether in Nazi Germany, the Soviet Union, China, Cuba or Vietnam. In the 1960s and 1970s, as Peter Samuel has pointed out, the Vietnam protest movement had no enemies on the left. In the United States this has now changed and at least some members of the left have recognized the unending, appalling plight of the victims of communist dictatorships. But the left intelligentsia in Australia retains its sentimental, craven and unrepentant 1960s and early 1970s view of communist societies. So far it shows no signs of second thoughts.
of nine and he stayed a communist until some of his Black Panther political comrades abused, tortured and then murdered a friend, and screamed political persecution to protect themselves.

"Although the Panther vanguard was isolated and small, its leaders were able to rob and kill without incurring the penalty of the law...because the left had made the Panthers a law unto themselves, the same way the left had made Stalin a law unto himself, the same way the left makes Castro and the Sandinista commandantes laws unto themselves. By crowning the criminals with the halo of humanity's hope, the left shields them from judgment for their criminal deeds. Thus in the name of revolutionary justice, the left defends injustice; in the name of liberation, the left creates a new world of oppression."

Robert Leiken, now a Central America authority at the Center for International Affairs at Harvard University, was radicalized in May 1970 at the height of the anti-war protests. He got himself jailed and was a crowd hero and tasted the thrill of revolutionary fame, addressing a crowd of 100,000 on Boston Common, and became a full-time activist. The Vietnam War over, he went to Central America in search of new heroes, Che, Castro and Torres: "I wanted to see how real revolutionaries did it." Leiken was first troubled by the contempt of the revolutionary intellectuals and the party elite for the masses they supposedly represented, then by their dependence on the Soviets. But his thoroughgoing conversion to anticommunism only occurred with an intense daily exposure to the accounts of refugees from the Sandinista regime in Nicaragua. Only exiles who have directly experienced it are able to fully comprehend the evil of totalitarianism, Leiken says, which he characterizes as: "helplessness in the face of irresistible, exploitative, pauperizing and corrupt power, the omnipresent sensation of being watched, heard, reported by invisible technical or intimate human instruments, the clamorous exhortations from loudspeaker, radio, block committee, schoolteacher and supervisor, the invasion of every sphere (of life)...the maddening, specious cant of party and state..."

Michael Medved was chairman of the 50,000-strong Vietnam Moratorium organization at Yale. He now describes his drive as an anti-Vietnam activist as deriving more from a visceral distaste for war than from any coherent political viewpoint, and admits he was also concerned about being drafted. Warnings of a bloodbath after a communist takeover were blithely dismissed as reactionary scare tactics, he says, and just disbelieved. He worked in the campaigns of Eugene McCarthy, George McGovern and other leading left-liberals. He began a process of disillusionment seeing some of these supposedly progressive figures as "loathsome human beings", cruel to their families, abusive of their staff, exploitative of women, and cynically manipulative towards the public: "I began to suspect that there was an inverse connection between messianic rhetoric about the welfare of humanity and ordinary decency to specific human beings."

Medved then went to Israel in search of socialism. He was there during the Yom Kippur War and ended up finding the rationale for western defence. He was profoundly influenced he says by Solzhenitsyn's Gulag Archipelago and by the terrible persecution in Vietnam and the Cambodian genocide.

"When the movement's mouthpieces not only refused to confront (this), but sought instead to blame the United States for the mounting horror, I lost my last remaining shreds of sympathy for the organized left and its leaders."

The results of the conference are being edited by Collier and Horowitz and published by the National Forum Foundation as a book under the title Second Thoughts (contact: Peter Schweitzer, NFF, 214 Massachusetts Avenue NE, Suite 220, Washington DC 20002, phone 202-543-3515).

Editor's Note

SDI: Why Australia Should Join

Colin Rubenstein

The Soviet Union's revelation that it has long been working on its own strategic defence program should compel the Hawke Government to reconsider its rejection of any part in America's SDI project.

President Reagan's decision at Reykjavik in October 1986 not to abandon his Strategic Defence Initiative (SDI) "particularly since the Soviets were already spending billions on a strategic defence program of their own," has been vindicated by Soviet leader Mikhail Gorbachev's admission to NBC's Tom Brokaw that "the Soviet Union is doing all that the US is doing" in the field of SDI research, engaging in "research which relates to the aspects of SDI covered by the US."

This official admission of what has been known unofficially for some time forms part of Moscow's increasingly sophisticated strategy to undermine SDI. The Soviet success in placing SDI and the timing of its inclusion on the agenda of the December 7 Summit, together with its 'offer' not to deploy a strategic defence until the 1990s and call for the US to do likewise, underlines that Moscow's aim of slowing - if not scuttling - the US SDI program remains the central issue on its arms control agenda. In the hope that Congress, the next President and technological limitations will become effective in achieving this goal, Gorbachev used his visit to Washington last December to appeal to Congress and key opinion-makers to oppose Reagan's SDI.

The nature and extent of the Soviet strategic defence program (called 'Red Shield' by President Reagan), the stalemate on SDI unfolding in the wake of the Washington Summit and the critical re-examination now being undertaken even within the Western disarmament movement to determine whether it has in fact aided Soviet propaganda and been used in an attempt to maintain a Soviet monopoly on space-weapons research, should compel the Hawke Government to reconsider its dogmatic rejection of any Australian involvement in the American SDI.

Australia's attitude on this issue contrasts dramatically with that of other US allies. It reflects a degree of confusion and contradiction that is disconcerting. In particular, in answer to questions from Opposition Shadow Minister, Mr. Peacock, in 1986, the Foreign Minister last year conceded that the Soviet Union has a strategic research program at least comparable to the US SDI. The devastating effects for Western, and therefore Australian security interests also, of a Soviet monopoly in this area were acknowledged by the Australian Foreign Minister. It seems, then, that the inherent rationale for the US SDI is accepted, but that the Australian Government will refuse to play any part in it. This position is morally and politically untenable, although it can be explained to some extent in terms of the domestic clout of the ALP's socialist left. At least the Federal Opposition has strengthened its prior commitment to SDI.

What then is SDI, and why is Australia's involvement in it so very important?

In essence, the SDI program explores the potential of new technologies to support an effective defence against ballistic missiles that would strengthen deterrence in the short term and increase the security of the West in general. The focus is on non-nuclear defensive technologies stemming from President Reagan's question on March 23, 1983 in announcing his program: "What if free people could live secure in the knowledge that their security did not rest upon the threat of instant US retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?" In the longer run, a successful SDI program holds out the hope that the 21st Century could provide a system of 'Star Peace' security based on effective non-nuclear defences rather than on the current offensive Mutually Assured Destruction (MAD) regimen.

SDI embodies a multi-layered defence incorporating various technologies to destroy attacking missiles during each phase of their flight. The feasibility of these technologies is, of course, the legitimate subject of intense scrutiny, evaluation, even scepticism - although Gorbachev's admission indicates that the Soviets regard strategic defence as technologically viable. However, it is altogether another matter to completely distort the objectives of the program as some critics, particularly Soviet, of SDI have done.

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SDI: Myths and Facts

(1) One central myth blames the US for precipitating a new arms race in space. In actuality, however, it has been the Soviet Union which has led the way in strategic defences. The Gorbachev admission has revealed that Reagan's SDI is a necessary and prudent response to the extremely active Soviet R&D program in strategic defence. It provides insurance against a possible unilateral effort to develop and deploy an advanced defence system, a deployment which, coupled with the Soviet Union's enormous offensive nuclear capacity and its already impressive air and passive defence capabilities, would completely destroy the foundation on which deterrence and Western security has rested for the last 20 years.

(2) Another myth suggests that, in embarking upon research in strategic defence, the US has abandoned deterrence in favour of some new and untested theory. This is not so. Deterrence has guaranteed Western security for more than 40 years and SDI is designed to explore long-term means of enhancing deterrence. It has the necessary potential to destroy enough of an aggressor's attacking forces to deny him confidence in the outcome. It will also have the capability of resisting concerted attacks armed at rendering it ineffective.

(3) A third myth is that SDI would 'decouple' the US from its allies and leave Europe particularly vulnerable to Soviet intimidation. In fact, the different SDI technologies being researched are potentially as applicable to the defence of Western Europe, Asia and the Middle East as they are to North America. SDI is not limited to an exploration of technologies with potential against Inter-Continental Ballistic Missiles (ICBMs) and Submarine-Launched Ballistic Missiles (SLBMs), but also embodies technology with potential against Shorter Range Ballistic Missiles (SRBMs) such as Soviet SS 20, SS 21, SS 22 and SS 23 missiles and others capable of striking the territory of Western allies. In many ways, shorter range missiles may be easier to defend against since many are slower than ICBMs and therefore potentially less difficult to intercept. Indeed, the very proliferation of Soviet SRBMs has generated growing concern amongst US allies in Western Europe, Asia, the Pacific and the Middle East, and sparked genuine interest in defensive systems able to destroy these missiles in flight.

Such defences known as the Anti-Tactical Ballistic Missiles (ATBMs) could strengthen NATO deterrence against a potential Soviet attack and provide increased security for Western allies such as Japan and Israel. Of enormous concern to Israel is the introduction of Soviet SRBMs in countries such as Syria, Iraq, Libya and Iran, explaining its great interest in SDI, ATBMs and the need to expand its capacity to intercept any SRBMs fired from surrounding 'crazy' actors. Syria's Soviet-made SS 21 and Scud missiles tipped with lethal nerve gas warheads represent an imminent threat to Israel.

Underlining the support America's allies have given the SDI initiative has been the growing collaborative R&D program in which the United Kingdom, West Germany, Italy, Japan and Israel are already participating at an extremely impressive level, following their signing of a Memorandum of Understanding with the US covering participation by industry and research institutions in the SDI research program.

The Australian decision not to participate in the SDI research program not only ignores the magnitude of the Soviet 'Red Shield' initiative, but further rejects the technological benefits that may accrue to Australian industry and science. At a time when the Australian Government has emphasized a need for diversification of Australian science-based industry and the development of home-grown sunrise industries, but has continued its non-involvement in the research program, Australia has denied itself the potential post-industrial implications and highly profitable technological 'spin-offs' expected from R&D in strategic defence recognized by other American allies.

(4) A further myth is the notion that SDI creates difficulties for arms control. In reality, however, SDI has concentrated the minds of Soviet policy makers and, (despite Reykjavik) together with Reagan's deployment of US Cruise and Pershing 2 missiles in Western Europe to match Soviet SS 20s, drew the Soviet Union back to the table to negotiate the Intermediate Nuclear Forces Treaty (INF). It has been the Soviet failure to comply with existing arms control agreements which has so greatly complicated the effectiveness of arms control so far. Further, without the development of adequate verification procedures (despite the apparent consensus on this issue reached in Washington to permit hitherto unprecedented on-site inspection rights to both sides, the effectiveness of which remains to be shown), scepticism about the true effects of existing as well as future arms control treaties is still well placed.

This view has prompted many proponents of SDI to argue that a strategic deployment would in fact constitute a form of 'arms control without agreement' since any defence that could destroy 80 per cent of a Soviet attack controls or reduces the destructive capacity of the Soviet arsenal by as much as an arms control agreement requiring the Soviet Union to dismantle 80 per cent of its

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offensive forces. Furthermore, as missiles become more efficient, smaller and more mobile, making treaty verification all but impossible, strategic defence may become the only path to genuine arms control. Only strategic defence may give the West a simple and effective safeguard against continued Soviet violations of arms control agreements.

The Soviets have astutely pursued progress in arms control for more than two decades because an illusion is thereby generated that the risk of war has been reduced. It has inhibited US defence programs and above all deflected attention from the true cause of international tension - the undemocratic nature of the Soviet Union, its continued aggression abroad and the suppression of its own people. Arms control has assisted Moscow to maintain its internal regimented system and its expansion abroad by creating an appearance of goodwill, an image which the Glasnost offensive has enhanced.

(5) Finally, it is alleged SDI will not work, although strident Soviet opposition to the program has ironically enhanced its credibility. This critical issue is very difficult to address yet General Abrahamson, Director of the US SDI project, has reported very significant breakthroughs in the last year. One point which should be made, however, is that many of the expert attacks on SDI are clearly politically motivated. For example, a report released in April 1987 by the American Physical Society, a very prestigious body, casts doubt on the feasibility of SDI. However, a number of prominent US scientists have highlighted serious flaws in the APS report.¹

Soviet Star Wars

The Soviet SDI program has entailed expenditure of some $150 billion over the past decade, incorporating $1 billion annually for laser military research alone.

Since signing the ABM Treaty in 1972, the Soviets have tripled expenditure on strategic defence. Investment in the Soviet SDI program is estimated at more than $2 billion annually, employing at least 25,000 people. They have a beam-weapons research program that is several times as large as that of the US. Their overall strategic defence program is possibly 10 times as large with laser research alone employing more than 10,000 scientists and engineers. They are also engaging in sophisticated particle beam-weapons research, directed energy weapons research and a variety of other approaches to strategic defence, and were the first to test the beam weapon in 1969.

The Soviets have the only operational ABM system in the world, located outside Moscow, built up and perfected over almost 15 years of illegal surface-to-air missile testing. They have developed mobile ABD radars and missiles, situated at ICBM sites all around the Soviet Union, and have spent hundreds of billions of dollars over many years on this massive defence system that includes 13,000 surface-to-air missiles, some 5,000 ground-based radars, plus AWAC-type aircraft and planes with look-down/shoot-down capability. There is much evidence that suggests the Soviets are attempting to build a nation-wide ABM defence, which is a violation of the ABM Treaty. Also in violation of this treaty is their construction of a large phased array radar at Krasnoyarsk in central Siberia.

The extent of the Soviet SDI program is further dramatically highlighted by recent reports of two huge military stations located high atop a mountain in Nerik, Tadzhikistan and another some 500 miles away in Sary-Shagan in Khanakstan. Experts who have examined photographs of these sites claim that they are clearly intended for military lasers. Airforce General John L. Piotrowski charged on October 23, 1987 that the USSR has lasers which are battle-ready, possessing a capability to shoot down low-flying satellites and damage more distant ones. It is feared that the lasers at both of these facilities are intended not merely for research, but could prove strong enough to damage space satellites and the rudimentary space-based weapons envisaged by the US SDI program. Further, the lasers might be able to destroy incoming missiles and warheads, making the facilities a violation of the ABM Treaty.

The Soviets do take strategic defence very seriously indeed, and value it so highly that they are possibly prepared to make other arms control concessions in order to maintain their monopoly. It could be, of course, that the Soviet Union lacks the technical industrial capacity to actually implement a deployable strategic defence program in the near future, whereas it is aware that the US and the West in general do have the post-industrial sophistication to accomplish that end should their basic research be sufficiently accelerated. The urgency underlying Moscow's current efforts to delay, even terminate, the US SDI program is motivated by the desire to complete its own without any effective competition and this, perhaps, is the principal immediate objective.

A sustained US SDI commitment would impel the Soviet Union towards a matching technological and economic program which its grossly inefficient economy would be unable to maintain. To remain competitive, efficiency incentives would be required which, if introduced, would ultimately lead to fundamental changes in the political system. Indeed, the political ramifications of the technological gap between the Soviet Union and the US, the significant implications for the future of the Soviet totalitarian system and ultimately the potential of SDI to inhibit Moscow's ability to project power throughout the world explain the importance which it attaches to aborting the US program.
No Union Ticket: No University Education

Gerard Wheeler and Stephen Kirchner

Universities are supposed to be among the pillars of liberal values in our society. Yet Australia’s universities violate the most basic of human rights, the right to freedom of association. They do this through a regime of compulsory student unionism, which sees every student enrolling for a course at a tertiary institution being forced to join the student union on that campus.

Universities are the most comprehensive and rigorously enforced closed shop in Australia: no union membership, no university education. Student unions perform three functions: a political function, in the form of a Students’ Representative Council, which also funds the campus newspaper and the various clubs and societies on campus; a services function, which provides catering facilities and retail outlets; and a sports organization which provides sporting facilities. Enrollment is conditional on the payment of a fee, currently in the vicinity of $150-$250, which is divided up among the three functions. Student unions subsequently command budgets in proportion to the university’s enrollment, varying from $100,000 to several million dollars. In total, $21 million in compulsorily levied fees go to student organizations in Australia each year.

It is students who decide how this money is spent, through election to SRCs and Union Boards of Management. The only serious contenders in these elections are organized groups, such as the campus ALP Club, Left Collective or Liberal Club; however, because vigorous political activism is a speciality of radicals and extremists the left has dominated the campus political scene. These groups have been known to spend as much as $7,000 on an election campaign, which is devoted to the purchase of posters, pamphlets, stickers and radio commercials. Some campuses even engage in “publicly-funded” election campaigns, using student union fees. The importance of student unions is not to be underestimated. Students’ unions are rich resource centres for those who control them and the scope for funding political causes and engaging in political activity is considerable. They play an important role in the battle of ideas and climate of opinion at universities, particularly through the student newspaper. They also provide a training ground for future leaders and opinion makers. Jim Carlton is a former President of the Sydney University SRC, Gareth Evans was Chairman of the Melbourne University SRC, John Bannon was a President of the Australian Union of Students (AUS), while Bill Hartley was a research officer with the same organization.

When individual campus unions form state-based and national organizations, such as the Australian Union of Students, they become truly formidable. In its heyday, around 1976, the now defunct AUS had 90 per cent of Australian tertiary students as members and a budget of $1.7 million in 1987 terms, divided between its own weighty bureaucracy and political propaganda.

There is nothing inherently wrong with students organizing to provide for political representation and services. Student unionism only becomes objectionable when it is based on compulsory membership and fees. It is objectionable for the same reasons as compulsory trade unionism: being forced to join an organization is a violation of basic human rights, as recognized by the UN Universal Declaration on Human Rights, which states in Article 20 that:

- Everyone has the right to freedom of peaceful assembly and association.
- No one may be compelled to belong to an association.

The main argument advanced in support of compulsory membership of student political bodies is that students should provide for general student representation, with compulsory membership preventing "free-riders". It is held that if students did not have a representative body, their interests would suffer at the hands of uncaring academics and university administrations.

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IPA Review, February-April 1988
and parsimonious governments determined to claw back students' benefits and hard-fought rights. Opposition to tertiary fees is one issue which student unions would claim requires general student representation to promote students' interests.

If students feel they have need of such representation, however, they will voluntarily associate in order to provide it. This is the only way in which the value students place on representation can be ascertained, and an appropriate price charged for the service. It is clear from the activities and expenditures of many student organizations and the low voter turn-out at the student elections (often only around 25%) that many of these organizations are most unrepresentative of the majority of students. At institutions where "participatory democracy" operates, attendance at general meetings is generally poor. With an average turn-out of between one and two per cent of the campus population, participatory democracy becomes student government by the politically motivated. These meetings turn into rule of the mob sessions, with stacking a regular occurrence. Meetings rarely discuss matters of direct relevance to students, and are dominated by procedural wrangles. Effective representation requires that students have the ability to communicate their disapproval of the organization they belong to by withdrawing their funding if they wish. Compulsory membership removes this essential channel of communication. Voluntary membership would ensure that student organizations are both more representative and accountable.

In being forced to join a political organization such as a campus SRC or Guild, any number of students will find themselves involuntarily contributing funds to the promotion of causes with which they may not agree. SRCs often divert funds to controversial on and off campus groups. At the ANU, student union fees have been used to fund the Central Australian Aboriginal Media Collective, the Southern Africa Liberation Centre (a shanty town outside the South African Embassy) and a Palestinian rights group for a Palestinian poster and photographic exhibition. At Curtin University in Perth, money was spent in sending a team to Canberra to make a video about the Women for Survival Peace Camp and over $35,000 was spent on the administration of a tertiary fees boycott.

Left-wing student groups have been able to gain access to union dues despite action by conservative students to stop them. An interesting example of this recently occurred at the Australian National University where Liberal students gained a decisive majority at a Students' Association meeting to prevent a feminist group being given a large three-figure sum. A week later, the same feminists set up a new front group and were handed a $600 grant and a further $200 interest-free loan to pay for childcare at a feminist conference.

Student politicians will argue that if students don't like the way their money is being spent, they can always get elected themselves and change things. This is like telling taxpayers that if they don't like the way their taxes are being spent, they can always run for Parliament. The fact is that most students have neither the time nor the inclination to engage in student politics, being too busy earning their degrees. General student disinterest in student politics combined with compulsory membership makes student unions vulnerable to being hijacked by radicals and minorities who are prepared to make the necessary investment in political activity.

The two other major activities of student political bodies are the funding of clubs and societies and the student media. Clubs' and societies' funding leads to a situation where all students are forced to subsidize the political and leisure time pursuits of others. Those who are organized and know how to milk the system can extract significant amounts of money for the purposes of holding meetings, attending conferences, buying equip-
In the mid-1970s the AUS was at its zenith. It boasted more than 70 affiliated campus student organizations, over a quarter of a million tertiary student members and an annual income of over $600,000.

By the mid-1980s the AUS had ceased to exist. It had lost dozens of affiliated campus student organizations and more than a third of its student membership. Students were not prepared to sustain an organization which had endorsed terrorist groups such as the PLO, sponsored the 'International year of the Lesbian', rejected the direct election of office-bearers and failed as a credible education lobby.

The NUS Conference was dominated by the far left. The National Organization of Labor Students (NOLS) had a caucus majority which was aligned to the Socialist Left. The Labor Students joined with delegates from the Marxist-dominated Left Alliance grouping to approve an NUS Constitution and deals on NUS Executive positions.

The self-described 'Left Alliance' students espoused the views of a number of left-wing sects, but the dominant strains came from the Communist Party of Australia and the pro-Cuba Socialist Workers' Party.

On the other side were the Liberal Students, the political heirs to a tradition forged in the late 1970s; described by former member and now NSW Liberal frontbencher, Mr. Michael Yabsley, as "the unblushing assassins" of the AUS. During the 1970s, the Liberal Students launched legal actions aimed at smashing the compulsory membership of student organizations. The Liberal Students also supported campaigns which demolished the AUS through a series of campus disaffiliations.

Debate at the NUS Conference was tightly controlled and normal meeting practices were suspended. Despite the procedural strait-jackets, it took over five days for the NUS Conference to move to debate on a Constitution. The standard of debate at the NUS Conference was poor; ageing Communist Party student organizers who rarely spoke at AUS meetings over three years ago emerged as prominent speakers. Many of the Left Alliance and Labor Students delegates did not have copies of the Constitution or policy - instead they simply raised their hands at the command of factional leaders.

The NUS structure is less democratic than the notorious AUS structure. The rights of individual students are not recognized under the NUS Constitution. Policies passed at NUS Conferences cannot be referred back to the constituent campuses for review in the manner in which AUS policies supporting the PLO were repudiated by students. The NUS Constitution lacks rules to ensure that elections for delegates are democratically conducted during the academic year.

Policy debate began in the early hours of the morning and the delegates showed visible signs of fatigue. The Left Alliance delegates took the ascendancy in condemning the Australian Bicentenary. The Conference also committed the NUS to campaign against the Liberal Party in the forthcoming New South Wales elections. By contrast, a motion moved by the Liberal Students condemning the use of violence as a means of resolving disputes was shelved.

The planned NUS will be a club run by the left for their own benefit, but it will use compulsorily acquired student money to fund its operations. An unresolved problem is that campus student organizations will be expected to contribute student money to the new NUS, when there has been no explanation of where the AUS money went. The result will be an AUS clone of swollen proportions - essentially less democratic, but still immensely influential in moulding student political opinion.

The Future

The left clearly believe their NUS operation will be unpopular and are determined to avoid the market test that voluntary membership would impose. The Vice-Chancellors and the campus administrations will act as the NUS shop-stewards; it is they who will effectively coerce students to join a political organization as a condition of enrollment.

The NUS should revive the impetus for legislation which will aim to make individual student payments to such organizations voluntary. The immediate future of the NUS operation will be determined on the campuses in 1988, and given the spirited opposition already demonstrated by the new generation of Liberal Students and other moderates, that result is far from certain.
ment and so on, all at the expense of others not so organized. Because the workings of clubs’ and societies’ committees are not widely known, and are largely unaccountable, rip-offs abound. Front groups are set up with the sole purpose of getting extra funding for groups already in receipt of clubs’ and societies’ money. A campus corporatism develops, where those who are incorporated and know how the system works can extract benefits at the general student expense.

Student newspapers operate on a subsidy from the SRC and are generally edited by a minority for a minority. Given that campus newspapers have a high saturation rate among a particular consumer group, with disposable incomes, there is no reason why student newspapers cannot thrive on advertising. Charging for the paper would not be inappropriate. If students then don’t buy it, they obviously don’t value it. Editors would have to produce a paper that students actually want to read. Local “community” radio stations also receive contributions from student unions, usually to fund an SRC radio program. At Curtin University, over $20,000 a year is spent in this way. These public broadcasters are equally vulnerable to being hijacked by minorities. Radio 2XX in Canberra has regular programs from the Feminist Broadcasting Collective, the Soweto Mobilization Committee, the Committee in Solidarity with Central America and the Caribbean, the BLF and the Pan African Congress.

The largest portion of student union fees goes to subsidize the operations of the services function. Because membership is compulsory, there is no discipline on prices or quality of service that might come about through the ability to withdraw the subsidy. The result is massive cost-padding and an accumulating debt. Mismanagement by left-wing students, who put their ideology before good management, has led to the institution of “no sack” policies, massive over-award payments, gross overstaffing and closed shops. Unions like the Federated Liquor and Allied Trades Union use student unions as a springboard for getting increased wages and conditions throughout the industry. Many university unions offer services of dubious value. The Adelaide University Union runs a “craft studio” and an art gallery which expect to make combined losses of $65,000 this year, while many unions allocate potential retail space to create “women’s rooms” and even “gay rooms”. The University of Melbourne Union was taken over by the University last year after it notched up nearly $1 million in debts.

The inequities involved in the compulsory subsidization of student unions are enormous. Those who make regular use of the Unions’ facilities are subsidized by those who don’t. The same complaint can be made against the subsidization of sports facilities. Residential college students, for example, would make little use of a Union’s catering facilities, while many students do not actively pursue sport. It would be both far more equitable and efficient for students to pay the full cost of any purchase at the point of sale, rather than attempting to subsidize it in advance.

While this situation has been brought about for the most part by compulsory student union fees, a contributing factor has been a belief in the need for “student management of student affairs,” which holds that it is in some way desirable for students to control the services function of the student union. This arrangement might give a few student politicians a curriculum vitae entry and allow the few students who ever vote some say in the way the union is run, but few other benefits accrue from what becomes the gross mismanagement of student affairs. There is no reason why all the union’s operations should not be turned over to private contractors, with the operators sharing in any profits. Combined with voluntary payments (or no payments at all), the resulting benefits would far outweigh any loss in “student autonomy.”

Vice-Chancellors as Shop Stewards

Compulsory student unionism only occurs as a result of the policies of Australia’s university councils and senates. Student unions could never enforce a closed shop themselves. Instead, they need the Vice-Chancellor to act as shop steward. This task they have performed with considerable determination, mainly by expelling students who refuse to pay their union fees. At the ANU, a standing committee of the university council passed a motion in 1980 to expel seven students who refused to pay their fees. An ANU student who had fulfilled all degree requirements was denied his degree after he refused to pay his union fees. The “no ticket-no start” mentality has been translated into a “no fee-no degree” policy at universities. Being “independent, self-governing bodies,” every university in Australia is free to introduce the voluntary payment of student union fees if they so desired. It is their failure to do so which makes such a mockery of any suggestion that universities are upholders of liberal values in this country.

Given the refusal of universities to countenance the introduction of voluntary student unionism themselves, it will be necessary for the government to legislate to force universities to discontinue their persistent violation of human rights. The legislation required is simply a rewording of the relevant university Act to read “the payment of which shall be voluntary” in the section dealing with the levying of fees for student unions. The Federal Government can do this for the ANU and CCAE Acts. The rest of Australia’s universities come under Acts of.
Economic Reform: New Zealand Sets the Pace - Roger Douglas  

(continued from page 18)

disastrous. Addressing this problem must, in my view be a fundamental object for the Labour Government. The fact is that New Zealanders need a real reason to get out there and work hard and invest in productive activities. That is the key to economic and job growth. For those on low and middle incomes, that real reason is very often not there at the moment. And without it, it won't matter how good our income redistribution mechanisms are. Because we must first have the income to redistribute.

At around 80 per cent of GDP, public debt also remains one of New Zealand’s biggest ongoing problems. Debt servicing has risen to around one-fifth of total Government spending, and presents one of the major ongoing bars to an improved fiscal position.

On the other hand, the Government is rich in assets. But compared with annual debt servicing costs, the flow of dividends and revenue from those assets is little more than a trickle. The choice for New Zealanders has therefore been clear. Either the Government remains the owner of billions of dollars worth of assets and remains deeply indebted, or we sell assets to relieve that debt. The sale of those assets is effectively the price to be paid for lower budget deficits, and therefore lower inflation, interest rates, and a return to real economic and job growth.

The package builds logically from the reforms undertaken since 1984, which have consistently broadened the tax base, removed distorting and concessionary treatments, and flattened personal tax scales.

In the areas of tariff and debt reduction, the package acknowledges that the Government still has major structural imbalances to address if New Zealand’s competitiveness and fiscal position are to improve in the medium term.

By presenting these measures as one package, the Government is able to show how they interlock, and why the need to be dealt with together. They give a positive lead to the process of economic restructuring at a time when maintaining the momentum for change is critical to the success of our economic strategy.
Superannuation is already taxed—when people receive it. The same as other tax.

To tax the income of the fund as well would be double taxation. And it’s not the sugar-coated attraction it appears.

Even the $3.1 billion estimate of foregone tax revenue has a false coating. Published independent research places the true figure at half that.

From here on, the attraction loses flavour quite rapidly.

Superannuation forms a vital part of Australia’s retirement system. Taxation of superannuation fund income would be a massive disincentive, with serious implications for both the social welfare bill and the Government’s revenue.

Superannuation is a major provider of long-term investment funds for Australian industry. Additional tax would significantly reduce this.

And furthermore, double taxing of superannuation would mean the progressively ageing population would become a burden on the nation’s reducing workforce.

This is just a taste of the issue. To find out more, call our Government Relations Manager, Peter Monaghan on (03) 616 3111. He’ll be pleased to send you our book ‘The case against double taxation of superannuation’.

Our reasoned arguments to totally reject double taxation might not be sugar-coated. But they’re not a bitter pill either.
To celebrate Australia’s Bicentenary in 1988, The National Trust and AMATIL Limited are combining to present A GIFT TO THE NATION. This community-based program represents the largest of its kind ever undertaken in Australia and consists of thirteen individual projects. Each illustrates an aspect of Australia’s early development as a nation.

THE OLD PERTH OBSERVATORY, Havelock Street, Perth, is one of the properties included in A GIFT TO THE NATION.

In 1829 T.B. Wilson, a Surgeon of the Royal Navy, sailed up the Swan River from Fremantle to Perth and noted that Mt. Eliza might be a good place to observe the Northern Stars. Through the insistence of veteran South Australian astronomer, Sir Charles Todd, the site was set aside and Perth’s Observatory constructed.

The National Trust has begun the task of restoring the building with the exterior of the Observatory to be restored to its original condition. By 1988 the building will be fully operational as the WA headquarters of the Trust.

For many years, AMATIL has recognised that as a large and successful enterprise it has a responsibility to make a contribution to community life. This takes the form of sponsorship of community activities and direct donations to voluntary groups.

AMATIL markets leading consumer brands in the tobacco, beverages, snack foods, poultry and packaging industries. Our activities cover all of Australia and extend to markets in the Pacific, South East Asia and Europe. As well as serving consumers of our products, AMATIL makes a significant contribution to community life. This takes the form of sponsorship of community activities and donations to voluntary groups. For Australia’s Bicentenary AMATIL is pleased to be the sole sponsor of such an important heritage programme as A Gift to the Nation.