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Although Santos has come of age as Australia’s most successful explorer-producer of oil, gas and coal, our primary concern is Australia’s continued ability to meet its energy needs. We are committed, therefore, to a future of relentless exploration. For without significant new discoveries, Australia’s capacity to meet its fuel requirements will diminish. So, the hard word that got us among Australia’s top companies will continue. And we’ll continue to invest in Australia, for the future of Australians.

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Unless you fly Continental, your one-stop to New York could well come to a full stop.

If you're about to take a one-stop flight to New York, we suggest you take a closer look at the airline's flight schedule.

Unless you're flying Continental, you'll be changing planes when you make your stop. And it's on this stop that you'll be taking a chance.
You’ll be chancing that your plane hasn’t arrived late.

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IPA INDICATORS

Number of international environmental treaties to which Australia is a signatory: 49. Countries to have enacted specific legislation to fulfil obligations under the World Heritage Convention:
one - Australia.

Increase in area of national parks in Australia between 1977 and 1987: 87.3 per cent.

Teachers surveyed in 1968/69 who voted Labor: 53.9 per cent. Same group surveyed in 1984: 78.2 per cent.

Proportion of Australians who believe that the Government should reduce taxes before spending more on social welfare: 77 per cent.

Percentage of Australians who believe there should be stricter laws to regulate trade unions: 81.

Number of trade unionists in Britain when Margaret Thatcher first won government: 13 million. Number of shareholders: 3 million. Number of unionists today: 9 million. Number of shareholders: 8.5 million.

Proportion of immigrants qualified to take out Australian citizenship who have not done so: 43 per cent or 1,000,000.

Rank of Australia among leading industrial countries in terms of proportion of workforce employed in government enterprises: second (first is Austria).


Proportion of farmers' receipts coming from subsidies.
In Japan: 75 per cent. In the EEC: 50 per cent. In the US: 35 per cent.


Change in number of US nuclear weapons since 1967: decrease of 8,000. Reduction measured in megatonnage: 75 per cent.


Proportion of voters required to elect a Labor Government in Queensland: 51.4 per cent. Proportion required to elect a Liberal/National Government in NSW: 52.5 per cent.


Proportion of Americans who cannot locate the Persian Gulf on a map of the world: 75 per cent. Proportion who cannot find Vietnam: 66 per cent.

Taxpayers in 1957 with a tax rate of 40 per cent or higher: one in 50. In 1987: one in two.

A Permanent Surplus?

Notwithstanding that it is partly being achieved on the back of the record high tax burden, the $5.5 billion budget surplus warrants our congratulations to Mr. Keating, as does his estimate of no net borrowings by the public sector. For some time the IPA has been pressing for these to occur - we suggested a balanced 'Federation budget' - and it would be churlish of us not to welcome them now. We remind the Government, however, that, as recently as August last year, the Prime Minister poured scorn on those suggesting that a surplus might be desirable or appropriate. We do that not to score a point but to suggest to the 'gradualists' that large changes in policy settings can be effected without "driving the economy through the floor," as last year's budget statements argued.

This is also relevant to the dramatic reduction in the size of the Australian government sector which has occurred since 1986-87 and which the Treasurer has foreshadowed to continue in 1989-90. How the wheel has turned! Could anyone have predicted that, over the short space of three years since 1985-86, a Labor Government would preside over a reduction in the size of government from nearly 43 per cent of GDP to under 38 per cent and that the net Public Sector Borrowing Requirement (PSBR) of 4.8 per cent of GDP would disappear entirely? London's bookmakers, who did not get a bet at odds of 100/1 against Beatrice as a name for the new Royal baby, could have offered 1000/1 against such a transformation and had no takers!

Foreign Debt

But before we get too carried away about such developments we should recall why it has been necessary to move to a balanced 'Federation budget' and, at the same time, ask whether this should be a continuing policy objective. The move to a Commonwealth surplus essentially reflects the need to increase the level of saving by the Australian community and, hence, to reduce our dependence on overseas savings. There has been a persistent upward trend, since the early 1970s, in our reliance on overseas savings and this culminated in an explosion of overseas borrowing between the early 1980s and 1985-86, taking such debt to dangerously high levels. We faced a choice - go down the road to Buenos Aires or claw our way back. The sharp reductions in the size of government and the elimination of the PSBR are an important start to a return to a more stable economic environment.

But the facts that, even with the strong recovery in our terms of trade, the Treasurer has still 'budgeted' in 1988-89 for a current account deficit equal to three per cent of GDP, and that overseas debt ratios have fallen only slightly below their peaks, emphasize that the battle is only just being joined. Further, there is likely to be a need for considerable reinforcements. Economists who correctly stress the 'twin deficits' connection (high budget deficits ≈ high current account deficits) should note that, while there is a clear link, even a zero PSBR still leaves us in 1988-89 with a current account deficit above the average level of the 1960s.

Lower Savings

What needs to be understood is that, since the early 1970s, a variety of forces have been operating to reduce the propensity to save and increase the propensity to spend. A recent study by Fred Argy (Director of EPAC) shows that domestic savings have fallen from 25 per cent of GDP in the mid-1970s to under 20 per cent last year. Among other influences, the increase in the size of government that has occurred over this period has reduced the incentive and capacity of individuals to save because of the higher marginal tax rates and the increased government spending programs that have acted, inter alia, to discourage private saving.

Governments are now providing free, or heavily subsidized, services for which individuals formerly had to make provision themselves. But the reduced need for individuals to save has not been replaced by an offsetting increase in government savings. In fact, the opposite has occurred - governments have until very recently financed a substantial part of their (increased) spending by (increased) borrowing.

One clear example of this development is the
enormous increase in unfunded liabilities which
governments have accumulated. As Daryl Dixon's
article in this Review explains, governments have
committed themselves, on our future behalf, to
provide pensions and other benefits to their
employees and to certain categories of citizens,
thus reducing the need for them to save on their
own behalf. But governments have not, in most
cases, set aside any savings to meet these future
liabilities. Nor have they made adequate
depreciation provisions to replace the government
capital stock. Just taken on their own, these
developments suggest that a strong case can be
made for the government sector to become a per-
manent net saver.
An alternative, of course, would be for govern-
ments to give back to individuals greater respon-
sibility for meeting the cost of health, education,
old age, etc. Such a development, which would be
desirable on broader social and moral grounds,
would restore the incentive of individuals to save
and the reductions in taxation would restore their
capacity to do so.
We believe that there is both scope and a need to
reduce substantially further the extent of govern-
ment services. There is also a need to restructure
the taxation system and to take a variety of other
measures, such as deregulating the labour market
and privatizing a substantial part of the Govern-
ment enterprise sector, so that increased produc-
tivity then provides the underlying justification for
the increased propensity to spend. Until such
policy changes are implemented, there is likely to
be a need for the Commonwealth Government to
continue to run a large budget surplus in order to
"compensate" for the shortfall in private sector
saving.

How Philippa Smith Can
Reassure Senator Bishop

Philippa Smith is the very vocal Public Affairs
Manager for the Australian Consumers' Association (ACA). Bronwyn Bishop is the
formidable Senator from New South Wales, who
has shown considerable impatience in the
Parliament and elsewhere with the pleadings of
special interest lobbies and in particular the
ambitious ACA.
Senator Bishop accuses the ACA of being un-
representative of consumers and of often ignoring
their real interests. Other critics, including Bob
Browning - perhaps Australia's leading analyst of
special interest lobbies - argue that the ACA is
more interested in ideological attacks on free
tance than tackling public sector organiza-
tions where there is notorious waste of taxpayers' funds, along with restrictive work practices which
ensure that consumers pay more and receive less.
The Curran Report into the finances of the New
South Wales Government provides evidence of
some of the greatest consumer rip-offs in
Australia. It argues that New South Wales pays
the highest taxes (an additional burden of $300
million compared with other States) largely be-
cause of "the extraordinary drain on the govern-
ment revenues from funding huge losses generated
by the State's transport authorities." These huge
losses result from restrictive work practices, politicization of investment decisions and poor
management planning.
The Report says that the financing of loss-making
authorities has not come under close scrutiny, and
that there is evidence of "massive operating ineffi-
ciences." It argues that the customer is interested
in the price, quality and availability of services but
that they "are not necessarily being best served
under existing arrangements." The report argues
for corporatization, and possibly privatization, of
many government authorities.
Here then is an opportunity for the ACA to begin
to counter those critics who say it is mostly inter-
ested in attacking private enterprise. It only has
to support the general recommendations of the
Curran Report. But more than that, there is no
reason to believe that the NSW situation is unique.
What about state and federal authorities else-
where in Australia? Were it to look, the ACA, we
suspect, would find that causes of consumer dis-
satisfaction exist as much (and probably more) in
the public sector as in the private sector. The ACA
would not only help consumers by adopting a more
vigilant approach to the public sector, it might also
convince Senator Bishop that it is not ideologi-
ally blinkered.
The Explosive Implications of the External Affairs Power

Colin Howard

Decisions by the High Court have now opened the way for the hundreds of international treaties signed by Australia to become instruments for radically transforming domestic political life in Australia.

The Tasmanian Dams Case in 1983 and the current conflict over the Lemonthyme forest area in Tasmania, not to mention Daintree in North Queensland, woodchipping in Gippsland and the Otways and sundry other conservation issues, throw into sharp relief the burgeoning political potential of the so-called external affairs power of the Constitution. They also make it harder by the day to understand how it is that so many people still seem to think that the Constitution is of little or no relevance to everyday life.

The external affairs power is the power given to the national parliament by section 51(29) of the Constitution to make laws on the subject of 'external affairs'. Nothing is said about what amounts to an external affair. This leaves it, in effect, to the High Court to decide what these two words mean as and when the validity of a Commonwealth law enacted in reliance on s. 51(29) is challenged.

The High Court stage of a 51(29) dispute is often misunderstood. Unless and until an Act of the Commonwealth Parliament is challenged before the court in formal legal proceedings, it has no role to play. The Act is presumed valid and has the force of law unless and until invalidated. The practical effect is that Parliament can get away with enacting pretty well any law it likes if it has reason to believe that the Act will not be challenged, or at least not in the near future. The High Court can resolve only the problems brought before it, not make decisions in the abstract.

Secondly, High Court interpretation is necessarily discontinuous. Litigation goes in fits and starts, depending on the preoccupations of the time. The major High Court cases on the external affairs power occurred in 1936 and 1965, both on power to regulate civil aviation; in 1975 on the exploitation of undersea mineral resources; in 1982 on Aboriginal rights (the Koowarta Case) and in 1983 on conservation (the Tasmanian Dams case). The subject matters of Koowarta and Tasmanian Dams illustrate how the importance of what the High Court says about the external affairs power is hotting up. Aboriginal rights and conservation are currently prominent and contentious political issues.

Behind them lies a deeper issue which has been a politico-legal battleground throughout the short history of the federation. This is the tension between the powers and responsibilities of the Commonwealth and the powers and responsibilities of the States. Whoever the nominal parties to a piece of litigation about s.51(29) may be, the contest is always in effect between the Commonwealth and the States to test the limits of their respective legislative powers. As in other areas of constitutional litigation, the course of decisions under s.51(29) has been almost uninterruptedly towards the enlargement of the Commonwealth's legislative power at the expense of the States. This in turn raises the fundamental issue of the desirability of increasing uniformity.

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The explosive implications of the external affairs power

at the expense of diversity. In failing to even notice this question the High Court, not for the first time, is deciding a question of profound importance by default.

Thirdly, High Court interpretation takes on exceptional significance whenever it comes down, as it usually does, in favour of enlarging Commonwealth legislative power. This is because, by s.109 of the constitution, Commonwealth laws override inconsistent State laws.

In both Koowarta and Tasmania Dams the main points were decided in favour of the Commonwealth by the narrowest possible majority of 4:3. This marked division of opinion in the court was, of course, not dictated by what the judges personally thought about Aboriginal rights or conservation. The disagreement was about what they believed were the correct principles of law to apply to the difficult task of defining the appropriate scope of the Commonwealth legislative power under s.51(29) in order to set a limit to the intrusions the Commonwealth could make into State legislative power.

Internationalism

The essence of the problem has been that the end of the Second World War in 1945 heralded the ushering in of an era of unparalleled internationalism in the conduct of world affairs and governmental regulation of domestic affairs. The United Nations, which was set up immediately, has been a far more prominent and influential body in international affairs than was its pallid predecessor, the League of Nations, in the inter-war years from 1918 to 1939. This development has not exactly met with universal approval. In practice it has accorded to any country, however tinpot and oppressive, the right to interfere in the domestic policies of any other country however advanced, by exerting political and moral pressure through rhetorical declarations of purportedly binding rights. Completion of the process of decolonizing the remnants of the great 19th century European territorial empires has meant further that there are many more governments around nowadays to air their often-destructive views about the world at large than there used to be. This would perhaps not matter much were it not that the United Nations provides a ready forum and an appearance of respectability.

On top of this, economic and technological advance has led to vastly more people than ever before taking an interest in what is happening elsewhere in the world and getting to know about events in manipulated media form almost as soon as they happen. Internationalization of nearly everything has become practicable because the old barriers of time, distance and ignorance have been broken down at a great rate.

Against this background it is no coincidence that of the five major cases on our external affairs power, only one was decided before the Second World War. The importance of these developments to our system of distributing legislative power between the national parliament and the State parliaments is that more and more matters which have, until recent times, been seen as purely domestic concerns of the States are now increasingly being seen instead as national rather than regional issues. The argument is that they are international in character and therefore more appropriate to be dealt with by the national government and national parliament than on a regional basis.

Successive Australian Governments have responded to these developments, like governments everywhere, by entering into an enormously increased number of international agreements, or understandings, and assuming international obligations in unprecedented abundance. Many of these arrangements which, for convenience, can be collectively called treaties, although many of them are not strictly speaking treaties at all in the traditional sense, purport to require the signatories to make significant changes to the way they have traditionally run things in their own countries. Prominent post-colonial examples are treaties which oblige the signatories to eliminate racial discrimination and promote equal opportunity for all, regardless of sex or any other distinguishing feature, including ability.

No doubt the aims are sometimes worthy in theory. They are, however, more often notable for their vagueness when one gets into detail. This is said to be an unavoidable consequence of trying to produce a text which will be acceptable to people of very different languages, political traditions, ways of thought and social traditions. What happens in practice is that central governments sign anything which looks like a motherhood issue or which, for some other reason, they do not want to be seen not signing. Then, for domestic political purposes, they pick and choose among their so-called international obligations with a view to taking up those which may be vote winners or increase central power.

This development is necessarily of even greater significance in a federation with a system of division of legislative power between the national parliament and the regional parliaments, Australia and Canada, for example, than to a country like the United Kingdom which has one parliament and one government. It is of greater significance too for the reason mentioned above, that international obligations in the current climate of opinion give the national governments an unprecedented range of opportunities to enlarge their own powers at the expense of the regional governments, the States. Since international obligations are easily characterized as a national responsibility, they provide a perfect excuse for
Below are examples of ways in which current High Court interpretation of the external affairs power might be utilized by a federal government to impose its own policy imperatives on the country in entire disregard of the federal structure and of the role of State Governments and regional variations which that structure was intended to protect. The significance to any particular federal government is that the selection set out below illustrates how the supposed benefit of resorting to the excessively vague language of external treaties to remedy deficiencies of domestic legislative power is a dangerous precedent to set. Exploitation of the device is equally open to either side of politics. The point is worth making because there is at present a marked tendency to believe that treaties are a gift to self-styled progressives but offer nothing to conservatives. This is a mistake which carries potentially explosive political consequences.

[United Nations] International Covenant on Economic, Social and Cultural Rights. Article 6 recognizes the right to work and obliges parties to the covenant to take steps to achieve, among other things, "full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual." Wording of this width and vagueness comfortably accommodates legislation outlawing compulsory unionism and wage fixing.

Article 8 protects the "right of everyone to form trade unions and join the trade union of his choice." This disposes of such restrictions as Conciliation and Arbitration Act s.142A, which purports to authorize the prohibition of new unions if there is already a union to which the people who want a new union can "conveniently belong."

The same article protects the right to strike "provided that it is exercised in conformity with the laws of the particular country." Such laws include those which empower governments to take steps for the protection of the rest of the community against being deprived of food, transport, power, petrol, medical supplies and treatment, news and their own employment or livelihood by the strikes of others.

Article 10 requires working mothers "for a reasonable period before and after childbirth" to be "accorded paid leave or leave with adequate social security benefits." An admirable sentiment in itself, no doubt, but one which as a legislative imperative leaves entirely out of account the capacity of the community or the employer to pay or of the effect on the employment of women if implemented.

By Article 13 higher education is to be "made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education." This encompasses the introduction, or reintroduction, of fees; the imposition of such devices as the graduate tax; probably the establishment of private fee-paying universities and colleges; and the prohibition of any criterion for university entrance other than competitive examinations. A singular hotchpotch of opposing views.

Article 15 requires an undertaking "to respect the freedom indispensable for scientific research." This clearly covers embryo experimentation, in vitro fertilization and animal vivisection.

Covenant on Civil and Political Rights Article 18 requires an undertaking "to have respect for the liberty of parents and, when applicable, legal guardians to ensure the religious and moral education of their children in conformity with their own convictions." This is a powerful potential instrument for any government seeking the support of single issue fundamentalist religions in order to avoid the possible loss, or achieve the possible gain, of marginal seats.

ILO Convention No. 107 (1957) on the Protection and Integration of Indigenous and other Tribal and Semi-Tribal Populations in Independent Countries. Article 11 of this mouthful asserts that "the right of ownership, collective or individual, of the members of the populations concerned over the lands which these populations traditionally occupy shall be recognized." Australia has not signed this convention. This has not stopped the argument being advanced in an Aboriginal land rights context that Article 11 applies anyway because Article 1 of the International Covenant on Economic, Social and Cultural Rights says: "All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development." If this implied inclusion approach argument gains support it will become immaterial whether Australia is even a party to an international agreement in order to claim legislative power to enforce it under federal law. Moreover if the so-called right of self-determination is accepted as it stands, it will become arguable that not even federal law can validly hinder distinct racial groups within a larger community from deciding for themselves what they own and who governs them according to their traditions.

The Preamble to the UN Declaration of the Rights of the Child refers to the child needing "special safeguards and care, including appropriate legal protection, before as well as after birth." A preamble in itself is not a source of enforceable law but it can influence the interpretation of specific rights. The effect is that the rights of the child which follow this preamble could well be made the basis for federal laws forbidding abortion under any circumstances whatever and creating far-reaching liability to the unborn child or foetus. Federal legislative power in the personal injury area is at present very limited in scope.
assuming responsibility for domestic issues which would otherwise be beyond central constitutional power.

**Scope of the External Affairs Power**

A federation like ours, however, in theory has a built-in protective mechanism in the form of the High Court. The potential for unscrupulous exploitation of international affairs by the national government for domestic political purposes can always be cut back by restrictive High Court interpretation of the scope of the external affairs power. This is provided, of course, that the States, or private interests effectively acting for them, as well as themselves, challenge the validity of legislation which relies upon that power in areas over which the States wish to retain control.

The High Court’s role in this respect is singularly untrammeled in the case of the Australian Constitution. The text of s.51(29) is a model of brevity and simplicity. There is no problem of long and complex wording with obscure provisos and exceptions. Leaving aside the general introductory words of s.51, the only description of the content and scope of the power is the two words ‘external affairs’. This leaves the High Court as much room for manoeuvre as it could possibly want.

What is an external affair? The simplest answer is that it is some fact, matter or circumstance geographically situated outside Australia. That is indeed true, the major case affirming the proposition being the Seas and Submerged Lands Case in 1975. But the definition cannot stop there. For an affair which is physically external to Australia to have any relevance to Australia, there must be some sort of a connection between that affair and the government of Australia. The everyday conduct of what are more usually called foreign affairs provides a simple example.

In order to ensure its representation outside this country any Australian Government has to maintain a diplomatic service with facilities for embassies, consulates, trade representatives, immigration officers, customs officers and so on. These people and places are necessarily either wholly or to a considerable extent outside Australia physically, but there can be no question that their significance, their whole reason for existing, lies in the ministry in Canberra to which they are answerable. Similarly, Australians travelling abroad on holiday or on business, or Qantas flights, or trade missions at national or State level, are all external affairs up to a point, but obviously their main significance is ultimately domestic.

...the door is wide open for anything originally intended under our constitutional balance to be within the sphere of the States to be transferred to the Commonwealth.

Hence, even without the post-Second World War explosion in the internationalization of almost everything, there would still be a wide area of activity properly called external affairs, even though only partly external in a physical sense. Once one gets this far it becomes obvious that the physical externality of a fact, matter or circumstance cannot be the sole criterion of what is an external affair. So far, so good, but it is at this point that a critical and unnecessary extension of the reasoning takes place. The illegitimate assumption is made that for all domestic legislative power purposes an external affair is anything which has some external, or perhaps one should now say international, aspect to it.

It is precisely here that the transition has been made from giving legitimate scope to a legislative power to conduct international relations to creating a domestic legislative power of almost unlimited extent. It is here that you find Australia entering into human rights and conservation of the environment obligations, for example, which have enabled the central government and legislature to override State policies on contentious issues in order to impose national policies. The legislative power of s.51(29) was included in the Constitution to enable the national government to deal appropriately with other national governments on matters of legitimate national concern which arose in the international arena. It has been turned into an instrument of domestic political coercion manifestly contrary to both the word and the spirit of the very Constitution in which it appears.

It is a bootstrap operation. The national government has become effectively able to define for itself what
is the content of the national parliament's external affairs legislative power. It is of course important not to let oneself be led astray by personal beliefs about whether State or Federal governments should have the last word on Aboriginal rights or the preservation of wilderness areas within the borders of the States, or whatever the particular issue may be. Governments naturally think in such terms but governmental self-interest is not the best way of preserving a basic constitutional balance.

From the point of view of constitutional balance it cannot be said that the High Court in Koowarta and Tasmanian Dams acted as the built-in defence mechanism which is one of its constitutional functions. The principles of interpretation of the external affairs power which attracted the support of the majority in each of those cases gives the scope of that power a very wide ambit, to the advantage of the Commonwealth, by adopting the sequence of argument which I have outlined. It is of no consequence that on each occasion the Court was very nearly evenly divided on where the line should be drawn. The result at the moment is that the only effective constraint on a wholesale invasion of areas of State legislative power which have hitherto been regarded as properly within their competence is political, not legal.

**Vast Range of Treaties**

Even the most cursory inspection of the current Australian Treaty List, or any of its cumulative supplements up to date, is enough to reveal the truly vast area now covered or affected by international agreements of one kind or another to which Australia is a party. The index of the latest supplement, to 31 December 1987, starts with agriculture and aid (cross-referenced to banking) and ends with women's political rights and the elimination of discrimination against them. Primary products, minerals and some basic manufactures figure along the way, together with economic relations, education, energy, labour, pollution, meteorology, migration and tourism, to take a random selection. The great majority of international arrangements under these heads seem all too capable of falling within the expansive guidelines set by the High Court, but that is not the point.

The point is that since just about anything can be internationalized on superficially defensible grounds nowadays by means of a treaty the door is wide open for anything originally intended under our constitutional balance to be within the sphere of the States to be transferred to the Commonwealth. All it takes is internationalization in a manner which obliges the Commonwealth to take certain action, or even in some sense merely entitles it to do so. The regrettable feature of this is that as a matter of both law and logic one would not have thought it necessary for the High Court to allow itself to be driven so far along the path of enlarging central power in the federation by this particular means.

The minority judgments in the two most recent cases reveal a concern with disturbing the federal balance even more than has already happened over the years. Having regard to the federal nature of our Constitution this was, with respect, a thoroughly legitimate concern. That view did not prevail, and unless the High Court undergoes a marked change of opinion in the foreseeable future, which does not seem likely, a federal balance approach has little prospect of success. One possibility, however, is that the situation could be ameliorated by the introduction of a doctrine which required State consent, in the form of a State Act, before Commonwealth legislation based only on an international agreement could become operative within the State. Certainly there is nothing in the written Constitution which suggests such a doctrine, but that is hardly an objection. There is nothing in the written Constitution, or in any necessary implication, to support the interpretation of the external affairs power which has now been established.

Long ago, immediately after the beginning of federation, an astute commentator remarked that s.51(29) might later become a great constitutional battleground. That has not really happened in the litigational sense, or at least not yet. It may well, however, be about to happen in the political sphere. If so, it seems probable that the political conflicts will quickly find their way to the High Court after all. The sorts of issues which are likely to give rise to further political debate will themselves be so contentious, as far as any national government is concerned, that it will be happy to use the High Court, in the future as in the past, as its too hard basket.

In this way, indirectly, it may be that State Governments have one of their few openings to turn one of the Commonwealth's weapons back upon itself. Although the scope of the external affairs power as interpreted thus far is now disquietingly wide, it is always possible that on a well-chosen issue the High Court, the personnel of which has changed significantly in the last few years, will be more disposed than it was on the last two occasions to set some reasonable limits to this political time bomb. If not, the States will lose nothing by trying.

In theory the remedy lies better with the electorate than with the High Court. Unfortunately this is not a practical approach. At election time most voters are not preoccupied with what are perceived as relatively esoteric issues like legislative power. The perception may be, and in the present is, wrong, but that does not change the political fact.
The Right to Know

It is a truism that governments have no money they can validly call their own. They are trustees for the time being of funds which belong to the people and it is to the people that they are expected to account for their stewardship.

Over the centuries procedures and practices have been evolved centred on Parliament for holding governments accountable for their actions and their use of public funds. The requirement for governments to submit public accounts and annual reports and accounts of statutory authorities to Parliament is overlaid by the appointment of Auditors General, who are responsible only to the Parliament and can be removed from office only by the Parliament and not by the government of the day.

But public accounts and annual reports can conceal as much as they reveal and Auditors General vary in their dedication to disclosure and in their ability to get at the facts. After all, their staff resources are determined by the government and there are no rules as to what should or should not be disclosed by governments and their agencies.

At bottom, our only defence against increasingly autocratic and secretive governments lies with active Parliamentary opposition parties and a vigilant media.

It is long established practice and a jealously guarded right for time to be set aside each sitting day of Parliament for members’ questions. Ministers are expected to be present whenever possible and to answer any question with or without notice relating to their responsibilities.

It was - and is no longer - a rule founded in tradition that Ministers cannot deny Parliament information relating to their portfolio responsibilities including - and perhaps most importantly - on the expenditure of public funds.

But such has been the degradation of Parliamentary procedures and traditions that question time can be dominated by long Ministerial replies to "Dorothy Dix" questions from government members to limit the opposition's use of the time available and questions from the opposition receive deliberately evasive replies.

The most insidious growth of recent times, most noticeably in Western Australia but gaining ground elsewhere, is the claim of commercial confidentiality as a reason for not disclosing information on the financial transactions of government agencies. It is argued that where public authorities are involved in contracts and other business arrangements with the private sector, it could be to the commercial disadvantage of the other party to reveal details of the arrangements.

Perhaps so, but where does one draw the line? Interface between governments and the private sector occurs in a host of areas. Funds are invested daily in a wide range of securities and properties and government purchase contracts represent a significant proportion of total trading.

It is questionable whether the commercial inconvenience that might be suffered by those contracting with government agencies can be allowed to outweigh the right of the people to know how their money is being spent and invested. Graft and corruption or simple incompetence are weeds that grow more vigorously in the dark.

The Letter the *West Australian* did not print

Earlier this year our concern at the Western Australian Government’s consistent refusal to answer questions on State finances and the compliant attitude shown by some sections of the media, reached the point where the following letter was written to the Editor.

The *West Australian* chose not to publish the letter which is reproduced here without further comment:-

Sir,

Peter Kennedy’s report on the State Government’s budget results for the first six months of this year (*West Australian*, 10th February) prompted me to calculate the possible result by years end if present trends continue. The resultant controversy over the figures is less important than the issues raised by the response of a government spokesman reported in the *West Australian* on 18th February.

Increasingly your columns contain responses and even statements on major policy issues from anonymous

---

Les McCarrey is Director, and Peter Rowe is Research Fellow, at the IPA States’ Policy Unit based in Perth.

IPA Review, August-October 1988
sources described as 'government spokesmen'. Who are these people or is it a person?

Do Ministers no longer bother with such issues as the integrity of the State budget or, of even more concern, whether the Government is presenting an honest accounting to Parliament and the people? Perhaps the advisers have finally taken over or, perish the thought, we now have government by press secretaries.

Why do the media tolerate this and the frequent airy dismissal of questions from journalists going to the heart of the Government's stewardship of the public purse? Replies that retreat behind claims of commercial confidentiality when large amounts of public money are involved are nonsense and an offence against the public's right to know.

The Government's anonymous financial expert dismissed the IPA estimates of a massive real surplus as fanciful even though the published figures indicate that about $100 million is already 'in the can'. He confidently predicted only a 'modest' surplus again this year.

Modest indeed. Last year the Government announced a modest surplus of $6.7 million, but the Auditor General in his report to Parliament pointed out that no less than $99.8 million of revenue, provided for in the budget, had been held out of the Consolidated Revenue Fund. That by any reckoning means that the true but undisclosed result for the year was a surplus of $106 million.

Perhaps I missed it, but I saw or heard no reference to that rather fundamental issue in the media.

Of course any suggestion that a surplus of well over $100 million will be allowed to emerge in the end of the year accounting is indeed fanciful. $45 million has already been tucked away and no doubt more will follow.

We will have to wait on the Auditor General's report again to get at the facts.

It is central to our rights as members of a democratic society that governments of any political colour not deny Parliament and the people information as to what is being done with public money.

Is it not also central to the role of the media that it should resist strongly any attempts by governments to deny those rights?

The Cost of Crime

State and Federal Governments are confronted with an escalation of serious crime ranging through violent assault, burglary, armed hold-ups and motor vehicle theft. The increase is such that if you have not been affected directly one of your neighbours has.

The cost of crime to the community is immense. Total outlays by the Commonwealth and State Governments on Law, Order and Public Safety (a category which includes Police, Law Courts and Prisons) amounted to $3.4 billion in 1987/88. But the cost to the community of criminal activities is immeasurable if one endeavour to put a cost on the suffering and outrage of assault victims in addition to the economic costs.

Law and order is looming as a major political issue for State Governments in the coming round of State elections. Police forces and politicians are feeling the pressure from concerned and disgruntled citizens and, predictably, police commissioners and police unions are calling for increased funding and greater police numbers.

Just what is an appropriate ratio of police to population is difficult to determine but shifts in ratios from State to State are closely watched by police authorities and are brought quickly to the attention of government. The following table shows the actual strength of police forces and the ratio of police to population in each State in 1988.

<table>
<thead>
<tr>
<th>State</th>
<th>Total Police Strength(a)</th>
<th>Ratio Police to Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>11492</td>
<td>1:464</td>
</tr>
<tr>
<td>Vic</td>
<td>9038</td>
<td>1:461</td>
</tr>
<tr>
<td>Qld</td>
<td>4873</td>
<td>1:497</td>
</tr>
<tr>
<td>SA</td>
<td>3233</td>
<td>1:420</td>
</tr>
<tr>
<td>WA</td>
<td>3206</td>
<td>1:450</td>
</tr>
<tr>
<td>Tas</td>
<td>1039</td>
<td>1:425</td>
</tr>
<tr>
<td>N.T</td>
<td>642</td>
<td>1:224</td>
</tr>
</tbody>
</table>

(a) includes uniformed and plain clothes staff.

Necessary as increased police numbers might be, there is a parallel need to improve the effectiveness of police operations. Beyond the obvious requirements for increased technical support and less time spent on paper work, there is clearly a need for the public to pay attention to police complaints that their hands are increasingly tied by the more restrictive aspects of civil liberties legislation.

Life is full of trade-offs. Putting the more virulent civil libertarians to one side, the public might well consider the rougher edges of an otherwise sound police and justice system to be preferable to the increasing viciousness of crime against which the police remain our only defence.
The $50 Billion Liability

Daryl Dixon

Governments have made promises to public servants that future taxpayers will fund up to $50 billion in superannuation payments. The liabilities are not mentioned in the annual budgets which governments present to the public.

Creative accounting is not confined solely to the entrepreneurial private sector. Australian governments do not include all accruing liabilities in the accounts which they present to the public.

This article examines the hostages to the future lurking in the accounts of our respective governments, most importantly in the area of superannuation. Despite their natural instincts to distrust politicians, most Australians seem to accept the accounts of governments, as presented, at their face value. That trust, to say the least, is misplaced. Governments present no annual balance sheet of assets and liabilities. Nor do they inform the public about their future commitments and the cost implications in any comprehensive way.

The Commonwealth has improved its reporting in recent years, for example by publishing estimates of forward commitments in outlays for the next three years based on assumptions about continuation of existing policies. Understanding the commitments implicit in these forward estimates, however, involves intimate knowledge about what is meant by continuation of existing policy as distinct from technical new policy (generally used to apply to variations on existing policy) and actual new policy. In any event, three years is a relatively short period for the full extent of major commitments such as superannuation and debt servicing charges to emerge.

Nowhere is there published in readily accessible form any long-run costings of all the actual or potential liabilities of major on-going policies. Most government superannuation schemes are unfunded and liabilities are only funded as actual cash payments are made under the respective schemes. The Commonwealth has accrued unfunded liabilities on its superannuation scheme for some 330,000 employees of $25-30 billion. For the States, based on Audit Commission and other public service NSW data, and the number of employee members of unfunded superannuation in other States, the total unfunded liability is likely to fall in the range of an additional $15 to $20 billion.

Public Sector Superannuation

A Commonwealth public servant retiring at age 55 can expect an indexed pension equal to 36 per cent of final salary for approximately 24 years on average if a male and 29 years if a female. A surviving spouse's pension is payable thereafter. These are two examples of major expenditure commitments, yet the Commonwealth makes no provision for them in its accruing liabilities.

Assessing the dimensions of the Commonwealth's long-term commitments is least difficult in the superannuation area. Unlike the States, the Commonwealth does not have a major superannuation problem at the present time because only about 20 per cent of its current outlays are devoted to wages and salaries. Thus even though its superannuation scheme has been costed by a former government actuary, John Ford, at an average 22 per cent of salary if it were to be, as in the private sector, fully-funded, fully funding the

Depreciation Provisions

Superannuation commitments are not the only items lurking in government accounts which will have an impact in future years as our ageing population increases social welfare outlays and taxes. The Infrastructure Committee of the Commonwealth Parliament has focused attention on the lack of any systematic provision for replacement of essential infrastructure (roads, bridges, etc) as it wears out. There are no depreciation accounts or maintenance provisions to call upon to replace existing capital investments as they wear out, especially outside the public business enterprises.

Within the public enterprises themselves, the adequacy of depreciation provisions and maintenance reserves are not capable of assessment by outsiders, but there is a suspicion that they may be inadequate by replacement cost standards.

Daryl Dixon is a writer and consultant who has worked in the Treasury, Department of Finance, Social Welfare Policy Secretariat and the IMF.

IPA Review, August-October 1988
scheme would cost no more than five per cent of current total outlays (22 per cent of 20 per cent of outlays).

Nevertheless, the policy of putting off for tomorrow what could be done today will result in a major fiscal problem for the future. This will coincide with the financial pressures arising from an ageing population. The extent of the future liabilities accruing to the Commonwealth can be ascertained by a comparison with the practice in the Commonwealth Bank. The Bank (at considerable competitive disadvantage compared with its private sector competitors) offers its employees the benefits of the Commonwealth superannuation scheme but prudently funds its accruing liabilities on a fully-funded basis. Prior to the October stock-market crash, the Bank had accumulated reserves of $3.7 billion in its superannuation scheme in respect of 34,000 current contributors and 3,800 pensioners.

Of this $3.7 billion, not more than $0.7 billion would be the employee share of contributions and earnings and of the provisions necessary to fund existing pensions. (Employee contributions represent less than one-quarter of employer contributions.) About $3 billion would thus represent funded accumulated employer contributions for members who have not yet retired.

The Commonwealth has ten times as many employees as the Bank who are members of its unfunded scheme, suggesting a total unfunded Commonwealth liability in respect of some 330,000 employees of around $30 billion. Rounding downwards for possible errors (such as over-funding in the Bank scheme) in such a rough calculation, the liability for the Commonwealth must now be not less than $25 billion. The liability will continue to increase over time with salary rises and staff member increases.

The Commonwealth's irresponsible approach to funding superannuation is highlighted by the use made of the contributions of the statutory authorities, such as Australia Post and Telecom, to meet their liabilities for the superannuation scheme for their employees. Instead of investing those contributions (or establishing a fund as does the Commonwealth Bank), the Department of Finance merely keeps a register of those contributions in a national account and then uses the contributions from the authorities as a source of below-the-line financing.

To anyone concerned about the generation of domestic savings, this aspect of current superannuation arrangements is perhaps the most disconcerting. Telecom and Australia Post are, at a cost to phone and postal users, making provision for their superannuation liabilities as they accrue, while the Department of Finance merely dissipates this potential source of investment in the overall pot of deficit financing.

HOW POLITICIANS’ SUPERANNUATION COMPARES WITH PUBLIC SERVANTS’

<table>
<thead>
<tr>
<th></th>
<th>Commonwealth Public Service</th>
<th>Commonwealth Parliamentarians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum pension</td>
<td>52.5% of salary at age 65 after 40 years’ service</td>
<td>75% of salary at any age after 18 years’ service</td>
</tr>
<tr>
<td>Own contributions</td>
<td>5% of salary, returned as lump sum with accumulated fund earnings at retirement</td>
<td>11.5% of salary, used to finance ultimate benefit</td>
</tr>
<tr>
<td>Early Retirement</td>
<td>At age 55, with maximum benefit reduced to 36% of salary after 40 years’ service</td>
<td>At any age, after eight years’ service, pension of 50% of salary</td>
</tr>
<tr>
<td>Withdrawal benefit</td>
<td>Return of own contributions plus accumulated earnings. Deferred pension option available after five years’ service</td>
<td>Return of own contributions (no interest) plus Commonwealth contributions on 2.33 times own contributions</td>
</tr>
<tr>
<td>Indexation</td>
<td>Pension indexed by CPI</td>
<td>Pension indexed using parliamentary salaries</td>
</tr>
<tr>
<td>Actuarial costing of fully funded benefits</td>
<td>21.5% of current salary annually</td>
<td>About 100% of current salary annually</td>
</tr>
</tbody>
</table>

At long last, these arrangements are to be reviewed by the Federal Government as part of the new arrangements for statutory corporations. Perhaps these schemes will now be fully-funded, as they should always have been.

The Greiner Government has received an estimate of the unfunded superannuation liabilities in NSW from the Office of Audit, but has yet to determine what further changes will be made. The Commonwealth still retains a totally unfunded superannuation scheme which is generous both by absolute and private sector standards. This can be seen from a comparison of the Commonwealth Superannuation Scheme and those applicable to Parliamentarians, the most generous and costly superannuation scheme available in Australia.

Parliamentary Superannuation

Unfunded superannuation schemes (including the politicians' own superannuation scheme) encourage a lack of discipline because pay-as-you-go finance involves small outlays initially. This has resulted in excessively generous schemes. The actuarial cost of the politicians' scheme, for example, has been estimated to be well in excess of about 50 per cent and possibly as high as 100 per cent of current salaries. Because unfunded superannuation is paid for only as liabilities have to be paid, it is easier to increase or maintain unrealistically high future benefits because these benefits are not reflected in current costs.

The 1987 recommendation of Cabinet to Caucus (which fortunately was not accepted by Caucus) that the Parliamentary Scheme reinstate rights for full commutation of parliamentarians' pensions into lump sums suggests that the basic issues are not well understood in Canberra. The parliamentary scheme is by any standards unjustifiably generous, including the guidelines set by the tax office for reasonable maximum superannuation benefits, even after the latest May Statement changes. After eight years service, a politician can obtain at any age a pension equal to 50 per cent of salary indexed for all future salary increases. This pension under Cabinet's proposal to Caucus would have been commuted into a lump sum equal to five times current salary, again at any age.

The maximum private sector lump sum permitted prior to the May Statement changes was seven times final average salary over the last three years of service at age 65. Retirement before age 65 sees that lump sum reduce by 2.5 per cent for each year of service. At age 55, the previous maximum lump sum was thus 5.25 times final average salary over the last three years of service and at age 45, 3.5 times final average salary. A politician not re-elected at age 35 or 45 or 55 could, under the proposal that Parliament wanted to implement, still obtain the same lump sum benefit of five times final (current) salary despite the restrictions applying to the rest of the community. There is some hope that State Government superannuation reforms will ultimately influence the direction of Commonwealth policy towards either meeting or reducing the future costs of its superannuation before major problems of financing actually occur. By their very nature, superannuation commitments are long-term ones not capable of quick changes.

The sooner that there is greater recognition of the issues involved, the more likely it is that sustainable policies will emerge. Obtaining the relevant information about all major long-term commitments is an essential first step. The best outcome would be that all superannuation arrangements in Australia would be fully-funded.

Age Pensions

A very important on-going commitment is the promise to pay, subject to the income and assets tests, an age or service pension to all Australians of eligible age. The age pension commitment involves major future outlays. A promise once given to an age pensioner involves, on average, approximately 21 years' payment to every eligible female reaching the age of 60 and about 14 years

Accounting for Foreign Exchange Losses

Governments depart from private sector accounting standards in their accounting for foreign exchange losses on overseas borrowings. The private sector is now forced under accounting standards to bring these losses to account as they accrue.

The Commonwealth and most States deal with their losses by ignoring them. State enterprises are now beginning to make appropriate provisions but governments themselves still ignore their losses in foreign currency presumably because foreign borrowings in foreign currencies are generally rolled over on maturity.

The Reserve Bank brings profits (net of losses) on currency transactions to account annually. An interesting exercise would be to compare how the Commonwealth's unrecognized losses on its foreign currency borrowings compare with the Reserve Bank's foreign currency profits which have been annually brought to account in the Budget. This comparison would remove some gloss from the accounts of the Commonwealth.
for every eligible male.

Our population is ageing dramatically. Persons aged 65 or more will double in number over the next 30 years, and pension commitments will assume major proportions in the overall Commonwealth finances. Chris White, a leading Melbourne Actuary, and I, writing in 1984, estimated that income tax would have to double to eight per cent of average earnings merely to fund provision of age pensions on the basis of the policies prevailing at that time. There were two reasons for this result: basic demographics and the fact that the Government funds its age pension liabilities as they emerge (pay-as-you-go) out of taxes on the working age population. More pensioners mean fewer taxpayers and fewer taxpayers mean higher taxation bills, everything else being equal.

Conclusion

No country in the world provides a comprehensive register of outstanding financial liabilities or, on the assets side, a comprehensive register of assets available for public scrutiny. Yet there are very good reasons why Australia should do so if we are serious about our search for greater efficiency and public scrutiny of the actions of government. Our massive foreign debt and the associated debt-servicing burden provides little scope for sloppy decision-making in this country. Without full knowledge of the facts, how can we know whether the current size of the Commonwealth Government’s surplus is adequate or not?

Indeed, we do not even know from the published accounts whether this country is running a surplus or not, because major accruing superannuation, foreign exchange losses and depreciation provisions on assets are not brought to account. The IPA’s Des Moore makes the point that the ‘pay-as-you-go’ type arrangements are a powerful argument for the Commonwealth running a permanent surplus. If private sector practice were followed in meeting liabilities as they accrue and making provision for depreciation of assets, current expenditures would be lower and national savings higher than at present.

There is certainly no excuse for governments persisting with excessively generous superannuation schemes merely because their accounting procedures do not reveal their true cost to the community. Indeed, there is a strong case given Australia’s difficult financial situation for all superannuation benefits to be funded. To give credit where it is due, some of the States have started to recognize this problem both by reducing the generosity of their superannuation benefits for new employees and by increasing the proportion of benefits funded as liabilities accrue. The Greiner Government has the chance to lead the way to more rational policies when it decides on what to do about the large unfunded accrued superannuation liabilities in NSW revealed by the Office of Audit.

At the minimum, governments should only offer reasonable superannuation benefits which are fully-funded or balanced by equivalent budget surpluses or capital works, taking into account all costs and not merely current pay-as-you-go outlays. Australia can no longer afford to continue with unsustainable long-run financial commitments entered into at various times in the past.

Costing the Age Pension

Every female reaching the age of 60 has an average life expectancy of around 21 years. A commitment to pay an age pension at that age involves an annual payment, indexed for inflation for that period, with a total cost in excess of $100,000 in constant prices.

For males, the age of eligibility is 65 and the average life expectancy is over 14 years. A commitment to pay an age pension involves a total cost in excess of $75,000 in constant prices.

Age pension costs for married couples are slightly lower than those for single people because a single person receives 120 per cent of half the combined married rate of pension (recognizing the additional costs of living alone).

The unfunded costs of an age pension to a married couple is estimated to cost in excess of $150,000, again in constant prices. The government has made no provision whatsoever to help meet these liabilities.
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Des Moore is a Senior Fellow at the Institute of Public Affairs.

MOORE ECONOMICS

Des Moore

Achieving the Impossible

It will be recalled that a major plank in the Liberal Party's 1987 election campaign was its proposal to cut taxes by reducing the top marginal rate to 38 per cent and having only one other rate of 25 per cent. The new rate scale was to operate with effect from 1 February 1988 and it was proposed to more than offset the cost with a three-year program of expenditure reductions, thereby progressively reducing the deficit. According to Mr. Howard, the aim was to reduce total public sector outlays by about four percentage points from 42.4 per cent of GDP in 1986-87 to around 38 per cent by 1989-90.

Most media commentators gave this proposal a resounding thumbs down, with prominent economic scribe Maximilian Walsh taking a leading role. Walsh slammed the proposal on two main grounds. Firstly, that it was economically irresponsible in that a tax cut would stimulate domestic spending and that, notwithstanding the proposed offsetting cuts in government spending, this would cause the current account deficit to 'blow out'. Mr Keating said he wholeheartedly endorsed Walsh's comments. Although I pointed out the fallacy of this argument in letters to several papers (using the Treasury model the net effect of such a package would normally be to reduce the current account deficit), a good deal of mud stuck and did considerable damage to the Liberal Party's election prospects. At no stage did Walsh retract or attempt to correct his error: but we will certainly await with interest his comments when the Government's foreshadowed tax cuts are implemented next year.

The second of Walsh's criticisms was the pragmatic one that, as no other country had ever reduced the size of the public sector to anything like the extent proposed by Mr. Howard, it was politically unrealistic to imagine that the Australian Liberal Party would be able to achieve 'miracles'. Not surprisingly, Mr. Keating agreed that "there is no $7 billion (the size of spending reductions proposed by Mr. Howard) of fat there." However, just as he was in error on the first point, so too can Walsh be shown to be wrong on the second. The OECD Economic Outlook only publishes data on the 'general government' sector of OECD countries (which excludes government trading enterprises) and such data is available only up to 1986. Even so, as the following table shows, a number of countries have recently achieved reductions in that sector at a comparable rate to that proposed by the Liberals.

<table>
<thead>
<tr>
<th></th>
<th>% of GDP</th>
<th>Peak</th>
<th>1986 Reduction (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>49.4 (1982)</td>
<td>46.6</td>
<td>-2.8</td>
</tr>
<tr>
<td>U.K.</td>
<td>48.0 (1984)</td>
<td>46.2</td>
<td>-1.8</td>
</tr>
<tr>
<td>Belgium</td>
<td>55.7 (1982)</td>
<td>53.2</td>
<td>-2.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>61.6 (1983)</td>
<td>55.4</td>
<td>-6.2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>62.2 (1983)</td>
<td>59.1</td>
<td>-3.1</td>
</tr>
<tr>
<td>Sweden</td>
<td>66.2 (1983)</td>
<td>63.5</td>
<td>-2.7</td>
</tr>
<tr>
<td>Australia</td>
<td>38.7 (1984)</td>
<td>38.3</td>
<td>-0.4</td>
</tr>
<tr>
<td>OECD exclud. USA</td>
<td>44.8 (1984)</td>
<td>42.7</td>
<td>-2.1</td>
</tr>
<tr>
<td>OECD</td>
<td>41.5 (1983)</td>
<td>40.2</td>
<td>-1.3</td>
</tr>
</tbody>
</table>

(a) Total outlays of the general government sector (current disbursements plus gross capital formation) as % of GDP.
(b) Percentage points reduction.
(c) Data supplied by Commonwealth Treasury. The comparable figure for total public sector outlays was 42.4 per cent in 1986-87.

Of course, the story would almost certainly be enhanced if data allowed the analysis to be carried forward. The UK, for example, has reduced the size of government further since 1986. More significantly, Australia itself has now achieved the (apparently) 'impossible': indeed on the basis of the budget forecasts it seems almost certain that in 1988-89 total public sector outlays will be less than 38 per cent of GDP and both the 'general government' sector and the total public sector will be four percentage points of GDP lower than they were only two years ago in 1986-87, i.e. the same.
The Treaty of Waitangi is a remarkably singular document. The fact that it has not only survived to the present but is manifesting new implications at a compounding rate 148 years after it was drawn up is in itself exceptional. In nuclear-free New Zealand it is hard to escape the suspicion that here is a society that is being hoisted on the petard of its own redoubtable sanctimoniousness: the old, colonial Treaty has 'gone critical' and the ensuing big bang will carry away something substantial in due course. Precedent suggests that the first major casualty will be the Lange Government, which is beginning to show some signs of panic at the likely consequences of some of its actions in this area.

In wondering how this all came about one should first look at the unique features of the Treaty of Waitangi. There are plenty of treaties with indigenous people which have survived in North America, but in general they relate to specific tribes and specific situations. Waitangi was signed by the British Governor, William Hobson, with 500 representatives of the Maori tribes of New Zealand (although not all of them), and it was the one and only officially sanctioned treaty that the British Government signed with the native peoples of the whole vast region of Oceania. It was an amateurish, hastily cobbled-up document which the British Government - when they finally got a proper look at it in 1844 - would have liked to renounce. Perhaps they should have done so then. As a matter of policy such treaties were falling into disfavour; the House of Commons had warned that written documents with unlettered tribes were a mistake - a formula for misunderstanding.

Viewed from the perspective of the late 1980s the Treaty seems to fall in the wrong place chronologically also. It was signed before the Maori wars, which were a long drawn out and bitter conflict, the scale and seriousness of which has been much under-rated in comparison with colonial wars elsewhere. Why it should still have held any force when these wars were over is an obvious question. The Maoris of the Bay of Islands tribes, i.e. those living in the area where the Treaty was signed, considered that it should have lapsed even earlier when the man they signed it with, William Hobson, died in 1842.

Source of Misunderstanding

The Treaty has certainly proved to be a formula for misunderstanding. The two versions, English and Maori, did not correspond in some vital respects, notably as to whether the Maoris were ceding sovereignty or government. The section which dealt with the resources to be preserved for the Maoris was so sweeping that - if it could have been foreseen that it was going to survive Some of the Treaty's Consequences - at a glance

- generated claims by Maoris to vast tracts of unoccupied crown lands and fishing areas;
- seen by some Maoris as a solution to their depressed economic condition; others say it distracts from the need for education and jobs;
- has become a rallying point for Maoris concerned to shield their culture and identity; but it might also deepen the sense of separateness from Pakeha (white) New Zealanders;
- created a litigation industry from disputes over interpretation of the Treaty;
- originally a means of legitimating European presence; now used by radicals to delegitimate it.
- is fueling an increasingly confrontationist attitude which threatens to alienate potentially sympathetic middle-class whites. May lead to an electoral backlash against the Lange Government.

Antony Turner is a mining consultant.
into the present litigious age - the Treaty would have been abrogated within a very short time. But the sheer open-endedness of this second part of the Treaty has given Maori interests what is perceived as a precious opportunity to improve their social and economic position in New Zealand, if only because the Lange Government, in effect, took the lid off the box and let the implications rip, in ways we shall briefly examine later.

The Treaty means a great deal to Maoris and their supporters, and it is not difficult to empathize with their attitude towards it. It is their shield against what Alexis De Toqueville called "the tyranny of the majority," the one guarantee of the preservation of their culture and identity. Maoris ask what blueprint for a brighter future they would have without it. What legitimacy would the State of New Zealand possess if the Treaty of Waitangi were - belatedly - abrogated?

On the other hand the growing backlash among the Pakeha (white) population to present trends might mean that the harvest of Maori expectations based on the Treaty may ultimately be a bitter and unprofitable one for New Zealand society as a whole. The confrontationist attitudes on both sides are not constructive and when prominent Maori academics like Professor Rangi Walker and Professor Sidney Mead speak contemptuously of Pakeha reactions ("those who can't hack it are going off to Queensland"; "the Pakeha community should just sit back and take it") reasonable New Zealanders fear that they are witnessing the sparks that will light dread resurrection fires under Sir Robert Muldoon, to name only one possible consequence.

The Treaty was written at a time when the circumstances which have brought it to the forefront in the 1980s were inconceivable. Urbanization and unemployment are the main factors affecting its application now. The arresting facts are that 58 per cent of the entire Maori population lives in the metropolitan sprawl of greater Auckland and that they make up a disproportionately high proportion of the national unemployed, which are now approaching the percentage figures of the depression years. Crime and violence are increasing at a frightening rate and Maori gangs like the Mongrel Mob confront an easy-going suburban population with an intimidating phenomenon quite new to them. Projections by Maori academic, Professor Ngatata Love, show that the economic position for Maoris will get steadily worse as the century draws to a close.

Against this background there is a certain despair about proposals for 'partnership' according to the current reading of the Treaty, based on what can be viewed as a wilful misinterpretation of history, that might see the Maoris given special and essentially undemocratic rights to all the unoccupied Crown Lands and the seas within the 200-mile fishing zone. In spite of the pro-Maori sentiments shown by a substantial part of the middle-class Pakeha community, there is a more widespread feeling abroad that somehow this does not seem to be the right way of going about things. New Zealand's Minister for Overseas Trade and Marketing, Mr Mike Moore, has recently accused Maori radicals of inverted racism for
implying that because someone's ancestors came to New Zealand 100 rather than 1,000 years ago it was any less their home.

There is no denying that Europeans have shifted their position on the Treaty to suit their purposes and have used it mainly when it suited them to proclaim New Zealand's unique virtues to the electorate at home and the world at large. The Treaty has a special role in the nation's perception of itself and it comes as a surprise to an outsider to learn that it had no formal status in law until - by what seems a remarkable irony - there occurred one of the major initiatives of the present Government's radical economic policies, the very necessary heroic (or unnecessarily brutal, depending on viewpoint) surgery of Rogernomics in action. Two contrasting trends of government policy ran into each other and the result was a significant judicial promotion in the status of the Treaty.

The way in which this happened was a typical outcome of rushed legislation. Section 9 of the State-owned Enterprises Act stated "Nothing in this Act shall permit the Crown to act in a manner that is inconsistent with the principles of the Treaty of Waitangi." The implications of this and the constraints that it would place on Government's ability to govern were clearly not thought out. When, in 1987, the Maori Council brought an action in the Court of Appeal to prevent Crown land being transferred to the new state-owned enterprises, on the grounds that this would place it out of reach of Maori claimants, the Court upheld the case. It was a major precedent: New Zealand courts were at last starting to read the Treaty into domestic law.

Early history

Jim Bolger, the Leader of the New Zealand Opposition, said in 1986 that solutions to New Zealand's race relations problems would not be found by picking over the bones of the past 146 years of New Zealand's history. Nevertheless, there is a lot of that being done these days and no-one can hope to understand the present circumstances without a general grasp of their historical background in Maori/European relationships since the coming of Captain Cook in 1769. By the time the Treaty was signed Maori society had undergone major transformations through its contact with Europeans. European hardware - the firearm most of all - was avidly sought by a people who had had no metal tools before Cook. The economy of Maori society was irreversibly changed by the need to pay for technological imports. (All Maori sales of land to Europeans, before the signing of the Treaty and subsequently, should be viewed with due regard to this factor.)

Tribal land status and authority were radically adjusted by the inter-tribal Musket Wars which took place before 1840. The massacres that took place in the course of these wars were on a larger scale than anything that had happened in pre-European times and the missionaries in the North Island were particularly appalled at the scale of the cannibal feasts that followed a military triumph. But this was what has been described as the golden age of gourmet anthropophagy and it is to the credit of the missionaries and the adaptability of the Maoris that by 1840 Christianity had very largely supplanted the bad old habits of cannibalism and slavery. New Zealand was an international no-man's land by this time, however: beachcomber communities of European sealers, whalers, traders, and missionaries formed the fringe-dwellers of a Polynesian society in a very fluid state. There was already a certain amount of intermarriage. The country represented a political vacuum into which one of the imperial powers would inevitably move.

It led to a series of claims and findings, including a claim for much of the South Island

That Britain's imperial ambitions were satiated at the time and did not focus on New Zealand is indicated by Lord Palmerston's view that as far as he was concerned the French could have it. In this corner of the globe Australia was a big enough commitment for Britain in the early years of Queen Victoria's reign, and when it was decided to go ahead after all with the establishment of British sovereignty William Hobson was told that he would have to cope without the benefit of military back-up.

Whatever it was to the Maoris, to the British the Treaty was a device for consolidating a colony. Prior to the events of 1840 Britain had acknowledged Maori sovereignty over New Zealand and it was necessary to negate this. According to Professor Gordon Parsonson, the date on which British sovereignty was established was 30 January 1840, a week before the signing of the Treaty. The Treaty thereafter applied only to those lands that the Maori actually occupied at the time. The status of the remainder was to be decided by purchase, as quickly as possible. That this in turn led to injustice, war, dispossession, and social and economic decline for the Maori people is not in doubt. But it can be argued that the existence of the Treaty made little difference to what would have happened in any event, like the tide coming in. A land-hungry settler society grew in numbers while the Maori population declined until the end of the 19th century, thereafter reversing the decline and attaining almost
Third-World rates of increase which have only slumped recently.

Recent Claims

The Waitangi Tribunal, established in 1975, has been working on the assumption that the Treaty established a protectorate, not a colony. This is a convenient interpretation for their purposes, but essentially false, according to Professor Parsonson. It is the growth of this Tribunal as a power structure that alarms many New Zealanders. The Waitangi Tribunal Amendment Act which allowed this to come about was passed in 1985, and it was this that took the lid off the box in earnest, introducing the spectre of retrospectivity. It led to a series of claims and findings, including a claim for much of the South Island, and the Mariwhenua fishing claim. The latter is potentially of enormous economic and political significance, given that in very recent times the New Zealand fishing industry has grown to become a billion-dollar industry, comparable in the New Zealand context with the importance of the mining industry in Australia. Much of the current consternation in New Zealand stems from implications of this kind. When the Minister for Overseas Trade said recently that New Zealand could become racially ungovernable, the role played by the Waitangi Tribunal was very much in the forefront of the minds of his audience.

In the opinion of some of the New Zealand experts on the Treaty of Waitangi, the main lesson for Australia is that the concept of a modern Treaty with the Aboriginal population is undemocratic lunacy. Milder opinions agree that it is hard to see how such a Treaty, fabricated in the here and now, could possibly work. If it is drawn up as simplistically as the Treaty of Waitangi it will father an industry which will devote its efforts for the foreseeable future to persuading the Courts to read into the document things which were never meant. This will be an expensive process not beneficial to society as a whole. If it is drawn up in great detail it will still father an industry, based on insatiable expectations. Either way it will make for rich lawyers and bad feelings, as it has in New Zealand. The New Zealanders, for better or worse, are stuck with the Treaty of Waitangi. They have their Treaty industry, but the dominating question remains to be addressed in the realistic light of the history of the last 150 years. How badly have the Maoris really fared in comparison with other peoples in other places? There is a massive case still to be made that they have done better than most, but this may be in spite of, rather than because of, the Treaty of Waitangi.

Moore Economics - Des Moore

(Continued from page 19)

reduction as proposed by Mr. Howard over three years will in fact be achieved in two years!

We have even witnessed the spectacle of Mr. Keating claiming credit in the budget speech for the fact that Commonwealth outlays in 1988-89 will be $20,000 million lower than if the 1984-85 spending share had remained unchanged! Re-basing Mr. Keating's claim back only to 1986-87, that is equivalent to a reduction of over $10 billion in two years. How times have changed - and so quickly! As recently as the 1986-87 budget, the Government was promising a trilogy, one of the central planks of which was to maintain government outlays constant as a proportion of GDP. Mr. Keating has clearly undergone a change of heart, not to mention his extraordinary turnaround since the last election!

But his 'conversion', apparently, stopped before Damascus was reached. According to the Budget Speech, "this massive structural wind-down renders irrelevant calls for further savage cuts in public spending. Such mindless calls in future should be seen for what they are; mindless shrieks by ideologues against the legitimate spending functions of government." Vintage Keating - but scarcely credible given the considerable scope and need that still exist to reduce the extent of community dependency on government in areas such as social security and welfare, health, education and housing. Mr. Keating would do well to take note of the fact that, even if public sector outlays were to fall to 37 per cent of GDP in 1988-89, that would still leave them well above the 30 per cent levels of the early 1970s/late 1960s. There is still a long way to go and the next part of the road may be the most difficult.

In summary, I congratulate Mr. Keating on his achievements since 1986-87, but I do think that he (and Max Walsh) owe an apology to Mr. Howard for their misleading comments during the last election; and I look forward to the next 'conversion'.
A Unionist's View

Laurie Short

Halfpenny's Road to Power

It would be an irony if John Halfpenny, who has been one of the most vociferous critics of the H. R. Nicholls Society, advanced the goals of that Society in industrial relations across Australia. But such a turn of events is on the cards.

Despite his disastrous role in the Victorian strike wave in July and the blistering attacks on him by the Prime Minister, Mr Hawke, Victorian Premier, Mr Cain, and ACTU Secretary, Bill Kelty, he could be the next ACTU President.

If he does become the ACTU's next President, then the industrial chaos which will result from the policies he will pursue will assuredly lead to a powerful backlash against unionism and the Federal Labor Government and probably divide the ACTU from the Labor Party. It will also increase support for the H. R. Nicholls Society and its goals.

Simon Crean, who now holds the position of ACTU President, may follow his father and go into Federal Parliament and create a vacancy that Halfpenny could fill at the 1989 ACTU congress.

John Halfpenny is an ambitious, able, left-winger who operates from a strategic power base as Secretary of the Victorian Trades Hall Council (VTHC). To be elected ACTU President he needs the united support of the left-wing and that is where he might strike trouble, because not all left-wingers like him. For example, the influential left-wing group which leads the Building Workers' Industrial Union (BWIU) resents Halfpenny's support of their enemy, the Builders Laborers' Federation (BLF).

But similar left-wing reservations did not stop them uniting to elect him Secretary of the VTHC seven months ago. After all, his left-wing credentials are impressive. He was a leading member of the Communist Party of Australia (CPA) for almost three decades, including 18 months in the Soviet Union.

He resigned in 1979 from the CPA for what he said were personal reasons. I do not regard him as a CPA plant in the Labor Party. I believe that he has some differences with the CPA, but they are not profound. I understand that he found CPA discipline irksome and considered that it had entered a period of permanent decline. Hundreds of others have left it in the past few years. Some give as their reason that the party is no longer relevant.

Above all, John Halfpenny does not want to be irrelevant. The drop in CPA membership is dramatic. At the opening of its new office in Melbourne this July, it was announced that the Victorian membership was down to 220. At its peak in 1945 it was about 8,000.

Although the CPA is only a fraction of its former size and the Left is divided into a number of parties and groups, its aggregate strength is formidable, especially in the union movement.

If the ACTU congress was held this year and there were an election for President, Halfpenny would be hard to beat. The present industrial and political climate gives the Left opportunities it has not had for some time. There is a lot of frustration over wages and jobs. ACTU leaders and the Hawke Government know there are no easy answers. Governments cannot build a strong economy and at the same time yield to every union demand. But, responsible union and government leaders have difficulty in explaining this to some unionists.

Demagogues who will promise the world for power exploit this. Recently, the Left has won several key union elections and is closer than it has been for many years to a commanding position at an ACTU congress.

The moderate elements in the Labor movement will have to be more effective than they are now in combating the Left if Halfpenny and his allies are to be blocked from taking over the ACTU.

Laurie Short, 50 years a unionist, was the National Secretary of the Federated Ironworkers' Association from 1951 to 1982.
The losses which so often result from government involvement with commercial undertakings continue to provide candidates for the Hall of Shame.

IPA Senior Fellow, Les McCarrey, put it rather neatly on a recent ABC *Four Corners* program: "It is difficult to be the umpire and play on the forward line at the same time."

The Cain Government through the Victorian Economic Development Corporation (VEDC) has been a very active player in business ventures - a number of them spectacularly unsuccessful. The underwriting of the Wallace International float has generated many unfavourable headlines with the Government now seeking legal advice to recover the $12.5 million the VEDC paid Wallace International after the float failed to attract investor support.

WA (Inc.)

The controversy raging in Western Australia over that State Government's 'entrepreneurial' activities through the Western Australian Development Corporation, the State Superannuation Board, Exim and, more recently, the State Government Insurance Commission, indicates that all is not well in the West.

The Dowding Government's refusal to provide the public with the details of the deals entered into by those bodies on the rather spurious grounds of commercial confidentiality makes it difficult to determine whether the West has a strong candidate for the award. But watch this space.

NSW Audit

That government involvement in business often comes unstuck is not extraordinary when one considers how badly many government activities are run. Any one doubting this should read the report into the finances of the NSW public sector recently issued by the NSW Commission of Audit (The Curran Report).

The Report was damning in its condemnation of the management of the State's major commercial operations. Problems of overmanning, restrictive work practices and low labour productivity emerge as endemic from the Commission's findings on NSW Statutory Authorities.

The State Rail Authority (SRA), for example, has about 8 per cent of its staff on light duties. The report points out that while some of these 3,000 employees are performing useful work at a reduced capacity, many are only performing fill-in jobs or not working at all - despite receiving full pay. The net cost of this ineffective group is approximately $40 million per annum. The report concludes that: "In the end, of course, the consumer and the taxpayers, which include the Authority's own staff, are directly paying for this waste of resources."

The NSW Grain Handling Authority (GHA) is headed for financial disaster unless significant changes are made. Government pressure to proceed with the Port Kembla terminal virtually destroyed the financial structure of the GHA. Huge investments in capacity, have given the GHA very high levels of debt and lots of unused capacity that is not earning revenue. Thanks to the Port Kembla terminal, the GHA has the ability to export eight million tonnes of grain a year. But this is some five million tonnes more than the three million tonnes of grain which were produced in the current season.

The $2 billion Winner

But the SRA and GHA stories cannot rival that of the Electricity Commission of New South Wales (ELCOM), which has the poorest power station reliability and availability in Australia averaging 59 per cent. (This compares with Queensland 85 per cent and Victoria 65 per cent). According to the Curran Report, there is massive over-capacity, representing a surplus investment of some $2 billion. This figure was arrived at even after allowing a reserve margin above peak winter demand of some 45 to 50 per cent. ELCOM, by clear margin, takes the Hall of Shame award in this Review.
New Age Priest  Dominican priest, Father Matthew Fox, introduced on ABC Radio's Encounter as "one of the most influential thinkers within the English-speaking Catholic community," makes the New Testament sound as if it were written only yesterday. Christ, for example, is introduced as a "feminist": Breaking the patriarchal taboos toward women in his day, according to Father Fox, "had a lot to do with his crucifixion." Besides non-sexism, Christ, according to Father Fox, advocated "non-adultism": "He broke the taboos toward children in his day. It’s so interesting that Jesus calls on children time and time again in the gospels, but never to teach them religion," says the child-minded Fr Matt. "He doesn’t start a Sunday school for them, he brings them in to be instructors to the adults, models of what spirituality is. And I think this is very important in our time, because I believe our world and civilization are suffering from what I call adultism..." The moral here for the Church is obvious: start ordaining children as priests. Moreover, "right-wing political theology" (original sin, Saint Augustine and all that) should be ditched, says the progressive priest, and recognition given to "the sins of ecocide, biocide and geocide... (blindness) to what we’re doing to Mother Earth today - the waters and the rainforests and the sky."

New Age Sins  A congregation of teaching nuns has accused Catholic schools of elitism and of reinforcing the unequal distribution of wealth in Australia. "We started developing this competitive, upwardly mobile image for ourselves and we have gone overboard," spokesperson sister Anne told The Age. "We should be different from other schools in terms of engaging in a critique of society..." In their submission to the Church’s National Inquiry into Wealth (to which the IPA has also made a submission), the group of Brigidine Sisters also criticizes parish schools for the promotion of status symbols such as expensive uniforms. 

Brain in Neutral  Gary Stollack, a psychology professor at Michigan State University, has called for the replacement of Mother’s Day and Father’s Day with a single Care-Giver’s Day. Stollack believes that having a separate Mother’s Day and Father’s Day perpetuates the myth that each parent has a different role. Care-Giver’s Day, moreover, provides the opportunity to give recognition to all sorts of people involved in care-giving activities, including psychologists. "As far as I’m concerned," says Stollack, "parenting, in a biological sense, ends when the sperm hits the egg."

Not the Money  In early July, public transport workers in Victoria went on a week-long strike in support of a six per cent rise in wages in the National Wage Case rather than the five-and-a-half per cent rise proposed by the Commonwealth Government. Calculations show that the strike cost transport workers about $500 in pay and that, even if the strike had succeeded, it would take about 250 weeks or five years to make up for the lost pay. When this arithmetic was presented by The Age to Gary Main, Assistant State Secretary of the Electrical Trades Union, he replied: "In terms of economics, you can’t win. But working people don’t gauge it in economic terms. They gauge it in terms of conscience and principle and that can’t be quantified in dollar terms. If we didn’t struggle over years of history, we’d still have kids in coal mines, a 12 year-old working 16 hours a day."

Advice on Vice  La Trobe University has appointed a board of seven Anti-Sexual Harassment Advisers. This is in addition to 17 Anti-Sexual Harassment Contact Persons. Bureaucracy is not exclusively a patriarchal creation.

Drone’s Life  Senator Button has revealed the existence of a man who will probably rate as Australia’s worst bludger. Every morning for 20 years the man, who is a wharfie, has been arriving to work by taxi, clocking in, and then going home in the same taxi without doing a stroke of work. At the end of every week he has collected the wages of a wharfie. "And nobody noticed!" says Senator Button. "Now that seems to suggest some-
thing to me about workforce attitudes and it also suggests something to me about management." (The Australian)

One for the Road A person who voluntarily travels in a car with a driver who is drunk does so at his own risk and is not entitled to damages should the car be involved in an accident; except, according to a recent judgment of the ACT Supreme Court, if he, the passenger, is too drunk to recognize that the driver is also drunk. A passenger in such a situation has been awarded close to $100,000 as a result of the judgment. The tab will be picked up by other (sober) drivers.

Politics of the Warm Inner Glow Apparently afraid that the South African Government is getting too good a press in the Western media, the Canadian Government has mounted a tax-funded television and newspaper advertising campaign to persuade Canadians that they can help end apartheid in South Africa. The television advertisement, it was reported in the Sydney Morning Herald, called on Canadians to place candles in their windows during the recent Commonwealth Ministers' meeting as a symbolic protest against the oppression of blacks in South Africa. Observers are waiting patiently for the effect of this on South Africa. They may have a long wait.

Church Division An advertisement in Church and Nation reads "The Division of Social Justice has for some time been providing support for Homosexual people. We are interested to hear from other gay people in the Uniting Church in order to widen the network of support."

I'll Cry if I Want to The very idea of a Bicentennial celebration continues to arouse much posturing and self-flagellation on the left. Julie Marcus, an oppressed lecturer in anthropology at the Research Centre for Women's Studies at the University of Adelaide, sees the Bicentenary as recreating all the chauvinism, sexism and racism that characterize our past. It marks "a new height of indifference towards racism in history and racism now," she writes in Anthropology Today. Boris Frankel, a University of NSW academic, feels similarly victimized (or ignored?): "As someone who was born in Australia - but never accepted as an Australian because my name is not Dick, Tom or Harry - I am fully aware of this society's pervasive racism, anti-semitism and suffocating cultural cringe." But I think Verity Burgmann in the Marxist journal Arena says it best: "The problem with the bicentenary...is not merely that it celebrates the dispossession of the Aborigines, it is also the very fact of its being a national celebration."

Fifth Corner Regular viewers of the ABC's Four Corners, will be interested to learn that former reporter Chris Masters, in the ABC's own magazine, Listener, has revealed the existence of "a small, irritatingly influential, corner of the unit which knows more about failed Marxist dogma than it knows about journalism."

Someone to Blame Professor Giovanni Carsaniga, Chairperson of the Institute for Immigration and Ethnic Studies at La Trobe University, while rightly criticizing the extreme views of Nancy Wake-Forward regarding Vietnamese immigrants, ends a letter to The Age with a sideswipe at Australians: "If, however, some Vietnamese are better than other Australian residents at violent crimes, the blame must also rest with those French, American and even Australian invaders of their country who for the best part of 30 years trained them to kill their fellow countrymen in one of the most useless and murderous of all post-colonial wars." Professor Carsaniga, it seems, wants to replace the myth of the 'Asian invasion' with the myth of the 'Australian invasion.'
The Bulletin brings it all to you — with surprises
DEFENDING AUSTRALIA

Harry Gelber

Future Points to ‘Amerippon’

The conduct of foreign relations is, for most people, a fairly mysterious business. It deals in nuances, rarely the kind of dramatic, black versus white issues beloved by the media. It involves other cultures, languages, peoples, whom we cannot control but, at best, influence or cajole. It is not manageable in terms of the interest-group and sometimes confrontationist politics which seem the norm at home. And, not least, it must take account of long-term, often obscure or half-developed possibilities which tend to irritate pragmatists accustomed to dealing in ‘hard evidence’. Wider understanding of these often subtle matters is further hindered by such things as the fluctuations of domestic political passions and fashions, and the simple fact that there is no Australian TV current affairs program, on any channel, which can claim to be reliable, balanced and solidly informative.

One result is that views about international politics take a long time to reach the status of conventional wisdom, are almost always over-simplified and out of date by the time they do, and are then difficult to amend or dislodge. Take, for example, the almost universally-accepted view that Australia’s political and economic future lies in closer alignment with South-East Asia and the so-called New Industrial Countries (NICs) of the ‘Western Pacific’, which have experienced rapid economic growth in recent years. The implications of these views are far-reaching. The last decade and a half has seen a large-scale and in some respects fundamental restructuring of the United States’ economy. That economy is showing great strength and vitality and remains one of the two most important bases for the development of those very NICs whose growth we admire. It is a flywheel for Western Pacific (and other) developments in at least three respects. It is, by a long way, the single most important source of new technologies. It is incomparably the largest and most varied market, and one of quite vital importance to the production and export patterns of the NICs. And it is one of the most important sources of, and targets for, investment flows, as well as the single most important element in the movement of world currencies.

Arguably the most important developments in the Pacific region in the current period are two. One is the increasingly close political and economic relationship between Japan and the United States, which has caused some US observers to speak of ‘Japerica’ or ‘Amerippon’. It would be premature to call the relationship indissoluble. But it is beyond question that the costs of serious damage, let alone disruption, to it - costs to both partners - would be vast and are growing by the month. It is no longer possible to assess Japan’s financial position, or structure, without taking into account Japan’s dependence upon the US market or US financial and other assets. No more can the US position be sensibly assessed without taking the position, and policies, of Japan into account. In spite of some serious tensions, and dangerous protectionist pressures, trade and other connections between them are becoming more complex and binding. Moreover, it is doubtful whether the traditional ‘markers’ for assessing balance of trade and payments questions remain appropriate and therefore also whether the conventional view of US balance of payments problems or US-Japanese economic relations any longer makes sense. As Robert Reich pointed out in the May issue of The Atlantic, in 1985 some 40 per cent of Japan’s payments surplus with the US was due to US-controlled corporations buying or producing things in Japan to be sold in the US market under US brand names. Some 30 per cent of Taiwan’s trade imbalance with the US similarly depends upon US corporations buying or manufacturing in Taiwan for the US market. South Korean growth depends upon the US in quite similar ways.

But the matter goes much further than the...
The willingness of American individuals and corporations to buy goods and services produced abroad. There are increasingly clear indications that US-Japanese interdependence goes well beyond matters of trade or finance. The Japanese argue, with great force, that their investments in US assets, not least in great quantities of US Treasury Bonds, amount to a major Japanese contribution to the US defence effort which, but for that contribution, the US would not be able to afford. Obviously it is very much in Japan's interests to make such a contribution, since any general weakening of US defence efforts would also mean a weakening of the US position in the Pacific which Japan would find it politically difficult and perhaps impossible to replace. There are serious discussions on the possibility of co-ordinated, if not joint, US-Japanese development programs for Central and South America and South-East Asia. Japan has allowed it to be understood that if US-Philippine negotiations about continued US access to the strategic bases of Clark Field and Subic Bay were to stall for want of money, Japanese funds might be available to make up the difference.

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**a Japanese-American economic and to some extent strategic ‘unit’...will be incomparably the most powerful player in world politics**

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The time may, indeed, have come when it is of considerable interest to consider the economic and military efforts of Japan and the US jointly rather than separately. It might well be found that if Japan's defence effort of slightly more than one per cent of GDP and the US effort of approximately 6.5 per cent of GDP were considered jointly - a form of analysis which, while as yet politically unrealistic, would be instructive in general resource allocation terms - then ‘Amerippon’ would be found to be spending something like four per cent of the joint GDP. Questions of burden-sharing, whether between Japan and the US or between ‘Amerippon’ and others, might have to be reconsidered.

If we are indeed seeing the de facto formation of a Japanese-American economic and to some extent strategic ‘unit’, that will be incomparably the most powerful economic, technical and strategic player in world politics and one which could set the conditions under which most other units or entities, whether States or others, operate. But even that sketch may be inadequate. For the ties of sentiment as well as political and economic interest which bind the Atlantic community are no more likely to disappear than the pressures creating an ‘Amerippon’. If a united Western Europe does emerge after 1990/92, the economic and political world may come to be dominated by tripartite arrangements between Japan, the US and Europe.

The other major development is the way in which shifts in production and trade, and the development of assets in a number of sovereignties, are creating divergences between the fates of corporations and those of national economies in ways which render somewhat misleading the familiar emphasis on national balances of payments or concepts of national debtor or creditor status. In recent times the US polity - and, indeed, other countries - have become increasingly concerned about the international effects of Japan's massive and continuing payments surpluses, which have resulted, inter alia, in Japan becoming the world's largest creditor nation. Equal concern has been expressed about the US payments deficit and the corresponding import of foreign, especially Japanese, money.

But the ways in which Japan and the US are coping with these difficulties appear to include the following. The decline of the dollar, accepted and even orchestrated by US authorities, has given a great and increasingly visible stimulus to America's restructured economy to export. Japan has made significant investments in the US, partly in manufacturing facilities whose sales within the US will no longer rank as imports from Japan and whose exports to Japan will strengthen the official US balance of payments. Either way, they will yield handsome and continuing profits for the Japanese corporations concerned, and hence surpluses available for further investment, just as US investments in Europe in recent decades have done for US corporations. At the same time Japan has begun to move manufacturing facilities offshore, to Taiwan, South Korea and ASEAN, many of whose products will go back to Japan to support a rising Japanese standard of living, ranking in the process as Japanese imports. These Japanese overseas ventures will therefore, at one and the same time, cater to foreign complaints by diminishing official Japanese payments surpluses, increase the real earnings of Japanese corporations and their ability to invest further, and increase as well as diversify those corporations' share both of international markets and of economic assets. Something rather similar seems to have happened with continuing US external investments and a consequent increase in overseas earnings by Americans. The picture, then, is one of a pattern in which the real wealth of both Japanese and Americans can be increased while, at the same time, the apparent national imbalances of payments and debt conditions are being 'put right'.

(Continued on page 57)
Why West German Schools Are In Front

Jim Carlton

Schools in Hamburg, West Germany, resisted many of the so-called progressive reforms which swept through Western education in the 1970s and, as a consequence, now find themselves well ahead.

Recently I visited the United States and England to see what was going on in schools. Over the last few years a fierce debate has been raging in both countries over the content and standards of teaching in primary and secondary schools. In what amounts to a massive consumer revolt, parents have expressed their dismay over the failure of their children to read, write and do their sums as well as they believe they should. Concern has also been expressed over the lack of general knowledge students possess, and over the abandonment of the formal teaching of grammar and spelling. In addition parents complain about the replacement of commonly-accepted value systems (broadly in line with Judaeo-Christian ethics) with the new 'moral relativism', where one set of values is taken to be as good as another.

Parents in both countries discovered that, usually without their knowledge or prior approval, educational 'progressives' had changed school education radically, and at the same time removed most of the means of assessment of students or teachers that enabled the world outside schools to measure the effectiveness of schooling. As is often the case Australia adopted the so-called reforms begun elsewhere. Australian parents are just beginning to wake up to what has happened to them, and are beginning to demand action along the lines already taken in the US and England. The new Liberal Government in NSW has recognized the problem, and has already begun the difficult and controversial process of correction.

The school standards debate in the US and the UK was given a powerful boost by cross-country comparisons showing American and English students performing poorly compared with their West German counterparts. Curious about the reasons for this disparity I visited the City-State of Hamburg to talk with educators and visit schools. The reasons for the superior performance of the Germans were easy to see. Educational theory has not displaced common sense. German schooling is still for the most part selective. The Germans still have compulsory curriculum requirements. They still test performance at each level of schooling and report to parents on their children's progress in understandable terms. They still teach spelling and grammar and promote community-accepted values. And they still have inspectors of schools to assess teacher performance and recommend remedial action.

It was an eye opener to visit a Gymnasium (grammar school) in Hamburg and observe a class of 14-15 year-olds doing a Geography lesson on Australia in English. I was deluged afterwards with questions about the outback, kangaroos and 'bunnies'. In another Gymnasium a class of 18 year-olds discussed an Alan Sillitoe short story with a command both of English and literary expression that was impressive. The taxpayers of Hamburg can send their children to public schools and get a standard of teaching and discipline that Australian and English parents have come to believe they can get only by sending their children to one of the best private schools. The old Fort Street and Perth Modern School still survive in Germany.

Depth of Scholarship

Of just over 60 Gymnasien (selective grammar schools) in Hamburg, there are four (called 'Altspreche') that require compulsory Greek and Latin. Thus some 2,500 students in a city smaller than Sydney learn Latin and Greek through to the final year 13 of high school. Whether one values the study of Latin and Greek or not, the sheer availability of these subjects on such a scale in the government school system gives some indication of the breadth and depth of scholarship.

Lest it be thought that the Germans cater only for the intellectually-gifted (some 40 per cent of students in the secondary school age group enter a Gymnasium) I will describe the school system in more detail shortly. However, it is noteworthy that the comprehensive school

The Hon. Jim Carlton MP is the Federal Member for MacKellar and Shadow Minister for Education.
system that was imposed on English and Australian students by the educational progressives has fallen flat on its face in Germany. Many German Laender (States) offered parents a choice between selective schooling and the comprehensive. After many years of such choice only five per cent of high school students now choose the comprehensive. The egalitarians in Germany still argue in favour of the comprehensive, but unlike their counterparts in England and Australia they have had to run the gauntlet of parent choice, and they have failed.

School Structure

In Germany schooling is compulsory to the age of 15 (16 in some Laender). In addition all adolescents up to the age of 18 who do not finish their full-time schooling must attend a vocational school on one or two days a week as part of their training within the ‘dual system’ of on-the-job and vocational school training.

Almost 80 per cent of West German children attend kindergarten between the ages of three and five before beginning compulsory primary schooling at a Grundschule at the age of six. At the age of 10 most parents and children have to make a choice of high school, although there are provisions in most Laender for this choice to be varied at the age of 13 if the child’s interests or ability develop over the intervening period. About 40 per cent of 13 year-olds are in Gymnasien which take them through to age 19 (year 13) to sit for the Abitur, the university entrance examination. A compulsory broad curriculum right through to year 13 ensures that all students share a common background of knowledge across a broad spectrum. The ‘cultural literacy’ debate in the United States, where fragmented curricula have reduced the general level of communication among supposedly educated people, has not been necessary in Germany.

Students not wishing to pursue a university course can choose either an Intermediate High school, catering for 25 per cent of students and leading to a senior technical school or the dual system at age 17, or a junior high school which caters for 30 per cent of students and completes compulsory school education at the age of 15 or 16. Most junior high and intermediate school leavers, but also a growing number of students with university entrance qualifications, enter the ‘dual system’ of training on the job and at a vocational school, or full-time training at specialized vocational schools. About 74 per cent of any given year group will be engaged in the dual system in courses normally lasting three years.

Besides the universities there is a variety of other institutions at the tertiary level catering for students with differing levels of ability and interest. Chief among these are the polytechnics, to which entrance is usually obtained at the end of year 12 in the senior technical school. For those without entry qualifications for university or polytechnic via the normal route, there are other means of qualifying, e.g. through evening college, called ‘the second route’.

The advantage of the German education system it would seem is that it has preserved the best of the old order, modifying it where desirable, but not forcing the whole system along the path of educational fashion. No system of education will suit everyone, but there seem to be both multiple choices and alternative routes as a safeguard against excessive formality.

The taxpayers of Hamburg can send their children to public schools and get a standard of teaching and discipline that Australian and English parents have come to believe they can get only by sending their children to one of the best private schools.

The Germans have a reputation for orderliness, which some critics would describe as regimentation. My school visits in Hamburg did not give me an impression of excessive discipline or regimentation. The students do not wear uniforms, and at least in the classrooms I visited behaved as naturally with their teachers as our students do in well-conducted classrooms in Australia. As we know from the student disturbances of the 1960s, disorder can occur in Germany as it does anywhere else.

I asked what happened to the drop-outs, and was taken to an institute for the training of the unemployed. Here students of various ages (up to the mid-thirties) were taught basic literacy and numeracy and also practical skills (such as elementary electronics). Most participants here were immigrants with language difficulties or long-term unemployed with psychological problems. They were being taught by specially selected teachers assisted by social workers. The institute was an expensive operation with a high staff-student ratio. It represented a strong social commitment on the part of the Land Government to try to ensure that no-one was left on the scrap-heap.
The Politics of Multicultural Funding

Stephen J. Rimmer

In search of the elusive "ethnic vote" governments have created a multicultural industry of unclear goals and dubious social value.

The allocation of funds to the nation's growing ethnic groups and for multicultural purposes generally has not been properly supervised and controlled. This has led to the duplication of grants to some ethnic groups while others go without. It has also become apparent that within ethnic groups, often large and loosely knit, those who are better educated, or persons who have been in Australia long enough to learn how the bureaucracy works, often get an undue share of available money at the expense of those in real need.

At the present time there is no generally accepted definition of either the concept of multiculturalism or of a multicultural program. Government expenditure on specific ethnic groups in Australia originated in the 1950s when, for example, ethnic nursing homes were funded. However, large-scale funding to support ethnic groups and to promote the policy of multiculturalism only occurred after the Galbally Report in 1978 which recommended that expenditure in this area be increased significantly. Since that time funding has occurred in a number of ways without either clear definitions or uniform methods of assessing the success or otherwise of multicultural funding.

Reasons for Funding

Ethnic grants are provided by governments for a number of reasons. By and large governments consider members of non-English speaking ethnic groups to be more disadvantaged than English speaking migrants and believe that grants can help redress this disadvantage. Thus non-English speaking ethnic groups are targeted for tens of millions of dollars annually while English speaking migrants receive little or no funding at all.

Governments argue that grants can be used to establish self-help groups and thus reduce the need for a large welfare bureaucracy. However, one could argue that the individuals who establish ethnic organizations to obtain funding are in reality de facto employees of government, who spend a significant portion of their time attempting to attract more public funding rather than helping those in genuine need. Such individuals, who are invariably unelected, claim to represent and indeed command various ethnic groups, yet they ultimately rely on governments rather than testing their popularity in their own communities by relying on those communities for financial support and employment. Hence, ethnic organizations often represent an unofficial arm of government.

While particular grants to ethnic welfare agencies may be worthwhile, ethnically or racially based methods of selecting groups for funding are often inefficient since they bear no relation to the variability of individuals in any one group. An ethnic community will usually include individuals who are poor and others who are wealthy, some who are literate and others who are illiterate, some who are skilled, others who are unskilled. If governments wish to aid the poor, the illiterate and the unskilled they would often do better to ignore ethnic background and target individuals on the basis of these criteria alone.

Politicians also fund ethnic groups because they believe that allocating grants to individuals who claim to represent entire ethnic groups will attract (or buy!) the so called "ethnic vote". However, no evidence exists to support the argument that the individuals who receive funding can actually command or even influence the voting patterns of ethnic Australians. Most migrants are unaware that members of their ethnic group have actually received funding and are unable to proclaim either support for or opposition to such funding, or to be influenced by those receiving funding.

Success of Funding

Most government departments and all levels of government are now involved in funding selected non-
English speaking ethnic groups. With no generally accepted definition of multiculturalism or the aims of multicultural funding it becomes difficult to ascertain if a given multicultural grant has been successful. Indeed, each funding body independently assesses the grants it allocates, with the results rarely being disclosed to the Australian public. For example, in September 1987 senior staff of the Victorian Ethnic Affairs Commission were unaware whether a grant of $15,000 in 1985-86 to the Australian Arab Educational Centre had been used properly or indeed the details of what this grant had been used for.

In such cases the Australian public can only hope that such funding does not have any adverse consequences for the nation or the ethnic groups receiving the funding and that the funds are being administered properly by the funding body and the recipient.

A number of grants have gone to radical left-wing organizations claiming to represent entire and diverse ethnic groups. For example, the Victorian Ethnic Affairs Commission in 1985-86 allocated $10,000 to the Trade Union Migrant Workers' Centre and $15,000 to the Union of Turkish Workers. Such organizations benefit political rather than ethnic causes, which in the case of the Union of Turkish Workers, for example, are unlikely to represent the views of the majority of Turkish-Australian workers. It is doubtful whether the left-wing Italian organization FILEF has the support of many in the Italian community and yet FILEF manages to obtain tens of thousands of dollars annually from governments.

Funding Dilemmas and Awareness

At present no formal mechanism exists for an exchange of information between the numerous funding bodies with each essentially operating independently of the others. Thus the extent and direction of funding is not known by governments, ethnic groups or the general public. This deficiency was highlighted by the Advisory Council for Intergovernment Relations, Report 10, 1986, which stated that:

"... at present there are major deficiencies within all spheres of government in the methods of recording direct and indirect expenditures related to the provision of services to immigrants... Research also failed to discover any attempt by governments to develop a methodology for estimating the expenditures associated with providing direct and indirect services to immigrants."

It is, therefore, no surprise that with little communication or accountability multicultural funding over the last decade has given rise to massive duplication in the allocation of grants.

Often dozens of departments and municipalities fund similar or identical activities. For example, ethnic and multicultural arts are funded from a large number of sources. In Victoria between 1984 and 1986 examples of funding sources and grants to ethnic groups include:

- Community Employment Program, $37,646 for the multicultural Footscray Community Arts Centre;
- Australia Council, $9,000 to FILEF for an "artist in residence";
- Ethnic Affairs Commission, $2,000 for a Latin American festival;
- Local Government Department $44,600 to four municipalities for ethnic arts;
- Ministry for the Arts, $25,000 for an Italian arts festival;
- City of Oakleigh, $21,000 for multicultural festivals and fiestas;
- City of Broadmeadows, $12,000 for the Malta Gozo Band.

These examples give an idea of the range of government bodies funding ethnic and multicultural arts. As there is no communication between funding bodies there is no real accountability, because each body is unaware who else is funding certain ethnic groups and which groups are obtaining funding and which groups are not. With a multitude of funding sources available highly-organized and well-resourced ethnic groups and multicultural projects have been able to obtain grants easily. The Footscray Community Arts Centre was upgraded in 1986 specifically for multicultural arts and as a result received funding from 19 different Federal and State Government sources. Arab women's groups in the City of Brunswick (in Melbourne) have been able to attract a series of grants, with each grant facilitating further funding. For example, between 1984 and 1986 a significant portion of a $10,000 Department of Community Services grant went to Arab women's groups. The Brunswick City Council allocated $2,000 to assist with operating expenses. The Department of Sport and Recreation allocated $600 to pay for the establishment of an Arab women's handicraft association. The Australia Council allocated $1,465 to assist the handicraft association hold a craft exhibition.

Highly-organized groups, usually consisting of the better educated and those who have been longest in the country, are therefore able to take advantage of the numerous funding sources, recalling the saying "money attracts money". Less-organized and articulate groups are less successful simply because they are unaware of

(Continued on page 36)
The Nation Devalued
Ken Baker

South Africa is a nation in which ethnic divisions are so deep that any workable shift towards democratic government there will have to involve constitutional protection of minority group rights. The South African Government thinks in terms of group rights rather than individual rights, and this reflects the reality of a society in which ethnic loyalties are stronger than loyalty to the nation.

The culprits are the radical multiculturalists and the predominantly Anglo-Celtic intellectuals who have built careers on disparaging Australia's cultural identity and, in particular, the British heritage.

Australia, fortunately, has not reached this situation, but certain trends, propelled by governments, are pointing us in that direction.

The first of these trends is in Aboriginal affairs. The setting aside of large tracts of land, particularly in the Northern Territory, in the name of land rights, the hoisting of the Aboriginal flag, and now the promise of a treaty give almost de facto status to a separate Aboriginal nation.

The second trend relates to multiculturalism in its more radical formulation. On the whole, immigration in Australia has worked well and enriched our society. It has worked well because of an implicit contract. This contract requires that those who come to live in Australia, regardless of origin, exchange past national loyalties for a primary allegiance to Australia. In return they are entitled to expect to be accepted as equal citizens and to enjoy the privileges and freedoms of an Australian citizen.

This contract is being undermined. Its viability depended on a sense of security and confidence among older Australians, a sense which is eroding. Migrants, especially Asian migrants, are a scapegoat for this insecurity because they are visibly different, but the real culprits are elsewhere. The culprits are the radical multiculturalists and the predominantly Anglo-Celtic intellectuals who have built careers on disparaging the Australian identity and, in particular, the British heritage. The Guilt Industry, which attacks the legitimacy of Australia's foundations, and to which the Federal Government has contributed (described in the May-July IPA Review), is indicative. Older Australians rightly feel that loyalty to the nation and its institutions has been devalued. They would be more tolerant of newcomers if the government and the "cultural establishment" showed themselves more willing to assert the authority of Australia's heritage and its symbols - citizenship, the flag, the Constitution, a core curriculum in schools imparting an appreciation of this heritage.

Principle Overturned

A second way in which multiculturalism has undermined the "immigration contract" is that it has persuaded governments to throw away the liberal principle that the key public institutions - political, legal, cultural - should be blind to racial and ethnic differences in the population, treating all as having equal duties and equal rights. Stephen Rimmer's article explains some of the ways in which this has happened with the creation of a multicultural industry, staffed, in the words of Labor parliamentarian, Dr Dick Klugman, by "professional ethnics". If public grants, whether for the arts, welfare or education, were given on the basis of merit and not on that of the ethnic origin of the applicant this would go a long way towards closing down this divisive, taxpayer-funded industry.

The argument for national unity should not be confused with one for imposed uniformity, whether of creed or cuisine, and certainly not for racial intolerance. If multiculturalism were simply a means of encouraging tolerance (and to some this is all it means) it would be a benign policy. In fact, by reinforcing ethnic divisions it is more likely to create conflict. What is often forgotten by the supporters of radical multiculturalism is that the individualism, freedom and tolerance that generate a creative cultural diversity are characteristics of the British heritage which they so disparage. The cost of weakening this heritage in the name of multiculturalism may well be to weaken our freedom and tolerance. Few other cultures, if any, have traditions as liberal as ours.

The end point of radical multiculturalism, as of Aboriginal separatism, is the locking out of people from the opportunities and privileges available to those who participate in the Australian mainstream economy and society.

Dr Ken Baker is Research Fellow at the IPA and editor of IPA Review.
where and how to obtain funds.

Recipients of funding often spend most of their time attracting more government funding rather than assisting those in real need. Unmet "needs" are often discovered and are then used to justify claims for more funding. New "needs" must continually be discovered to justify continued funding, leading - as in other parts of the welfare state - to the development of what has been called a "grievance industry". A paradox results since recipients of funds must be careful not to provide services which fully meet the needs of their clients, since to do so would deprive them of the grounds to claim further government funding.

**Reasons for Duplication**

The reasons for duplication are many. There exists no clear definition of multiculturalism. This makes the allocation of grants in this area difficult to trace because one cannot distinguish between multicultural and non-multicultural grants. In many ways such duplication is a product of the welfare state: duplication exists in many areas of government activity and not just the multicultural area.

The development and expansion of official and unofficial ethnic bureaucracies complicates the situation. Informal links often exist between ethnic bureaucracies, but information exchanged tends to highlight the need to continue to expand services to migrants, further increasing expenditure in this area. To some politicians and bureaucrats it appears that co-ordination does exist. This is not the case as such links are not sufficiently comprehensive to highlight the extent of duplication.

Funding ethnic groups has taken on a "sacred cow" status. Criticisms of aspects of such funding is usually portrayed as racist. Bureaucracies are able to expand services in this area with little or no criticism. Involvement in funding multicultural areas ensures that the funding body can continue to expand and justify its programs with a minimum of scrutiny. As such there is a large degree of competition between government bodies which has compounded the duplication problem.

**Recommendations**

If the public funding of multiculturalism is to continue, reduction of duplication will require the development of clear definitions of the aims of such funding and the nature of a multicultural program. The development of such definitions are essential to enable governments to determine how much is being spent in the area, and to allow for criteria to be developed to ascertain the efficacy of funding.

The recommendations of the Australian Council for Intergovernment Relations, that the extent of funding in this area must be determined and coordinated, should be implemented. Formal mechanisms for the coordination of grants in this area should be established, in order to reduce duplication and allow for an informed public debate on aspects of funding.

A single funding body should be established to handle non-welfare grants used to promote the policy of multiculturalism. This would ensure equal access for all ethnic groups. Also the public clearly has the right to know how much public money is being used to promote the policy.

Multicultural funding some 10 years after the Galbally Report has grown into a significant component of total government outlays involving billions of dollars of public expenditure directed toward ends of doubtful social value.

In the long-term, governments should reconsider using ethnic or racial categories to classify individuals. Such categorization has a dubious rationale in matters of funding and can reinforce ethnic stereotypes which ultimately increase divisions in the Australian community. It can also exacerbate divisions within ethnic communities as the organization representing one faction is funded, perhaps innocently, rather than the organization representing an opposing faction. Most ethnic organizations would do better to appeal directly to communities for voluntary support. Welfare grants should be allocated to individuals rather than to entire groups, so that funds can be directed to those persons in real need. This would help to stop wasteful middle-class welfare.
A survey of media opinion.

If nothing else, over the last three months Federal Opposition leader, John Howard and Shadow Health Minister, Wilson Tuckey, have disproved the claim that among journalists nothing is sacred. Five of the major issues of the last three months and the editorial opinions of the quality press are set out on the chart overleaf. The extent of agreement among editorialists suggests, at least on these issues, the working of a shared ideology, one somewhat at odds with majority opinion. By promising to tear up an Aboriginal treaty, raising the question of "unnatural practices" in relation to AIDS, challenging multicultural policy with the concept of "one Australia" and suggesting a reduction in Asian immigration, John Howard and Wilson Tuckey have broken modern taboos powerful enough to have kept such awkward questions more or less out of the quality press up till now. For Mr Howard, more used to debating balanced budgets and trade deficits, the strength of feeling aroused by his straying onto the terrain of culture must have been something of a shock.

"When should a democratic leader represent the majority views of the electorate and when should he lead by trying to persuade the electorate?" The press view tended to be that John Howard (on the treaty and immigration) and Wilson Tuckey (on AIDS) should not, in the words of the Melbourne Herald, have been "pandering to primal instincts": that to do so was the triumph of opportunism over principle. Few acknowledged that there might have been competing principles at stake. To the equally legitimate question "When is debate over public policy healthy in a democracy and when is it divisive?" the press by and large answered that John Howard and Shadow Health Minister, Wilson Tuckey, were divisive: "to even raise the subject of the acceptability of certain groups of immigrants is to encourage the exhibition of incipient racism," concluded the Financial Review.

"Shooting the messenger" is something which journalists frequently complain is done to them by politicians who find the truth unpalatable. When Wilson Tuckey dared broach the subject of "unnatural practices" at an AIDS conference in Hobart, he was roundly condemned by the quality press who judged his remarks variously as "tactless", "insensitive", "misleading", "lacking compassion", "divisive", "prejudiced", "counter-productive", "hysterical"... But was he correct? Well, yes, some editorialists and commentators - having shot the messenger for his bad manners in having raised unpalatable truths - had to acknowledge that, after all, there was a core of truth to Tuckey's remarks. This view was later reinforced when it was discovered that the remarks were in part lifted from an official NACAIDS publication. (The "new morality" severs the connection between nature and sexuality, whether in relation to male/female behavioural differences, sexual proclivities, or even reproduction. "Unnatural" is thus seen as an obsolete concept.)

A critical comment about political journalists over this period (not covered in the chart) is warranted. Because they spend much of their time observing politicians, press gallery journalists develop a similar way of thinking about the world to politicians. Like party strategists, they tend to be preoccupied by how an issue is handled, the way it reflects on a leader, factional battles, electoral implications and "damage control". Now all these questions are interesting and important. But they are peripheral to the substance of the issue itself - the arguments for and against it. Because the cultural issues raised over the last three months broach areas long excluded from serious public debate, the arguments surrounding them and the meaning of key terms - such as multiculturalism - remain confused. Politicians were at fault here too, but political journalists, on the whole failed to do much to remedy the situation. What is the point in minutely dissecting statements of politicians for implied meanings, as was done over recent months, if the basic terms of the debate are unclear?

Using authorities to sell one's own product is an old advertising strategy. Journalists do it too. Peter Rees in the West Australian, for example, claimed in connection with the proposal of Bill Hayden for Governor-General, that "despite the furore generated by the opposition in the past few weeks over his likely appointment, nobody in Parliament House is in any doubt that he will do the job competently." Nobody? To "substantiate" his claim, Rees managed to dig up West Australian Labor Senator, Michael Beahan, and former WA Liberal Senator, Reg Withers - hardly a statistically reliable opinion sample.

Media commentator, Sam Lipski, has long said that journalists ought to be more open about their opinions so that we can take them into account when reading their commentaries. In future issues of the Review "Press Index" will attempt to record these opinions.

Ken Baker
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<td>Wrong to appoint a practising politician, although Hayden is well-qualified for the job</td>
<td>&quot;The policy of multiculturalism has been allowed to fall into disrepute.&quot;</td>
<td>&quot;The statistical projections on Asian immigration are no cause for alarm, nor is the fear of Asians as a potentially disruptive force to our social cohesion.&quot;</td>
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<td>As an active politician and republican, Hayden is ill-suited.</td>
<td>&quot;Moving perilously close to a kind of jingoistic racism, [Mr Howard] declared his belief in ‘the concept of one Australia’.&quot;</td>
<td>Mr Howard’s &quot;views will undoubtedly find support in the opinion polls until people sample the division and hatred they foster.&quot;</td>
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<td>Though a decent man and a good politician, Hayden lacks the independence necessary for the role.</td>
<td>&quot;a policy which has served Australia well.&quot;</td>
<td>&quot;Mr Howard should reject Senator Stone's demand for blatant discrimination.&quot;</td>
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<td>&quot;The only objection is that he is a politician.&quot;</td>
<td>&quot;erroneously come to be seen as a form of social engineering that promotes division and promotes ethnic identities at the expense of the broader Australian identity.&quot;</td>
<td>&quot;no reason to believe that the Asian immigrants at present settled in Australia have been anything but beneficial...or to [reduce the] rate of intake.&quot;</td>
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<td>Hayden’s republicanism will move Australia &quot;towards a more relevant and generally workable system.&quot;</td>
<td>&quot;Although Hayden has given ‘model service’, the position should be above partisan politics.&quot;</td>
<td>Immigration policy based on race would &quot;move Australia into a maelstrom of division, hatred and international condemnation.&quot;</td>
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<td>&quot;Although Hayden has given ‘model service’, the position should be above partisan politics.&quot;</td>
<td>&quot;...in insisting on a commitment by all migrants to primary loyalty to Australia and the values for which it stands, [Mr Howard] is surely on unassailable ground.&quot;</td>
<td>&quot;to restrict the inflow of such people will not serve Australia's long-term interests.&quot;</td>
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<td>Hayden has &quot;unequivocally established his allegiance to the Crown and to the nation,&quot; and thus should accept the post.</td>
<td>&quot;Australia has always been a multicultural society and has benefited from it.&quot;</td>
<td>&quot;anti-Asian feelings...will not be unleashed by responsible government policies...[but] by failure to monitor community capacity to absorb new migrants.&quot;</td>
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<td>&quot;...there is no doubt as to Mr Hayden's ability to fulfill the role of Governor-General...&quot;</td>
<td>&quot;...a tragedy for Australia...if the immigration debate descended to this level [of race].&quot;</td>
<td>&quot;...a tragedy for Australia...if the immigration debate descended to this level [of race].&quot;</td>
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<td>Office an inappropriate reward for service and inappropriate for a republican.</td>
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<td>Being a Labor politician and a republican, if kept in check, should be no bar.</td>
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<td>&quot;Asian migrants are noted for a desire to work and save and start small businesses.&quot;</td>
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Research: Nada Karadzic
LAND ACCESS RESTRICTIONS ON MINING

PRIVATE LAND IN WA AND TAS
COMMONWEALTH OWNERSHIP
ABORIGINAL LAND AND CLAIMS
CONSERVATION AND HERITAGE AREAS

23.5% RESTRICTED OR CLOSED

THREATS TO FURTHER ACCESS WILDERNESS AND WORLD HERITAGE PROPOSALS

AREAS PROPOSED FOR FUTURE RESTRICTION, 20.2%
AREAS ALREADY RESTRICTED, 23.5%
All at Sea

David Trebeck

It's cheaper to ship cars from Melbourne to Japan than from Melbourne to Tasmania. Over-regulated, union-controlled coastal shipping and waterfronts are costing Australia dearly.

A recent draft report on coastal shipping by the Industries Assistance Commission arrives at the damning conclusion that "Coastal shipping in Australia is uncompetitive and inefficient. High costs and a poor record of service have progressively reduced the industry to a position where the only goods currently shipped around the coast tend to be those for which alternative transport modes are either not available, or are not a realistic proposition." Unjustifiably, the report was savaged by Senator Ray, the Minister responsible for the waterfront area, who clearly found the implications of such a conclusion unpalatable. To understand how the industry could have reached this lamentable condition we need to understand the long history of political and union involvement in the handling and transport of goods vital to Australia's international and internal trade.

The establishment of the IAC inquiry appeared to signal a genuine determination by the Government to give substance to its 'third term' commitment to microeconomic reform. In August 1987, the Prime Minister had told the Conference of Economists at Surfers' Paradise:

"Transport services account for a high proportion of costs in many Australian industries. Past transport policy and practice have not kept costs down, and this has exacerbated the disadvantage of Australia's isolation and our dispersed population. Accordingly, one of the major items on the agenda of this term of government is a sweeping reform of the nation's infrastructure."

Since then, not only has the IAC presented its draft report, but the Interstate Commission has commenced an inquiry into Waterfront Strategy and the Royal Commission into Grain Handling, Transport and Storage has now reported.

The commissioning of these reports acknowledged that the heavy regulation of the transport industry, most importantly through barriers to entry, and the wide range of government subsidies of infrastructure, government services, operators and users has not worked. Such regulation was perceived as necessary to prevent or offset market failure thought likely to occur in a less regulated environment. With information flows inhibited, it was thought that monopoly would arise and the legal system would be too cumbersome to allow adequate protection of individual rights.

Over the past decade or so, however, this idealistic view of regulation has been mugged by the reality of numerous examples where regulation has exacerbated rather than improved underlying problems. While there may occasionally be market failure, the costs of government failure have generally been far greater than those that would have arisen in the private sector.

In practice, regulation has usually been unduly oriented towards the interests of existing producers and their employees and the interests of consumers have scarcely received a look-in. Very favourable terms and conditions of employment, involving overmanning, inefficient work practices, over-generous superannuation schemes and so on have been rife. 'Standards' have been created which are ludicrous in comparison with what is sustainable in Australian industry generally or in shipping industries in comparable developed countries overseas.

In the light of this experience, contestability theory has gained considerable and increasing favour as being relevant to the transport industry. This theory suggests that, provided entry is unrestricted and exit is costless, the potential for competition remains high. Accordingly, incumbent firms, even if comparatively few in number, will behave in precisely the same efficient manner as they would if actually competing with many other firms.

Coastal Shipping

The principal regulatory agent for coastal shipping in Australia has been the Navigation Act of 1912. Through this Act, licences to operate on the Australian
cost to ship newsprint from Hobart to Japan is less than from Hobart to Brisbane;
- CRA has stated that it is less expensive to ship primary aluminum from Tasmania to a variety of Asian ports than to Sydney;
- the cost of shipping milk powder from Tasmania to Taiwan is $72 per tonne, compared with $82 per tonne from Tasmania to Melbourne;
- the relative freight costs for shipping clinker cement to Darwin are $12 per tonne from Japan, $20 per tonne from Adelaide;
- Australia is a low-cost producer of salt, selling successfully in Pacific Basin countries in competition with Mexico and other countries; when it comes to domestic salt sales, it can be cheaper for users to import salt from Mexico because of the high costs involved in shipping the product around the coast;
- Ford found that freight charges for motor vehicles from Melbourne to Tasmania were 5 per cent less than from Melbourne to San Francisco; for GMH, freight costs from Melbourne to Japan were two-thirds those from Melbourne to Tasmania.

Trans-Tasman shipping bears many of the same hallmarks as coastal shipping. There, the trade is reserved for vessels owned and crewed by the two countries, not as a result of the Navigation Act or other legislation, but from an ‘accord’ concluded in 1974 by the respective waterfront and maritime unions. The result is, of course, the same: costs are high and service arrangements are not fully competitive.

Perhaps in all circumstances it was no wonder that the ACTU and all relevant unions decided to boycott the IAC Coastal Shipping inquiry. Where else but behind such government-imposed monopolies could such arrogance against the Australian community be perpetrated without a deafening roar of condemnation?

The Waterfront

On the waterfront, the story is much the same. There may be no Navigation Act, but there is limited competition, barriers to entry, some elements of natural monopoly, restrictive work practices, other unsavoury union practices of various types, frequent employer acquiescence and an appalling and compliant record of arbitral authorities pursuing short-term industrial peace at any price. Numerous inquiries have successfully described the problems and their effects but no solutions have been forthcoming. The most promising

2. IAC, op cit, Appendix H.
3. Submissions were eventually made by trade unions to the IAC at the draft report public hearings stage.
investigation - the Costigan Report into the Ship Painters and Dockers Union - became diverted and so the mass of very valuable - if frequently appalling - evidence it unearthed has been all but overlooked.

The latest in the inquiry line is the Interstate Commission's so-called Waterfront Strategy inquiry. No doubt its members have taken note of Senator Ray's observations directed at the IAC.

For many years, the waterfront and the waterside worker were seen as synonymous, the latter being depicted as the archetypal Australian worker - unproductive, strike-happy, overpaid and so on. Since containerization, the number of these traditional waterside workers has declined by over three-quarters. But the problems are just as bad.

Some specific instances of waterfront practices include the following:

- 'nick off' days, where members of a gang draw straws to see who can return home for the day on full pay; more sophisticated variants on the theme are published rosters and auctioning of entitlements;
- 54 foremen and supervisors are employed in Newcastle for the 186 waterside workers employed at the port;
- the 30 Waterside Workers' Federation members at Wyndham in WA average approximately eight hours work per week;
- container handling rates in Australia are typically half or less than those overseas; Australian grain terminals handle approximately 14,000 tonnes per employee per year, whereas North American terminals average 60,000-120,000 tonnes per employee per year;
- six additional painters and dockers were employed by the WA Government in 1986 when idle time by the existing 29 employees already exceeded 50 per cent; in the September 1986 quarter, idle time by painters and dockers at the Port of Fremantle was 98 per cent; the WA Government has imposed a compulsory tonnage levy on all vessels calling at the port to fund the continued existence of a painter and docker workforce in the port;
- overmanning is rife among tug operators and, as with coastal ships, there is a second crew for each tug (even though tugs do not leave their port); strict criteria for the number of tugs required per vessel are based on worst, rather than actual, weather conditions; there is excessive union interference in determining tug requirements; and excessive lead times are required to book tugs;
- waterfront employees in Devonport sought to prevent the unloading of grain from the self-discharging ANL vessel 'River Torrens' in defiance of an Arbitration Commission ruling that no waterfront workers need be employed on the vessel during unloading; the dispute, which lasted nine days, was resolved only when the Port of Devonport Authority initiated action under S45D of the Trade Practices Act;
- theft and pilferage is widespread; for example, Ford told the IAC coastal shipping inquiry that theft and damage resulting from transporting motor vehicles to Tasmania was forty times greater than when using road and rail in mainland Australia.

According to NFF's submission to the Interstate Commission Inquiry into the Waterfront Strategy, waterfront services cost 30-40 per cent more than they would under efficient operations. The primary deficiency - whether due to overmanning, restrictive work practices, industrial disputes, or high costs - is the interaction between port service providers and organized labour, where neither is subjected to effective competition.

### Grain Transport

Research by the Royal Commission into Grain Handling, Storage and Transport showed that shore-based costs associated with the export of grain amount to about $1 billion annually, or $58 per tonne, which is equivalent to around 36 per cent of the f.o.b. value of wheat. At least $3.50 tonne could be saved by abolishing restrictive work practices and disputes.4

Some examples of excessive costs or restrictive practices identified in ACIL's submission to the Royal Commission include:

- the State Rail Authority of NSW still changes the crews of its modern diesel electric locomotives at the same time and places as it did for its long-gone steam engines, that is, at the points of taking on coal and water; the result is an unnecessary reduction in the effective operational hours of trains and corresponding loss of productivity;
- train crews are paid for a seven-hour shift, even if they only have to work 1-2 hours; there is also the enormous cost of ferrying them around the country in taxis;
- cheaper and more flexible private sector port terminal and loading facilities have been opposed because they conflict with the entrenched position or future plans of the railways, bulk-handling.

4. Time lost at Newcastle through stop-work meetings alone added eight cents/tonne to the cost of grain exported through the port; industrial disputes added a further 46 cents.
authorities or the Wheat Board;

• when continuous running of grain loading facilities (that is, offsetting problems of staggered working hours, 'smokos' etc) was introduced at Sydney in May 1986, productivity rose by 35 per cent, the gain being equivalent to Newcastle's traditional grain shipments; however, because it reduced overtime worked, the unions kicked up a fuss and the policy was discontinued after only two months.

The Options for Achieving Change

There are two ways to go. The first is the gradualist approach involving inquiries, conferences, consensus and small changes at the margin. This tends to be the preferred approach of governments and bureaucrats and it has certainly been the approach adopted by the present Government. The second approach is more bold - to seek to reshape the entire framework so as to achieve major change quickly.

As for the gradualists, their benchmark is the immediate past and hence any progress might appear to be beneficial. They ignore the real benchmark, which is what our competitors are doing. For example, while our ship crewing-levels have fallen, those of our competitors have fallen further. The consensus environment around which the gradualist approach resolves is as strong as its weakest element.

Take a recent specific and delightful example. The problems of wheat shipments to New Zealand caused a 'tripartite' committee to be established comprising maritime union, Department of Transport and Wheat Board representatives, to explore options for improving the competitiveness of wheat shipments. The maritime unions consulted with their colleagues across the Tasman and reaffirmed their belief in the sanctity of the 1974 'accord'. With that, no progress was possible and the committee was disbanded. This did not stop Senator Ray writing - presumably with a straight face - that:

"the exercise has, I believe, achieved a level of awareness by all parties of the difficult and complex issues involved."

Complexity is always a hallmark of the gradualist approach. Progress can only be slow because the issues are so complex. In one of his more endearing observations, the former President of the NFF, Ian McLachlan, stated that "industrial relations in the shearing and meat industries used to be considered complex, until we simplified them somewhat."

The Way Forward

It is not sufficient to say that, just because the gradualist approach may have failed, a bolder approach will necessarily succeed. But half the battle is in simply recognizing that naked union power is the sole reason why the rorts and ripoffs are able to continue and that power is sustained only by a non-contestable market environment. A group of strongly motivated individuals, companies and/or organizations, backed by a more contestable market environment - and, where necessary, access to civil remedies under common law - could provide the strength and cohesion necessary to break the union power which currently exists. When and if a specific contest did arise, a well-informed and reasonably objective media would have no difficulty in conveying to the wider public who was on the side of the angels.

The NFF's submission to the Interstate Commission Waterfront Strategy inquiry has proposed a radical set of waterfront reforms involving a separate port authority for each port, controlled by users and operating with a commercial charter (thus, for example, eliminating cross-subsidization within or between ports); port services provided by private firms following tenders which would be judged on price and quality attributes and reassessed each two to three years (to avoid complacency); and deregulation of waterfront labour arrangements; abolition of labour pooling, and establishment of normal employment conditions including the freedom to negotiate legally binding agreements.

There are similar opportunities given careful thought and planning in the coastal and trans-Tasman shipping areas to make these activities genuinely contestable. The trans-Tasman 'accord' should be explicitly repudiated by the two Governments and overseas operators given the green light to compete. Similarly, given the flagrant abuse which has occurred over the years, the cabotage provisions should be withdrawn and the whole Navigation Act - currently hundreds of pages in length - simplified down to a handful of relevant clauses.

The beauty about the bolder approach is that, if and when success has been achieved, there will be no need for the myriad of committees and inquiries to search agonizingly for conditions under which this or that incremental change may be made. It will all happen autonomously, the competitiveness of the entire economy will improve, and we will wonder why it all took so long.
What Became of My School

Shaun Patrick Kenaelly

A former pupil returns to his old school and reflects on the turbulent years of the late 1960s and early 1970s when the winds of change swept through schools around Australia.

It is always a strange experience, I think, to return to the 'old school', no matter how many years have passed by. For me, the 'return' was on November 11th last, in order to buy a copy of Richard Myers' First in the Hills, the golden jubilee history of Upwey High School.1 At the eleventh hour I stood in the main street of Upwey as the fire brigade siren sounded for the two-minute silence; then the short, familiar walk up the hill to arrive at the school as the headmaster was finishing his Remembrance Day address over the P. A.

First lesson: I might have gone any day for my errand but had to choose this one. What drew me back? There are times when a personal quest chimes elsewhere. All over Australia, in the late 1980s, many people are seeking for the signs of stability and order, for continuity; as witness the return of crowds this year lining the Anzac Day marches.

The return, I think, arises from a determination to look again at the 'old Australia'. I call it that, although it is not so very far away from us; the Australia of the long stability lying just before the great changes erupting from the mid-1960s; changes working undiminished in the years since. Many people now understand our current position to be one of social crisis; enduring instability and the failure of values to inform citizenship. To find remedies it is necessary, firstly, to diagnose the condition correctly, and secondly, to look backward into that world now gone. What we find there, I am certain, is a stable society, small and modest maybe, but rich in values and possessed of a firm understanding of what good citizenship meant. I ought to say right now that the late 1960s and early 1970s were my time at Upwey High School and I walked away from it down the short hill, very much as I returned, on the threshold of a long, dry summer. That was a matter of weeks before the Whitlam Government was elected, leading us all into a grand debauch, soon to become a dance of death.

In retrospect, as the years passed, I came to understand that I had seen the twilight of the golden years at the school, indeed the game was pretty much up as I walked away. Richard Myers' book serves to fit a few more pieces to the puzzle, but what I find most remarkable about it is the like-insistence of its author that it was, in fact, the crucial time. Mr. Myers too has happened on the right road and it has led him well; by his account my time proved to be the years during which the old school fled and virtue with it. Furthermore, he too is concerned with what may be retrieved from the wreckage - in effect re-established - in the aftermath of a decade and a half of dissolution and despair.

Mr. Myers is a teacher at the school and this book, as I say, is a remarkable work. Given the self-destruction of Australian academic historiography, books like this one, modest and obscure, which aim to tell the story of a very small world and to tell it right, are probably worth their weight in gold. I will attempt to elaborate some leading themes, by way of a reader's response.

Certain things ought to be said about high schools. An immediate contrast can be made to the common English usage, wherein private schools are 'public'. In Australia the reverse is so. In the fortunate absence of a ruling caste the older private schools were traditionally the province of a diverse upper-middle class quite able to educate its children in the full sense of Aristotle's dicta; by which private is better because this is how the child receives the individual tutoring according to his needs. The private school, essentially self-governing and confident in its ability to establish and carry forward its traditions, acts far more readily for continuity. The same is true of denominational schools, where all children have a good first-footing and may advance, confidently, into strong corporate loyalties.

A state high school, however, is the realm of 'everybody else'. The story of the foundation, for Upwey High School in the 1930s, is the pattern holding true everywhere else. A community grows to the point where a local secondary school would be a good idea. Leading citizens' group get public opinion behind them and lobby hard. It is at times like these that a local MP proves his worth or nay. Mr. Myers reproduces a page from The Ferntree Gully News, 6 August 1937, with the headlines: "A Red Letter Day for Upwey. Beautiful New High


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IPA Review, August-October 1988
School Declared Open." And surely it was, on both counts. Thirty years later I was enrolled in one of the houses named after those far-sighted local citizens, in my case the President of the Committee and Shire Councilor, G. W. Crow. Mr. Myers nominates him as the founder, but the wider point to be made is that there were and are, men and women all over this country, not too many of them at any given time, who are prepared to stand up for the community, sit on those endless committees and lay the sure foundations for something better.

A high school reproduces, in a 'small republic', the social diversity of the wider community; a quality not so easily admitted to the older private and denominational schools. In my day the streaming into classes still held, 'commercial' for girls, 'business and accounting' for boys, the 'A' forms for that small number going through to matriculation; with the hope there that just a few would 'go on' to university. Headmasters and senior teachers worked hard for those few in earlier years and the wider community knew who they were. But still, everyone was thrown together into the same unheated classrooms, with a headmaster lobbying Spring Street to release some funds and school 'shows' held to raise money for some minor, but precious, piece of equipment like a slide-projector. Our 'beautiful high school' no less, jerry-built in parts and fielding an impossible wild-bunch of children alongside their natural enemies, an undistinguished teaching staff with the occasional bright diamond. In retrospect, I would not have traded this bedlam for the world. After all, it did hold the power to draw me back, on Remembrance Day. If the local high school holds, then Australia will hold. It is as simple, as fragile as that.

School Spirit

However, we might envy the private school for that which comes easier to it: school spirit. Everyone knows what this is when it is there, but it is the most intangible of things. It is also true that everyone knows when it is gone; there is the prime question Mr. Myers has set himself to answer; or rather to locate: to identify the sources and their unfolding; all given the profound difficulties involved in building any sort of school spirit. If I read him correctly, he chooses to emphasize the conservative virtues of hierarchy, exercising devolved authority and thus allowing for an ethical realm of freedom to grow, secure and confident, within the school. To put no fine point on it, the secret to true spirit within a high school is to pretend that this quite ordinary establishment has the stuff of greatness in it, then to act, always, on that basis. The school song had it and had it well: "Strive to serve, strive to serve truly, give to this school of ours honour and fame."

Pleasing illusions perhaps, but in fact the foundation of just about everything. It is the foundation for the very rich 'life' the school enjoyed, as recorded by Mr. Myers, page after page: a strong sense of house-loyalty, sporting and scholastic achievement; the constituent worlds of the clubs and societies, all under keen teacher supervision; the moving atmosphere of prize nights. And prizes given for a wide range of reasons, not just to the high-achievers. The school magazine, Lyric, is his treasury for such records, but it is instructive to mark his judgment of the magazine during my years, in fact a record of sharp decline, leading to its disappearance after 1972. He cites the view of the 1971 editor, Harry Veldums, who wrote that Upwey High "was a breeding ground for apathy - apathy to student affairs." (p. 63)

Now I can add one or two things to that. Firstly, that the last edition of Lyric, 1972, was edited by a teacher, no sixth-former being found to take it on. Second, in that year, students produced seven editions of their own magazine, Box of Rain, which was most certainly not apathetic toward student affairs, quite the reverse. In Box of Rain were found the poems, letters, little stories and reviews that would otherwise have appeared in Lyric, but then Box of Rain was not an authorized school paper nor the work of a supervised club. The directly political content was quite high. It was, of course, the work of the school radicals, senior students in touch with the universities and the rich, if fatal, ideals of the new left counter-culture. I know, because I was there and went, with friends I will always remember, up and down those corridors, handing the copies out and soliciting the poems and record reviews. We printed the thing ourselves, sheet by sheet. We never once refused a single contribution from any child, high or low in the school.

Many memories are stirred as I write these lines, some of them bitter. But ours are now darker times still. Strong beliefs were born in those times. It has been my
The Strike of ’73

For Upwey High it was a long way down. This report of a student strike (which began as a teachers’ strike) appeared in the national newspaper, The Digger (now defunct), on 18 June 1973. The cries of the radical students were against ‘repressive’ authority: the reality was otherwise.

Five years ago the kids at Upwey High School in the Dandenong Ranges outside Melbourne started wearing their hair long and growing beards. Three years ago they stopped wearing uniforms [and started] coming to school in jeans and T-shirts. Two years ago the Red Mole Party issued a manifesto: "Beware, administration, lackey-prefects, repressive teachers! Your days are numbered!" The Red Mole Party called for a "democratic participatory government of students, parents and teachers having an equal say in the running of school affairs...It asked students to ‘join the movement and fight for freedom’ and was signed by the Mole, Minister for Information. A school student-control paper advised: "If you want to be happy/hang the teachers and prefects/cut your parents’ throats/and destroy Coles’ back-to-school counter!"

This year, in first term, 400 of the 900 students at the school went out on strike. The strike was caused by the teacher shortage at the school - a situation that exists in most Victorian schools. Nineteen teachers were out on strike. One day before the strike started a pamphlet appeared. It pledged solidarity with the striking teachers, condemned the rottenness of the whole education system, the boredom of school life and demanded "the power to run our own schools" and called on students to strike. A mass meeting of students unanimously passed a motion supporting the striking teachers, adding, "in support we will stop work tomorrow to express our views." A second pamphlet appeared on the same day urging students "to seize the time and make their own history." Students claimed the strike was not organized by any small group but erupted spontaneously from all age groups.

On the day of the strike about 500 students walked out of classes and attempted to construct teach-ins. Many students weren't interested in this and about an hour later students decided to march through the school, regathering support, then three miles to Belgrave (a fairly large local shopping centre). This action created a feeling of solidarity that many had never felt before in their time at school. Students chanted slogans as they marched, collected money among themselves for film to record what was happening, distributed their literature and talked with people, knocking on doors, explaining the reasons for their strike, their demands, and collecting signatures from those who supported them. The local press, even The Age (which mentioned the strike on page three), and the local ALP candidate all turned up. The local Labor hack said he supported the strike and the views and actions of the students and "hoped that in the future such drastic action wouldn't be necessary" - like under his government? The students marched back to the school and decided to continue the strike on Monday...

Andy Knorr, President of the student council, said: "Younger kids keep coming up and asking when the next strike is happening. It's the only interesting thing that has happened to most of them in their school lives." Dale Brown, 18: "Most of the kids here haven't read much political stuff but they know that they are victims of a repressive education system and a repressive family situation and they want control over their own lives..." Bill, 18: "The feelings of solidarity between kids were amazing. Maybe it was the most educative experience - going down to the forest, being together, discussing relevant things to their lives, sharing money for food, being their own natural born leaders - since they've been at school." Bev, 15: "Dope laws and carnal laws should be smashed for a start."

Several students left the school and formed a commune at Auburn. Others hitch-hiked to Nimbin for the softlick festival and are still wandering around Queensland. Some, who are still at the school, are preparing a booklet for other school students on the history of events at Upwey, pushing for student control and leafleting other schools in the area.

The strike of ’73 was not unique. Upwey students marched in support of striking teachers in March 1972.
duty to reconsider, to think again over views I have held until recent years. The important thing is to put the question correctly, in effect it is a paradox; to ask why, at the end, the school spirit was held by a small group of disaffected adolescents who were at open war with their headmaster and most of their teachers.

Mr. Myers answers this rather well, in cataloguing the list of school traditions and customs which failed in those years. Not only the school magazine fell by the wayside, but school uniforms, houses, and with them school sports; prefects and the SRC, social service appeals, clubs and societies and lastly, school assemblies. He writes of these last:

When school assemblies (that is whole-school assemblies) - were attempted in the '70s they were noticeably different in tone from those of the early years, and the '50s. Students were disorderly, noisy and boorish; interjections and whistling were common, so there was no point in holding assemblies (p. 71).

The roots of failure lie in that withdrawal or refusal of authority. A good patriarch rules by the law. Under the liberalism that succeeded him children were set adrift to govern themselves by virtue of their conscience. My earlier years at Upwey High School showed the better aspects of this regime, under the headmastership of E. M. Hughes, a returned soldier and an authentic liberal, for whom conscience and individual responsibility proved the guiding stars in a turbulent decade. None of my fights were with Mr. Hughes. His farewell address, as printed in *Lyric*, was taken by many of us as an undoubted libertarian credo.

However, the folly of the choice was becoming apparent at the time. As authority withdrew, so conscience failed and with it disaster came. Prefects were smoking marijuana by 1970. It was being sold in the corridors by 1972. We editorialized against drugs in *Box of Rain*, but who could resist the tide? Not I. School spirit evaporated as its institutional preserves were felled, one by one, leaving but a residue of dissatisfaction reflected in apathy and anger. There was a time in the late 1960s when Upwey High had the reputation of being one of the most progressive schools in the state - amongst fellow-liberals, I hasten to add, for our reputation plummeted in the local community. Soon enough too many schools began to resemble Upwey High: the horror years of the
late '70s lay ahead. Teacher training courses began to teach group-therapy as a way of discovering the soul of the child. In schools the phony-togetherness of 'home groups' replaced form assembly, and newly-designed school curricula sacrificed depth of knowledge to 'relevance'. Out there in the suburbs were growing up the generations unable, incapable, of finding jobs.

Restoration

I find a strong testament of hope in this book, as indicated by Mr. Myers' concern to list the acts of restoration and reconstitution dating from recent years. Houses are back for one thing, although uniform is proving harder to restore. If my reading is anywhere near on target then a good deal of the credit must go to the current headmaster, Mr. McAlistier, who appears in this book not only as the presiding eminence of the jubilee year, but also as one of its earlier actors. From a local family, a good Gaelic name, Murray McAlister was a sports champion for Upwey High in the late '50s. Under his law the school is returning to its earlier ideals of excellence in sports and scholarship, the old ideas of gymnasia, which today are the radical ones. With men like Mr. Myers as his lieutenants there is hope for the school. That an old boy can return, from out of the golden age and into the dark years, when he is most needed, is testament to a very deep truth in Australian life, wherein the community yet possesses the power to renew its own institutions, from within. And he is not the only one. Look, from Mr. Myers' account, how the house system came to be restored:

In 1982, a young maths teacher, Karl Broecher, was sportsmaster. Although compulsory sport had not been a feature of school life for 12 years, some competitive games had been arranged between schools during that time, but in a comparatively lack-lustre competition. Karl, who had attended the school as a student between 1963 and 1969, felt the loss of the former enthusiasm and the spirit that the House system engendered. The organizing of inter-school matches was extremely difficult without the structure that the House provided. Supported by Murray McAlister and the Physical Education teachers, Karl proposed the rebirth of the Houses, and to the amazement of some neighbouring schools, was successful (p. 46).

The restoration of houses and competitive sporting teams are just two of the measures essential to reviving the school as a true community - one capable of commanding allegiance from its members and in return providing them with a sense of belonging, identity and moral guidance as well as with an environment conducive to learning. Many of the symbols and institutions cast aside over the last 20 years in the name of relevance, equality or progress in education were in fact the foundations of the school as a community and thus of school spirit: uniforms, a school song, active clubs and societies, social services, a vibrant school magazine, and formal school occasions and ceremonies such as speech nights and Armistice Day approached with seriousness. Schools have become remote from the wider community. They should attempt to rebuild these links not only through parents' associations but also through business groups and trades people, sporting associations and the clergy. The goal of the radicals, despite their rhetoric of 'community', was not to integrate the school into the wider community but to steer it on a course in opposition to the community. This betrays the responsibility with which the school is entrusted: that of preparing children to become informed, productive and active citizens. Teachers' standing in the society has also suffered. To regain respect, teaching will need to be re-established as a vocation against the prevailing mentality of trade unionism. As regards the school curriculum someone will have to take the decision to close down 'Human Relations Workshops' and the 'Peace Studies' chain-letters to Gorbachev and to restore the teaching of English and History. Above all, the traditional role of the principal must be revived - not as a pal or an administrative bureaucrat, but as an authoritative leader.

I make two final points from the evidence of this book and one of them is a sharp criticism. Mr. Myers writes, apropos of that ill-omened institution of the 1980s, the 'Student Welfare Co-ordinator':

The co-ordinator refers clients to other agencies when appropriate, and liaises with teachers, parents and professionals (p. 36).

Now, no unruly or unhappy child is a 'client'. Mr. Hobba would have spared them that insult. This is an example of the worst kind of bureaucratic jargon and there is no virtue in it whatsoever.

Lastly, I am struck by Mr. Myers' citation of the very moving Anzac Day assemblies held in earlier years. If there is an abiding flaw in the state high schools it dwells in the exclusion of religious teaching from the classroom. The denominational private schools have that advantage over us. It seems to me that the very great symbolic importance of Anzac Day assemblies in the school year was always something of a half-conscious attempt to recover that core, spiritual virtue, to draw into our small common-wealth something of the grandeur and the tragedy of the world.
The Private Lives of Public Figures

Public figures have had careers destroyed by journalists prying into their private lives and reporting discoveries of adultery, wife-beating, homosexuality, and so on. "Are considerations of private behaviour and character relevant to a candidate's suitability for public office?" The US Heritage Foundation asked a number of scholars. Russell Kirk, a leading conservative philosopher, believes that it is not absurd to suppose that a man unfaithful to his wife might also play fast and loose with the public interest. Moreover, the family is the primary building block of society: if it erodes, the entire edifice crumbles. Thus those in high office have a duty to stand for and practise family loyalty. Ernest Lefever, President of the Ethics and Public Policy Centre, argues that the voter should distinguish between those vices and imperfections that bear directly on the behaviour of one who holds high office from those that do not. In general, citizens should vote on the basis of policy not personal perfection: "I prefer a burly sinner who supports aid to the Nicaraguan freedom fighters over a saint who supports the Sandinistas."


Financing Soviet Expansion

Trade between the Soviet Union and the West is on the increase. So are Western loans to the Eastern Bloc. Soviet indebtedness to the United States rose from $21.8 billion in 1984 to $35.8 billion in 1986. These loans are made on very generous terms and are usually untied to any specific purpose. This has allowed the Soviets to direct Western technology and money towards subsidizing its expansionist activities around the world. The US Defence Department estimates that virtually every Soviet military research project is benefiting from the research and hardware of at least a dozen Western countries. Why should the US spend $300 billion on defence while at the same time underwriting the Soviet military? With a tough trade policy, and tougher restrictions on access to Western technology and hard currency, the West could cripple the Kremlin's ability to project its power beyond its own hemisphere.


Drugs: For Legalization

Drugs should be decriminalized. The criminalization of selected drugs has put their supply and distribution into the hands of big-time criminals. Marijuana is no worse for your health than tobacco and alcohol and all three should be treated similarly, with licensing, taxes and quality control. The best policy towards heroin, which is more addictive and damages the health more rapidly, is to allow existing heroin users to register for the right to buy limited doses. Taxes should be high enough to help deter consumption but low enough to put illicit dealers out of business. Cocaine, which is strongly associated with serious crime, needs most to be brought within the bounds of controlled and thus legal suppliers. It should be treated like either marijuana or heroin depending on how statistically harmful to health it proves to be.

'Getting Gangsters out of Drugs', The Economist, 2 April 1988.

Drugs: Against legalization

The benefits of legalizing drugs would be far outweighed by the costs. Estimates are that the use of drugs will at least double and possibly triple, if the price is cut, supplies are readily available and society's punitive sanction is lifted. Studies show that young people, whose judgment is immature, are the most susceptible to the lure of drugs and addiction. Legalization would also produce an increase in the road toll which is strongly related to the
use of intoxicating drugs. Comparisons with the Prohibition in America in the 1920s can be misleading. Unlike alcohol, which has been around for thousands of years, drugs have only been popular since the 1960s and thus are not as entrenched. Indeed, the war against drugs is having some success: the number of young people who use illegal drugs has in fact fallen in the last decade. With legalization, organized crime would not be eradicated but would merely shift to other fields such as prostitution and pornography.


How Day-Care Harms Children

A rapidly growing share of America’s children are being raised by professional minders, both in day-care centres and in the home. The latter is less impersonal but still has problems. The evidence on the effects of professional child-care on children is not conclusive, but most experts agree that the absence of a full-time parent during early years is stressful for the child. The bond between a child and a paid caretaker is weak: their relationship is commercial, temporary and practical. Child-care lobbyists usually discourage the form of day-care which is likely to be less harmful - informal care in a neighbour’s or friend’s home - on the grounds that it is not regulated - not professional enough! Rather than subsidizing child-care professionals, we ought to be helping parents. One policy option would be to increase tax exemptions for families with young children.


People are not the Problem

Comparing South and North Korea, East and West Germany, China and Taiwan shows that the market-directed economies have grown faster. Yet these countries had much the same standard of living when they were split apart after World War II. The assertion commonly made that slow economic growth in poor countries is a function of too rapid population growth proves not to be true. Indeed, US aid programs which stress ‘family planning’ are not just misguided, they may well be damaging to economic growth: they distract from the all important issue of the nature of the economic system receiving aid. Proponents of the New International Economic Order have caused people to demand redistribution of wealth rather than liberty and enterprise.


Fishing Deal Should be Off

Australia is considering a request by the USSR to open Australian port facilities for the servicing of the Soviet oceanic fishing fleet. The Australian Government should reject the proposal. The Soviet fishing industry is centrally directed by the state and performs a vital intelligence-gathering role in that country’s global strategic policies. Trawlers often carry high technology equipment including aerials capable of intercepting radio signals. A former captain in the Soviet fishing fleet, V. Lysenko, has described in detail how fishing vessels are used for military and intelligence-gathering purposes. The Australian Government, moreover, has piously lectured the small island states in our region against entering into fishing deals with the Soviets. It will appear as pure hypocrisy designed to procure the commercial benefits for itself if Australia now enters such an arrangement with the Soviets.


Schools for Girls

Over the past few years amalgamations of boys’ and girls’ schools have been common. This indicates an unjustified reluctance to accept the accumulating evidence that co-educational schools favour boys at the expense of girls. In girls’ schools compared with co-ed schools, retention rates for girls are higher, academic performance is superior and attitudinal development is better. In co-ed classes boys monopolize teacher attention, manipulate the curriculum and tend to dominate girls as a means of bolstering their own self-esteem. If we are truly committed to equality of educational opportunity for girls, the establishment of single-sex classes in all co-educational schools for many subjects should be mandatory.

When Sexual Relations Sour

G. de Q. Walker

When best-selling American author, George Gilder (author of Wealth and Poverty), presented his latest book - a compelling defence of the traditional family - to the major US publishing houses it was rejected by feminist editors as too provocative.

What do Los Angeles gang violence, drug trafficking, rock music and birthrates below reproduction levels have in common?

According to Dr. George Gilder, all these phenomena result from society's current denigration of traditional male roles and from the rejection by women of one of their central functions, which is to civilize the 'barbarian' male. "Women domesticate and civilize male nature. They can jeopardize male discipline and identity, and civilization as well, merely by giving up the role. In creating civilization, women transform male lust into love; channel male wanderlust into jobs, homes and families; link men to specific children; rear children into citizens; change hunters into fathers; divert male will-to-power into a drive to create. Women conceive the future that men tend to flee; they feed the children that men ignore."

The prime fact of human life, according to Gilder, is the sexual superiority of women. In the most intense events of life - sexual love, marriage, conception, birth and lactation - the male role is trivial and easily dispensable, especially today with artificial insemination and the prospect of cloning. In fact, a man cannot have a child at all unless the mother is prepared to attest to his paternity.

Primitive societies allow men the compensation of physical strength, which not only gives them some control over women, but is necessary to protect women from other men. But this factor is relatively unimportant in a civilized society under the rule of law, where man can counterbalance female sexual superiority only by playing a crucial role as provider and achiever. Men need this because the feeling of dispensability that makes them good fighters and martyrs also motivates them to disrupt civilized society. "Male dominance in the marketplace...is a social artifact maintained not for the dubious benefits it confers on men but for the indispensable benefits it offers the society; inducing men to support rather than disrupt it. Conventional male power, in fact, might be considered an ideological myth. It is designed to induce the majority of men to accept a bondage to the machine and the market-place, to a large extent in the service of women and in the interests of civilization." As Margaret Mead summed it up, "The central problem of every society is to define appropriate roles for the men."

The other axis of sex difference, Gilder continues, is a vast dichotomy in normal rhythms of activity, which in turn rests on differences in the cadences of sexual life. The pattern of male sexual expression, involving short bursts of intense and precarious activity interspersed with quiescent intervals, is mirrored in the archetypical male activity of the hunt (whether in forest or marketplace) or, if need be, combat. On the other hand, woman's sexual experience is a future-oriented process extending over many months and years, and this in turn is reflected in a preference for steady and sustained, rather than paroxysmal, activity. Civilization as we know it is, of course, the triumph of the female rhythm. It results from woman's ability to give man a way of living happily and productively in a civilized society that is otherwise oppressive to male nature.

Conversely, a civilization that adopts the unmarried male pattern is heading for trouble, and this is what Western civilization is doing. The downgrading of the husband's role in the family ultimately leads men to see marriage, and indeed long-term employment, as a woman's world fit only for wimps and leads them to revert to primitive patterns of short-term sexual exploitation. Further, the breakdown of monogamy and sexual morality since the 1960s has produced two classes of winners: on the one hand, young women, who are able to raid existing marriages for successful men rather than to take a chance on a young man who may turn out a failure; and on the other hand, successful men, who are free to dump their wives in middle life and select a young second wife from among the nubile newcomers that modern work patterns and laws bring within the formerly male domain. The sexual democracy established by monogamy and traditional female morality is replaced by

a vicious sexual competition that creates a hierarchy of the rich. The resulting sexual crisis among single men leads to an increase in sex crimes, a trend towards homosexuality and a general dissolution of the provider role that binds men to children. This last effect is particularly pronounced where social welfare laws relieve men of any obligation to support their children, as can be seen most vividly in the American ghetto, in Sweden and, one could add, in the suburbs of Canberra.

In other respects as well, public policy is not helping. The current legal culture is more concerned with feminizing traditionally male employments such as that of policeman, fireman and construction worker than in creating a world of work attractive to the male spirit.

Margaret Mead concluded from all her studies that males always require a special arena of glorified achievement from which women are excluded. That fact may be unpalatable, but the result of ignoring it, according to Gilder, is that disaffected males turn their energies to petty crime or drug dealing, and to lawful but destructive activities such as sexual exploitation, motorcycle cultism and the production of rock ‘music’. In many cases the outcasts whose lives are wasted on these fringe activities are precisely the most masculine types that society has produced.

Predictions Proved Accurate

This is only a small sample of the themes explored in Men and Marriage, but it shows the provocative quality of the author’s thesis. While much of his argument is supported by conventional sociological studies, a good deal of it rests on more general observation and could be characterized as assertion though no more so than the works of leading feminist writers such as Germaine Greer and Susan Brownmiller. And, unlike Greer and Brownmiller, Gilder has not been forced by events to recant. The predictions he made in the 1973 version of his work (titled Sexual Suicide) about the growth of crime, family breakdown, social welfare costs and drug dealing have been surpassed, not contradicted, by experience. His original forecast of drastically declining birthrates was made at a time when the conventional wisdom was hypnotized by the perceived need to work towards zero population growth. Even then, many women were already shunning the role of wife and mother, but now many Western nations are far overshooting the mark of ZPG. Most of Northern Europe now has a fertility rate of about 60 per cent of replacement level. "If this rate continues, dictated by the pressures of excessive welfare programs," Gilder argues, "it would mean near-extinction of the genetic stock within four generations." To a lesser but still dangerous degree, the same pattern appears in the United States and Australia. Immigration will save us only if the migrants stay off welfare.

The sexual democracy established by monogamy and traditional female morality is replaced by a vicious sexual competition that creates a hierarchy of the rich.

The reason why feminist objectives in relation to affirmative action, easy divorce, indirect discrimination and (formerly) the legalization of pornography have passed through parliaments and into law almost without debate is that there has been no respectably reasoned and articulated argument to the contrary at the crucial time. "Comparable worth" will be next on the list if the terms of the debate remain unchanged. But books such as this could help to change agenda and arguments throughout the Western world. The feminist establishment seems to realize this, for it has already paid Men and Marriage a sincere compliment by striving mightily to prevent its publication. Dr. Gilder gave the publisher, Basic Books, its first best-seller in Wealth and Poverty and was courted by Basic Books and other New York publishers for the rights to his updated version of Sexual Suicide. But in every case they phoned back to say that protests from feminist editors had forced them to drop the idea. He had to search as far afield as Louisiana to find a publisher courageous enough to handle the work. These events, described in the preface and confirmed to me by Midge Decter, who was Gilder's editor at Basic Books, are reminiscent of the attempts by our "Human Rights" Commission to suppress Dr. Gabriel Moens’s book Affirmative Action. They come as no surprise to Australian authors familiar with the nation-wide censorship now practised by feminist editors in relation to what are deemed 'sexist' forms of expression, types of examples used, and even ideas themselves.
Regaining Our Heritage

Leonie Kramer

Australian children who are denied by the education system the opportunity to experience our rich cultural heritage are just as disadvantaged as children who are physically under-nourished.

Earlier this year, in a splendid paper on Australia's British Links, Sir Charles Court invited us to speculate on what would happen "if suddenly we lost our British inheritance." In doing so he unwittingly provided me with a text for my discussion of the transmission of culture as one of the central obligations of the educational system.

There are four matters on my agenda -

- What is the cultural heritage?
- Why should it be transmitted through schooling?
- Is it at the centre of Australian education today? If not, why not?
- What can and should be done to restore it to its proper place in the curriculum?

Some years ago I was teaching a small group of First Year English students. They came from some of the major government and non-government schools in the Sydney region. We were discussing D. H. Lawrence's novel, The Rainbow. Towards the end of the tutorial it occurred to me to ask them what they understood by the title. There was a long silence. And then one student very tentatively said, "Wasn't there a story about a pot of gold at the end of the rainbow?" Well, that was a start. Encouraged by it, I asked whether the group recalled any other associations of the rainbow. There was an even longer silence. And then another student, even more tentatively than the first, said, "Wasn't there something about a big storm?" That is how we got to the Flood, Noah's Ark and the Book of Genesis. I read them the passage about the rainbow - God's promise to man not to destroy life on earth again - and they were enthralled. The whole episode was a revelation to them and to me; and I hope that some of them went away and read more of the book they knew nothing about. In case you should think that this is an isolated instance, let me assure you that similar experiences with the Bible, mythology, folklore and once well-known literary references are part of one's daily teaching life. Furthermore, students know that they are deprived, but their problem is how to make up for lost time when so many other academic tasks are placed before them.

What, then, is the cultural heritage? It is certainly not a mere collection of facts and figures such as a quiz kid might swot up for a prize. The cultural heritage cannot be classified as information, for information is inert. It's not information about our heritage that we need so much as knowledge. For to be informed about something is not necessarily to receive it. To know something is to possess what is known, so that it becomes part of one's way of thinking, embedded in the memory, always able to be activated for pleasure or to facilitate understanding and judgment. Martin Boyd has a character in his novel, Lucinda Brayford, referring to "the living stream of culture." It is an appropriate metaphor, for our cultural inheritance is not a collection of inert objects, labelled and housed in a museum, but a vital force, a living element in our common memory and ancestry.

That is a very brief and general description of what the cultural heritage is. But one can be more specific. Our Australian heritage is our experience and artistic achievement in this country, together with all the cultural achievements of Western civilization which have fed and nurtured our indigenous efforts. We are the inheritors of Greek, Roman and European thought and art. Writers and thinkers such as Aristotle, Plato, Homer and Virgil, Dante and Shakespeare - indeed all the 'great' names of the distant and recent past - have created our thoughts about the world as we know it. Their contribution to our understanding of life and human experience, and their influence upon the direction our Western civilizations have taken, are every bit as important as are the discoveries of the scientists, and more recently still, the technologists. Indeed, before science became so specialized it was not divided from what we now call the humanities; and one of our tasks is to reunite subjects which have been artificially severed from each other by modern advances in knowledge.

It is also important to recognize that the cultural
heritage is, as Martin Boyd so well understood, not simply a dynamic force. It is the means by which individuals, and through them the community as a whole, come to maturity. The great minds of our tradition have thought long and hard about the meaning of life; and their conclusions and their questions about meaning are available to us to ponder. Their relevance to us is their persistent engagement with fundamental questions. What is the nature of the universe? How has man over the centuries tried to explain its origins, purpose and design? What are our human capabilities, weaknesses, responsibilities and strengths? How do human beings organize themselves? How do they distinguish good from evil, beauty from ugliness, right from wrong? It is not only in philosophy and history that these questions are raised. It is in poetry, fiction, and drama, and, though wordlessly, in painting and in music. Renaissance defenders of poetry argued that it is especially potent because it provides both understanding and delight. What pleases instructs in a way which is literally both memorable and remembered.

Communal Understanding

This last point leads me to my second question, which perhaps I have already partly answered. Why should the cultural heritage be transmitted through schooling? Above all, because it enriches the lives and experiences of those who are introduced to it, and because it provides us with a sense of communal understanding. The heritage is the means by which we can talk to each other readily, and recognize our common inherited experience. It also enables us to evaluate new ideas and new experiences, and to discriminate between the permanent and the transient. It is a constantly renewable resource.

The question posed by Sir Charles Court - "what would happen if suddenly we lost our British inheritance?" I would now translate into a related, but different question: "what would happen if we had no memory?" Suppose that we were condemned to live each day as it comes, and could remember nothing of our own past, and knew nothing of our ancestral past or of that of our civilization? We would have no inner resources, no sense of belonging, no way of establishing our identity, no accumulated experience to draw on for advice and guidance.

Perhaps at this point I should give a concrete example of how knowledge of the cultural inheritance can actually work. In this Bicentennial year we have heard a good deal about our convict origins. It is true that we do not have a founding myth such as the one which still lives on in the imagination of America - namely the voyage of the Pilgrim Fathers away from religious intolerance to the New World. Our first settlers were greatly preoccupied with crime and punishment, and one of our important literary documents, Marcus Clarke's *For the Term of his Natural Life*, is not simply a sombre adventure story, but a reflection on a fundamental question - the nature of crime and the morality of punishment. Clarke's book is a specifically Australian contribution to fiction, but it has many literary ancestors. Greek tragedy is preoccupied with this theme; so is Shakespeare, who examines in so many different ways - for example in *Macbeth* and *Measure for Measure* - the consequences of "the evil that men do." I don't want to read out a catalogue of writing on this subject - but think, for example, of Alexandre Dumas' *The Count of Monte Cristo*, Dostoevsky's *Crime and Punishment*, Dickens' *Bleak House*, Graham Greene's *Brighton Rock*, Solzhenitsyn's *The First Circle*, Thomas Keneally's *Bring Larks and Heroes* and Patrick White's *A Fringe of Leaves*. All these books have a special kind of literary kinship; and writers depend as much on their literary ancestors as they do on their own experience. Their individuality and originality depends, paradoxically, on their acknowledgment of their heritage, just as their challenge is to live up to its example. Students who are not given the opportunity to experience this rich indebtedness for themselves, and the pleasure it brings, are just as deprived as are under-nourished children.

That they are so deprived in Australia is beyond doubt. One has only to look at some of the materials offered to young people in school to know that; or better still, to observe what is not provided. At this point we need to consider our cultural inheritance with particular
reference to the English language. Again I heartily endorse Sir Charles Court's statement: "The language is the key to a vast treasury of knowledge, tradition, experience, and advanced cultural, intellectual, scientific, technical and moral development."

If you are a dedicated teacher, you have to believe that the best thinking, writing, painting, music, craftsmanship, scientific discovery that the world has ever produced can be made accessible, at least in part, to most students.

English is the means by which, for most of us today, all the 'great books' of the past are available. But more than that - English has proved to be the most adaptable of languages, the lingua franca of the modern world. The Chinese people say that a teacher is like a blossoming plum tree which scatters its flowers far and wide. English has germinated in countries all over the world, and with it literatures with their own indigenous flavours which are there for us all to savour. There could not be a better example of "the living stream of culture" which now flows from the oldest Old English text to the latest West Indian novel or Aboriginal poem. Within the range of texts some are more important, some more accessible, and some of more educational value than others, and so professional decisions have to be made about the content of courses. But there is no excuse for providing inadequate and second-rate substitutes - such as ephemeral journalism, television scripts, picture books or videos. To substitute the forgettable for the memorable is unforgivable. And there is no excuse for requiring students to study material from which they will learn nothing that matters. What students read for recreation is one thing; what they read as part of their intellectual training is another.

Why has the teaching of English, and with it the knowledge of our cultural heritage lost its way? The reasons are complex, and because they are complex, the remedies will not be easy to apply. First, there has been a positive policy against teaching English as a language, and against correcting students' mistakes. What has happened to the idea that you learn through your mistakes? And what has happened to the idea that accuracy is essential, because accuracy is a step in the pursuit of excellence? Second, the knowledge-explosion is made an excuse for not teaching things that students need to know. And it is no excuse. No sensible person has ever thought that you can learn everything at school. Hard choices have to be made. As knowledge grows so some forms of knowledge are superseded, and can be dropped; what was essential learning in the 19th century might not be today, and teachers need to be able to make judgments. Third, the training teachers receive is not adequate to their needs. It is now common knowledge that some teachers don't know enough themselves to be able to teach their students; and that fewer good students are being attracted to teaching as a profession. Fourth, there is a strong and vocal lobby in academic and educational circles against the concept of cultural heritage, because this is said to be a form of authority not acceptable to, or desired by all students, or all teachers. Some of the people proclaiming this supposedly anti-authoritarian doctrine have themselves benefited from the heritage of which they seek to deprive today's students, and indeed derive their own dogmatic authority from that very fact. Their argument is, in fact, a counsel of despair disguised as a gospel of liberation from the supposed narrowness of prescribed reading. It runs something like this (though its line is not easy to disentangle from its plausible verbage): there are such diverse levels of ability and interest among students that if one wants to have "all students understanding a common English," there cannot any longer be any "centrally prescribed body of set texts." This then becomes the reason for saying that ideas of 'cultural heritage', 'canonical tradition' (ie the notion that some books are better and more significant than others) and 'critical authority' should be abandoned, in favour of a wider range of reading which includes journalism, film scripts, picture books, etc.

What this means in practice, of course, is abdication of the teacher's principal responsibility - which is to make the difficult accessible and comprehensible. That is what teaching is about. What is the point of teaching students...
what they can do for themselves? It is what they can't or won't do without help that matters. So we need to recognize that behind the teaching practices that many of us deplore, and the quality of the materials put before young people, is not simply ignorance but ideological conviction. As is so often the case, it is ideas we have to contest; and many of our teachers are often unwitting victims of theories and philosophies of education they know to be at odds with the needs of their students.

What Should Be Done?

So what is to be done to restore the transmission of our cultural heritage to its proper place in the curriculum? First, teacher education needs to be thoroughly revised so that teachers themselves know what there is to teach and how to teach it. It should be more difficult to become a teacher than it is now, and teachers should have a commitment to bringing the past as well as the present alive for their students. It's no use insisting that you must teach young people how to learn (and there's nothing wrong with that objective) if you don't, at the same time, teach them what there is of value to learn, and make sure that they understand it. Second, there needs to be a core of essential learning across the major areas of study; there are difficult decisions to be made, but they can no longer be avoided if we want to end the waste of young minds that is an indictment of the recent slipshod attitude to the content and materials of learning. Third, we need to abandon the cynical attitude which dictates mediocrity for so many students. If you are a dedicated teacher, you have to believe that the best thinking, writing, painting, music, craftsmanship, scientific discovery that the world has ever produced can be made accessible, at least in part, to most students. And you have an absolute responsibility to try. You will have depressing failures and modest successes - but no teacher can expect immediate results. It might take years for some students to realize the benefit of what they've learnt - which is one good reason why they should not be cheated of their futures by the immediate attractions of fugitive relevance. We all need to learn subjects and acquire knowledge for which, at the time, we can see absolutely no use. At present much of what is offered to students in the name of literature, for example, is trash; and its defenders assume that students are incapable of reading anything better. That, of course, is true, if they have been allowed to enter high school with an inadequate grasp of their own language.

So learning begins at the beginning, with parents reading to their children, and developing from the start their astonishing linguistic ability. Young children have extraordinary powers of absorption and concentration; all they need is support and encouragement. In early childhood they can begin to absorb their cultural heritage through poetry, songs, and those myths and legends which have universal meaning, and which both capture and enrich the imagination. There are worlds of knowledge available to today's children in photographs and film which my generation could not dream of. How much longer will we allow these riches to be denied our young people? For in the end, we are denying them the means to continue their education for themselves, and that zest for living which is one of the many gifts of - in Matthew Arnold's words - "the best that has been known and thought in the world."

Defending Australia - Harry Gelber

(Continued from page 30)

The implications of all this for Australia are clear and compelling. Considered jointly, the US and Japan in 1986/87 took 37 per cent of Australia's exports and supplied almost 41 per cent of our imports. Another 10 per cent or so of exports and imports was due to trade with Taiwan, Hong Kong and South Korea, whose economies depend on Japanese or American investment, and their relative quantities of commodities to South Korea or ASEAN, it will be in large part to fuel new industries which themselves depend on Japanese or American investment, and markets. Insofar as we concern ourselves with the political relationships of these regions they, like Australia, will increasingly operate in the orbit of 'Amerippon' and, to a lesser extent, of Europe. If we allow a South-East Asian focus to divert us from the underlying power realities, in the Pacific or elsewhere, we will find ourselves, once again, behind the times in perception and politics.

nor its relations with Europe, can be foreseen with any clarity. But that does not mean that they can be ignored. Australia will, of necessity, continue to pay close attention to our relations with South-East Asia and the South-West Pacific. But to the extent that we sell increased quantities of commodities to South Korea or ASEAN, it will be in large part to fuel new industries which themselves depend on Japanese or American investment, and markets. Insofar as we concern ourselves with the political relationships of these regions they, like Australia, will increasingly operate in the orbit of 'Amerippon' and, to a lesser extent, of Europe. If we allow a South-East Asian focus to divert us from the underlying power realities, in the Pacific or elsewhere, we will find ourselves, once again, behind the times in perception and politics.
What is Justice?

John Williams

Proponents of "social justice" often sacrifice justice to equality of outcomes.

Margaret Thatcher has long been subjected to ecclesiastical criticism. A veritable storm broke, however, when she recently addressed the Assembly of the Church of Scotland. Echoing John Wesley, she affirmed that Christian believers must work as hard as they can, acquire as much wealth as they can, and give as generously as they can.

What she said was, for many contemporary clergymen and theologians, distressing in itself. More distressing, however, was her failure repeatedly to refer to 'justice', 'economic justice' and 'social justice'. Ecclesiastical discourse today seemingly demands such incantatory references. Margaret Thatcher broke the rules. Instead of 'justice' she spoke of sympathy, of love, and of charity.

Sentiments much more in accord with contemporary ecclesiastical attitudes found expression in a 1976 utterance of Dr. Julius Nyerere, then President of Tanzania. Asserted Nyerere: 'In one world, as in one state, when I am poor because you are rich, the transfer of wealth from the rich to the poor is a matter of right; it is not an appropriate matter for charity...'

Two convictions - one factual, the other moral - inform Nyerere's assertion. The first is the conviction that disparities of wealth between states and within states reflect a 'zero-sum' game cursing the distribution of wealth. A given quantity of initially unowned goods and services allegedly exists. More for one person or nation logically entails less for another person or nation. The situation is like a game of poker: the winnings of one player entail the existence of another player or some other players who have incurred losses.

The second conviction informing Nyerere's statement is that 'justice' (or 'right') demands that such a distribution of wealth be remedied by the transfer of wealth from those with more to those with less. 'Justice' - specifically 'social justice' or 'economic justice' - is understood in terms of a pattern of wealth distribution. Precisely what this pattern is is not specified in detail by Nyerere, although clearly substantial inequalities in states' or individuals' wealth constitute a departure from this pattern.

Julius Nyerere's ‘zero-sum’ picture of the distribution of wealth and his understanding of 'justice' are widely shared in contemporary ecclesiastical and political circles. If some individuals or states are wealthier than others, these others have been 'exploited'. More importantly, a society is just or unjust to the extent that the distribution of wealth obtaining in that society corresponds or fails to correspond to a predetermined, ideal pattern of wealth distribution, a pattern specifying what is the 'fair share' of all members of a society.

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total quantity of goods and services is not some unchanging constant: rather, goods and services can continually be created if the dynamic, ever-changing processes of the market are not hindered by politically created obstacles. A person who discovers a use for some previously worthless substance creates new wealth. That creator improves his or her own situation, but does so by making available some good his or her fellows value and for which, directly or indirectly, they will exchange goods they produce or services they provide. The outcome of such exchanges is an improvement in the situation of all, not the enrichment of one at the expense of others.

It is ludicrous to speak of any distribution of wealth unless wealth exists. In our day, belatedly, numerous men and women have rediscovered what Adam Smith and like-minded figures eloquently argued, namely, that a free market economy is the most satisfactory economic order known to humanity for wealth-creation. It is no accident that from Paris to Peking, from Auckland to Moscow, contemporary politicians, some calling themselves ‘socialist’, are busily deregulating industries and denationalizing government-owned instrumentalities. Centralized socialist planning has failed and failed dismally; the century which began with such planning a promise on countless lips is ending with it but a bad taste in nearly everybody’s mouth.

Significantly, a growing number of contemporary thinkers are today again insisting, as did Adam Smith, that private property rights lie at the very heart of the wealth-creating economic order that is the free market. Once that is granted, problems attend any cry for a ‘redistribution’ of wealth generated by the market. A purposeful and allegedly just distribution of goods presupposes the existence of unowned goods which are allocated in accordance with the pattern of wealth-distribution defining ‘economic justice’. But there are in a market economy no ‘unowned goods’. Given private property rights, all goods at every stage of the productive process are owned. A ‘redistribution’ demands an initial expropriation of goods (in defiance of private property rights) which are then distributed in accordance with the ideal pattern of wealth distribution identified with a ‘just’ distribution. The ‘justice’ of such an expropriation is surely up for question, as is any notion that such an expropriation and subsequent ‘just’ distribution do not affect the processes whereby wealth is created.

Justice and Liberty

Yet more must be said. Ironically, once upon a time the cry for ‘justice’ was a cry identified with men and women dreaming of and striving for a market economy in a free and open society. Adam Smith, for example, praised in *The Wealth of Nations* what he called “the liberal plan of equality, liberty, and justice.” It is unfortunate that a change in the meaning of words has led to the widespread impression that at least two of these realities - equality and justice - are realities valued most by men and women opposed to an essentially free market economy in a free society.

‘Justice’ must not lift her blindfold and peek, saying “Let me know who you are and I shall tell you your rights.”

Adam Smith and like-minded thinkers of his time confronted a society of caste, of class, and of legally-entrenched privilege. A person’s ‘rights’ and ‘liberties’ depended largely upon that person’s status in society. Such was, the early defenders of a free market in a free society insisted, the antithesis of ‘justice’. ‘Justice’ demands that all people are equal before the law. It must be a matter of supreme irrelevance as to whether an alleged miscreant before a court is wise or simple, rich or poor, black or white, male or female, aristocrat or peasant. ‘Justice’ must not lift her blindfold and peek, saying “Let me know who you are and I shall tell you your rights.” The rights and liberties of all must be the same, deriving from a shared humanity.

What, on such a view, is a ‘just’ distribution of wealth or of income? The answer is simple. A distribution of wealth or of income is ‘just’ if it is the result of behaviour in accord with the rule of just laws, rule by purely general principles of conduct equally applicable to all people. Minimally, such behaviour must not involve violence, theft or fraud.

A singer, let us say, enjoys an annual income of $500,000. A magician scrapes by with an annual income of $10,000. Is this distribution ‘just’?

Given the understanding of ‘justice’ under consideration, one has to ask how the two incomes were generated. If an inquiry established that numerous people preferred to surrender substantial sums of money and other goods and services that money could have procured and attend a performance by the singer rather than retain that money or procure such alternative goods and services, whereas relatively few people so chose in the case of the magician, the distribution is ‘just’. People justly used what was justly theirs, and thereby generated the income distribution. As a by-product, the distribution reveals what members of a community value more and value less, and thereby informs individuals what goods and services they can most profitably, if possible,
WHAT IS JUSTICE?

provide for their own well-being and the enjoyment of their fellows.

Contemporary enthusiasts for 'social' or 'economic' justice typically reject such an analysis. They note that the singer's income of $500,000 is 50 times the income of the magician. Such an inequality of outcome is allegedly 'unjust'. 'Justice' demands that some of the income of the singer is expropriated and transferred to the magician.

Thus at least two very different analyses of what constitutes a 'just' distribution of wealth vie for allegiance. The first opts for a predetermined pattern of wealth distribution, a pattern defined by equal, or more-or-less equal, shares for all. The second looks back at the behaviour generating a distribution of wealth. Were a person's material holdings justly acquired - that is, acquired without violence, theft or fraud? Did a person then justly use his or her holdings - that is, engage in purely voluntary, and thus mutually acceptable, exchanges of goods and services with others? Given that individuals freely - i.e. justly - exchanged what was justly theirs, surrendering what they valued less to acquire what they valued more, the resulting distribution of wealth is just.

For some reason, a 'pattern' analysis of economic justice has proved attractive to many ecclesiastics and other self-styled 'caring' people. Yet many questions must be asked about this analysis.

Precisely what characteristics define a 'just' pattern of wealth distribution? Equal shares for all is clearly inadequate. Nicholas Rescher, in his volume *Distributive Justice*, argues convincingly that such a distribution would be profoundly unjust, ignoring such personal factors as individual needs, sacrifices, achievement, effort, productivity, contribution to the common good, and "a valuation of individuals' services in terms of their scarcity in the economic world of supply and demand." How are these different qualities to be ranked? Who does the ranking? How, in a large and complex society, can one determine the 'score' of literally millions of men and women in this 'deserved income' calculation?

Suppose one concedes (a) that a free market economy is the most efficient form of social organization known to humanity for the creation of wealth, and (b) that private property rights lie at the very heart of such an economy. Is it 'just' coercively to expropriate wealth generated by individuals justly using what is justly theirs, and thereby attenuate private property rights and drastically fetter the market's productivity? An impartial examination of such nations as Tanzania and Sri Lanka, which, advised by Western intellectuals, moved from an essentially market economy towards socialism in the name of 'social justice', suggests that the outcome of such is at best equality in destitution and at worst material ad-

vantage for the planners and material disadvantage for the powerless planned? Are such outcomes desirable?

The Forgotten Taxpayer

Many years ago William Graham Sumner penned an article entitled *The Forgotten Man*. In effect he argued that devotees of social justice, understood in terms of a politically imposed pattern of wealth distribution, constitute an A and a B who conspire to force C to assist D. C is the 'forgotten man'.

Today, C is the father or mother who works hard to provide for his or her children, but is compelled also to engage in involuntary servitude to provide for the single parent on welfare. C is the person who deprives himself or herself of present pleasures and invests, only to have dividends from such an investment plundered to provide for people who put present consumption before long-term benefits. C is the unskilled laborer forced out of employment so that D can enjoy an above-market wage-rate legislated by A and B.

It is the 'injustice' of such selective and partial legislation that hurts, the injustice of special laws for privileged special interest groups. To be sure, the rhetoric of 'justice' looms large in the discourse of those advocating such laws, but the reality of justice - rule by purely general principles of conduct equally applicable to all - is the antithesis of what they seek.

How can Australia solve its foreign debt crisis?

*How can Australia solve its foreign debt crisis?*

*Australia in hock the way out*

Des Moore, IPA Senior Fellow and a former Deputy Secretary of the Commonwealth Treasury, provides the answer in this new important study. Copies are available for $15 from the IPA, 83 William Street, Melbourne. Or phone (03) 614 2029.
Citizens' Initiative

Dear Editor,

It was very rewarding to read the article about citizens' initiative by Michael James (IPA Review, May-July). The current widespread understanding of and support for the concept of citizens' initiative (also known as 'popular' or 'electors' initiative') is, at least in part, the result of 10 years of persistent effort on the part of the Australian Democrats.

Your correspondent failed to point out that ex-Senator Colin Mason first raised the subject in Parliament in 1979 and it was he who introduced the petition. A year later he introduced the first Bill which would have facilitated the introduction of a popular initiative in Australia. The Australian Democrats have reintroduced this legislation into every subsequent Parliament. Most recently on 23 September last I introduced the Constitution Alteration (Electors' Initiative) Bill 1987 into the Senate.

Under the provisions of my Bill, if five per cent of voters in Australia (currently over 500,000 people) petition for the introduction of legislation or alteration of the Constitution, then a national referendum must be held on that question within a period of 12 months. This would allow people to involve themselves directly in the legislative process - rather than be subject to the current elected dictatorship which controls political power in Australia.

Recent media reports have indicated the possibility of some conservative political support for the introduction of the popular initiative in Australia. These reports, however, contrast markedly with the voting record of the Liberal and National Parties in the Federal Parliament on this issue. Most recently, on 26 May, Liberal and National Party parliamentarians in the Senate combined to vote with the Government against this Democrat initiative.

This opposition results from a fear that some of 'their' political power may be lost and is based on a paternalistic attitude that people are incapable of formulating and understanding the legislation which governs them. The major political parties are clearly out of touch with community sentiment on the issue.

The recent utterances of some conservative politicians favouring the initiative can rightly be seen as an attempt to hitch onto an increasingly popular political issue, rather than an appreciation of the true merits of the proposal.

The Australian Democrats are not attempting to usurp the legitimate role of elected representatives and the Parliament as the chief law-making bodies. Rather we seek to address some major problems in the Australian political system. These problems have occurred despite the fact that the electorate is well-educated and better informed than ever in the past, and have manifested themselves in widespread apathy and disillusionment with the operation of government. I believe the cure for the ills of democracy is more democracy, not less, and the introduction of a system of popular initiative in Australia would represent a step in the right direction.

The system of popular initiative has worked well over a long period of time in many overseas countries - notably in Switzerland since the 1890s and currently in more than 20 states of the USA. Their experience suggests that it would work equally well here in Australia, which itself has a long history of introducing innovative political practices (such as the secret ballot) well ahead of other countries.

I believe that most Australians favour the introduction of popular initiative and are prepared to accept the responsibilities that go with it. Widespread community support plus the approval of diverse organizations such as Small Business Groups and the NSW Farmers' Association indicates the broad base of support for its introduction.

The questions of constitutional reform which make up the 3 September referendum were set by the Government. The Australian Democrats sought to have the popular initiative proposal included on the agenda for this referendum, but the Labor, Liberal and National Parties voted against this.

However, it is my hope that the popular initiative proposal will be on the next federal referendum paper, and that for the referendum thereafter there will be questions on the agenda which originated from the people.

Senator Michael Macklin
Deputy Leader of the Australian Democrats

Conscription

Dear Editor,

As one who supported Australia's participation in the Vietnam War and still believes it was justified, I will try to respond to Rafe Champion's demand for "second thoughts on the other side as well" (IPA Review, May-July).

"A society where people have the right to decide whether a particular war is justified or not." This is an ambiguous statement.

In a democracy, it is the popularly elected government, not the individual citizen, that has the right to decide national policy, including policy on the justification of a particular war and the desirability or need for compulsory military service in that war.

Of course, individual citizens must make up their own minds on the issue of conscription. If they cannot reconcile it with their conscience to serve in war which they believe to be unjustified, it is their right and perhaps their duty, to refuse military service, to claim the status of conscientious objectors.

How society should deal with conscientious objectors is a vexed question. Most countries give them short shrift. In countries with a liberal tradition, it has come to be
accepted that, while individuals cannot be allowed simply to ignore legally imposed obligations, whether to pay taxes or undertake military service, conscientious objectors should not be imprisoned. Non-combatant service of some kind has seemed a reasonable and humane compromise.

This is the view that I and most others who supported participation in the Vietnam War held at the time. And this view does not seem to me to demand any second thoughts.

...others who supported participation in the Vietnam War held at the time.

Humane compromise. Should not be imprisoned.

Service, conscientious objectors to pay taxes or undertake military legally imposed obligations, whether cannot be allowed simply to ignore accepted that, while individuals

...the sense of real liberation just to walk in the university gates when I went back to do a subject after 12 years of full-time mothering.

Intellectual stimulation? There must be opportunities for mothers to keep up with advances in their area of original training so they can return to it if they wish when the children are grown, but also easy access to universities and colleges for general enlightenment. How well I remember the sense of real liberation just to walk in the university gates when I went back to do a subject after 12 years of full-time mothering.

Status? It is not just the feminists' fault that mothers at home have no status. My mother certainly enjoyed some status as one, but it was in the context of a patriarchal society where men were deemed to have ultimate control of money and major decisions. There was status, but of a second-class kind.

My problem is that while I accept Rita Joseph's basic argument, I cannot bear her bedfellows in this debate - a depressing bunch of sexist or patronizing male chauvinists who want to return to the patriarchal heyday, where their rights, certainly not children's, reigned supreme.

It is to be hoped that now we have recognized the problem, namely that children have suffered in the main from the feminist revolution, that we will come up with the correct solution and not simply revert to patriarchy. I believe the solution lies in a more flexible society where women (or men) are given adequate status and economic reward for the work done in the home, where community facilities counteract domestic isolation, and where the needs of everyone, children, women and men, are properly met.

Jenny Macleod
Tumer, ACT

Land Control

Dear Editor,

Susan Johnston's "Missing From History: Australia's Forgotten Entrepreneurs" (IPA Review, May-July), prompts me to write about another forgotten feature of life in our great periods of growth. That is the ownership of land, free from political influence over its use. After all, the entrepreneurs mentioned in the article lived in times vastly different in terms of land use opportunity.

For example, in Victoria the first Town and Country Planning Act, of 1944, set the scene for the gradual and insidious takeover of land use decisions from the entrepreneur by the government and its planners.

It is astonishing that of all the debates about free enterprise, by the IPA and other like-minded groups, one has yet to read scarcely a word about this anti-free enterprise takeover. Surely with all the arguments put for the deregulation of the labour market, financial system, air services, and so on, one could expect some mention of the land market. There are now great price distortions in this market due to government zoning. When the value of land is fundamental to the wealth of the nation, then price distortions must affect our economic efficiency. The story of land zoning in Australia is one of incalculable lost opportunity costs. A story of large sums of taxpayers' money supporting the planning juggernaut. It is a system renowned for corruption, relying as it does upon the swaying of opinion, and subjective judgments. Furthermore, the modern generation is coming to understand that individual prosperity may rely less on hard work than a planning decision.

Strangely, the arguments for a free market in land use, cogently put by Professor Hayek for example, seem to be totally ignored by even the most rabid free marketeers.

Are we really afraid of true free enterprise, of change, of greater prosperity even? Have we lost the go-ahead optimism of "Australia's Forgotten Entrepreneurs"?

Jenny Macleod
Tumer, ACT

A. C. Reith.
Cowes, Vic
IPA Calls for Restoration of Full Employment

A national expert inquiry should be held on ways to remove barriers to full employment.

This was a central recommendation in a submission by the IPA to the Inquiry into the Distribution of Wealth in Australia being held by the Catholic Bishops' Committee for Justice, Development and Peace. The submission was presented by the Reverend Warren Clarnette, head of the IPA Church and Society Project and former editor of *Church and Nation*. He was assisted in the presentation by Des Moore, IPA Senior Fellow, and Rod Kemp, Executive Director.

The IPA submission pointed out that in the period immediately after World War II a central objective of the main political parties was the maintenance of full employment. In the last federal election neither major party was campaigning to restore full employment.

Political parties today seem content to believe that increased welfare provisions are an acceptable substitute for full employment. But this, the IPA report argues, is to ignore the high economic cost to taxpayers of the increased welfare bill and the psychological damage to the unemployed of being dependent and without work.

It is hoped to print the submission in the *IPA Policy Issues* series. In the meantime, copies can be obtained by contacting Melissa Houghton on (03) 614 2029.

Ease Off on Anti-Nuclear Rhetoric, says Defence Expert

The Australian Government should be "a little less enthusiastic" about anti-nuclear rhetoric, according to a visiting foreign affairs expert from France, Dr Pierre Lellouche. "I do not think it is helpful for Australia to exert a non-nuclear influence which helps create precedents like New Zealand's departure from ANZUS," Dr Lellouche said.

Dr Lellouche is Deputy Director of the French International Relations Institute in Paris, France's main think-tank on foreign affairs. He is also a columnist for the French weekly, *Le Point*, the international edition of *Newsweek* and the *International Herald Tribune*. He spoke at a seminar at the IPA on 12 August. The topic of the seminar was the "Soviet Role in the Third World, Post-Glasnost".

Dr Lellouche said that Western nations, while supporting Mr Gorbachev's efforts at domestic reform, should maintain scepticism and vigilance regarding the Soviet Union's foreign policy. The Soviet Union exploited Western gullibility in the 1970s to its own advantage, including expanding its influence in the Third World.

Get Involved, says Hugh Morgan

In July the IPA and leading stockbroker, McIntosh Hamson Hoare Govett, hosted a lunch for young business people.

Hugh Morgan, Managing Director of Western Mining Corporation, as guest of honour, stressed the need for young men and women to take an interest and get involved in public affairs.

The lunch was attended by a selection of people from different areas of business. It follows earlier occasions with Malcolm Fraser and Milton Bridgland.

Cliff Smith, the organizer, said that the response amongst young people to the IPA's work was enthusiastic and that further functions are being planned.
Post-War Dominance of IPA "Business Progressives"

According to a new study, "business progressives," through the IPA, had a dominant influence on the shape of Australian political and economic policy in the critical years after World War II.

A volume of essays, *Intellectual Movements and Australian Society*, recently published by the Oxford University Press, attempts to assess the impact of ideas and of intellectuals on the development of Australian society. The authors are, for the most part, prominent academics. The book is edited by Brian Head and James Walter. The latter, who is Professor of Australian Studies at Griffith University, is the author of one of the essays, "Intellectuals and Political Culture", which deals in the main with the battle of ideas in shaping economic reconstruction in Australia after the war.

Of course, as Dr. Walter points out, "the most visible participants" were Labor's John Curtin and Ben Chifley and Opposition leader Robert Menzies. But Walter writes, "They were largely articulating ideas and programmes developed for them by others."

Coombs formed his 'brains trust' in the Department of Post-War Reconstruction, set up by the Labor Government towards the end of the war. Opposed to the Department's ideas on economic policy (as expressed in the White Paper on Full Employment) was a group of highly influential "progressive businessmen" who banded behind the Victorian Institute of Public Affairs. Among these "progressives" were men of the stature of Essington Lewis, W.S. Robinson, Gerald Mussen, Leslie McConnan, Walter Massy-Greene, Keith Murdoch, Ian Potter, G. H. Grimwade, W.A. Ince and others.

Walter writes, "Most central to this mobilization" (of progressives) were Herbert Gepp (a great industrialist and public servant) and C.D. Kemp, his economic assistant. ("As a professional economist Kemp was a rarity in the business world.") "Kemp later became the chief spokesman and long-time Director of the IPA."

**Battle of Ideas**

The IPA, in common with Coomb's Department, accepted full employment as the supreme task of post-war economic policy (in its document *Looking Forward*) but there were, states Walter, "vital differences from the Labor agenda" and the IPA "gave shape to a political culture that was to dominate post-war life." The differences between the Coombs' "bureaucratic re-constructionists" and the IPA related to the nature of private enterprise, the part of individual choice and the location of responsibility in the economy. As Walter says, "the business progressives offer a more fully articulated view of private enterprise, and one in which individual rights are the defining feature; private enterprise is said to involve the right of the individual to work of his own choosing, free of direction by a higher authority; the right to receive rewards and privileges commensurate with enterprise and ability; the right to spend income on commodities and services of one's own choosing; and the right to compete in a free price market." The main initiative for economic development was to come from business rather than from government planning which the IPA saw as leading to a form of totalitarianism.

From Walter's essay it emerges that the leading protagonists, on the intellectual level, in the post-war debate were Dr. H.C. Coombs, the Director-General of the Department of Post-War Reconstruction, on the one side and the IPA, under its Director, C.D. Kemp (father of the current Director), on the other.

**Influence on Menzies**

The differences between the Coombs 're-constructionists' and the IPA were "taken up as the genesis of their post-war ideologies by the Labor Party and the emerging Liberal Party respectively." "The anti-Labor argument won the day."

Walter considers what he calls the "crucial role" of Menzies. "He needed a new platform to play out his ambitions, a platform that would distance him from the failure of the U.A.P. and deny his part in that failure ... The IPA intellectuals provided him with the ammunition for this rhetorical project and he carried it brilliantly into the public arena."
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