THERE ARE ALWAYS NEW REASONS TO EXPLORE.

Although Santos has come of age as Australia's most successful explorer-producer of on-shore oil and gas, our primary concern is Australia's continued capacity 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 more we drill, the more significant Australia's top company will continue. And we'll continue to invest in Australia. For the future of Australians.

SANTOS. TODAY'S AUSTRALIAN EXPLORER
Busy Line...
John Hicks
Most local calls would be cheaper and the lines less crowded with time-charging.

Australia's Proposed Race Law
Colin Howard
The new ATSIC Bill will be racially divisive.

Our Foreign Masters
Tim Duncan
Should foreign bureaucrats decide the future of Queensland's timber industry?

The Truth About the Accord
Des Moore
Are we the victims of a confidence trick?

Bringing Home the Bacon
A case of employees' wishes versus those of their union.

How to Treat an Opposition
Nick Greiner
Labor treated Nick Greiner's Opposition with contempt. Will he reciprocate?

Do We Need More Graduates?
Ross Parish
Do we need more public servants?

The 'Melting Pot' is Working
Charles Price
Australia has a high rate of ethnic intermarriage.

Cultural Literacy
Susan Moore
Without it there can be no ordinary literacy.

Employee Participation: an enterprising reform
J. S. Thompson
Inflexible trade union attitudes are preventing the emergence of more worker participation.

Australia's Birthday Beacons
John Carroll
A Bicentennial occasion during which Australians spoke for themselves.

The Rewriting of Australian History
John Hirst, Tim Duncan, Ken Baker
Through the eyes of the new historians Australia's past is unrecognizable.

The Decline of Christianity
B. A. Santamaria
Warren Clarnette, C. D. Kemp
The deepest division within the churches is no longer between denominations.

IPA Indicators
the imprisonment rate in Qld is almost twice that in Victoria - and even higher in W.A.

Editorial
Aboriginal policy needs rethinking.

A Unionist's View
Laurie Short
With secret ballots, there would be fewer strikes.

Around the States
Les McCarrey and Peter Rowe
Mr Keating wins the IPA budget award.

Strange Times
Ken Baker
Say hello to New Wave Geography.

Defending Australia
Harry Gelber
India as a new world power will permanently alter Australia's strategic situation.

Press Index
How the press voted on the referendums.

Map: Nuclear Power Reactors
A solution to the Greenhouse Effect?

Issues in Education
Leonie Kramer
The Government's "national objectives" are based on false assumptions.

World Policy Review
Grafting private enterprise onto fundamentally unreformed Eastern Bloc economies doesn't work.

IPA News
IPA is being recognized as a leader on State budget analyses.
Fiona Scott  
Age 21  
From Home Hill, Educated at James Cook University  
Bachelor of Science  
Now showing throughout Australia  

Fiona is one of nine science graduates who will spend a year on the road operating the Shell Questacon Science Circus throughout Australia during 1988. The aim of the Circus is to bring science to the people through “hands on” exhibits and demonstrations given by the graduates. Through the Circus, Fiona is realising one of her major aspirations; to work with children to encourage an interest in science and technology.
Mr Hawke's and Mr Howard's opposition to time-charged local calls has forced Telecom to embark upon a pointless capital expenditure program that may waste $150 million over five years. It has also prevented the removal of an iniquitous subsidy provided on 25 per cent of local calls which is costing users $240 million per year. It is time that Mr Hawke and Mr Howard reviewed their positions.

The case for timed local calls has increased, not diminished, since the political decision to abandon them in response to pressures from various interest groups.

Unless Telecom (Australia's largest employer) can secure the introduction of time-charged local telephone calls, the telecommunications industry's, and therefore Australia's, future productivity growth will be reduced at a time when we need to do everything possible to increase competitiveness. In fact, Australia and Canada are shaping up to be the only OECD countries not to have timed local calls. Just as importantly, failure to introduce timed local calls will impose a grossly unfair additional burden on the majority of callers. Telecom estimates that, if it were feasible to introduce time-charging with immediate effect, the cost of 75 per cent of local calls could be reduced by 25 per cent (i.e. from 20 cents to 16 cents at the time the proposal was first raised). Given the eight billion local calls that are made in Australia each year, this implies that 25 per cent of local calls are receiving a subsidy in excess of $240 million per year at the expense of the majority of callers. In addition, the introduction of time-charged local calls would mean that Telecom would be able to spend $100-150 million less on capital outlays over the next five years. Yet we have the absurd situation where both major political parties are apparently committed to continuing with the present antiquated system.

The political schemozzle over the timed call issue demonstrates yet again that governments cannot be relied upon to deliver services in a way that is in the interests of the community as a whole.

The commercial and economic realities of telecommunications throughout the world have changed dramatically in recent years. Advances in the technology of facilities for carrying messages (such as fibre optics) have made distance a much less significant factor in the cost of calls. Rather, costs, particularly on heavily used routes, are increasingly a function of the

---

1. Canada has had plans for several years to implement time-chargd local calls. It has undertaken considerable expenditure in preparing for the introduction of a system. However, as yet, it has not eventuated.
2. In practice, it would take Telecom until some time in the mid-1990s to introduce timed local calls throughout the system even if a decision was made now.

Dr John Hicks is Principal Lecturer in Economics at Chisholm Institute of Technology in Melbourne and Senior Economist at the Institute of Public Affairs.

IPA Review, December-February 1988/89
number of exchanges traversed and of the length of time for which a circuit is tied up. The required capacity of the telephone system (as for electricity supply) is determined by the peak load demand. Additional traffic at that time can only be accommodated by installing extra capacity, at considerable cost. Since additional traffic during off-peak periods can be readily handled on equipment that is already in place, anything which smooths the traffic flow over the day, reducing the peak demand, reduces the demand for extra capacity and therefore lowers the average cost of the system. Telecom estimates that each one per cent switch in traffic from peak to off-peak would save $20-30 million in annual capital expenditure.  

The gains to consumers from the introduction of time-charged telephone calls would be significant

Telecom's estimate of the potential savings in capital outlays indicates that the economies of scale to be made by channelling telephone communications through the network during off-peak periods are significant. However, these gains can only be realized if users are confronted with the right incentives — i.e. if people are paying more closely for the services they use. Unless there is a cost incentive to utilize off-peak periods and to minimize the length of peak period calls, greater use of the network during peak periods will raise the cost of the system to everyone.

The most appropriate way to ensure that the right incentives are present is to make the price signals give the correct message. Lengthy use of the network during peak periods should be penalized in order to discourage the over-use of a scarce and valuable resource. Similarly, sizable off-peak discounts should apply.

The gains to consumers from the introduction of time-charged telephone calls would be significant — assuming that any change was made on a revenue-neutral basis. Telecom estimate that 75 per cent of local calls last for less than four-and-a-half minutes. Thus, most calls would cost less under a timed system. In addition the likely resultant removal of the distinction between 'local' and 'STD' calls could reduce the cost of long-distance calls for all groups.

The main additional cost of a timed system would be borne by those businesses which currently take advantage of the present pricing structure to, *inter alia*, send messages to computers on a continuing basis. But it is not only business that should pay: other users should pay on the basis of the costs they impose on the system. Any disadvantage of such a pricing system to those who may have a particular, socially recognized, need, can readily be eliminated by either the application of appropriate technology\(^6\) or the reimbursement of additional costs incurred. (The latter practice has its forerunner in the government provided rebate on pensioners' telephone rental which has been practised for many years.)

In general, however, the disadvantage is likely to be relatively trivial. Overseas studies have failed to identify any major groups that have been seriously and unjustifiably hurt by the introduction of time-charging. Further, the continued march of technology will ensure a continued improvement in the level of service at lower real prices to the consumer (provided that the unions are prevented from capturing the rent).

Time to Act Now

Investment in the telecommunications industry is characterized by a long lead-time. This is true for both the network operator and the network user. Telecom, its competitors, and the customers of both, are taking investment decisions now that will determine the nature of the capital operating stock, and the nature of telecommunications services, into the next century. It is important, therefore, for Australia's economic future that the right decisions are made. However, this can only happen if the price signals confronting the decision-makers are changed.

The key point is that, if both network users and Telecom now proceed with investment decisions made on the basis that timed local calls will not be introduced, Australia will become locked into such a system, with much attendant waste of capital. Moreover, because Telecom will be forced to over-charge both short duration local callers and long distance callers if it is to sustain profitability, businesses will increasingly develop their own systems to take advantage of the cheaper technology that is available. This will, in turn, deprive Telecom of profitable customers leaving it with a smaller

---

3. *It is reasonable to assume that a switch of one percent of traffic would take place in each of the first five years of the operation of a time-charged system resulting in a capital saving of approximately $100-150 million over this period.*

4. *Initially, Telecom's accounting system could be adjusted to allow some groups to be charged at a lower rate per call to offset any implication timed calls may have. In the longer term, Telecom's metering system can be adjusted so that some groups are charged at a lower rate per call during peak period use. The Government could reimburse Telecom for the subsidy so provided.*
A Chronicle of Political Folly

Mid-December 1987
- Telecom releases a new time-charged proposal for the pricing of local calls. The proposal is endorsed by the Prime Minister.
- The Australian Telecommunications Employees' Association (ATEA) objects to the proposed changes on the grounds that the new charges were merely designed to shore up Telecom revenue.
- The powerful right-wing faction of the federal ALP Caucus also indicates that it will oppose the move because of the impact on pensioners, the disabled and other vulnerable consumers "who have a particular dependence on access via the telephone."
- This cry is taken up by many of the State Premiers, as well as pensioner, consumer, community and welfare groups.
- Initially, the Prime Minister, Mr Hawke, refuses to back away from the proposal and indicates that there will be wide public discussion on the issue.

Early January 1988
- In the new year, Labor Party back benchers begin lobbying the then Minister, Senator Evans, to restrict the new charges to business users.

Mid-January 1988
- The Leader of the Federal Opposition, Mr Howard, seeks to establish the timed local calls proposal as an issue at the Adelaide by-election to be held in February 1988. The essence of his emotive argument is clear as he speaks of "This priceless life raft from loneliness for many of the elderly in our community..."
- The Prime Minister, still supporting the proposal, claims that most people would be better off under a user pays system which charged more for longer calls.

End January 1988
- Opposition to the timed calls proposal had hardened and the NSW Premier, Mr Unsworth, fearful of the implications for the NSW election, jumps on the bandwagon. There is a clear split within Caucus on the issue and the major federal factions of the ALP signal their opposition.
- Confronted by these circumstances, Mr Hawke softens his stand. He announces, prior to the Adelaide by-election, that there is no firm proposal and that there is no way any decision will be made before the NSW election.
- Hawke's retreat is given further impetus by the 'leak' of a report prepared by the Telecommunications Review Committee of Caucus which indicated, incorrectly, that low income earners could be hit hardest by time-charging of local telephone calls.

Early February 1988
- In the event, the Adelaide by-election is perceived as a disaster for the concept of timed-telephone calls. There is a huge swing against Labor and Mr Hawke, 'confessing' that the public's disenchantment with his party was due to his raising of the matter, gives his commitment that the issue is dead. The Opposition tries to argue that it was not all because of the timed call question, but the pass had been sold.
lease to sustain cross-subsidies, adding to the inequitable burden being borne by the majority of users.

Telecom's pricing policies must therefore be allowed to reflect two imperatives: the need to eliminate pricing anomalies, which are no longer sustainable in a technological environment where users have greatly increased capacity to develop their own systems; and the need to ensure that the services provided through the public network are priced so as to encourage their effective use and to avoid the extensive subsidizing of those who do not need it. Each of these requirements calls for the introduction of time-charged local calls as soon as possible.

Politically Feasible

Looking back over the relatively short history of this sorry tale, it seems clear that a number of groups took up positions in opposition to timed calls which, with hindsight, they would now find difficult to justify. In the case of Mr Hawke and the Government, the electoral reversals since Adelaide make it clear that the timed calls issue can, at best, only have been one of the factors in that by-election result. It is clear that Mr Hawke went off half-cocked in 1987 without properly marshalling his fellow Ministers. The Leader of the Opposition must, for his part, now surely acknowledge that his stance was pure political opportunism — and probably not supported by his party as a whole. The unions clearly over-reacted on the basis that they saw the proposal as part of wider-ranging moves to deregulate the telecommunications industry, thereby threatening their members' jobs: but various deregulatory measures have been announced and moves are now being made to implement them. Finally, the welfare lobbies failed to recognize that many pensioners would benefit from cheaper calls.

It ought to be feasible, therefore, for the various groups now to review their positions and to recognise that it is very much in the long-run national economic interest for timed local calls to be introduced as soon as possible. An opportunity should arise when the Bureau of Transport and Communications Economics brings down the report which it has been commissioned to undertake on the costs and cross subsidies (of which non-timed local calls are part) associated with meeting identifiable community service obligations now met by Telecom.

Even though the Bureau has not specifically been asked to address the timed calls issue, it has not been precluded from doing so. Its report should therefore make it clear that there is an overwhelming case for Australia to come into line with the rest of the 'advanced' world other than Canada. This report is expected around March, 1989.

Both parties should now review their positions with a view to presenting a coherent case for timed calls which makes it clear that the majority of callers would benefit; that the move would come in gradually over time; and that appropriate arrangements would be made to protect those few groups that would otherwise be disadvantaged and that could demonstrate a clear need to make peak-period calls. That would surely attract widespread, and, hopefully, bipartisan, support. It would certainly be a welcome development if both major political parties were to acknowledge that they had made a mistake.

Implications And Conclusions

The failure of timed local calls to get off the ground clearly demonstrates the need for the Government to relinquish control over those areas of public production which can be more efficiently operated where commercial decision-taking is required. Indeed, the failure of Telecom's move toward timed local calls because of political events, raises doubts about whether the Government's proposals to reform government business enterprises can be realized in practice.

It would certainly make it all the more difficult for the Government to take the measures necessary to break down Telecom's monopoly and make it more competitive.

But all need not be lost. The problems that gave rise to the time-charge proposal still exist, only more so. Unless the decision is reversed the majority of Australian consumers of telecommunications products will be disadvantaged and there will be wasteful use of scarce capital resources. These facts must surely provide a basis for both the Government and the Opposition to reverse the stupid and short-sighted positions which they took as a result of short-term political opportunism.

5. Telecom's status is to be changed to that of a Corporation by July 1989, its monopoly over PABX maintenance is to be removed on 1 January 1989, the market for the supply and maintenance of small business systems is to be opened up to competition on 1 July 1989 and Telecom may lose its first phone monopoly after 1 July 1991.
CRA is a world leader in the production of aluminium, iron ore, lead, zinc, silver, copper, gold, coal, diamonds and salt.

For example, CRA subsidiary Comalco, with operations in Australia, New Zealand and the United States, contributes 18% of the aluminium metal produced in Australia.
Australia's Proposed Race Law

Colin Howard

A Bill currently before the Federal Parliament would establish a separate system of political representation for blacks.

The Australian Constitution includes a power for the Australian Parliament to make laws on the subject of the people of any race for whom it is deemed necessary to make special laws. This clause of the Constitution raises the question whether it is right and proper to make laws by reference to people's race at all. The widespread public assumption that such a legislative power is for the benefit of groups of people described by the imprecise term 'race' has no legal foundation. The power can be just as well be used to oppress people identified by race as to assist them. But this is only the beginning of the problem. What is a race? It seems easy to distinguish between, for example, black Africans, Arabs, Polynesians and Chinese on a racial basis. But this line of thought will not get you very far. Difficulties arise when you consider groups of people who have some characteristics in common and others which are very different. Are Greeks a different race from Turks, Italians from Icelanders, Iranians from Iraqis, Zulus from Shona, English from Scots? Are the Jews a race? Only arbitrary answers can be given to such questions because each of them depends on what one means by race, and there is no agreement on that subject.

When one considers how vociferous the Hawke Government has been about racially-based laws in South Africa, it is worth remembering that no one has suggested that we repudiate the power to make laws with respect to race. It can be argued that we are different, we do not make laws directed against the people of any race and that any such policy would be politically unacceptable. As a justification this is a weak reed. The current danger is not that the power will be used to make laws which are crudely and overtly directed against one minority group in the community. The danger is that in the pursuit of a course of action believed to be good, damage will be done to our entire social structure by way of racially-based laws because nobody perceives what their underlying significance is.

There is, before the Australian Parliament at the moment, a Bill for an Act entitled the Aboriginal and Torres Strait Islander Commission Bill, or ATSIC Bill for short. According to the Government this is a good thing because it represents the first major attempt in our history to provide a formal framework through which Aborigines and Torres Strait Islanders can influence government decisions which affect them and their interests. The Bill has for the time being been sidelined by the uproar about the Aboriginal Development Commission and the dismissal of Mr Charles Perkins.

If and when the Bill comes to life again, one thing above all should be squarely confronted. It is that the Bill aims to set up an organization closely resembling a mini-parliament for the sole use and advantage of Aborigines and Torres Strait Islanders. What this will mean is that a section of the Australian population will have been singled out by reference to race for separate representation based on a separate voting roll. If anyone suggests that this resembles apartheid, the answer will no doubt be made that in the first place the Bill does not deprive Aborigines or Torres Strait Islanders of any rights they may already enjoy, but on the contrary adds to those rights, and that the Government is trying to help them, not repress them. The fact remains that they are being singled out, and the process enshrined in law, on undisguisedly racial grounds.

Some of the consequences may not be welcome. Among other things, a body will have been brought into existence with which the Federal Government can negotiate a treaty analogous to the Treaty of Waitangi reached between whites and Maoris in New Zealand a century-and-a-half ago. Although there are supporters in this country of the idea of a treaty, there are others who legitimately have misgivings about it. It can be said, for example, that land rights have caused enough trouble already, without giving one side of the argument the status of a quasi-national independent community. It can be said also that in the long-run it is folly to enact a racial law which manifestly divides Australians instead of unite them. The New Zealand experience has not been an entirely happy one, to put it mildly.

It is a fundamental cause for unease that, contrary to our professed political ideology, the ATSIC Bill, if it becomes law, will have revealed us as being as racist as anyone else. We should not be in the business of deliberately creating a sub-nation with a sub-parliament with enormous powers to claim land and other property as its own. Whatever the motives, this is a recipe for racial disaster.

Colin Howard is Hearn Professor of Law at the University of Melbourne.

IPA Review, December-February 1988/89 10
Our Foreign Masters

Tim Duncan

Undeterred by Brazil's poor reputation for environmentally sensitive forest management, this month (December) the World Heritage Committee met in Brazil's capital, Brasilia, to determine the future of the Daintree Forest in Queensland and thereby the future of the North Queensland forest industry. It follows an earlier meeting in Paris of the World Heritage Bureau, a body similarly composed of foreign bureaucrats unaccountable to the Australian electorate, but with the power to make political decisions about Australia's future.

In the last IPA Review Professor Colin Howard outlined the explosive implications of the external affairs power. Following the High Court's Tasmanian Dams case judgment, a Pandora's Box has been opened which gives the Commonwealth Government the means to prevail in constitutional battles with the States by appealing to the authority of international conventions.

Professor Howard showed how conventions never debated in the Australian political milieu can be used to shape Australia's domestic political arrangements, bypassing conventional parliamentary and constitutional channels. Of course, no side of politics has a monopoly over how the external affairs power might now be used. What stopped the Franklin Dam can just as easily crack compulsory unionism.

But that is the point. Who actually stops what? The latest case involves timber felling in the Daintree area of North Queensland. A report written by P. T. Cranny, Queensland's Assistant Conservator of Forests, on the experience of the Queensland delegation at the June 1988 meeting of the World Heritage Bureau is instructive. It records in graphic detail how foreigners stopped the North Queensland timber industry. It shows Australians, both for and against the listing of the Daintree Forest, paying homage before a court of foreigners. The reality is that by invoking external affairs powers to resolve domestic political disputes, Australians have ceded sovereignty in this area and lost their national authority and dignity as a result.

World Heritage Bureau

The foreign court involved is the World Heritage Bureau, a listing sub-committee of the World Heritage Committee, this in turn the executive for the 100 countries party to the World Heritage Convention. The function of the Bureau is to examine nominations prepared by the countries involved, and "professional evaluations" of each respective nomination prepared by the Commission on National Parks and Protected Areas, an operating body of the International Union for Conservation of Nature and Natural Resources (IUCN). This latter outfit is a part of UNESCO, the controversial UN bureaucracy from which the United States and Britain withdrew because of the despotic management style of its former director, Mr M'Bow.

The Bureau comprises seven members. For 1988 those are Canada (Chairman), Bulgaria (rapporteur), France, Mexico, Tanzania, Sri Lanka and Tunisia. This was the foreign court before which the Australian Government represented by Gough Whitlam, with two others, appeared. Three of the Queensland delegation, opposed utterly to the listing, were permitted to observe the Bureau's Paris deliberations.

The Meeting

The three Queenslanders took notes. What follows is based on these notes. Dr Jim Thorsell, the IUCN executive officer, led off with a "professional evaluation." Broadly, he said that the Daintree Forest qualified for listing, but that there were problems about how it would be managed and that it included areas "already degraded" (i.e. already used by people). "When in Queensland we noted misconceptions about World Heritage," said Thorsell, according to the Qld delegation's notes. "We encouraged the Australian Government to generate more local support for World Heritage by an information campaign."

Then came the questions.

Canada: "Selective logging — how has it affected the forests?"

Dr Tim Duncan is a senior staff writer with Business Review Weekly.
Thorsell: "It is selective cutting. Up to 50 per cent reduction in canopy and change in the forest structure. No species extinction. Logging carefully carried out. Road introduced, exotic plants. Position of Commonwealth Government and IUCN is that floral values would be affected by logging."

Canada: "You referred to the siltation of Barrier Reef earlier?"

Thorsell: "Yes, a road built in the Daintree in 1984 led to the IUCN resolution at a General Assembly. It was an awful case of road construction. No impact statement was prepared beforehand. Local reports from Queensland are due soon but they are likely to be alarming."

Sri Lanka: "What would be the smallest area that could serve the purpose of the Convention?"

Thorsell: "Could not really say."

Tanzania: "What precisely is World Heritage about this nomination? Is it fauna or rainforest?"

Canada: "Essentially this is a rainforest nomination plus associated fauna."

France: "Other sites we will consider today all have management plans in place. This one hasn't. No rules of management are in place."

Mexico: "It deserves listing. But there are questions. A new proposal will have to be made."

Canada: "I suggest we nominate — but the new material should be put before the Bureau again before putting it to the Committee in Brasilia."

Carried.

The Queensland delegation was able to speak informally to the Bulgarian Bureau rapporteur for 30 minutes on 16 June. In French, the rapporteur made it clear that while she sympathized with the Queensland position, any formal recommendations from the Bureau would be brief and most certainly would not include reference to the IUCN recommendation that, "The support of the State Government, as the key managing agency and land owner, is essential."

Three points emerge from the Queensland report. First, there was no reference at the meeting to what in fact the Bureau was really voting on - namely, closing down the North Queensland timber industry. Second, the Bureau members were all well-intentioned, but clearly they were in the hands of their technical advisors. Third, the members of the Bureau were foreign. None of them is politically accountable for making, in effect, political decisions about Australia's future.

Queensland timber workers: should foreign bureaucrats decide their fate?
The Truth about the Accord

Des Moore

Journalists, economists, international observers, even businessmen have all paid homage to the Accord between the Hawke Government and the unions, judging it to be an economic saviour. But what is the reality? Des Moore taps this Australian political and economic idol and finds that it rings hollow.

The prices and incomes Accord between the Labor Government and the unions has been a 'con' in which union leaders have taken the Government and the Australian community for a ride, causing much of Australia's debt problem, delaying needed adjustments to the Australian economy and slowing growth in living standards.

Yet that Accord is presented as the centrepiece of Labor's economic strategy. According to Mr Keating, "Realistic wages in exchange for higher employment was the basis of the relationship with the trade unions back in 1983 and it remains as relevant now as it was then...employment has grown by 17 per cent since 1983 and the unemployment rate has fallen from 10.5 per cent to around seven per cent." In addition, "a measure of the fundamental change that has come over Australian labour markets is the fact that industrial disputes have fallen by 65 per cent since mid-1982."1

All this sounds impressive and the Government/ACTU story on the Accord has been fairly widely swallowed as 'gospel'. This is particularly so internationally.2

Closer to home a surprising number of businessmen have accepted the view that only the Labor Party can keep the unions under control and that a centralized wage determination/dispute settling machinery, often described as the 'Industrial Relations Club', is an essential component. Some economists also see an Accord as the only practical way of keeping wages growth to reasonable levels, mainly because wages tend to increase quickly once shortages of labour develop, but high levels of unemployment — with consequent economic and political costs — are required before they are slowed sufficiently to revive the demand for labour.3

Since the first full flush of enthusiasm in 1983 the nature of the Accord has changed and there is now only a broad agreement between the Government and the ACTU on the appropriate rate of wage increases. Even so, throughout the period of the Accord the Government has changed policies or desisted from changing policies in many key areas in order to accommodate the views of union leaders.

But has the Accord had any significant effect on union behaviour? And has its overall influence on Government policies benefited the Australian community?

Wage Restraint Since 1982/83

There has, of course, been a significant reduction in the annual rate of growth of wages, which about halved between 1982-83 and 1987-88 — from 13 per cent to 6.4 per cent — while average real wages have fallen in every year since 1982-83 except for 1984-85. After allowing for productivity growth, this has meant a substantial fall in average real unit labour costs, which are now a fraction below levels of the late 1960s/early 1970s, when unemployment averaged around 1.5 per cent. The fall in real unit labour costs has, in turn, been an essential

2. For example, the Secretary General of the OECD, Mr Paye, was quoted in the Australian Financial Review of 20 June 1988 as saying that the Accord had been "to some extent a watershed in policy making" which had "contributed to the restoration of Budget balance and also of confidence" and which, as a result, made Australia appear as "a more dynamic, less sclerotic economy."
3. Reflecting this, economic advice provided in the early stages of the Labor Government (mostly from outside the Public Service) suggested that an Accord with the union movement based mainly on full indexation of wages to prices would allow the Government to adopt expansionist fiscal policies to bring unemployment down without leading to the wages 'break-outs' that had occurred in the past, most notably in 1974 and 1982, and that had led to a subsequent increase in unemployment and slowing in economic growth.

Des Moore is a Senior Fellow at the Institute of Public Affairs.
pre-requisite to the recovery in employment.

But to what extent has the reduction in wages growth/fall in real wages reflected 'restraint' exercised by unions that would not have occurred without the Accord? While no completely definitive answer can be given to this question, a recent analysis by two senior Treasury officials, using the latest Treasury model of the economy, suggested that the Accord made no significant difference to wage increases between end-1983 and end-1986. This corresponds with the commonsense view that, during a period in which unemployment was at a post-World War II high and when the labour market was not 'tight', unions have not generally been in a position to exert their monopoly powers. It is pertinent that unemployment is still nearly one per cent higher than in any post-World War II year before 1982-83 and has only come back to the OECD average. Moreover, the sharp jump in unemployment in 1983, following the increase in average wages in the first half of 1982 at an annual rate of nearly 17 per cent, has undoubtedly remained relatively fresh in the minds of union leaders, many of whom were also responsible for the 1982 break-out. Also, the removal of exchange controls on outward capital flows has increased the potential for Australian businesses to invest overseas and led to greater realization by at least some union leaders of the need to be competitive.

In short, having again pushed real unit labour costs to unrealistic levels in 1982 and again caused a sharp jump in unemployment, union leaders were forced to respond to the pressures of the market place — and to the common sense of the Australian worker.

But in any event the degree of wage 'restraint' since 1982-83 leaves a good deal to be desired. While real unit labour costs have fallen sharply, that fall has been from levels that should never have been reached: if someone becomes grossly overweight through over-indulgence he can scarcely count it as a major advance to get back to being simply overweight. Moreover, since 1982-83 Australia's nominal unit labour costs — a more relevant measure for international competitiveness purposes — have increased 25 per cent faster than those of our four major import sources and there has been little sign of any narrowing of the gap. In fact, the rate of growth of nominal unit labour costs has actually increased in every year since 1983-84 except last year when it fell very slightly from 6.9 per cent to 6.0 per cent — still two to three times faster than for our major trading partners. This faster growth in nominal labour costs — and the consequent continued exchange rate uncertainty — has almost certainly been an important factor inhibiting investment, particularly in the export and import-competing sectors.

Declining Industrial Disputes

The level of industrial disputation has also fallen sharply in recent years. However, most of the fall occurred immediately prior to the introduction of the Accord and there has been little change in recorded levels of industrial disputation since 1982-83. Mr Keating claims a 65 per cent reduction in industrial disputes since mid-1982: but, mid-1982 was well before the Accord started. If mid-1983 is taken as the base point, the reduction in working days lost per thousand employees has been only five per cent. Moreover, there is anecdotal evidence to suggest that non-recorded forms of industrial action — such as go-slows, work-to-rules, and overtime bans — may not have declined as much as recorded disputation since 1981-82. Finally, there are signs that, with the labour market starting to become tight for the first time since before 1982-83, industrial disputes have again recently resumed an upward trend.

It is also necessary to recognize that the decline in industrial disputation since the early 1980s has been part of a world wide trend and, while Australia has experienced a greater-than-average decline in recorded

5. It will be recalled that, at the 1986 ALP Conference, Treasurer Keating suggested that the Assistant National Secretary of the Amalgamated Metal Workers’ Union, George Campbell, and others "carry the jobs of 100,000 dead men around their necks in the manufacturing industry with the $39 a week increase in the metal trades agreement in 1981." Mr Campbell is now National Secretary of the union.
6. The major previous occasion was in 1974 when, in the second half of that year, average weekly earnings increased at an annual rate of no less than 37 per cent while prices increased at 19 per cent per annum. Unemployment then jumped from 2.1 per cent in May 1974 to 4.8 per cent in February 1975.
7. Simply because real unit labour costs are now below levels of the late '60s/early '70s does not necessarily mean that they are at an appropriate level.
8. Working days lost per thousand employees fell from 692 in 1981-82 to 297 in 1982-83 and have since averaged 244.
9. While the greater centralization of pay deals has reduced disputes over wage levels, other types of dispute at the level of individual firms have almost certainly not been reduced to the same extent.
10. The total number of working days lost in June/July 1988 was the highest for any two-month period since November-December 1981.
industrial disputation, it seems likely that the excess supply of labour, as reflected in higher unemployment in most OECD countries, was the major common factor in reducing recorded disputes. Further, while international comparisons of levels of industrial disputes need to be made with considerable caution, in terms of days lost Australia still comes in the middle of the field of OECD countries and has higher dispute levels than those that might be regarded as role models. This continued relatively high level of industrial disputation — and the possibility that it will hit particular firms selectively — remains an important factor inhibiting investment in export and import-competing industries.  

Since 1982-83 Australia’s nominal unit labour costs...have increased 25 per cent faster than those of our four major import sources. 

In any event, the sustaining of the lower level of disputation in recent years has probably been due more to the growing realisation by employers that resort to the civil courts is the only effective way of dealing with union intransigence and with the demonstrated failure of the present industrial relations machinery to handle disputes where union leaders are determined to protect entrenched positions at almost any cost. This resort to the civil courts has reflected the determination of a small group outside government and the Accord not to readily accept the decisions of the existing industrial institutions.  

Their success has been reflected in such well-known disputes as the Wide Combs, Mudginberri, SEQEB, Dollar Sweets, Robe River, and the Sale Cinema Case. These successes now mean that in many industries the mere threat of civil court action is sufficient to bring a dispute to an end. Moreover, it is clear from the ACTU’s Future Strategies for the Trade Union Movement of May 1987 that union leaders have taken this development very seriously and regard it as a major problem for the union movement.

### Rising Employment/Falling Unemployment

On the surface, the 17 per cent increase in employment and the 34 per cent reduction in unemployment since the peak of 10.4 per cent in July 1983 is most impressive. But these percentage changes are taken from the low points reached in 1983 following the 1982 wage ‘explosion’. If we take the increase in employment from the previous peak, or over a longer time-span that avoids arguments about appropriate base periods, we find that all that has really happened under the Accord is to restore the trend rate of growth in employment. In short, the apparently faster-than-normal growth in employment since 1983 is really only what one might have expected to happen when one is moving out of a trough, viz, a recovery from the slower-than-normal growth in 1982 and 1983.

It is also relevant, having regard to the fact that Australia developed a massive external debt problem during the period of the Accord (see below), that the growth in employment in the main export and import-competing sectors has continued to be relatively low. Indeed it was not until 1988 that total employment in these sectors got back above 1982 levels (but was still lower than in 1980 or 1981). This sluggishness in employment in the main external trade sectors, and the

---

12. At a recent conference of the H R Nicholls Society, for example, a senior executive of BHP indicated that his company had taken a strategic decision not to develop its steel exports potential because it believed that it was not in a position to be a reliable performer.

13. Of course, without the defeat of the Government’s attempts to repeal the Liberal Governments 1977 Amendments to the Trade Practices Act, which brought certain oppressive trade union conduct within the purview of the Act, much of this would not have been possible.

14. Those who are interested can examine most of these and other similar cases by referring to papers presented at conferences of the H R Nicholls Society. These show the gross inadequacy of the workings of the present industrial relations arrangements both from an economic viewpoint and from the viewpoint of protecting individual rights and civil liberties of both employers and employees.

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

The ACTU then urges its members to: “carefully select targets for all forms of industrial action”; “alert members and officials of the nature and extent of potential liabilities”; “develop defensive (and offensive) tactics which can minimize the risk of legal intervention”; “establish ‘early warning systems’ to try to head off the possibility of legal action”; “be prepared to beat a strategic retreat where that is the prudent course”; “establish and maintain substantial fighting funds”; “recognize that legal action can destroy a union.”

16. Employment actually fell by about two per cent between August 1982 and August 1983, the largest such fall in the post World War II period. All employment data quoted in this paper refer to August figures.
sluggishness in investment in these sectors, suggests that the Accord has done nothing to relieve concerns of businesses that investments in sectors which compete directly in the international market place have a substantially greater risk premium attached to them. The following table summarizes the employment picture.

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Total AVERAGE PERCENT GROWTH PER ANNUM</th>
<th>Employment in Agriculture, Mining &amp; Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983-88</td>
<td>3.27</td>
<td>1.06</td>
</tr>
<tr>
<td>1980-88</td>
<td>1.95</td>
<td>-0.03</td>
</tr>
<tr>
<td>1967-88</td>
<td>1.85</td>
<td>0.02</td>
</tr>
</tbody>
</table>

As to reducing unemployment, the United States has been far more successful, bringing unemployment down from a peak of 10.3 per cent in February 1983 to the current 5.3 per cent, a reduction of 48.5 per cent. Moreover, although the 2.3 per cent per annum rate of growth of employment in the US since the trough in 1982 has been lower than from Australia’s trough, the US did not experience as severe a reduction in employment as Australia. Also, there appears to have been a more rapid move in the US to expand employment in the export and import-competing sectors. Overall, the US labour market appears to have performed better than Australia’s, doubtless partly reflecting the fact that it is more deregulated.

Productivity Growth and Living Standards

In considering whether there has been ‘restraint’ in wages, productivity is often overlooked. Yet a six per cent increase in wages that is accompanied by, say, a three per cent increase in productivity — resulting in a three per cent increase in unit labour costs — is quite a different kettle of fish from a six per cent increase in wages that is accompanied by little or no increase in productivity. The latter implies a six per cent increase in unit labour costs, undermining our international competitive position and allowing little or no increase in living standards. The former more nearly sustains our competitive position and allows a substantial increase in living standards.

Unfortunately Australia has consistently been in the low-productivity growth group of countries and there is no sign of any pick-up in recent years. Since 1982-83 the growth of labour productivity as measured by the Commonwealth Statistician has averaged only a little over one per cent per annum and since 1984-85 it has not increased at all. On OECD measures Australia seems to have slipped further behind in the international productivity stakes, as the following suggests:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986-89</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OECD Average</td>
<td></td>
<td>4.2</td>
<td>1.6</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Australia</td>
<td>2.9</td>
<td>1.8</td>
<td>1.1</td>
<td>0.7</td>
<td></td>
</tr>
</tbody>
</table>

It is little wonder, then, that living standards during the period of the Accord have increased very little. If we take real household disposable income per head as a proxy for average living standards we find that between 1982-83 and 1987-88 the average annual increase was only about one per cent. But given that 1982-83 was a trough this is the best possible comparison: it compares with an increase of nearly two per cent per annum over the period 1967-68 to 1987-88.

Australia’s Debt Problem

Professor Max Corden, possibly Australia’s leading economist, recently suggested that the Accord has resulted in “wage restraint attained at a cost”, the cost being the emergence of a serious external debt problem.

I have considered the nature and causes of this problem elsewhere. That analysis suggests that the Accord resulted in a much greater expansion of public sector expenditure and borrowing in the three years 1983-84 to 1985-86, and a considerably slower contraction of such expenditure and borrowing in the next three years, than would have been the case if there had been no Accord. The net effect of that has been considerably higher current account deficits and external debt than would otherwise have occurred. Moreover,

17. US employment fell 0.9 per cent in 1982. Over the period 1967-88 US employment growth has averaged 2.08 per annum.
18. ABS Catalogue No. 5222.0, 17 November 1988, GDP per hours worked series.
19. Real household disposable income per capita actually fell by 1.8 per cent in 1982-83.
22. The fall in the terms of trade also contributed to the higher current account deficits and external debt. But that fall, the effects of which have been substantially overstated, only brought forward the need to make the necessary changes in policy.
it is not simply a matter of higher deficits and debt: it is the fact that the increase in deficits and debt went largely to sustain the higher levels of consumption that have been built up since the mid-1970s. Most of the increase in employment that has occurred went into sectors that are based on providing goods and services to domestic consumers.

All this means that, while we have greatly increased our external borrowings, there has been no commensurate increase in the productive assets needed to service those borrowings.23 As a consequence, we now have to pay the price either by constraining the growth in our living standards in order to service this debt — and indeed to try to reduce it — or by increasing our productivity (i.e. working more effectively), or a mixture of both. Moreover, we need to change the industry structure away from the domestic consumer orientation on which most of the employment expansion under the Accord was based. Thus, having been taken down the wrong track by the Accord, both in an overall sense and in terms of direction, we now have to correct that mistake.

Other Economic Reforms

The existence of the Accord, and the misguided attempts by the Government to work within it, have almost certainly inhibited change in other areas. On a range of important policy issues the Government has closely consulted the union movement and, in consequence, adopted policies which have been second or third best or which, in some instances, meant no change at all. In other cases, such as the proposed changes to industrial relations arrangements, the outcome was to bring forward proposals that would have set the economic reform clock back. The most regressive proposals were only withdrawn as a result of strong adverse reaction from the business community.

It is not possible here to detail the changes in economic policies which have been prevented, in substantial part, by opposition of union leaders. They include, however, such areas as taxation (consumption taxes and lower marginal rates of income tax), efficiency of public enterprises (total opposition to privatisation and resistance to exposing enterprises to competition), efficiency of private industries (resistance to faster reductions in protection), and labour market reform (total opposition to reductions in union monopoly powers and strong resistance to greater competition). Other new policies supported by union leaders, such as prices surveillance and additional regulation of businesses, have added to costs. In essence, union influence exerted through the Accord has significantly slowed the rate of structural change in the Australian economy and inhibited business investment, thereby keeping down growth in productivity and living standards.

Conclusion

Contrary to the views put by union leaders, and faithfully mouthed by Government Ministers, the wage ‘restraint’ (such as it has been), the growth in employment and reduction in unemployment since 1982-83 can be explained as a product of the operation of market forces. The Accord has detracted from economic growth by inhibiting or preventing needed structural adjustments. And, to the extent that government macro-economic policies gave the economy a ‘kick-start’ in the first three years of the Labor Government, much of the growth was misdirected and, overall, led to a massive debt problem. The Accord must indeed bear a sizable share of the blame for Australia’s external debt problem and the consequent constraining effects that it is now having on growth in living standards.

In all of this I leave on one side the implications for the proper democratic processes of government. Yet a strong case can be made that ‘non-elected’ union leaders have had, and continue to have, an undue influence on the decisions of government. They have been Accorded a privileged position which has allowed them to defend their own narrow, short-term interest at the expense of the Australian community and of their own members.

As Professor Corden said at the August 1988 Economic Congress:

"The biggest constraint on good management of the Australian economy is still the inflexible (or inadequately flexible) labour market."

He went on to note that "some measures to deal with this problem are now under way."24 Regrettably, none of these measures envisages the abandonment of the Accord or a reduction in the role of the union leaders who have had such a pernicious influence.

23. Although recent revisions for ABS data on business-fixed investment now indicate that the level of such investment in recent years has in fact been about a percentage point of GDP higher than in the 1970s, that still leaves such investment well below the average level of the 1960s (around 12 per cent). Also, the overall level of fixed investment has not increased.

24. Ibid.
Displaying uncharacteristic flexibility, the Arbitration Commission has backed the wishes of employees against the wishes of their union.

The Castle Bacon Smallgoods company might long be remembered in the annals of Australian industrial relations. The company has conducted its business for over 80 years at Castlemaine, a town 120 kilometres from Melbourne. Castle Bacon is one of the largest employers in the town, producing hams, bacon and smallgoods. It employs about 520 employees.

In July 1987, it commenced negotiating with the local union delegate about measures to improve restructuring and efficiency at its plant as part of a four per cent National Wage increase. After productive negotiations with the delegate and consultations with employees, the company came up with about eight changes it would like to the Meat Industry Award to allow it to increase productivity, roster some public holidays through the year, and increase scope for casual employment over the busy Christmas period.

The union covering employees in the smallgoods industry is the Australasian Meat Industry Employees’ Union — the Meatworkers’ Union. Although there has been a recent exodus of smallgoods manufacturers from the State of Victoria (due in no small part to the effect of the meat industry award and conditions which prevail in the Victorian industry) the Meatworkers’ Union was adamant: there were to be no changes to the award of the type proposed by Castle Bacon.

Normally, a union can veto any award changes of which it does not approve. But in this case things got out of hand — Castle Bacon took the matter to its employees. It asked them whether they agreed to the proposed changes in return for a four per cent wage increase. Of approximately 495 employees then working at the factory, 460 individually signed written agreements to the effect that they did. The employees then elected representatives to act as spokesmen for them on the matter. The company went to the Arbitration Commission in Melbourne asking it to change the award in the way it proposed. The elected representatives went to Melbourne too, to tell the Commissioner that the Meatworkers’ Union did not speak for them when it opposed the changes.

The Commissioner ignored the wishes of the employees and held that the union was right — the award should not be changed. This was despite the fact that the only local support the union had been able to achieve was at a meeting (from which management was excluded) where 33 union members were said to have voted against the agreement. Although the union promised to present employee after employee who would refuse the agreement, it did not produce one employee who was opposed to the changes. The six elected representatives gave evidence that the agreement was supported by the overwhelming majority of Castle employees and produced further petitions authorizing them to act as spokesmen for the workforce, but to no avail: the Arbitration Commissioner refused to ratify the company/employee agreement.

Castle Bacon then appealed to the Full Bench of the Arbitration Commission which overturned the decision of the individual Commissioner. It found that the company/employee agreement was an appropriate contribution to restructuring and efficiency in the company's plant. It found that the great majority of employees genuinely supported the proposed changes. It varied the meat industry award to allow the company and the employees to work upon terms which they had mutually agreed.

The arbitration system is designed for the convenience of unions — not employees. The Castle Bacon case has thus been described as a landmark. It is a landmark because the Arbitration Commission recognized and endorsed an agreement between management and employees — and what is more, let employees work on conditions they had agreed to and let the company pay on conditions it had agreed to.

Perhaps all the scrutiny directed towards our arbitral system over recent years is beginning to show results. There appear to be new winds blowing in the Arbitration Commission. The Castle Bacon case has breathed new life into co-operative possibilities in industrial relations — co-operative possibilities between employers and employees despite union obstruction. It has also proved something of a shock to those defenders of the present system of industrial relations who have argued that company/employee agreements can't work and wouldn't occur if industrial relations were deregulated. If the Castle Bacon company could succeed against all odds, the chances are that many other companies and many other employees could bring home the bacon if the legislative obstacles to voluntary work agreements were progressively removed.
How to Treat an Opposition

Nick Greiner

The concept of a loyal Opposition providing a check on the government of the day was dealt a severe blow during the Wran years in NSW. The new Premier is committed to its recovery.

I have long realized that for a Parliament to work fairly and effectively, it should be more than a reflection of the wishes and politics of one particular party. I was determined that any government I led would afford due respect to the Opposition and the considerable numbers of people who voted for it and the independents. To achieve that, substantial reforms were necessary against a background of pugnacious behaviour which had unflatteringly labelled the NSW Parliament as the ‘bear pit’. Often unsavory though it was, its worst feature was that it had become the creature of government at the expense of democracy and free speech.

Cyril Pearl in his classic book *Wild Men of Sydney*, accurately portrayed the sorts of beginnings upon which the modern Parliament was founded. Minus the physical violence and some of the alcohol its worst traits persisted up until this our Bicentennial year. Pearl wrote:

“Violent behaviour and violent language were condoned or scarcely rebuked; fights between members were not uncommon and the sight of a drunken statesman falling off his bench during a debate excited amusement rather than indignation.”

Although the Parliament is no longer the scene for fights between members or for drunken statesmen falling off the bench as was the case in the late 1800s, governments in New South Wales have continued the tradition of using the Parliament to ‘work over’ Her Majesty’s Opposition. It has become a psychology of governments being the ‘winners’ as against Oppositions being the ‘losers’. This completely ignores the Westminster tradition with the Opposition providing a check and balance, and applying the necessary pressure on government to ensure it implements its elected programs.

The Wran administration, over the period 1976 to 1986, undermined the role of the Opposition both inside and outside Parliament. Question time became the forum for ‘good news’ announcements with Ministers taking up to 20 minutes to answer Dorothy Dix questions – questions which should have been handled through a Ministerial statement.

Many Ministers chose not to answer a question but rather used the time to launch an attack against the Opposition or announce some good news about a government activity totally unrelated to the question. Legislation was forced through the Parliament with little or no notice, and debate was gagged at the earliest opportunity. In one case, the Government attempted to introduce a Bill even though copies had not been distributed to Members. The Government attempted to debate a Bill when it had not been seen by the rest of the Parliament.

The effectiveness of the Opposition was also restricted outside the Parliament. The Wran administration would not allow the Opposition access to the public service for briefings on matters of Government policy, or for briefings of any nature. The Opposition was never recognized at official functions. In fact, the only time Wran and I met at an official function, I was met by a barrage of unpleasant expletives, most of which are unprintable.

One of the areas where the Wran style of government left its mark is government advertising – the use of departmental funds to advertise government policy. Wran honed the use of government advertising of political achievements down to a fine art, especially around election time. He used it so skilfully that it almost became accepted practice. Politically-oriented government advertising puts the Opposition at a great disadvantage as they cannot match the resources of the Government’s advertising budget. When Unsworth adopted the Wran model of government advertising in the March 1988 election, it backfired. There was so much of it splashed across the television screen, and it was so
politically blatant, we were able to use it as an issue with which to attack the Government with a great deal of effect.

Many political observers would argue the Wran model for treating opposition is politically astute. After all, he was able to remain in power in New South Wales as the longest-serving Premier.

The total annihilation of the rights of an Opposition may serve the government's political agenda, but the end result must be worse for the general public in terms of good government.

The Opposition provides a check and balance, and with a government which is prepared to allow the Opposition to exercise its rights under the Westminster system, constant pressure can be applied to the government in order that it performs.

While the Wran model served the purpose of keeping Labor in power for a long period of time, by closing off the avenues for the Opposition to apply pressure, the Labor Government became arrogant, non-reformist and generally allowed the State's administration to run down to the extent that it has been left behind when compared to other States.

It was the Labor Government's neglect of State administration that led to its downfall.

Restoring the Opposition's Status

On coming to power it would have been very simple to adopt the Wran model, and deliver the same treatment to the Opposition as was dealt us. However, this would not serve any purpose in the long term.

My Government has already taken steps to ensure the Opposition in New South Wales is given the appropriate courtesies. Question time in the Parliament has been reformed with the time for Ministers' answers being restricted to a maximum of 10 minutes.

Ministers are also constantly reminded by the Speaker that answers to questions must be relevant if a Minister strays from the subject of the question. As a result of these reforms, the Opposition can ask more questions, and the answers given are more relevant. Also, if a Minister has a need to make a major announcement, it is done through a Ministerial Statement rather than a Dorothy Dix question. This allows the Opposition an opportunity to comment on the announcement.

Legislation is no longer forced through the Parliament, but rather Members are given notice of the legislation a considerable time prior to its introduction. More important pieces of legislation are left on the Table to allow maximum debate outside the Parliament prior to its movement through the Houses.

Unlike the former administration, my Government is prepared to accept amendments to most pieces of legislation if the amendments put forward are considered valid. In the case of the Independent Commission Against Corruption (ICAC) legislation, the Government allowed 21 amendments to the Bill moved by the Opposition. Because of the number of amendments, the original Bill was withdrawn, and an amended Bill introduced. However, I might add that when the new Bill moved to the Upper House, the Opposition rejected it even though it included all the negotiated amendments.

When the Government introduces major reforms, the Opposition is consulted prior to these reforms taking place. When the Head of the ICAC was being sought, the Leader of the Opposition was continually kept informed of the appointment.

The Leader of the Opposition is invited to all State functions, and is seated at the guest table, not in the body of guests as was the case whenever I was invited. Also, the Leader of the Opposition is invited to speak at these functions, a privilege the current Leader of the Opposition has enthusiastically embraced.

In terms of managing his own office, the Leader of the Opposition now has complete control through the introduction of global budgeting. Previously the Leader of the Opposition's budget was determined by line item, giving almost no flexibility in determining where funds can be spent.

My Government is determined to give back to the Opposition what Wran had taken away. Oppositions have a constructive role to play in our Parliaments, and they should be treated with respect in the true Westminster tradition. Given the appropriate courtesies, Oppositions can become effective and contribute to the Parliamentary process.

In the long run, a more effective Opposition means more effective government, the main beneficiaries of which are the voters.
A Unionist's View

Laurie Short

Secret Union Ballots

Secret ballots to resolve union issues including strikes are gaining ground in Australia — and not before time.

Early this month 170 coal-loader operators at Port Kembla NSW decided by secret ballot to accept a new shift-work arrangement. Their union, the Federated Engine Drivers and Firemen's Association, supported the holding of the secret ballot and applauded the result.

The Federal Opposition is campaigning for unions to hold secret ballots of members before strikes. Unlike some other aspects of its industrial relations policy, this cannot be easily dismissed as impractical or anti-union.

There is a widely held opinion in the community that such secret ballots would mean fewer strikes. Recent experience in Britain, where secret ballots are required, has seen a big drop in the number of strikes.

As the Conciliation and Arbitration Act now stands the Arbitration Court can order secret ballots in industrial disputes. Since the court has had this power it has dealt with thousands of industrial disputes, but it has ordered few secret ballots.

In some court-ordered ballots a majority vote has confirmed existing or potential strikes, while in others, strikers, at the urging of unions, have publicly burned their ballot papers. In North America, Britain, Europe and elsewhere, unions conduct secret ballots on strikes, collective bargaining agreements and on other questions. There is no reason why similar ballots cannot be held here. After all, Australian unions have secret ballots for union elections and referendums on policy matters, why not on strikes?

Some of these ballots could be held at the workplace, others would require a postal ballot. This could prove costly to unions in postage and printing. As part of the price of democracy these costs could be charged to the taxpayer as now happens with those union elections which are conducted by an appointee of the industrial registrar.

Mass Meetings

Many Australian strikes start from so-called mass meetings. On the average, fewer than 10 per cent of those eligible actually attend. Sometimes a few hundred at a mass meeting put thousands on strike. Some of them are well attended, but they are the exceptions.

I speak from experience because I have been at many mass meetings in the past 50 years. I often ask workers why they stay away from mass meetings. Their usual answer is that they resent the psychological pressure put on them to vote for strikes. I have seen workers decide by a show of hands to continue a strike but after a secret ballot vote to end it. There must be a better way to get strike decisions than by unrepresentative, stage-managed, emotion-charged mass meetings.

All kinds of objections are raised to secret strike ballots by some union groups, and, surprisingly, by some employers. Strike-happy union activists foresee in secret ballots fewer strikes. That does not please them. Some short-sighted employers see in strikes endorsed by secret ballot respectability extended to those strikes. They want no strikes at all, be they democratically decided or not. This is unreal. In a democracy there will always be some strikes. If Australia is to survive as a stable, democratic and prosperous nation, however, it must have fewer strikes.

Despite past union hostility to secret strike ballots there are signs of changing attitudes. For example, most unions, including left-wing unions, now accept what they used abusively to call court-controlled union elections. The Left's long and bitter campaign against these ballots has been a spectacular failure. The time may not be far away when secret strike ballots are generally accepted too.

Laurie Short, 50 years a unionist, was the National Secretary of the Federated Ironworkers' Association from 1951 to 1982.
MR KEATING'S 1988/89 Commonwealth budget has won the IPA's award for the most restrained and responsible budget this year with the Northern Territory the clear leader among the States.

The lemon award goes to Western Australia, which budgeted for the highest increase in total spending by a wide margin.

The IPA budget awards, which are based on the States' Policy Unit's annual analysis of the budgets of all Australian Governments, are a light-hearted way of drawing attention to the serious matter of the States' spending, taxing and borrowing policies.

All States framed their budgets in the knowledge that the central thrust of Federal fiscal policy this year was to cut back public spending in real terms, further reduce public sector borrowing (if possible to zero), and make room for significant tax cuts without adding unduly to domestic demand and therefore worsening Australia's balance of payments problems.

It was apparent then that domestic demand was rising strongly and the Commonwealth might well be forced to lift interest rates in an effort to take the heat out of the boom, particularly the housing and property market. "There was, as we warned at the time, a real danger that the promised income tax cuts could be jeopardized if the Commonwealth's economic management objectives were not achieved.

In this climate we might reasonably have looked to State Governments to adopt fiscal policies that contributed to, rather than hindered the economic management task. At least this would have called for a tight hold on expenditure aiming for reductions in real terms and a reduction in borrowings.

Mr Keating's expected surplus of $5.5 billion this year, although exactly what is called for in the circumstances, has been achieved at the cost of much pain to the taxpayer. For State Governments to dissipate this effort by blowing out their deficits, justified as increasing borrowings for capital works, would be almost criminal. And yet in one budget speech after another, State Treasurers sought applause for increased spending programs, particularly in the already overheated area of housing.

Few showed any awareness or concern for the need to contain deficits and borrowings and there was little acknowledgement of the role the Senate had to play in achieving national economic objectives and in helping to deliver tax cuts.

The State media are of little help in facing State Governments up to their national responsibilities. When the writer was in Brisbane to comment on the Queensland budget, the general media judgment was that the State Government had not gone far enough in increasing spending on education, health and social services generally. My comment over radio that what Queenslander's sought from their State Government by way of extra spending was in conflict with their desire as Australians for income tax reductions was remarked on as an unusual and different viewpoint.

Peter Dowding's big spending, pre-election budget, which won Western Australia the IPA lemon award by a wide margin, was widely applauded by the local media as "having something for everyone." The writer's comment that the budget was wrong for the times and in conflict with national economic objectives was described as "carping."

Just how the State Governments performed individually and in total can be seen from the following table. The figures shown are not necessarily for budgets as presented. The IPA analysis seeks to ensure greater comparability than the published estimates allow by making adjustments to individual States' data to bring them into line with the norm. The most important of these adjustments is that in two States, Queensland and Western Australia, separate funds are combined to produce as far as practicable the Consolidated Fund that forms the basis of budgets in most States.

The Keating budget clearly deserved the accolade for the best budget this year. If judged solely on expenditure restraint the Northern Territory came out on top.
but the expected $5.5 billion surplus puts Mr Keating's budget in a class of its own.

Queensland brought down a tight and responsible budget, given the pressures on that Government to correct some deficiencies in education and health services. Of all the States, Queensland is the only case where budget sector capital works are financed from general revenue rather than by borrowing and which has a balanced or near balanced budget as indicated by a negative financing requirement or 'surplus' last year and only a small positive financing requirement in 1988/89.

<table>
<thead>
<tr>
<th>GOVERNMENT OUTLAYS 1988/89</th>
<th>Percentage Increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Govt</td>
<td>Recurrent Outlays</td>
</tr>
<tr>
<td></td>
<td>Nominal % Real</td>
</tr>
<tr>
<td>NSW</td>
<td>9.5 3.3 7.3 1.2</td>
</tr>
<tr>
<td>Vic</td>
<td>8.9 2.7 9.1 2.9</td>
</tr>
<tr>
<td>Qld</td>
<td>6.8 0.8 3.9 -2.0</td>
</tr>
<tr>
<td>WA</td>
<td>9.2 3.0 15.8 9.3</td>
</tr>
<tr>
<td>SA</td>
<td>7.4 1.3 8.3 2.2</td>
</tr>
<tr>
<td>Tas</td>
<td>6.6 0.6 9.9 3.7</td>
</tr>
<tr>
<td>NT</td>
<td>3.8 -2.1 2.8 -3.0</td>
</tr>
<tr>
<td>Total States</td>
<td>8.4 2.3 7.5 1.4</td>
</tr>
<tr>
<td>C'wealth - own purposes(b)</td>
<td>4.9 -1.1 5.3 -0.6</td>
</tr>
<tr>
<td>All Govts</td>
<td>5.7 -0.3 6.4 0.4</td>
</tr>
</tbody>
</table>

(a) Budget sector recurrent outlays plus total State public sector capital works program.
(b) Increase in outlays for Commonwealth own purposes after deducting transfers to the States and Local Government.

Nick Greiner has moved the New South Wales budget in that direction by also using general revenue and not borrowings for budget sector capital works. However, his first budget was disappointing for the big increase in recurrent spending supported in part by drawing on reserves.

The New South Wales Premier has set his Government the admirable objectives of achieving zero growth of expenditure and producing genuinely balanced budgets. Mr Greiner will find that the latter is readily achievable if he can contain the growth of recurrent spending to the inflation rate for the balance of his Government’s term. Unfortunately it was not an impressive start from that viewpoint.

There was no contest for the lemon award. Peter Dowding spent everything he could lay his hands on including $189 million from accumulated cash reserves. The budgeted 9.2 per cent increase in recurrent outlays was on top of a 16.2 per cent increase last year, giving an overall increase in ongoing expenditure of 27 per cent or some $900 million in just two years.

Western Australia's spending on capital works jumped by 37 per cent, again aided by drawing on reserves. The overall increase of 15.8 per cent (9.3 per cent real) in total outlays was about twice the average increase for all States and three times the increase in Commonwealth spending for its own purposes.

With a near three per cent real increase in recurrent spending and a 9.5 per cent (3.3 per cent real) increase in public works outlays, Victoria would have taken out the lemon award but for Western Australia's unmatchable effort.

It is clear from the analysis that what spending restraint is being exercised by the States is on capital works (a result of cuts in Loan Council borrowing allocations) rather than on recurrent spending. However, it is the latter which is the significant factor in determining ongoing expenditure commitments and the real measure of a government's will to reduce spending and its call on taxation receipts.

The IPA analysis of State budgets was, as far as practicable, on a National Accounts basis. Thus revenues shown were those accruing during the year and borrowings and calls on reserves to finance spending were treated as financing transactions below the line. Similarly, outlays were those incurred on services delivered or works done during the year with cash transfers to reserves and loan repayments excluded as financing transactions.

One immediate advantage of this approach is that it is possible to see which governments are spending more in the period than revenue actually received in that period and whether the revenue gap or deficit is increasing or decreasing.

Not surprisingly, given the $5.5 billion budget surplus in prospect, the increase expected in Commonwealth recurrent revenue (8.3 per cent in 1988/89) is considerably higher than the planned increase in Commonwealth own purposes outlays (5.3 per cent). However, with one exception (South Australia), State recurrent outlays are budgeted to increase this year more than their expected increase in recurrent revenue. The difference is to be financed by drawing on reserves, by increased borrowing or, in the case of Queensland, by cutting into a surplus on recurrent transactions.
Wave Geography Goodbye  Open New Wave Geography, published by the Victorian Geography Teachers’ Association for use in years 7-10, and you are hit on page one by a full-page picture of a mushroom-shaped cloud with the words stamped across it, "Nuke Off!" This is the new, hard-sell, politically engaged geography: all that stuff that used to be taught about demography, soil erosion, map-reading and the weather has either been dropped or enmeshed in a political context. But then, as Bob Dylan sang in the 1960s, you don’t need a weatherman to tell you which way the wind is blowing.

The territory covered includes The Two Australias (the haves and the have-nots), development economics (the Third World is poor because the West is wealthy), Apartheid, "A Woman’s Place?", pollution, transnational corporations, etc. A section on refugees includes two full-page maps, both exemplars of moral equivalence. How could a map which sets out to answer the question, "How are People Governed?" put the USSR and the United States in the same category? New Wave Geography does just that. The map divides the world into two categories: military-controlled governments (Chile, El Salvador, Namibia and so on) and other governments (including America and the USSR). The second map, "How Much Do People Suffer from Official Violence?" has much the same breakdown. People suffer from official violence in Chile, South Africa, Turkey, etc but not apparently in the USSR and the Eastern Bloc!

Transnational corporations, New Wave Geography warns, are associated with unemployment in Australia. In their relentless search for cheap labour they are likely to take their activities overseas, leaving our workers without jobs. But it’s a case of do what I say, not do as I act. New Wave Geography is printed in Hong Kong.

Nuclear Fission  A leaflet headed "Radical Alternatives to the Nuclear Family grappling with multiple relationships" has appeared on noticeboards at La Trobe University. Signed by Daniel, Jesse, Helen, Misha, Tony, Erin and Vivien it advertises "a workshop around the issues involved in polygamy, polyfidelity and open relationships. We are involved in a polygamous relationship," the leaflet proclaims, "and would like to get together with like-minded people to share experiences and to discuss the practical and political issues involved. For instance, gender politics, intimacy, social change, bi/heterohomosexuality, children, conflict, privacy, commitment, jealousy, networking, polygamy in Australia, sexuality, etc."

Disputing the Law  Which member of the H. R. Nicholls society said this? "Trade Unions are often accused of putting themselves above the law. There is some truth in such allegations." In fact it was the now Secretary of the Trades Hall Council, John Halfpenny, no friend of the so-called New Right. The context of the remarks is, of course, all-important. Mr Halfpenny was, in fact, defending union defiance of the law: "Trade unions...have always had to put themselves outside of the law, and very often defy laws which are made to suppress them...I am not suggesting that trade unions violate community standards," he continued, "but that is something different from violating the law."

Wrong Race  How did Canadians react when world champion Canadian athlete Ben Johnson was disgraced by involvement with steroids at the Seoul Olympics? Were they distraught? Were they upset at the fall from grace of a national sporting hero? According to Meredith Levine, writing in the British left-wing weekly, New Statesman and Society, the answer is "no", Canadians were relieved. Why? Because Johnson is black, and to have a black man as a national hero is an embarrassment in racist Canada. Levine’s evidence for this is thin, to say the least. She spoke to Barry Thomas, a community worker with Jamaican Canadians. She read a newspaper which called Johnson a racehorse. She came across a letter in the Toronto Star which said that Johnson’s "lack of education gives him a certain childish aura, a charm." She learned that many Canadians believe that Johnson was duped by being given steroids without his knowledge (i.e. they think of blacks as stupid). She learned that 77 per cent of Canadians felt that the
International Olympic Committee was right to strip Johnson of his gold medal (i.e. they don’t like his skin colour). But the most frustrating thing about Canadian racism, for investigative reporter Levine, is that so much of it remains hidden: "It is subtle, covert and insidious. Canada has no National Front, no Ku Klux Klan, no history of colonial rule, or slavery: there is no concrete symbol upon which to hang claims of prejudice and discrimination. In Canada, if you are a member of a subordinate group, your enemies do not make themselves known to you." Indeed, without Levine, the racism might never have been noticed.

By Any Other Name  A document titled On Maori Sovereignty has been welcomed by church agencies in New Zealand, reports News Weekly. The NZ Catholic Commission for Justice, Peace and Development not only supported the objectives outlined in the document but promised funding. The objectives included no racial mixing, separate constitutions for separate races and a privileged status for one race. The document also opposed Parliamentary democracy. It was prepared and distributed as a sociological experiment by Peter Martin who based it on the policies of the extremist, white racist HNP party in South Africa, substituting Maori for Afrikaner, and using the fictitious organizational name Aotearoa Progressive Association.

Making It  "The Mitchell Library's manuscripts collection is well-known for the papers of crucial decision-makers from Governor Arthur Phillip to Barrie Unsworth. Equally, the Library actively collects records which reflect all aspects of life in NSW...Debbie Homburg's papers represent an important acquisition in fulfilling this aim." So announces the program for "Archives of an Activist" - the papers of Debbie Homburg exhibited at the State Library of NSW in August. Educated at Monash University in the mid-1970s, Debbie joined the executive of the Australian Union of Students and was faculty representative on the Monash Professorial Board; then she moved to full-time paid organizer for the Movement Against Uranium Mining; then a clerk at the Redfern Legal Centre and a member of the Prisoners' Action Group ("PAG aims to abolish, not reform, prisons"); there follows involvement with numerous feminist groups, women's health centres, the Prostitutes' Collective; and she helped establish Tiresias House, Australia's first refuge for transsexuals. The exhibits include: a poster by the International Workers of the World, "The Jails are the Crimes"; stickers which warn "Angry Women are Watching You"; another from the Australian Union of Students' Women's Department "This Man is a Potential Rapist"; a gay rights poster; a leaflet, "Land Rights is an issue for Feminists"; an ad for a nuclear disarmament rally, etc, etc. In the pertinent words of the catalogue, "Debbie Homburg's papers...contain material which is often lost or destroyed because it is not considered worthy of preservation."

Up the Poll  Two recent examples encourage caution about interpreting opinion polls. In the United States a New York Times/CBS poll asked two closely related questions separated by 10 other unrelated questions. The first: "Do you think there should be an amendment to the Constitution prohibiting abortions or shouldn't there be such an amendment?" Twenty-nine per cent responded, "yes", prohibit abortion; 67 per cent said "no." Second question: "Do you believe there should be an amendment to the Constitution protecting the life of the unborn child or shouldn't there be such an amendment?" Fifty per cent responded "yes", protect the unborn child; 34 per cent "no." Ask the right question and you'll get the right answer. The second example comes from the London Spectator. When asked in an opinion poll whether they agreed or disagreed with Mrs Thatcher's attitude to Europe, 49 per cent of people agreed, 35 per cent disagreed. But when asked what her attitude to Europe actually was, 48 per cent said it was pro-European, 34 per cent said anti-European.
Europe via the Big Apple.

It beats Europe via a bowl of noodles.

When flying to Europe, most people automatically think the only way to go is via Asia. Yet, for much the same price, you can stop over in the world’s greatest city, New York. Continental can arrange accommodation that’s very reasonably priced, even by oriental standards.

And, if you still can’t do without that bowl of noodles, you’ll be pleased to know the Big Apple also has Asian restaurants. More than 1,000, in fact.

CONTINENTAL AIRLINES
You don’t get big by being second best.
You can also fly to London with a stopover in Honolulu, Los Angeles, San Francisco, Denver, Houston or Miami.
Do We Need More Graduates?

Ross Parish

Graduates are much more likely than non-graduates to become employees of the public sector, engaged in regulatory or time-wasting activity. Is this what Australia needs?

In the current debate on education policy, the official Australian Government line is that we need to produce more graduates and other highly trained individuals in order to raise productivity and bring about the required structural adjustments to our economy. The official case is supported by selective international comparisons — selective as to both items and countries — which show us to be lagging "behind our international competitors on a range of significant measures of education and training performance, including the rate of retention to the end of secondary education, the level of youth participation in higher education, and the proportion of the workforce holding post-school qualifications." (Parliamentary statement by Mr Dawkins, 22 September 1987.)

This argument has been challenged by several writers, including representatives of the Australian Teachers' Federation, who have drawn attention to other selective international comparisons that show us in a relatively favourable light. They go on to argue that our problem is not shortages of skilled manpower, but the failure of business to employ educated manpower. In this connection, Dean Ashenden, writing in the Melbourne Herald (1 October 1987) said:

"While the higher education system has been busy producing more graduates, the private sector has been refusing to buy them. It is an astonishing fact that only one in five of our graduates works in industry and commerce. The rest work in the public sector, or go overseas.

Even more astonishing is that if you take engineers out of that 20 per cent, you are left with only six per cent of all other graduates working in the private sector."

These claims — which are indeed astonishing — were repeated by the president of the Australian Teachers' Federation, Mr Graham Marshall, at its annual conference held in Perth (reported in The Age, 7 January 1988). Simon Marginson, Research Officer of the Australian Teachers' Federation, cited the same figures in a presentation to a UNESCO forum, reported in The Australian, 20 January 1988. They were again put forward by Dean Ashenden in an article in the Australian Financial Review of 10 February 1988, but this time were attributed to Professor Jane Marceau of the Australian National University. Ashenden's résumé of the figures cited by Marceau was reported in the March issue of Australian Society.

As well as being astonishing, these claims were quite false. According to a variety of evidence, the employment of university graduates splits roughly 50:50 between the public and private sectors. The source cited by Professor Marceau (Phillip Coyte, Graduates in the Labour Market, University of Sydney, 1985) indicates that of 1979 graduates working full-time in 1984, 50 per cent were employed in the private sector. The figure of 20 per cent, cited by Professor Marceau and picked up by Messrs Ashenden, Marginson, and others, refers to employment in "industry and commerce." But there are several categories of private employment, viz., "professional practice" (18 per cent), "other" (six per cent) and "private education" (estimated to be seven per cent).1

The main source of information on the employment of graduates is the annual survey conducted by The Graduate Careers Council of Australia Ltd, which reports the labour force status in April of graduates who completed their courses in the previous year. The latest (1987) survey shows that of those with permanent jobs, 51 per cent of university graduates worked for the government sector, and 49 per cent for the private sector. College graduates were distributed 56 per cent government, 44 per cent private sector.

These data have some obvious limitations referring as they do only to first jobs, and being collected at a time when, typically, almost 50 per cent of the previous year's graduates have not yet found full-time employment. They may also be biased on account of non-response. It is therefore desirable to seek other sources of information on the employment of graduates.

One such source is the Australian Bureau of Statistics Income and Housing Survey of 1981-82. Using

1. Mr Coyte's study shows 26 per cent of employed graduates working in Education; I assume that these split between public and private education in the ratio of 75:25.

Ross Parish is Professor of Economics at Monash University.
DO WE NEED MORE GRADUATES?

The data file from this survey, the Centre of Policy Studies at Monash University has prepared estimates of the distribution among the sectors of persons having various types of educational qualification. Of those with a bachelor degree or higher qualification, 17.8 per cent were not in the workforce at the time of the survey, and those working were distributed among the various sectors as shown in Table 1.

Table 1

<table>
<thead>
<tr>
<th>DISTRIBUTION OF GRADUATES BY SECTOR</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector</td>
<td></td>
</tr>
<tr>
<td>Commonwealth departments, etc.</td>
<td>6.0</td>
</tr>
<tr>
<td>Commonwealth, other</td>
<td>3.1</td>
</tr>
<tr>
<td>State Government, other than schools</td>
<td>22.9</td>
</tr>
<tr>
<td>State Government, schools</td>
<td>15.9</td>
</tr>
<tr>
<td>Local Government</td>
<td>1.8</td>
</tr>
<tr>
<td>Total</td>
<td>49.7</td>
</tr>
<tr>
<td>Private Sector</td>
<td>50.2</td>
</tr>
</tbody>
</table>

These figures confirm that the 50:50 public sector distribution applies to the stock of graduates, as well as to the flow of newly-employed graduates.

Since the public sector employs only about one-fourth of the workforce, but one half of the graduates, it obviously has a greater appetite for graduates than the private sector. The percentage of graduates in the workforce of the various sectors as distinguished in the Income and Housing Survey are given in Table 2.

Table 2

<table>
<thead>
<tr>
<th>GRADUATES AS A PERCENTAGE OF THE WORKFORCE BY SECTOR</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Government, schools</td>
<td>36.2</td>
</tr>
<tr>
<td>State Government, other than schools</td>
<td>14.2</td>
</tr>
<tr>
<td>Commonwealth departments, etc.</td>
<td>13.7</td>
</tr>
<tr>
<td>Commonwealth, other</td>
<td>6.5</td>
</tr>
<tr>
<td>Local Government</td>
<td>6.1</td>
</tr>
<tr>
<td>Private sector</td>
<td>5.6</td>
</tr>
</tbody>
</table>

These figures confirm that the 50:50 public sector distribution applies to the stock of graduates, as well as to the flow of newly-employed graduates.

The argument that more graduates are "essential to our continued economic growth" loses some of its plausibility when it is realized that half of the annual crop of graduates is taken by the public sector.

Some employers tend to hire and promote employees on the basis of their formal qualifications, rather than trying to assess their job performance directly. Such 'credentialism' is quite common in the public sector, which is another reason why public employees have more degrees.

The argument that more graduates are "essential to our continued economic growth" loses some of its plausibility when it is realized that half of the annual crop of graduates is taken by the public sector, where many of them are engaged in anti-productive regulatory and redistributory activities, or in relatively harmless but essentially useless work. A contraction of these sorts of government activity would not only release skilled manpower from the public sector but would also allow a more productive deployment of private sector employees, as those no longer required to deal with the bureaucracy were put to other tasks. Privatization of government services would mainly have the effect of shifting graduates from the public to the private sector, but could bring about some reduction in the demand for graduates if the private managements placed more value on performance than credentials.

There is no market test of the value of public employees (unless they are engaged in the trading enterprises); that is one reason why credentialism is common in the public service. Private employees, on the other hand, are presumably at least worth their hire in the opinion of their employers — otherwise they would not be retained. This is the most significant reason why the distribution of graduates between the two sectors is a matter of interest and concern.
The Growing Power of India

One of the more interesting developments in the international balance of power, and surely one with great potential impact on Australia's future, has been very largely ignored by Australian opinion. It is the evidence of India's growing technical and military capabilities, the country's high rate of population increase, and the even more rapid growth of India's claims to international influence.

The population of the 'advanced world' is expected to increase only marginally between now and 2030. That population will therefore age. In the US, the proportion of people over the age of 65 will climb from some 12 per cent today to 21 per cent in 2030. The advanced countries will grow less innovative and enterprising and will probably need increasing numbers of immigrants as their workforces decline. By contrast, India is likely to overtake China by 2050 as the world's most populous country, with a total of over 1.5 billion people. Since Indians are sharp, energetic, entrepreneurial, relatively well-educated and with a high propensity to save, India will be a power to be reckoned with at many levels.

Indian power and assertiveness are not new. Her leaders since Jawaharal Nehru have portrayed their country as humanitarian and peace-loving. But India has, since independence, occupied Goa, waged several wars against Pakistan and China, made good its claims in Kashmir and effected the political division of Pakistan. Bangla Desh and Sri Lanka are effectively client states; indeed Indian troops continue in part-occupation of Sri Lanka. Burma's dependence on China may well grow. India claims a special political and military position in various islands in the Bay of Bengal, the Arabian Sea and even the Southern Indian Ocean. Military and naval facilities are being built or expanded on many of them. In addition, there are signs that India may claim to be the 'elder brother', perhaps protector, of overseas Indians, for instance in Fiji.

India is in the process of becoming one of the world's more significant military powers. Her army, navy, air force and defence science are already in the world's first half-dozen and being further strengthened. India has significant hi-tech capabilities. She has launched several satellites, recently tested a 250 kilometre surface-to-surface missile and is developing both intermediate-range missiles and terminal guidance systems. India has not signed the 1968 Nuclear Non-Proliferation treaty and, though her Government stoutly denies it, it is generally believed that she already has a number of nuclear weapons, or ones which could be quickly assembled. They could be delivered by India's advanced MiG 27s or her fighter-bombers. She has begun to acquire some Soviet TU-142 aircraft, with the range to fly to Australia or South Africa and back. Though these are primarily reconnaissance planes, they could also carry nuclear weapons or air-to-surface missiles.

Of particular interest is India's naval expansion. She is developing several carrier task forces, has acquired a Soviet nuclear-powered boat for crew training for a future nuclear submarine flotilla, possibly of hunter-killers but perhaps able to carry some cruise missiles. Together with the existing and projected surface and submarine fleet goes the development of marine landing forces. A significant military projection and intervention capability is clearly in the making. Together with it come major plans for a general expansion of air and naval facilities as well as of weapons and equipment production. Although many of India's current weapons purchases are from abroad - some submarines, torpedoes and aircraft from Britain or West Germany, for instance, but the most important and hi-tech items from the Soviet Union - it is clear that India wants to have a more self-reliant arms industry and plans, eventually, to build even nuclear-powered submarines or multiple warheads at home.

The chief Indian focus of strategic attention seems to be the four-power quadrilateral of India, Pakistan, the Soviet Union and China. There is concern about the security of the long Indian coast-lines, given the activities of the Soviet, US and Chinese navies in the Indian Ocean. There are more specific dangers, such as those posed by...
Pakistan's acquisition of harpoon missiles from the US, weapons which might be used against Indian coastal targets. New Delhi, therefore, sees a need to protect coastal waters and off-shore oil installations and for sea-control or at least sea-denial in areas further afield.

India seems especially concerned about her traditional opponents, Pakistan and China, and the possibility of military co-operation between them. The Indians believe, for instance, that China has co-operated with Pakistan on some nuclear weapons developments. They are also concerned about possibly increasing strategic isolation in the event of a serious measure of Sino-Soviet detente. It is therefore not surprising that, for example, India seeks to avoid the creation of a strong Islamic bloc on her Western borders by effectively co-operating with the Russians to see that the pro-Soviet regime in Kabul is not overthrown.

Equally, India must be wary about a clash of interests with China not just on the border between them but in the whole region of South-East Asia.

It is also clear that India intends to exercise a dominant influence in the entire Indian Ocean region, from the Straits of Ormuz to the Straits of Malacca and from the shore of Pakistan to South Africa. She has interests and influence on the Arabian peninsula. She has virtually unrestricted access to Trincomalee, the finest deep harbour in the Eastern Indian Ocean. Together with her expanding facilities on the Andaman and Nicobar islands, that gives India major, and possibly decisive, strategic influence at the more important chokepoints between that ocean and the Pacific. India's influence in Mauritius could yet have implications for Madagascar and Southern Africa. Whatever India's constraints or even dangers when she looks North and West, in the South there is no countervailing or balancing power.

For Australia, the new situation is historically unprecedented. What is emerging is a new centre of world power and, with it, a permanent shift in the global balance. Australia has no 'special relationship' with the new India. In terms of strategic reach, Indian power is next door and, also for the first time, there is no other continent or even island chain separating us from it. It is entirely possibly that our Western approaches will, within the foreseeable future, come to be dominated by an India whose influence will be further strengthened by her control of the oil supply lines between the Persian Gulf and Japan or Europe.

These developments amount to a permanent change of Australia's geostrategic position, even though the many important details of that future position cannot yet be defined or assessed. It is already clear that Malaysia and Indonesia are watching Indian developments with anxious care. If the Indonesian reaction were to include a naval expansion program - and Indonesia is already shopping around for a possible nuclear submarine purchase - Australia's position would inevitably be affected. Canberra has already begun to develop ideas about a two-ocean navy, though at force levels which seem very low. Certain new electronic listening and surveillance facilities in Western Australia will clearly have implications for our Indian Ocean reaction capabilities.

The Minister of Defence, Mr Beazley, is clearly wise to point out that India has never been and is not now a threat to Australia; and Government does well to react in low-key ways. It would be foolish to assume that any and every change in the balance of power creates dangers for Australia. Our relations with India seem reasonably good. Nor is it yet clear what courses of action are open to us. If, for instance, there were to be some dispute between India and Indonesia, it is far from clear that the US or Japan would react in the ways we would prefer. Insofar as Indian defence preparations are directed against China it is far from clear that we should seek to be involved, even in some mediating or reconciling role. If India chose to exercise pressure on behalf of 'coloureds' in South Africa, it is not obvious that Australia should oppose her.

Australian reactions will have to come at several levels. The primary, and most obvious, is diplomatic. We shall have to make much greater efforts to understand Indian politics, purposes and policies, and to try to ensure that New Delhi understands, and takes account of, our own. We shall need to explore in much greater detail the adjustment or alignment of our views of Indian Ocean problems not just with those of India but also with those of Pakistan, Malaysia and, more especially, of Indonesia.

At the same time we shall have to abandon our old, comfortable assumption that the Indian Ocean is somehow excluded from great power politics, or else that it is adequately 'secured' by our traditional friends. We shall have to pay more attention to our obvious need for expanded naval and air capabilities, and to our capacities for sea denial in areas adjacent to our western coasts, not to mention our general and longer-range intelligence and surveillance activities.

It may be that what is particularly needed is a psychological and perceptual adjustment. The idea that our links with Europe must pass through Indian-controlled sea and air space will take some getting used to. So could the notion that the strategic balance of South-East Asia is moving out of a period of Soviet-American balance into one of Sino-Indian rivalry. We live, as they say, in interesting times.
## The Referendums of September 3

<table>
<thead>
<tr>
<th>Editorials</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>How the People Voted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>...two deserve the community's support. The proposals to recognize local government need to be debated and guarantee the right to trial by jury.</td>
<td></td>
<td></td>
<td></td>
<td>A Proposed Law: To alter the Constitution to provide for 4-year maximum terms for members of both Houses of the Commonwealth Parliament</td>
</tr>
<tr>
<td>Sydney Morning Herald</td>
<td>If the electorate votes no to all questions on Saturday (it) would set back the chances for constitutional change for the foreseeable future.</td>
<td></td>
<td></td>
<td></td>
<td>No 67.1%</td>
</tr>
<tr>
<td>The Herald (Melbourne)</td>
<td>If the referendums are defeated, the cause of worthwhile constitutional reform will be seriously retarded...On the balance, we advocate a yes vote to all four questions.</td>
<td></td>
<td></td>
<td></td>
<td>Yes 32.9%</td>
</tr>
<tr>
<td>The Age (Melbourne)</td>
<td>&quot;When in doubt, it is prudent to vote no...although the second proposition should be carried, the first, third and fourth proposals should be answered &quot;no&quot;.</td>
<td></td>
<td></td>
<td></td>
<td>No 62.4%</td>
</tr>
<tr>
<td>The Australian</td>
<td>&quot;A yes vote on the first three questions would help nudge Australia's polity forward on rational lines.&quot;</td>
<td></td>
<td></td>
<td></td>
<td>Yes 37.6%</td>
</tr>
<tr>
<td>Australian Financial Review</td>
<td>&quot;Australians tomorrow (should) vote according to their judgments, rather simply following the dictates of their parties.</td>
<td></td>
<td></td>
<td></td>
<td>No 66.4%</td>
</tr>
<tr>
<td>The West Australian</td>
<td>&quot;There are real dangers in the uncharted course proposed by the Government...there is too much doubt in this change of course. It is safer to say No.</td>
<td></td>
<td></td>
<td></td>
<td>Yes 33.6%</td>
</tr>
<tr>
<td>The Advertiser (Adelaide)</td>
<td>&quot;The referendum poses important questions, with at least one—that calling for fair and democratic elections—being especially relevant to this state.</td>
<td></td>
<td></td>
<td></td>
<td>No 66.4%</td>
</tr>
<tr>
<td>Courier Mail (Brisbane)</td>
<td>On the whole, &quot;it will not be the case of the Government asking the wrong question.</td>
<td></td>
<td></td>
<td></td>
<td>Yes 30.8%</td>
</tr>
<tr>
<td>Canberra Times</td>
<td>&quot;Australians should vote for the future, not listen to those who argue from a position of entrenched distrust of change....&quot;</td>
<td></td>
<td></td>
<td></td>
<td>No 69.2%</td>
</tr>
<tr>
<td>The Mercury (Hobart)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Research: Kathy Taylor
If the Greenhouse Effect proves true, an increasing number of countries will be looking to nuclear energy.
The ‘Melting Pot’ is Working

Charles Price

Over 70 per cent of the children of migrants marry outside their ethnic group. Australia may more aptly be described as a melting pot than a multicultural society.

The recent debate on immigration and multiculturalism raises the whole question of Australian national identity, and the extent to which this is related to the process of ethnic intermixture.

The 1986 census question on Ancestry showed that four-fifths of those answering the question gave specific ancestries — English, Italian, Chinese and so on — but that one-fifth (nearly three million) simply replied "Australian", 85 per cent of these being Australians of the third, fourth and later generation. Overall, I estimate that 30 per cent of third and later generation persons considered that their ancestry was nothing but "Australian.

Why?

There are two main reasons. First, many have long Australian ancestries. Of the 9.8 million third and later generation Australians, maybe over half have at least one forebear who arrived before 1860, and are at least sixth generation Australians; some descendants of early arrivals are ninth and tenth generation. With so many ancestors born in the country it is difficult to think of oneself as anything but Australian.

The second reason is that, because ethnic intermarriage has been proceeding continuously since 1788, many third and later generation Australians have very mixed ethnic origins. My own seventh generation grandchildren, for instance, have seven ancestries: English, French, Irish, Scottish, Welsh, either Swedish or Lebanese, and Cornish. At census time their parents found it much easier to answer just "Australian" to the ancestry question rather than write out seven ethnic origins.

Such mixtures are not uncommon. Statistics of birthplaces of parents of children born in Australia (starting in 1907), and statistics of marriages by birthplace (from 1907 for persons born abroad and 1962 for the second generation), together with mathematical models of ethnic intermixture, show this clearly. Only 10 per cent or so of third and later generation Australians have a single ethnic origin: about 30 per cent have two

Dr Charles Price is a distinguished Australian demographer. He was for many years a Professorial Fellow in demography at the Australian National University.
Trend is Continuing

The great post-war immigration, though bringing many new ethnic groups and strengthening some of the pre-war ones, has not stopped the intermixing. Over 60 per cent of the present second generation (nearly all being children of post-war immigrants) are children of mixed marriages; and if one parent is already of mixed ancestry — as with a woman of mixed Indian and Irish origin marrying an Englishman, or a woman of mixed Slovene and Austrian origin marrying an Italian — then the second generation child has at least three ancestries.

Present marriage trends show the mixing is continuing. Of immigrants arriving single and marrying in Australia, 1981-87, only 26 per cent married persons born in the same country while, of second generation persons marrying over the same period, only 22 per cent married persons of the same ethnic origin. Some ethnic groups out-marry much more than others, notably smaller groups who have few of their own kind with whom to marry, or larger groups who are widely dispersed and have little cultural or religious objection to intermarriage — Scots, German, Dutch, Russian, Chinese, Filipino, Latin American and many others. Their second-generation intermarriage rates are 90 per cent or more. Large groups with much geographical concentration, or stronger cultural and religious reasons against intermarriage, intermarry much less, the second-generation rates for women being 25 per cent for Greeks, 40 per cent for Lebanese, 45 per cent for Italians, 68 per cent for Maltese and 70 per cent for Yugoslavs. (It is too early to see the marriage patterns for second-generation Turks, Vietnamese and the like, though it is clear that for religious reasons many Muslims prefer to marry Muslims.) However, even these lower levels of intermarriage are still enabling much intermixture.

Migration levels, of course, may rise — at 130,000 or more net immigration a year present levels are well over the post-war average of 82,000 a year — and reinforce groups, or bring in new groups, with low levels of intermarriage. But over the long period, the mixing will continue. Even now the Anglo-Celt/non-Anglo-Celt mix is over 30 per cent of the population and is increasing faster than any other element. Australia is already far from being a collection of separate ethnic groups, each perpetuating its own distinct population, culture and language. Though some ethnic populations — particularly the core members therefore — are maintaining their culture and language the great majority of Australians are already ethnically mixed; they carry the ethnic mix in their own persons and are very ‘Australian’ in their outlook and values.

Some describe this as the Australian ‘melting pot’, and others as the Australian ‘ethnic mix’. Whatever it is, it is happening with relatively little inter-group tension or friction. It is through this process that the new Australian nation is emerging, so rapidly that before much longer there will be far more than three million persons who think of themselves as simply Australian — by ethnic origin and ancestry as well as by birth, upbringing and culture.
ISSUES IN EDUCATION

Leonie Kramer

Foundations must be sound

Education in Australia is at present dominated by the Federal Government’s determination to ensure that tertiary institutions directly contribute to Australia’s economic recovery. “National objectives” - still awaiting precise definition — are to determine academic priorities — and what this tells us is that education is one of the instruments of economic policy, along with the restructuring of industry, wages policy, tax law, etc. In specific terms, this means that there are preferred areas of study — science, technology, engineering, business, economics, Asian languages — because there is a need for more scientists, engineers, computer experts, speakers of Japanese etc. to make Australia competitive.

Who can quarrel with so desirable a set of objectives? Who can say that there should not be more Australians highly trained in science and technology, able to communicate with a major trading partner? One can accept all this, while at the same time observing that these objectives are based on assumptions about how education actually works, which cannot be sustained. They will not guarantee that there will be improvements in the quality of education. Nor do they recognize the essential contribution made to the community and the economy by a balanced broad education.

There are also practical difficulties in implementing these economic policy-driven objectives. For one thing, the schools are unable to produce enough students adequately trained in science and technology, able to communicate with a major trading partner? One can accept all this, while at the same time observing that these objectives are based on assumptions about how education actually works, which cannot be sustained. They will not guarantee that there will be improvements in the quality of education. Nor do they recognize the essential contribution made to the community and the economy by a balanced broad education.

Australian Studies

Let me cite one example. Australian Studies is now being actively promoted as a component of Years 11 and 12. No one could possibly argue that Australian students should not know more about their own country than they do. But how should they gain their knowledge? As a compulsory element in Year 11? As an attempt to race across the surface of this complicated continent, snatching a few impressions on the way? Or as subject matter, studied at every stage of the ten or twelve years of schooling, within the whole range of subjects — science, history, technology, geography, language, literature, arts and crafts? Is it to be a ‘soft option’ or an essential part of the discipline of learning? Is it to be rigorously examined, or enjoyed, perhaps merely tolerated, by students who might well come to regard it with the indifference that any passing show deserves? I offer this example because it’s an area of particular concern to me and most vulnerable to well-intended hijackers.

William Blake noted that "the way to hell is paved with good intentions." If you add to good intentions, an apparent belief that there can be immediate results from the radical restructuring of higher education in the absence of a solid and rounded schooling, you are likely

Dame Leonie Kramer is Professor of Australian Literature at the University of Sydney and Senior Fellow with the IPA Education Policy Unit.
to create more problems than can be solved even in the longer term. This is especially likely to happen if teachers, yet again, are expected to teach unfamiliar areas as though they were familiar, and so to come to rely on far from reliable resources. What is needed is not panicky excursions into apparently attractive areas of study — which would merely amount to tokenism — but a thoroughly rigorous program of general education for students of all levels of ability. We have fallen into the habit, in recent years, of citing the educational systems of other countries — notably Japan — as models for our own. There is always something we can learn from abroad, but the systems some point to as examples all have one thing in common. They insist on systematic hard work; they do not pretend that learning is free of drudgery, or deny that it might even, at times, appear useless or irrelevant. We have structural problems in our secondary and tertiary systems. But neither these, nor money are central issues. It's attitudes and philosophies that need changing so that the word 'quality' is given practical force in discussions of educational goals. Without it, equity and access will take young Australians where there's no point in going. We have a large pool of talent in our young people, who will, if given the chance respond to the challenge of the arduous and difficult.

IPA PAPERS

In addition to its regular publications, Review, Facts and Policy Issues, the IPA publishes papers, available to the public, on a range of policy questions.

Defence Conference Papers

DC1 Soviet Global Ambitions - A Pacific Perspective, Dr Zbigniew Brzezinski, with a commentary by Professor Owen Harries
DC2 Turbulence in the South Pacific - a PNG Perspective, Sir Julius Chan
DC3 Turbulence in the South Pacific - a New Zealand Perspective, Sir Ewan Jamieson
DC4 US Foreign Policy in the Post-Reagan Era, Dr Zbigniew Brzezinski
DC5 Western Responses to Soviet Pacific Ambitions - a Japanese Perspective, Professor Masashi Nishihara
DC6 Western Responses to Soviet Pacific Ambitions - a French Perspective, Admiral Emile Thireaut
DC7 Western Responses to Soviet Pacific Ambitions - an Australian Perspective, John Spender; MP, QC
DC8 Western Responses to Soviet Pacific Ambitions - a US Perspective, James Webb
DC9 Australia's Security Interests, Des Moore (free)

Education Papers

ED1 Guiding Principles of School Policy, Professor Dame Leonie Kramer (free)
ED2 Sex Education as a Health Hazard, Dr Susan Moore
ED3 Curriculum Reform in America, Dr Susan Moore
ED4 The Importance of a Liberal Education, Dr Susan Moore
ED5 Missing from History: Australia's Forgotten Entrepreneurs, Susan Johnston
ED6 What Became of my School, Shaun Patrick Kenaelly
ED7 Nursing Training and the Social Sciences Curriculum, Dr Ken Baker
ED8 Examinations, Assessment and Standards in Senior Secondary Schools, Dr Alan Barcan (released January 1989, $15)

Economic Papers

EP1 Industrial Relations: Where are we going from here?, Des Moore
EP2 Drawing the Line Between Public and Private Sectors, Des Moore
EP3 Problems of the Welfare State, Des Moore

* Extracts published in IPA Review. ** Published in full in IPA Review.

Papers can be obtained for $6 each ($4 for subscribers) except where marked otherwise. Credit card orders can be placed by telephone; contact Tracey Seto on (03) 614 2029 or write specifying code (eg DC1, EP2) and/or title of the paper to the Director, IPA, 83 William Street, Melbourne, 3000.
Cultural Literacy ~ Susan Moore

Last year in America two books with profound educational implications, written by professors, attracted enormous attention and sold in the tens of thousands: Allan Bloom's Closing of the American Mind and E. D. Hirsch Jr's Cultural Literacy. Although Bloom's is the more intellectually significant work, Hirsch's is likely to have a more immediate effect on schooling, because it discloses facts about basic literacy which can be readily understood by the common reader.

Hirsch's argument is that without cultural literacy there can be no ordinary literacy. Memory capacity, eye movements, basic vocabulary, and coding skills of course affect our ability to read, he says. But research in the last decade has demonstrated that unless we bring to our reading a wide range of knowledge and cultural associations, meaning will elude us and we won't gain an integrated sense of the whole of the written piece. Mature reading tasks which require an understanding of a host of undeclared assumptions and an ability to place words in appropriate contexts can only be successfully completed by those whose cultural knowledge is diverse, far-reaching, and shared.

Common background knowledge, brought to bear on printed matter, is essential to all of us because our short-term memories can only retain items which connect with items already in the mind. The research of psycholinguists has shown that the mind cannot reliably hold in short-term memory more than four to seven separate items, and it loses them rapidly. When the process of translating items from short-term to long-term memory works as it should, the mind retains not a literal recollection of words but a shorthand recoding of their gist. If we remembered all the words we read and hear, Hirsch points out, the floppy disks in our minds would quickly fill to capacity, and we would have to erase them periodically. Instead, we recall and recognize meaning in words, and this meaning is retained by our long-term memories.

Only if a wide store of past cultural experience is present in abbreviated form in our long-term memories, so that it can immediately be used to facilitate the incorporation of the new words we encounter, can we read quickly and easily. When we confront an apparently simple sentence like "Ulysses S. Grant and Robert E. Lee met in the parlour of a modest house in Virginia on 9 April, 1865, to work out the terms for the surrender of Lee's army of Northern Virginia," we have to integrate it with schematic background information already stored in our minds about who Grant and Lee were, what the Civil War involved, what surrender entails, and so on, in order to make sense of it.

Naturally, diverse groups of educators in America and elsewhere have taken this entire argument very seriously. Radicals concerned about disadvantaged pupils, proponents of the liberal arts who argue for the transmission of a cultural heritage, defenders of the 'skills' approach to schooling, and progressives who favour 'discovery' methods of learning have all seen in Hirsch's observations prospects for essential educational change.

Teachers in America and elsewhere have already begun to discuss the nature of the curriculum changes required to give pupils of every age a richer storehouse of shared cultural knowledge. Hirsch himself, an avowed pluralist who believes in local control of schools, is against a program of 'great books' prepared for an entire school population. Although he believes strongly that the "greatest human individuality is developed in response to a tradition," he eschews the idea that there is a canon of major literature which should be taught to everyone. He favours "a curriculum that is traditional in content but diverse in its emphases, that is pluralistic in its materials and modes of teaching but nonetheless provides our children with a common core of cultural information."

Educators like Bloom would almost certainly suggest that such a stance is evasive, even contradictory, since a traditional curriculum must start with a 'canon', however broad, in order to prevent the 'cafeteria-style education', which Hirsch denounces, from becoming a permanent fact of life. But virtually everyone involved in schooling at every level agrees with the author of Cultural Literacy that pre-school is not too early for starting "earnest instruction in literate national culture" and that fifth class is almost too late. By class four, pupils whose cultural knowledge is meagre find reading and learning "increasingly toilsome, unproductive, and humiliating."

"Mainstream culture," despite regular shifts in some of its content, contains stable elements which "are at the core of cultural literacy." They belong at the educational core as well, Hirsch argues — and right from the beginning. To break "the cycle of illiteracy for deprived children" and "raise the living standard" for their families, to achieve "greater social justice," to enable "all citizens to participate in the political process," to increase competition "in international markets", and to approach more closely "the Ciceroian ideal of universal public discourse," he insists, major changes in the reading habits of nations must be made.

Dr Susan Moore is a Research Fellow in the Education Policy Unit of the Institute of Public Affairs.

IPA Review, December-February 1988/89 40
E. D. Hirsch’s *Cultural Literacy* contains a list of 5,000 items we all should know. We need not know everything about them, but we should recognize them. (Although, as Mortimer J. Adler says in *Paideia Bulletin*, if Year 12 pupils could identify “all of the terms” listed in *Cultural Literacy*, they would be “well-informed, but not well-educated.”) Below (left) is an excerpt from Hirsch’s list. Hirsch also includes many American items, which are excluded here. Instead we have constructed a list of some of the terms which we think should be included on an Australian list.

### The General List

<table>
<thead>
<tr>
<th>Term</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>absolute zero</td>
<td>Jeremiah</td>
</tr>
<tr>
<td>abstract expressionism</td>
<td>Johannesburg</td>
</tr>
<tr>
<td>academic freedom</td>
<td>joie de vivre</td>
</tr>
<tr>
<td>Acropolis</td>
<td>junta</td>
</tr>
<tr>
<td>anticlericalism</td>
<td>kibbuz</td>
</tr>
<tr>
<td>appeasement</td>
<td>kinetic energy</td>
</tr>
<tr>
<td>Armageddon</td>
<td>kitsch</td>
</tr>
<tr>
<td>Augen stable</td>
<td>Let them eat cake</td>
</tr>
<tr>
<td>banana republic</td>
<td>Levithan</td>
</tr>
<tr>
<td>baroque</td>
<td>liberalism</td>
</tr>
<tr>
<td>bell curve</td>
<td>libido</td>
</tr>
<tr>
<td>Berlin Wall</td>
<td>Louvre, the</td>
</tr>
<tr>
<td>Beware the Ides of March</td>
<td>Luddite</td>
</tr>
<tr>
<td>black hole</td>
<td>magnetic field</td>
</tr>
<tr>
<td>Bolshevics</td>
<td>malapropism</td>
</tr>
<tr>
<td>capital gains</td>
<td>Magna Carta</td>
</tr>
<tr>
<td>Cezanne</td>
<td>Medusa</td>
</tr>
<tr>
<td>civil disobedience</td>
<td>Mercantilism</td>
</tr>
<tr>
<td>collective unconscious</td>
<td>Mezzin</td>
</tr>
<tr>
<td>Common Market</td>
<td>modus vivendi</td>
</tr>
<tr>
<td>contempt of court</td>
<td>neonationalism</td>
</tr>
<tr>
<td>Counter Revolution</td>
<td>Nirvana</td>
</tr>
<tr>
<td>dark horse</td>
<td>noblesse oblige</td>
</tr>
<tr>
<td>Delphic Oracle</td>
<td>No man is an island</td>
</tr>
<tr>
<td>demography</td>
<td>non sequitur</td>
</tr>
<tr>
<td>dissidents</td>
<td>note</td>
</tr>
<tr>
<td>DNA</td>
<td>Ogierus complex</td>
</tr>
<tr>
<td>Dorian (architecture)</td>
<td>Off with her head!</td>
</tr>
<tr>
<td>Dreyfus affair</td>
<td>on tenterhooks</td>
</tr>
<tr>
<td>eadonian</td>
<td>original sin</td>
</tr>
<tr>
<td>dyslexia</td>
<td>Oxburgh</td>
</tr>
<tr>
<td>elegy</td>
<td>parabola</td>
</tr>
<tr>
<td>Elysian Fields</td>
<td>Passover</td>
</tr>
<tr>
<td>embryo</td>
<td>phylum</td>
</tr>
<tr>
<td>encyclical</td>
<td>polka</td>
</tr>
<tr>
<td>Epicurean</td>
<td>pop art</td>
</tr>
<tr>
<td>equity</td>
<td>praxicotic</td>
</tr>
<tr>
<td>existentialism</td>
<td>racteur</td>
</tr>
<tr>
<td>feet of clay</td>
<td>Rapunzel</td>
</tr>
<tr>
<td>felony</td>
<td>realpolitik</td>
</tr>
<tr>
<td>fiddle while Rome burns</td>
<td>relief (art)</td>
</tr>
<tr>
<td>Figaro</td>
<td>RSVP</td>
</tr>
<tr>
<td>fortissimo</td>
<td>Rubicon, cross the</td>
</tr>
<tr>
<td>Fox and the Grapes, the</td>
<td>San Andreas fault</td>
</tr>
<tr>
<td>French Revolution</td>
<td>Scrooge</td>
</tr>
<tr>
<td>Gang of Four</td>
<td>sit-ins</td>
</tr>
<tr>
<td>genetic engineering</td>
<td>sonata</td>
</tr>
<tr>
<td>Gioto</td>
<td>Stonehenge</td>
</tr>
<tr>
<td>Gladstone</td>
<td>tabula rasa</td>
</tr>
<tr>
<td>Golon Heights</td>
<td>Taj Mahal</td>
</tr>
<tr>
<td>gold standard</td>
<td>through a glass darkly</td>
</tr>
<tr>
<td>golden calf</td>
<td>Tin Pan Alley</td>
</tr>
<tr>
<td>Good Friday</td>
<td>UNESCO</td>
</tr>
<tr>
<td>gravity</td>
<td>utopia</td>
</tr>
<tr>
<td>Greenwich mean time</td>
<td>Vatican II</td>
</tr>
<tr>
<td>guilag</td>
<td>Versailles, Treaty of</td>
</tr>
<tr>
<td>hammer and sickle</td>
<td>warp and woof</td>
</tr>
<tr>
<td>Hinduism</td>
<td>watershed</td>
</tr>
<tr>
<td>holistic</td>
<td>witch hunt</td>
</tr>
<tr>
<td>Holy See</td>
<td>work ethic</td>
</tr>
<tr>
<td>hubris</td>
<td>Wright brothers</td>
</tr>
<tr>
<td>hypothalamus</td>
<td>Y chromosome</td>
</tr>
<tr>
<td>Iago</td>
<td>Zeitgeist</td>
</tr>
</tbody>
</table>

### An Australian List

<table>
<thead>
<tr>
<th>Term</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>1770</td>
<td><em>I love a sunburnt country</em></td>
</tr>
<tr>
<td>1788</td>
<td>Isaacs, Isaac</td>
</tr>
<tr>
<td>1901</td>
<td>Kakadu</td>
</tr>
<tr>
<td>1901</td>
<td>Kelly, Ned</td>
</tr>
<tr>
<td>1975</td>
<td>Kokoda Trail</td>
</tr>
<tr>
<td>Advance Australia Fair</td>
<td>Labour Day</td>
</tr>
<tr>
<td>Angry Penguins</td>
<td>land rights</td>
</tr>
<tr>
<td>ANZUS</td>
<td>Lang, J. T.</td>
</tr>
<tr>
<td>Arbitration Commission</td>
<td>Laver, Rod</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Legislative Assembly</td>
</tr>
<tr>
<td>assisted immigration</td>
<td>Life wasn’t meant to be easy</td>
</tr>
<tr>
<td>Australia Council</td>
<td>Lodge, the</td>
</tr>
<tr>
<td>Australia rides on the sheep’s back</td>
<td>“Lucky Country, The”</td>
</tr>
<tr>
<td>back of Bourke</td>
<td>Lyons, End</td>
</tr>
<tr>
<td>Banks, Joseph</td>
<td>McCauley, James</td>
</tr>
<tr>
<td>basic wage</td>
<td>“Magic Pudding, The”</td>
</tr>
<tr>
<td>battle for the banks</td>
<td>“Man from Snowy River, The”</td>
</tr>
<tr>
<td>“Blue Poles”</td>
<td>Mannix, Daniel</td>
</tr>
<tr>
<td>bodyline</td>
<td>marsupial</td>
</tr>
<tr>
<td>Boyd, Robin</td>
<td>Melba, Nellie</td>
</tr>
<tr>
<td>Bradman, Donald</td>
<td>merino</td>
</tr>
<tr>
<td>“Breaker Morant”</td>
<td>Monash, John</td>
</tr>
<tr>
<td>Brisbane Line</td>
<td>Mount Isa</td>
</tr>
<tr>
<td>Bruce, Mary Grant</td>
<td>Mount Kosciusko</td>
</tr>
<tr>
<td>Buckley’s chance</td>
<td>Movement, The</td>
</tr>
<tr>
<td>“Bulletin, The”</td>
<td>multiculturalism</td>
</tr>
<tr>
<td>burnup</td>
<td>Murray River</td>
</tr>
<tr>
<td>Burke and Wills</td>
<td>Myxomatosis</td>
</tr>
<tr>
<td>Burnet, MacFarlane</td>
<td>“My Brother Jack”</td>
</tr>
<tr>
<td>Chisholm, Caroline</td>
<td>Nicholls, H. R.</td>
</tr>
<tr>
<td>“Click Go the Shears”</td>
<td>Nolan, Sidney</td>
</tr>
<tr>
<td>common law</td>
<td>one-armed bandit</td>
</tr>
<tr>
<td>conscript ion</td>
<td>“On Our Selection”</td>
</tr>
<tr>
<td>constitutional monarchy</td>
<td>Opera House</td>
</tr>
<tr>
<td>cooee</td>
<td>Ord River</td>
</tr>
<tr>
<td>CSIRO</td>
<td>pavlova</td>
</tr>
<tr>
<td>Curtin, John</td>
<td>Petroff Affair</td>
</tr>
<tr>
<td>Dad and Dave</td>
<td>“Picnic At Hanging Rock”</td>
</tr>
<tr>
<td>Deakin, Alfred</td>
<td>Pig Iron Bob</td>
</tr>
<tr>
<td>digger</td>
<td>Premiers’ Conference</td>
</tr>
<tr>
<td>Dobell, William</td>
<td>red centre, the</td>
</tr>
<tr>
<td>dog sits on the tucker box, the</td>
<td>“Road to Gundagai”</td>
</tr>
<tr>
<td>“Draper’s Wife, The”</td>
<td>Roberts, Tom</td>
</tr>
<tr>
<td>Drysdale, Russell</td>
<td>RSL</td>
</tr>
<tr>
<td>Eureka</td>
<td>Rum Rebellion</td>
</tr>
<tr>
<td>Evertidge, Edna</td>
<td>“Seven Little Australians”</td>
</tr>
<tr>
<td>fair dinkum</td>
<td>shearing shed</td>
</tr>
<tr>
<td>Family Court</td>
<td>she’s apples</td>
</tr>
<tr>
<td>Federation</td>
<td>Simpson Desert</td>
</tr>
<tr>
<td>Flying Doctor</td>
<td>Snake Gully</td>
</tr>
<tr>
<td>“For the Term of His Natural Life”</td>
<td>Snowy Mountain Scheme</td>
</tr>
<tr>
<td>Fraser, Dawn</td>
<td>Squatters</td>
</tr>
<tr>
<td>Gallipoli</td>
<td>state’s rights</td>
</tr>
<tr>
<td>“Getting of Wisdom, The”</td>
<td>stump jump plough</td>
</tr>
<tr>
<td>Gilmore, Mary</td>
<td>surf club</td>
</tr>
<tr>
<td>Governor-General</td>
<td>synrock</td>
</tr>
<tr>
<td>Great Divideing Range</td>
<td>Truganinni</td>
</tr>
<tr>
<td>Great Grilling</td>
<td>“Tyranny of Distance”</td>
</tr>
<tr>
<td>Greenway, Francis</td>
<td>Vietnam War</td>
</tr>
<tr>
<td>Greer, Germaine</td>
<td>“Voss”</td>
</tr>
<tr>
<td>Gulf of Carpentaria</td>
<td>“Waltzing Matilda”</td>
</tr>
<tr>
<td>Hargrave, Lawrence</td>
<td>wattle</td>
</tr>
<tr>
<td>Harvester Judgment</td>
<td>White Australia Policy</td>
</tr>
<tr>
<td>Heidelberg School</td>
<td>Whitsundays, The</td>
</tr>
</tbody>
</table>
Employee Participation
an enterprising reform

J. S. Thompson

Unless we find ways to overcome the entrenched conflict between trade unions and employers, Australia's manufacturing industries will remain uncompetitive internationally. Employee involvement is an example of what can be achieved, but its introduction depends on first replacing the system of 'craft' unions with industry or company-based unions.

Australia's industrial relations system, which was born out of the serious labor disputes of the last century, is in serious need of a major overhaul if we are not to see our industrial base substantially eroded. Exports of agricultural and mineral products, with some exceptions, threaten to play a less important role in the future. This means that unless we are to become a real 'banana republic' living beyond our means and hoping that something turns up, it is absolutely vital that we restructure and reactivate our manufacturing industries. Yet, with few exceptions, our manufacturing industries remain uncompetitive internationally.

The constant conflict which takes place between trade unions and employers is a major difficulty. The improvements which have taken place in our industrial relations over the last three years have been largely cosmetic. At any time, we could see further major disputes which would aggravate the already serious economic situation which Australia now faces.

The answer is for industry generally to embark upon a strong policy of deliberately involving employees in the operation and nature of the business to their fullest extent. This should not under any circumstances involve worker control, which is entirely different, and would destroy our industry if ever it was allowed to occur. But successful employee participation depends importantly on changing the system of multiple 'craft' unions.

The Need For Industry Based Unions

In my view Australia has the most inefficient industrial relations system of any country in the industrialized free world, and this includes the United Kingdom. In the United Kingdom there is no established
Employee Involvement at Ford

The great success of the worker participation plan introduced into the Ford Motor Company assembly plant at Homebush, NSW in 1981 is a classic example of what can be achieved. It was around this time that massive plant closures were occurring in Australia, including the Leyland plant in Zetland, NSW and later the General Motors Holden plants in New South Wales, Queensland and South Australia. It was obvious that unless the new Ford vehicle to replace the obsolete Ford Escort was a success, there was every possibility of the Homebush plant also closing.

Fortunately, Ford had a most progressive leader in Sir Brian Ingles, an Australian who had extensive experience overseas with the Ford Motor Company, but who fully understood the changes needed to ensure the survival of Australia’s vehicle industry. He had also spent considerable time in Japan and absorbed the lessons of that country’s success in its vehicle industry.

Sir Brian Ingles and I had considerable discussion on his revolutionary plan for building the new car and I immediately saw that this could be the way to the future. I realized that it was absolutely imperative that the Ford plant became as efficient as possible, that our product was of high quality and that the only way to achieve this was deliberately to involve the workforce in as many of the operations as possible. Sir Brian’s successor, Mr Bill Dix, also enthusiastically adopted this approach and even developed it further.

The new car, which would be called the ‘Laser’, was really a copy of the Mazda 323 although redesigned for Australian conditions. There was a general acceptance that, if the quality of the Laser could not match that of the fully imported Mazda 323, this would have serious implications for Homebush.

Initially, Ford set up training sessions for all foremen and supervisors to convince them that, in future, the system would be based upon using the worker to the best of his ability and providing conditions which would ensure his full input into the building of the Laser. Previously, foreman and supervisors had considerable power and were expected to run their own individual sections in any reasonable way they desired, providing that at the end of the day the quota of work came out of their respective sections. Conflicts were regular and often resolved by the dismissal of the employee, which obviously had a demoralising effect on much of the workforce.

The company also embarked on a major training program for all employees where the new concept of employee involvement was explained to them and workers were invited to join in with the employee involvement program. Initially, there was a great deal of scepticism in the workforce at these proposed changes and few employees believed that there was any sincerity in the plans of the company to bring in this revolutionary new system.

However, when the Laser commenced production, every attempt was made to involve the employee as much as possible in the whole operation. While employees were shown a suggested method of assembly, they were encouraged to put forward any idea they had which would give more efficient production or make the job easier for them. The aim was to get the message across to all Ford Homebush workers that from now on they had control over their own destiny in the workplace. It was stressed, and is still stressed, that no worker was ever to feel obliged to become involved in the employee involvement program; all involvement must be on a purely voluntary basis.

Most of the employee involvement groups have about 10 members. Foremen or supervisors may or may not be members, but when the group meets there is no rank; it is just a number of people coming together in an attempt to solve a problem. The company does not initiate all problems to be discussed by the group, and in many instances the group themselves will see a problem and will then decide on ways to overcome it. Group meetings, which are initially held on overtime, frequently go past the allocated time with the employees being concerned to rectify a problem in their own time. The deep interest displayed by many of the groups is one reason for the success of the Ford Laser.

Under the employee involvement scheme at Homebush the line workers themselves control the speed of the assembly line and at any time they have the right to stop the line if they are having some difficulty in keeping up. Prior to the introduction of the employee involvement program, there was a tendency to keep the line moving irrespective, and this often led to poor quality performance. What normally occurs now is that if an employee is having difficulty keeping up with the line he physically stops the line with his control and then supervision will attempt to overcome the problem. But it is not considered to be a disciplinary problem and supervision is expected to assist in overcoming any defect.

The success of the employee involvement program at Homebush has brought great benefits to the employees and the company. The quality of the Homebush-built Laser is now equal or superior to the fully imported Japanese Mazda 323, and representatives of the Ford Motor Company from all over the world are currently being taken to Homebush to show them what sort of plant it is and the success which has been achieved with the employees involvement program.

J. S. Thompson
Conciliation and Arbitration System or Act as in Australia. The result is that some parts of industry have been able to by-pass the British craft system; but this is much more difficult in Australia.

Our Conciliation and Arbitration Act rigidly lays down the ground rules and makes an award which is binding upon the whole of industry, whether that particular section of industry is unionized or otherwise. This is totally foreign and different from the British system.

The key to good industrial relations in most other parts of the world is a system of one union for each industry or company and not a multiplicity of 'craft' unions as we see in Australia.

Successful examples of employee involvement programs do exist in Australia, at the Ford Motor Company (see Box), at Borg Warner Albury, at Lansdowne Engineering Taree, just to name three. The key to their success has been the fact that in those three companies one union controls the operation of the whole plant, irrespective of occupation. This has led to great stability.

From the viewpoint of union members it is imperative when negotiating with employers in introducing such schemes that the union representatives have the ability to sit down with the company and make decisions which affect the whole of the workforce. This is virtually impossible when working in a company with a multitude of unions as some unions, particularly in the metal industry, are diametrically opposed to any form of worker participation or systems which encourage the working together of the union movement and the employers. This is an incredibly stupid point of view; but unfortunately it prevails still in many sections of the Australian manufacturing industry.

The Hancock Inquiry into Industrial Relations in Australia clearly failed in its duty in not recommending a system of one union in each industry or company, and the reason for its failure is quite clear. It was because the Australian Council of Trade Unions, whilst paying lip-service to industrial unionism, will never take any real steps for its implementation. The most the Hancock Inquiry committed itself to was a recommendation that if new industries start up they should be encouraged to have an industry-based union. But this stops short of the real requirements of industry, which is quite clearly industrial unionism across the board.

Let there be no doubt that whilst Australia has a multiplicity of craft unions in its manufacturing industry and other industries, there will never be real industrial peace.

Let there be no doubt that whilst Australia has a multiplicity of craft unions in its manufacturing industry and other industries, there will never be real industrial peace. Those unions which desire to co-operate and assist the industry will face opposition from other unions which have no real stake in the industry but wish to preserve their influence. This is shown by the three major disputes which crippled the whole of the Australian Vehicle Industry last year. The unions involved were outside the vehicle industry, but used their industrial strength to bring the industry to a halt.

The Miscellaneous Workers' Union, which controls the whole of Australia's paint industry, was engaged in a campaign for superannuation and their first tactic was to stop the supply of paint to the vehicle industry, where the Miscellaneous Workers' Union has no members whatsoever. This closed down the whole automobile industry with the result that thousands of workers were stood down without pay.

A further example occurred at the Borg Warner Transmission Plant at Fairfield, NSW which has a multitude of unions, unlike the Albury plant. Twenty-seven storemen and packers employed at Fairfield withdrew all supplies, with the result that again the whole vehicle industry with the result that thousands of workers were stood down without pay.

Then, the Metal Workers' Union closed down Australia's only seat-belt factory through a campaign to increase their wages under the second tier wage system. Again, the vehicle industry was brought to a halt and stand-downs were only averted through the intervention...
of the Prime Minister in the middle of a National Election. There can be little doubt that the Metal Workers' Union, realizing its capacity to bring the vehicle industry to a halt nationally, will in future continue to use such tactics.

Until Australia decides to follow the rest of the world and have true industrial unionism as opposed to a multitude of craft unions in each industry, we will never be able to compete on a world-wide basis. As industry is a major employer of labor we will continue to see large numbers of people unemployed and Australia borrowing overseas to pay for imports which we could manufacture competitively in this country.

**Union Amalgamations**

This brings up the subject of union amalgamations. It is frequently said by the Government and by the ACTU that we should have more amalgamations of unions. However, it must be clearly understood that, if amalgamations take place across the whole broad spectrum of industry, this will not solve the problem and could make it far more difficult in the future.

As an example, the Storemen and Packers’ Union, which has been successfully kept out of the vehicle assembly plants, would be able to control any industry in Australia if it were to amalgamate with a union such as the Transport Workers’ Union. Such an amalgamation would give the resultant organization very strong industrial powers. It would mean that the organization would for practical purposes control the whole of Australia’s industry and could bring Australia to a halt at any time.

Amalgamations which cut across the broad spectrum of industry would in fact aggravate the current position. Amalgamations should take place on an industry basis, with a view to having one union in each industry. That would be a far different proposition. But while the ACTU publicly claims it is in favour of amalgamations, no real efforts have been made to bring about true industrial unionism because the big affiliates to the ACTU such as the Transport Workers’ Union, the Storemen and Packers’ Union, the Metal Workers’ Union and others would lose considerable power if confined to their respective industries. Indeed the ACTU itself would cease to be the important national body it is under today’s trade union structure.

Nowhere in the industrialized world is there any industrial organization with the power of the ACTU and this power has been brought about by a multiplicity of unions coming together under the umbrella of the ACTU. In the United States the American Federation of Labor and Congress of Industrial Organizations, which is the equivalent of the ACTU, does not have this power because the US industrial system consists of one union in each industry.

Whilst we have this multitude of unions operating across the whole broad spectrum of much of Australian industry we will never have an industrial relations system which operates in a satisfactory and responsible way.

**Conclusion**

To improve Australia’s current industrial relations system we must have a system of employee participation or employee involvement where workers, irrespective of occupation, are actively encouraged and assisted to become involved in the operations of the company, not only in production but in the general work environment of the employees. This does not mean worker control, which is completely destructive and would destroy any industry which became involved in it.

To achieve greater employee involvement it is essential to have one union having complete coverage of each industry or, where this is not possible, one union for each firm. This would ensure that each union covering its own respective industry acted in a responsible way and with the knowledge that, if they set out to destroy that industry, they would also destroy themselves. Put simply, if a union has a stake in an industry or a firm in its entirety, the success of that industry or firm is important to that union.

Finally, the idea that union amalgamations would solve the chaotic state of much of our industry is false and, if pursued, could lead to greater instability. Amalgamations across the whole broad spectrum of industry would enable unions with no direct interest in that industry to use their industrial strength to bring that industry to a halt in its attempt to make gains. Amalgamations should be encouraged, however, within a particular industry.

The Ford experiment, the Borg Warner experiment and other experiments in this area clearly show what can be achieved with co-operation between the union movement and the employers. Until Australia is prepared to take constructive steps along these lines we will not have an efficient manufacturing industry. This has serious implications for the future economic fate of this nation.
For $2000  Or
you can  you can
look like look like this.

The headline on the right was printed by
the new Hewlett-Packard DeskJet. The headline
on the left, by a 24-wire dot matrix printer. Both
sell for about $2000, but the DeskJet gives you
laser quality. It's attractively designed, simple to
operate, and quiet as a whisper. It lets you mix
and match a variety of type styles, sizes, and
beautiful full-page graphics for professional-
looking business letters and spreadsheets. It
works with the most popular computers and
software. And it's dependable. Just what you'd
expect from Hewlett-Packard.

The new HP DeskJet. Considering the
price, 24-wire dot matrix printers pale by
comparison.

Price includes sales tax.
Australia’s Birthday Beacons

John Carroll

On a wet night in the depths of winter a chain of bonfires was lit around the country, which in its own unique way illuminated the spirit of the nation. The many first-hand reports of the events of that night have now been collected and published as a book.

"From dusk to dawn all through the night of June 18-19th, 1988, bonfire beacons were lit across the length and breadth of Australia as the nation gave itself the biggest birthday party in history, in celebration of the Bicentenary year. Starting from the southern shores of Botany Bay the line of beacons spread, light by light, down the eastern seaboard and deep into the country, all in carefully-timed sequence, in order to carry the fire clockwise around the entire continent. The idea was to form a single chain of beacons, symbolically uniting the nation, not merely to bring hundreds or thousands together to one or another site, but to give notice of an indivisible spirit linking all Australians, wherever they were. As one beacon was lit, the next was lit, a few miles beyond, and so on, until the bonfire came into line at the northern shores of Botany Bay in the grey dawn.

In order to fulfil the project it was necessary for the beacon-light to traverse immense distances, and in places, abominable weather; to cross the ocean to Tasmania and return to the mainland to take in some of the most inhospitable country in the entire world; to straddle great mountain ranges, plains and deserts and to work its way through townships where but a few gathered, to cities and towns where thousands were there to cheer it on and beyond; around the mighty continent.

Countless Australians gave freely of their time and labour without thought of reward, not only to build the beacons, but to pass the word, to take care of the hundred tasks which ensured the companionship of the night. All this was done with little money and fuss. "The people made it happen. It was the one Bicentennial event which brought the nation together."

So runs the description of the book that has now been published to document the remarkable events of 18-19 June 1988. The bare facts are that the continent was in one night circled by the longest chain of continuous beacons in history. There were 550 official sites; there were 1,000, more likely 2,000 unofficial bonfires, ranging from small campfires to huge electricity pole framed constructions, and most of them joined the chain at their appointed time. There was an astonishing and spontaneous popular response to the idea, from the southern forests of Tasmania to the Gove Peninsula, from Perth to Cape York. Likely two million Australians took part.

Birthday Beacons organizers received hundreds of reports of what actually happened from sites all around the country. The book includes long letters describing the appalling weather in Victoria and how rather than deterring people it spurred them on; the construction of the eight-storey-high bonfire at Dover in Tasmania; the return to Yarrabec Road in the Adelaide Hills, an area annihilated by the Ash Wednesday bushfires; the conquest of the Nullarbor by the Four-Wheel Drive Clubs across three states; the remarkable events at Geraldton which 10,000 turned out to watch; the simultaneous lighting by white and Aboriginal children at Nhulunbuy in the Northern

Dr John Carroll is Reader in Sociology at La Trobe University and Editor of Australia’s Birthday Beacons: The Story of June 18-19th, 1988.
AUSTRALIA'S BIRTHDAY BEACONS

Territory; the string of early morning breakfast bonfires through Queensland awaiting the dawn; and back to Botany Bay where the Governor-General had started it 14 hours earlier, with a moving speech and a torch. There are newspaper articles and cartoons; there are poems written to celebrate the night; there are songs and many, many photographs. The book follows the chain of fire around the continent, weaving a continuous narrative based on the reports, quoting liberally from them.

What is the significance of this material? It will prove the one occasion during 1988 on which the people spoke for themselves. The Bicentennial has produced thousands of books, one person's view of this or that, much of it the rewriting of Australia's history in darker colours. In fact we have been subjected to a deluge of fantasy, most of it pretty dismal fantasy, and at a great remove from the reality of the country and its people.

The Birthday Beacons was conceived out of concern at the direction the Bicentennial was taking. It was designed to provide the opportunity for a grand but simple celebration, in which everyone might participate, and actively so. It centred symbolically on the civilized use of this country's most destructive element — fire. It was an opportunity, a challenge, that could be taken or missed: everyone might decide to leave it to others, to stay home and watch television. In a way it provided a means for taking the pulse of the nation, for the project depended almost entirely on a generous response from the people, and not at all on a blare of publicity out of Sydney. In the months and weeks before 18 June, and on the night itself, people everywhere responded magnificently. In the aftermath they responded again, in a different way, writing their own accounts of the night, of its toils and triumphs. Children wrote, grandmothers wrote, Apexians wrote, Army sergeants wrote.

The book is thus the record, in a good old-fashioned sense, of what actually happened, told as it was. It is also a charting of a challenge put to Australians in 1988, and how they responded. One of its indirect benefits is the light it sheds on varieties in the national character from state to state. Another is its demonstration of the healthy condition of Australian wit and language. All in all it is a rare historical record and memorial that will live long after 1988 is done and gone.

Copies of the book may be ordered from, accompanied by a cheque for $12.50 payable to:

The Secretary
Seminar on the Sociology of Culture
La Trobe University
BUNDOORA VIC 3083

Linking the Nation

When the Australian Bicentennial Authority first published its national program of projects and events, it was a product of modern special interest politics. It had a special program on multiculturalism to satisfy the ethnic lobby; another to satisfy the feminists; another for the trade unions; another for the Aborigines; a program for youth and a program for the handicapped and so on. It emphasized the diversity of Australians without a balancing emphasis on the overarching unity and identity of the nation.

While the successful Sydney celebration on 26 January was the most publicized event of the Bicentenary, arguably the most significant was the Birthday Beacons, initiated not by the Bicentennial Authority but by a university professor, Claudio Veliz. As John Carroll says, probably two million Australians participated — men and women, young and old, Aborigines and recent immigrants, trade unionists and businessmen, Labor voters and Liberal voters, rural folk and city people, as well as community associations of many types.

The Birthday Beacons project was such a spectacular success because it drew on sentiments and values deeper than sectional divisions. It appealed to such a wide range of Australians because it was tailored to no group in particular. It relied on the strengths of local communities rather than on a central bureaucracy; it depended on people's willingness to contribute their time voluntarily to ensure the success of a patriotic occasion. It symbolized an essential unity underlying the diversity of Australians.

These are the strengths of the Australian nation on which the Bicentennial celebrations should have been built.

Ken Baker
The Blackening of Our Past

John Hirst

For a new generation of radical historians Australia's past is nothing but bad.

Australia was called a paradise for workingmen in the late 19th century. For a long time historians of the left and right wrote on the assumption that Australian working people enjoyed the highest living standards in the world. But such a view frustrates the purposes of a new generation of radical historians. They begin by putting black spots in their portraits of 19th century society and then finding that colour, or more strictly that absence of colour, to their taste, they proceed to fill the whole canvas with it.

The term 'working-men's paradise' seems to have been first used by Samuel Smiles, son of the father of the same name who taught Victorian workingmen the virtues of thrift and self-help. Smiles Junior came from a society where the working class was increasingly comfortable, thrifty and respectable, but on his visit to Australia he entered a different social order. Workingmen's standard of living was not only higher; their savings here put many of them onto the land or into their own house.

These impressions were confirmed by the calculations of Timothy Coghlan, the leading statistician of the 19th century, and by economic historians of recent times. Income per capita in the Australian colonies in the second half of the 19th century was certainly higher than anywhere in Europe and possibly also exceeded that of the United States. Smiles' account gives a false impression of the ease by which a workingman could turn himself into a farmer, though the gloomiest views of the Selection Acts are no longer tenable. On home ownership the Australian record was extraordinary. Graeme Davison in his Marvellous Melbourne calculates that 45 per cent of Melbourne householders owned or were buying their homes in the 1880s and that the proportion of proprietors among workingmen was only marginally lower than that in other classes. In the older city of Sydney the rate of ownership was lower; in the smaller capitals and country towns it was higher.

The new radicals do not directly dispute these findings. They give us the black spot treatment. They warn us that the figures of per capita incomes are only averages and so reveal nothing about how wealth was distributed. The skilled workingmen might have been well off but what about the unskilled labourer and the widow? Wage rates might be high, but lots of work was casual and seasonal so that men were not in constant work. Workers might have been buying their homes, but the cities were not without their slums and were slow to provide themselves with deep drainage.

All this is true. But the critics forget or want us to forget that the original claim was comparative - Australians were better off than people elsewhere. The figures on income levels in other societies are averages too, and will anyone suggest that wealth was more equally distributed in the United Kingdom or the United States than in Australia? Were the casually employed and the unskilled in the great cities of Europe and the United States better off than their confreres here? Did Sydney slums constitute a higher proportion of the housing stock than they did in London or Manchester? Did the harsh winters of Europe or North America cause less disruption to the economy than the mild winters of Australia? The critics wisely do not pursue these


Dr John Hirst is Reader in History and Chairman of the History Department at La Trobe University.
The New History

Ken Baker

He who controls the past, controls the future.

1988 has been a good year for Australian historians but has it been a good year for Australian history? The bookshops are well-stocked with new (and re-issued) histories of Australia — some excellent, some pedestrian, some which set out to rewrite Australian history in the bleakest of terms.

Historian Joseph Johnson, reviewing Beverley Kingston's recent volume in the Oxford History of Australia, contrasts it with the faith in Australia which characterized the many historical works issued 100 years ago during the Centenary.

"The tone of these many [Centenary] tomes was one of optimism, enthusiasm for the land of opportunity, wonder at the successful transplantation of the British Empire in the South and faith in the inchoate Australian characteristics of egalitarianism and independence. One hundred years on, Kingston tells a very different story. The perpetuation of our collective myths has been replaced by the systematic exposure of their dark underside."

In January this year Professor Manning Clark, who is symbolically important for the new generation of historians, wrote in a feature essay in Time Australia: "that the coming of the British was the occasion of three great evils: the violence against the original inhabitants of the country, the Aborigines; the violence against the first European labour force in Australia, the convicts; and the violence done to the land itself."

This vision of Australia's foundation as illegitimate sets the tone for the new history. The recently published Six Australian Battlefields by Al Grassby and Marj Hill, extends the image of Australia as a saga of violent conflict. Even historian Ken Inglis in his Introduction to Australians 1838 notes that the massacre of Aborigines at Myall Creek pervades that volume. George Shaw recounting this in 1988 and All That: New Views of Australia's Past asks "Why should it have done so? The massacre did not pervade the lives of most Europeans alive in 1838 in New South Wales." Shaw argues that "it is not possible to write history for a contemporary audience which is free from the influence of knowledge subsequent to the events written about."

But in the new history, as both John Hirst and Tim Dun- can note, current political fashions are allowed to dominate the interpretation of the past. All historiography is partisan, serving someone's interests, the view runs. Most Australian history to date has been written about, and for, an elite; now it is the turn of the people (and minority groups) to have their say.

The new historian is a social historian, immersing himself in the "everyday lives" of the people. But in doing so, as Gertrude Himmelfarb argues in The New History and the Old, he devalues the public realm, mistakenly viewing the writing of constitutions, the falling of governments and the making of Prime Ministers as irrelevant to everyday lives of working-class people. At the same time as he devalues the public realm the radical social historian politicizes the private realm. To the feminist historian, for example, the family is, first and foremost, an oppressive power structure.

Ironically, despite the new historian's claim to speak on behalf of ordinary people, his values could not be more alien to the values of ordinary Australians. The new historian, in fact, is an elitist, implicitly condemning the people for their passivity in the face of oppression and injustice. As Himmelfarb writes, he "finds it all too easy to convict his subjects of 'false consciousness', of not understanding their own reality. If he thinks at all about the discrepancy between his account of the past and that of contemporaries he assumes than he is wiser than they...His is the 'true' consciousness, theirs is the 'false'."

Johnson, who is not unsympathetic to some of the current rewriting of history (see the box on page 54) is aware of the uses of history as a political tool, as a means of delegitimating existing social, political and economic arrangements and advancing contemporary causes. The case for an Aboriginal treaty and extensive land reparations, for example, is helped by the history of black-white relations in Australia being rewritten as one of unmitigated conflict and white man's malice.

A people's sense of their own history can unify them or it can divide and demoralize them. The new Australian historian rejects the notion of a national interest (nothing overrides the divisions of class, sex and race); he rejects the existence of an Australian culture (which, in the singular, is seen as an expression of an Anglocentric ideology of cultural imperialism). The message will not be lost on Australia's potential rivals and enemies, if Australians come to accept that the society they and their forebears have established is not worth defending.

Dr Ken Baker is editor of IPA Review.
questions.

These writers are still traditionalists in one sense — they appeal to evidence. There is another element in the black school which writes history straight from their theories of capitalism and the state with scarcely a glance at Australia and the people in it. The ultimate expression of this is Alastair Davidson's account of the state in *A People's History of Australia*. His chapter is entitled "Big Brother is Watching You." To apply a term coined for totalitarian regimes to the liberal state in 19th century Australia reflects a monumental inability to discriminate between cases, a common failing with these authors. Davidson's conclusion is that the regimentation of Australian society was so complete, the power of the state so strong, that people had "no room for autonomy or a sense of self." This should not be dignified as error; we have left truth and falsehood behind and are in the realm of fantasy.

It must be said that the *People's History* as a whole is not committed to this view. Stuart Macintyre, who writes in the same volume as Davidson, knows that the liberal freedoms were real freedoms which enabled workers to develop trade unions and other institutions to protect and advance their interests. The editors, too, are committed to the view that the people "are not powerless victims of their position," but not committed enough to consign Davidson to the dustbin.

---

**If these authors had to deal with Attila the Hun, they would criticize him for the skewed gender balance of his horde and the absence of social workers in his entourage.**

---

There is a more general ahistorical tendency in these volumes — the judging of past society by the standards of our own day. Since these authors are opposed to the inequalities of class, discrimination on the grounds of race, gender, etc.; etc and the destruction of the environment, a wide field for denunciation lies open to them when they turn historian. Faced with the amazing phenomenon of 11 ships bringing convicts half way round the world to found a new society, they can only regret that Governor Phillip did not order the production of an environmental impact statement before they landed. I expect it will not be long before we have to read "Before the first week of the invasion had passed, Phillip and his fellow marauders had sacrificed the lives of a thousand trees..." If these authors had to deal with Attila the Hun, they would criticize him for the skewed gender balance of his horde and the total absence of social workers in his entourage.

History writing will always reflect current preoccupations, but as a disciplined enquiry it is also committed to understanding past people in their own terms. Unless it does that, it can explain very little about the past. History as skittle alley, where people are set up merely to be knocked over, is a travesty. Great history writing has the poise and wisdom of great literature, not committed to the society it describes but understanding it better than it did itself.

There is room only for yes/no answers as these writers check the ideological soundness of past society. No one disputes that 19th century society discriminated on the grounds of gender and race, but the extent to which it did so is of little interest to them. These discriminations are not unvarying forces; the forms they take will be affected by the total circumstances of the society in which they occur. On the treatment of the Chinese, for example, Andrew Markus some time since highlighted the difference between the Australian and Californian

(Continued on page 54)
History as a Kangaroo Court

Tim Duncan

A People's History of Australia since 1788, edited by Verity Burgmann and Jenny Lee, is a vast, four volume collection of essays published jointly by Penguin Australia and McPhee Gribble. It is modestly priced and, due to the strength of its publishers' imprint and distribution system, is likely to become heavily used in schools. It unites condemnation of the Australian past with contrived celebration of contemporary guilt. The collection might be useful for future historians of ideas attempting to document the condition of academic and publishing standards in late-20th century Australia.

This so-called People's History has no volume numbers, despite the fact that its contributors refer the reader to further of the collection's various pearls by numbered volumes. Presumably, members of the editorial collective belatedly objected to volume numbers on the grounds that they might promote an ideologically unacceptable hierarchy of chronology. So there is none of the standard 'this comes before that' which gives history a discipline that sociology lacks.

From the introduction (the same one for every volume, of course) it seems that the editors do not like history much. They prefer straw men, for instance that orthodox history exclusively "concerns itself with the actions of well-heeled, white Anglo-Saxon males." In contrast, the People's History brings "new, insistent voices" which aim to capture the experience of Aboriginal people, women, members of ethnic or racial minorities and the working class in general.

"This history is critical, not celebratory." With this the earnest voice of contemporary radical history raises its flag of war. "Held up against the millenia of Aboriginal experience, the last 200 years seem but a brief, nasty interlude." This history, the editors claim, "rejects myths of national progress and unity." Do all of the roughly four score writers go along with this? "Our contributors have quirked the assumption of a common 'national interest'." The editors believe that what they have produced will become the very acme of radical history in the 1980s.

There are some competent historians published here, although only about 10 of the 80 deserve that description, and only one, David Dunstan, has bothered to write with any hint of a love for history. Some, including Brian Stodart on sport, and David Harris on housing, have done workman-like jobs. But one wonders why the other, seven or so become involved. Perhaps they sought to rekindle, by association, some long lost youthful radical commitment. If so, then that is a great shame, because all they have done is help legitimate a petulant, spiteful job on Australia's past.

This may sound quaint, but it requires a sense of honour to write good history. The reason is that dead people cannot fight back. Good historians are trained to let the past speak. This should not deter them from analyzing it from a present perspective, but it should deter them from judging dead people forthwith, from applying standards of behaviour and performance that have no relevance to the standards contemporaries lived by or to the situations they faced. To deny the past its voice in pursuit of some present political pecadillo is to display intellectual cowardice.

The People's History is not good history. In the main, it judges the past through the eyes of people who do not like the sort of society they live in now and who shirk home responsibility for its deficiencies to the stupidity, ignorance or prejudice of their forebears. For example, "The descendants of the white settlers find themselves living in a depleted quarry surrounded by woodchipped forests, salted rivers and pastures that are turning to desert," write People's History contributors, Barry Butcher and David Turnbull. Now, however, "They have begun to look to the Aborigines for new — or rather old — ideas about how they can relate more successfully to the environment." Have they?

Good history avoids the temptation to write about what did not happen in favour of what did. By reversing the procedure, Butcher and Turnbull have discovered the 19th century imperialism of botany: "Scientific investigations of Australia remained Eurocentric — without a strong scientific community of its own, Australia had to accept a subordinate position, even in the investigation of its own products." Without gumnutt science, "The results were often farcical, but at times disastrous." Those wick- ed pionéers even oppressed trees: "Turning ancient hardwoods into tissues and toilet paper is surely a sym- bol of an uncarping attitude towards the environment." And all with an evil weaponry that realized a European ideal of efficiency — the stump-jump plough. If you run out of things which did not happen then you can simply make them up, for instance: "Mining in Australia has al- ways been at its most intensive at times of economic crisis."

In their foreword to the volume A Most Valuable Acquisition, the editors write of the early 19th century grazier: "If he came to the frontier at all, it was with plenty of armed helpers and the intention to mount an all-out massacre." In the orthodox radical history tradition, the squatters characteristically do the small farmer out of what was rightfully his. The squatter is usually the callous personification of big business. But this is not good enough anymore. Now the squatter is a

Dr Tim Duncan is an economic historian and senior staff writer with Business Review Weekly.
deliberate, active killer.

One way for the more theoretically inclined people's historians to write about the failings of the past without actually blaming any particular dead people for them is to write as though abstractions were real to actors. In Alistair Davidson and Andrew Wells's essay on land settlement it is "the state" which, in the end, must bear the burden of blame: "And the state, in demonstrating its clear class interests, had played a key role in establishing an economic order that was economically irrational, morally inequitable and ecologically absurd."

The People's History is like an antipodean version of 1066 And All That, only this time it is replete with thousands of examples of Bad Things. Jenny Lee tells us how the pastoral workers kept deserting their families (people's historians are also feminist historians), how the miners died early, and how, in any case, the mines were so inefficient that they were not in the long-term interests of the settler population, let alone the Aborigines. What a pity Jenny Lee was not around at the time and could have told our ignorant forebears then what she knows now. This country really could have gone places.

Nobody likes war, least of all people's historians. Australians are not usually considered an aggressively imperialistic people, but as the editors point out: "Since 1885 Australians have invaded the Sudan, South Africa, Somaliland, Egypt, Palestine, various European countries, several Pacific Islands, Korea and Vietnam." The choice of words is marvellous - various European countries, several Pacific Islands - National Socialism and the Shinto cult are simply too painful to mention. As for the Anzac legend, according to Alistair Thompson, it "forgets the black Australians who fought against the invasion of their country...ignores the inequalities and conflicts of class and status, sex and race." The Anzacs were simply too brutal, they killed Germans like rabbits, and were neither more resourceful than any other soldiers, nor any more protective of their mates.

After a volume or two a People's History's buff begins to dull, but the pearls keep on coming. According to Andrew Moore: "This was a society built on force, where the ruling elite's first resort was resistance and repression." Later, he adds, "Force, or the threat of force underpinned social relations from the picket line to the school room." Craig Johnston and Robert Johnston quote that rotten old party pooper, Governor Arthur Phillip: "There are two crimes that would merit death - murder and sodomy." To which the authors respond: "This extravagant hostility to sodomy and sodomites sets the tone for subsequent attitudes within Australian white society." But wait, people's historians are also historians of race. What about the noble savages? "When Carl Lumholtz, after extensive travels in North Queensland in the 1880s, described Aborigines as 'gay and happy', we can be sure that he is not using the word 'gay' as we might today." Yet nothing surpasses Liz Ross: "Sisterhood. It was frightening, euphoric, wonderful, awesome and real."

There is a hint that some of the contributors might have cast off their objections to competition and indulged themselves to see who could write the most original interpretation of that fateful First Fleet landing. Gary Foley's is good, although a little orthodox: "There is clear evidence these days to show that what has happened in this country since the arrival of the First Fleet is one of the greatest crimes ever committed in the history of humanity." Charlie Fox starts his version of gambling beautifully: "Gambling came to Australia along with strong liquors and drunkenness, prostitution and the pox, the scars of the smallpox victim and other such fatal European epidemics as greed for land and hunger for power." But the pick of the collection has to be Paul Gillen on the history of writing: "It is an enormous task to write about the written word over the 200 years since the invasion of literates."

Sadly, when everything is so awful not even the People's History can escape its own kangaroo court. Andrew Milner, a former Trotskyist the editors thank profusely for his help, hits a last prophetic note.

"If the inequalities of race, class and gender that exist in Australian society and the even more horrific inequalities that exist internationally are ever to be reduced, let alone eliminated, then that will not be brought about by specialist groups of radical intellectuals...The intelligentsia's development into a significantly privileged new class within late capitalist society makes it unsuitable for the role it has taken upon itself, that of guarantor of the values of liberty and equality, fraternity and sisterhood. If the tree of liberty is to be tended here in Australia, it will require firmer hands than these."

This is one of the very few paragraphs of the hundreds of thousands this reviewer suffered actually worth reading. In the end, after four volumes, much of it replete with guilt, accusation, and rancour, there is nothing. Some of these people may not like their country and its history. But they cannot stop from enjoying its comforts, the reality of which every day contradicts the vile stuff they write.
THE BLACKENING OF OUR PAST

goldfields. In Australia the strong government presence and the wide respect for the rule of law meant that mob action against the Chinese was usually contained or nipped in the bud. By contrast, mob action and murder were quite common in California. For the rest of the 19th century the prejudice towards the Chinese already here was only mild; the hostility towards allowing further migration was intense. A general condemnation of the racism of our forbears misses that distinction which is vital in an assessment of the quality of 19th century society.

The black school's lack of interest in understanding 'unsound' behaviour is most evident in their discussion of women and relations between the sexes. The late 19th century ideal was that married women should remain at home, where she was to be in control, and not take paid work outside it. Men believed that by their exertions to make this possible they were raising the status of women. They were being kept from the harshness of the world and given a new autonomy as mistresses of the home, where they had always laboured but without being in charge. It is a rare writer on women's history — Pat Grimshaw is one — who will acknowledge that these arrangements did indeed raise the status of women. Of course the women-in-the-home ideology makes it harder for women to take the next step towards an equal role in employment and public life. But this is the way the world runs. One generation's idea is not another's. Unless a new era has dawned, our ideals will seem wrong-headed to our successors.

Needless to say, the black school cannot be relied on to describe what life was like for women when they were home-makers. The People's History says it will give the view from the kitchen sink; rather it gives us the advanced feminist view of the kitchen sink. Women at home, says Marilyn Lake, were under "house arrest", kept prisoners by their men to cook, clean and minister to their comfort. What women themselves thought of their position is not explored. There was, in fact, a mutual respect in these companionate marriages — the woman for the labour, skills and dedication of the breadwinner; the man for those of the home-maker. The oral testimonies of the 1930s depression record this again and again. Amazing to relate, men and women could find contentment, even happiness, when the world was not made according to our formula.

None of this is to suggest that good history cannot be written by reformers. Intelligent reformers will want to understand the people and the society they hope to change. Those who have no interest in the past except to condemn it want not reform of our society but its total transformation. The ruling assumption of the new radicals is that liberal capitalism has been a disaster in Australia and only socialism can provide a decent and fair society.

The old radicals were also socialists but they were ready to acknowledge what had already been achieved by and for the common people in Australia. Compare Alastair Davidson's oppression fantasy with the final words of Brian Fitzpatrick's Australian Commonwealth where he describes the people making "of Australia a home good enough for men of modest report to live in, calling their souls their own." The older writers were also admirers of the working class. The dilemma of the latter-day socialists is that they despair of the working class who are criticized for being racist, imperialist, sexist and acquisitive. The People's History is addressed to them but much of it reads like a statement of grievance in a divorce petition. In these hands the history of the workers is demeaned along with everyone else's.

2. "Women and the Family in Australian History — a reply to The Real Matilda", Historical Studies, vol. 18, no. 72, April 1979, which criticizes one of the standard texts of women's history.
3. This line of argument was first developed by Humphrey McQueen in A New Britannia, Penguin 1970.
Pseudo-Capitalism in Eastern Europe

It is naive to believe that private markets can simply be grafted onto Eastern Bloc economies. In this uncompetitive environment private firms adjust to the lowest possible level of efficiency compatible with being just one step ahead of state enterprises or even worse. A party secretary's wife, a deputy prime minister's son or a security police colonel's brother acting as private entrepreneurs need not even be as efficient as state enterprises. In securing contracts, the right political connections matter more than the lowest costs. The well-connected make hefty profits for supplying costly goods to the shortage-ridden markets. The economy suffers a loss of efficiency and at the same time a new way of redistributing income from the population to the ruling stratum in the socialist system has been opened. Without changing the fundamental features of the economy, private entrepreneurship can become a new form of parasitism upon the society by the ruling stratum.


Reviewing Regulations

Over the last five years the Australian Commonwealth and most States have established regulation review bodies. In Victoria, for example, (which has Australia's most developed system of regulation review to date) a Regulation Review Unit functions as a central referral and investigation point for complaints about regulations. It conducts major inquiries into broad areas of regulation: chemicals, food, building, occupational regulation and product liability laws. The Victorian Government has also introduced an automatic sunset clause in all regulations that impose a burden on the community and a Regulatory Impact Statement (RIS) requirement for new regulations. An RIS statement must include: a clear statement of the objectives of the regulation; a consideration of the alternatives to regulation; consultation with interested parties; and a cost-benefit analysis of the alternatives.


The Rising Black Middle-Class

The 1980s, with a conservative, free-market President in the White House, have been boom years for black entrepreneurs in the United States. The annual average growth rate of receipts for black businesses exceeds the average for all US businesses. Estimates are that the black middle-class has grown by a third this decade, to 4.8 million in 1988 from 3.6 million in 1980 (defined by employment in white-collar jobs, as well as income levels). The rise in black incomes is largely attributable to the explosive growth of jobs over the last five-and-a-half years. Over that span total black employment has increased by 2.3 million jobs, and the black unemployment rate has been almost halved since 1982. Most debates about the state of black Americans focus on negative indicators, such as the crime rate, welfare dependency, and teenage pregnancy. In the expanding black middle-class these problems are non-existent or greatly reduced.


America in Decline?

This year's surprise best-seller in the United States is Paul Kennedy's The Rise and Fall of the Great Powers. Its thesis is that political and military power depends on economic wealth and technology; for a few decades after World War II America enjoyed economic supremacy and was able to dominate the world; now that lead has sharply declined and will continue to do so; consequently the United States is overstretched and its political and military power must also decline. But does the book's
popularity tell us more about the state of mind of the American people than the future of America? Both these articles think so. Both agree that announcements of America's demise as a great power are at best premature. According to Harries the book is deeply flawed. Kennedy's assertion that American economic decline is linked to its excessive military burden, he argues, is not borne out by the facts. For example, defence expenditures were a much larger fraction of GNP during America's period of most rapid economic growth, 1948-73, than they are today. The uncritical acceptance in many quarters of Kennedy's thesis is worrying: that may, itself, represent an erosion of American confidence.


Civic War

An intellectual battle is emerging in Britain and North America over the idea of 'citizenship'. The British left-wing weekly, New Statesman, set 'citizenship' (which it saw as reconciling the goals of individualism and social responsibility) as its theme for 1988. Its aim was to recapture the notion from the Tories under Mrs Thatcher, who have gained great political mileage from it.

This article argues that a conflict exists between the liberal individualism championed by Mrs Thatcher and her attempt to 'hijack' the idea of citizenship. Liberalism helped found the idea of a universal citizenship, based on the argument that all individuals are born free and equal. But it does not encourage us to join with others to pursue common ends and develop common purposes.

In North America, political philosophers known as communitarians are mounting a challenge to the liberal concept of the individual by reviving the 'civic republican' idea of citizenship. This emphasizes the existence of a public good prior to and independent of individual desires and interests. To formulate a satisfactory notion of the political community we must go beyond liberal individualism to questions of justice, equality and community.


US Out of Europe?

Though disaffection with America's defence commitment to Western Europe has long existed in America, it has never been greater than now; nor is the debate defined by the usual political alignments. Global unilateralists, military reformers, maritime strategists, neo-conservatives and old-fashioned isolationists unite in wanting to see fundamental changes in America's commitment to the Atlantic Alliance.

The most common objection to the Alliance is its financial cost to America, disproportionately large compared to the lesser burden carried by Western Europe. Christopher Layne puts forward a more basic objection. The Atlantic Alliance is based on an untenable premise: that the US will automatically use its nuclear weapons to defend Europe if the latter is attacked, even though to do so would be to unleash nuclear retaliation on the US itself. Rational states do not base their strategy on a pledge to commit suicide to protect other states' security. Layne believes Washington should take the initiative, at the same time putting Gorbachev to the test, and seek mutual superpower disengagement from Europe.


Licence and Liability

Tort law in America has undergone a transformation in recent years, resulting in an enormous expansion of liability. Doctors, landlords, manufacturers and public officials, all are now far more likely to be sued successfully. Numerous explanations for this have been proffered, including the breakdown of community which has lessened the bonds of trust between people. The main cause, however, is a new ideology applied by courts. This ideology has four features (1) distrust of the role of markets in allocating risk, including courts interpreting insurance contracts to cover risks to which the parties had not agreed (2) an expanded definition of causality, covering relatively minor degrees of probability in class actions (3) a widening of jury discretion (4) a change in the court's view of its proper function, now seen as achieving broad social goals instead of the narrower, more traditional purpose of corrective justice between the litigants. If courts continue to try to usurp the role of markets and politicians public respect for them will decline.

The Decline of Christianity
What is to be done?

B. A. Santamaria

In profound ways Christianity has been integral to the development of Western civilization. Its decline is thus of great moment not only to the churches but to the future of our culture.

There are at least two ways in which one can look at the phenomenon of religions, whether one is considering their rise or decline. I refer not merely to the Christian religion but to the world's great religions in general: Islam, and Hinduism, perhaps to Buddhism, and to Shinto (although it is debatable whether the latter two are strictly religions since they do not necessarily prescribe belief in a Divine Being).

One may be concerned with the condition of a religion strictly in its religious connotation — that is to say religion considered as a set of transcendental beliefs, concerning the existence and nature of God, his relationship with man, and the set of conditions and practices required of man to maintain that relationship. In this assessment the focus is strictly religious. The observer is concerned with a religion merely insofar as it serves its strictly religious purposes and may have no interest whatsoever in the cultural consequences of religious belief.

The second approach is almost totally different. Even a sceptic, an agnostic or an atheist may be deeply concerned with the fate of a religion. His or her interest in religion derives from the fact that such a person is, as it were, "in love" with a particular culture or civilization. If such a person comes to the conclusion that religion — in whose religious tenets he does not believe but which is necessary to the life of the civilization in which he does — was suffering a terminal disease, his interest in the religion would be vital, not for religious but for cultural reasons.

Does the question of the ultimate extinction of Christianity arise in any real, practical sense? Regrettably, it does.

That the religion of Jesus Christ, whom Christians believe to be the Son of God, propagated in the first Christian century by such powerful figures as the Apostles, and in cultural shape and form by Augustine, by Jerome, by Benedict, has been the soul of Western civilization — in the same sense as Hinduism and Islam have been the inspirational forces behind the civilization of India and the Middle East — cannot be disputed.

Hence, if it were to be established that after two thousand years, Christianity was in terminal decline, the phenomenon would rightly be regarded as a disaster not merely by the religious-believer, but by the cultural devotee of European civilization. From the standpoint of the religious believing Christian, the ultimate Truth would not be ceasing to be the truth but would be disappearing from the minds and perception of men and women. Equally for sceptics who do not accept its philosophical validity, but to whom Western civilization, its principles, traditions and institutions are among humanity's noblest achievements, it would be an equal disaster, although cultural rather than religious.

Does the question of the ultimate extinction of Christianity arise in any real, practical sense? Regrettably, it does.

The statistics speak for themselves, the Australian statistics being parallel to those of almost all European countries. Although Roman Catholicism is now numerically the largest denomination in Australia, whereas in the late sixties, some 54 per cent of those who

B. A. Santamaria is National President of the National Civic Council and a distinguished commentator on public affairs. This paper was delivered at a public seminar organized by The 1988 Heritage Association.
THE DECLINE OF CHRISTIANITY

profess themselves to be Catholics, went regularly to Sunday Mass, the percentage is now down to approximately 25 per cent. Some 80 per cent of post-secondary pupils from the Catholic system do not go to Mass. Within the Anglican communion, there are figures which indicate that the level of regular Sunday church attendance may be 10 per cent or less. Dr Kenneth Dempsey, one of the more competent Australian religious sociologists, having completed a detailed study of religious life in a prosperous Victorian country town (the identity of which I am aware), reports that regular church attendance among the 25s to 40s in the various Protestant communions is down to one per cent, and in the Catholic communion perceptibly down as well. Nobody is doing well. The distinction seems to be — and I have no pleasure in pointing to it — between those doing poorly and those doing so badly, that the necessary physical base from which recovery could take place no longer seems to exist.

Causes of Decline

Can we make any assessment of the causes of the decline? Within the limitations of the space available, let me attempt to describe them at least as I see them.

In one sense, the decline is due to the historical factors which have prevailed in Western societies since the Renaissance. After centuries in which European man, however primitive, believed that God was the centre of being, the Renaissance established the principle that man, not God, was the first principle of human thought and action; that the purposes and methods of political societies, and of social systems should be defined accordingly. This principle has now proceeded to its ultimate conclusion.

The conflict between those who believe that there is a God and that the purpose of both man and human society should be defined in accordance with God's laws, and those who believe that there is no God and that society should be defined exclusively in terms of man's needs and his human aspirations — the duration of a conflict which has lasted for 500 years, and has been long and often bitter, has finally been resolved. For the time being at least, the latter have won.

The depth of that conflict was foretold long ago by Cardinal Newman, although, of course, he did not foresee the issue around which it was destined to centre. Speaking at the opening of Ullathorne's seminary at Oulton in October 1873, Cardinal Newman distinguished between the modern crisis of Christianity and the many crises which had gone before. Newman understood that the crisis accompanying modernity was to be not merely a replica of previous crises — of Arianism, of the Black Death, of the Great Schism, of the Reformation. "Our age," he said, "has a darkness different in kind from any that has passed before...Christianity has never yet had an experience of a world simply irreligious." It was not only Cardinal Newman who saw the new century in this way. Nietzsche, who was more or less a contemporary of Newman's, being born in 1844 and dying in 1900, proclaimed that God was merely a projection of human fantasy. He predicted "the death of God," a world from which belief in God has disappeared. Nietzsche did not delude himself about the result. Without God, man would have no values and no conscience. The day of perfect liberty would have dawned. Man would create Superman, possessed of a will-power as a substitute for God. Nietzsche died quite mad.

Dostoevsky was one of the few who had in fact understood the inevitable consequences of that type of belief. In his novel The Possessed, he wrote: "If God does not exist everything is permissible."

"The permissibility of everything" is the characteristic principle of the present age. It is founded on the belief that nothing is intrinsically right and nothing is intrinsically wrong. That belief, described by Professor Allan Bloom, in his best-seller The Closing of the American Mind as "moral relativism", is the dominant idea in our civilization.

Even Professor Manning Clark, who enjoys a considerable vogue in this country, described the same phenomenon in a different phrase. Looking at the generation which had recently passed through Australia's universities, he stated "This is the first generation in history which literally believes in nothing at all."

Internal Schism

The disappearance of belief in Western society is not the result of persecution. In recent times, in Western societies at least, Christianity has not been subject to persecution by the State: the cause of the decline is not external but internal. It is not the result of a conflict between Protestantism and Catholicism. Paradoxically, in our age, in proportion as ecumenical relations between denominations have improved, religious belief has tended to vanish.

The central cause of the crisis — at least in its
Optimism in the Face of Decline
Warren Clarnette

In a series of interviews, IPA Church and Society project director, Rev. Warren Clarnette, asked Australian church leaders whether they were pessimistic about the current state of the church. Nobody was.

Australia's major churches are in decline. Fewer members attend worship regularly. More people are stating "no religion" or "atheist" on census forms. The opinions of church councils and leaders carry less weight today than they once did. But heads of churches are not convening crisis meetings or issuing calls for church renewal. They are not warning that a weakened church must lead to an erosion of morality in the nation. They expect no imminent demise of their denominations nor the extinction of Christianity. They are enthusiastic about the churches' 'mission' and confident about the church's future. The facts may suggest disaster, but for churchmen sociology is not the final measure of reality.

"We cannot predict how things will turn out for the church, and we cannot assume some logical sequence of events," said the Rev. Tony Cupit, general superintendent of the Baptist Union of Victoria. He cites the recent history of the church in Russia and China. The same could happen in Australia. "To predict what will happen is very risky because you can't say where the Spirit of God will lead us. I'm an optimist. I believe that God is in control."

Dr Peter Carnley, the Anglican Archbishop of Perth, had looked at the numbers but was far from depressed. Between 1971 and 1981, he said, those who wrote "no religion" or "atheist" on the census form rose from 10 to 25 per cent — I'm not sure of the precise figures. But those people were not anything beforehand. I don't think we have had a great mass of conversions away from religion. Those figures were simply stating what was the case. On the other hand, there are signs of quite vigorous parish life in many many places. It is not all a backward slide. Church life is much more healthy than when I was a child. I am encouraged by what is taking place."

The Rev. Dr D'Arcy Wood, of Adelaide, who is President-elect of the Uniting Church national assembly, is worried by the decline of his church's membership because "apparently a number of people have become disillusioned with the church." But he finds reasons for confidence. "I'm not pessimistic about the future of the church basically because of my attitude of faith. God deals with the world through a community of faith, the body of Christ. Because Christ has entered into the world in an irreversible way there will be always the body of Christ."

Bishop George Pell, auxiliary bishop of the Catholic archdiocese of Melbourne, sees no point in hiding from the fact that church membership is declining, and fewer attend worship. "Oh yes, it concerns me," he said. "It's a little bit like a business that's losing money. There's no point in pretending that it isn't happening. And in a certain sense it's less important to be optimistic or pessimistic than to be realistic. The prerequisite for doing something about a situation is to read it accurately."

History does not continue "in straight lines," or under the power of inevitability. "I think it depends a bit on how effective we Christians will be in explaining our point of view to the rest of Australian society. And three-quarters of Australians are Christians...there is a reservoir of instinct and sentiment and tradition and sympathy for what we're about."

Does Bishop Pell feel downhearted? "Not in the slightest. I'm very much looking forward to it. We've got a lot to do. I think we're capable of doing it and I'm certainly not pessimistic."

The Salvation Army's Australian Southern Territory Commissioner, Donald Campbell, believes "the real church is growing." He does not agree that the numerical strength or influence of the church is declining. "It is a Christian conviction that in the ultimate the Christian cause will prevail. There is a new wave of humanism sweeping the world and influencing governments. But all things are passing. Jesus Christ is not only our hope in the life to come, he is also our hope in this temporal society."

Dr Keith Rayner, Anglican Archbishop of Adelaide, confronts the facts without anxiety. "I don't believe the decline is quite so great or as uniform as is supposed," he said. "In the Anglican Church a marked decline has occurred on the fringe and there are signs of some strengthening of the core. I am sorry to see the fringe go — that is, occasional worshippers who generally agree with Christian values but don't do as much about it as I would like. But the core of the church is a springboard from which in God's good time growth and Christian influence can come. These things do go in cycles and I think our world, which for quite some time put a great deal of faith in material values and hedonist values, is coming to recognize that neither material prosperity nor things like pleasure satisfy the human person nor create a contented society."
THE DECLINE OF CHRISTIANITY

THE DECLINE OF CHRISTIANITY

contemporary form — was best defined by the Anglican Bishop of London (Dr Graham Leonard); who has led the fight against the ordination of women in both Britain and the USA.

The heart of the matter, he stated, was that there was now an internal schism within all Christian denominations. "The growing division in Christianity," he said in an address given in Missouri in October 1987, "is not between the Christian denominations. It is between the so-called theological 'liberals', who believe both Scripture and tradition have lost their authority and who wish to reshape Christianity in accordance with modern ideas, and the so-called 'conservatives' who believe that the Gospel is revealed by God and who maintain the unique authority of Scripture. That division applies within all denominations."

The chief driving force in this religious revolution in the Church as in the State, is almost always, quite unwittingly, the religious bureaucracies which, appointed by bishops (or their equivalents) and in the name of the bishops whose personal authority they have effectively displaced, dominate the Church and the Church's extension into human society, the Church schools, university colleges, the seminaries, or theological colleges, in exactly the same way as the bureaucratic New Class dominates the State. They are in effective control of the levers of power and have no intention of being displaced.

The consequence of this struggle — although one can hardly describe it as a struggle when only one side, that of the religious revolutionaries, appears to be fighting — is that there are now, in most major Christian denominations, two churches not one. If I describe the consequences in Roman Catholic terms, it is simply because it is typical of the rest and because it is that with which I am most familiar.

Within the two churches which both describe themselves as Roman Catholic, one church is the church of the masses. That is to say, most Catholics who take religion seriously enough to go to Mass each Sunday generally believe that, in the last analysis, their faith is about the personal acceptance of Christ as God and of his Revelation as divine. This Divine Revelation interpreted by the Church's Councils throughout the centuries, and by the institution of the Papacy, breaks down into a set of propositional beliefs. These beliefs include the Trinity, the Fall, Sin, Hell, Heaven, the Resurrection, Pentecost, the Church itself.

Those beliefs are bound together, logically and inextricably.

The second church is composed of those who believe that the essential purpose of a Christian Church is not so much to proclaim the doctrine and the moral teaching of Christ as to manifest, and be seen to manifest, the compassion of Christ. Its devotees rarely deny the basic doctrines of the faith. They simply refrain from asserting those which they find unpalatable. They are chary of insisting on the miracles, particularly the Resurrection, since these are opposed to the scientific spirit of the age.
Heaven and Hell have to be treated as pious stories for children. But if doctrines are not asserted or taught for two or three generations, they fade out of human consciousness far more effectively than if they had been denied. They are no longer there. The hard sections are left out, and in course of time what is difficult about the faith simply fades from the consciousness of Christians. It is a better way of killing Christianity than persecution. Persecution gets our backs up. It makes us adamant. Being treated as if you didn't exist destroys your belief in yourself and your beliefs.

There were two ways in which social groups or classes could change the face of society, Gramsci wrote. One was by capturing power...The other was to win the intellectual and moral leadership of society.

For its practitioners, this second church is fundamentally an organization for doing good, rather than for proclaiming truth. It exists for the care of single mothers, homosexuals, lesbians, divorcees, the Aborigines, the drug-afflicted and so on. It is noticeable that this agenda is dominated by the trendy humanist ‘causes', so fashionable today. It does not, for instance, include solicitude for the married woman caring for her family at home who in my judgment at least, is the most important, under-valued, and often loneliest figure in our society.

Because it moves in a world of slogans, mainly of the political left, it soon expands into the field of politics, often revolutionary politics, calling for the overthrow of the 'oppressive structures' of modern society, that queer amalgam of German political theology and a misunderstood Marxism, called 'Liberation Theology'.

To ensure that no obstacle will deny access to the church to any of these groups, often caught up in an environment of despair, of practices once defined by the church as sinful, the church must not be 'judgmental'. Whether a particular pattern of life is right or wrong is a question which must not arise, except in the hypothetical long-term. Issues of right and wrong being divisive, to raise them is being 'judgmental'. Since there is no place for the questions, there is no need for the authority which purports to provide the answers. Children, in fact, are not to be provided with answers, but are to discover them themselves, although how this is to be done by those who lack knowledge of facts and principles is not explained.

Additionally, there is a constant attempt to establish a distinction between the Church of Doctrine and the Church of Compassion. The former is hypocritical, the latter is sincere. There is no distinction. A church of doctrine without compassion is hypocritical. A church of compassion without doctrine is not a church but a socio-political organization.

These, I suggest, are two different Churches, and only one can be The Church. The first is the Church of the masses. The second is the Church of the religious 'progressives'.

What is important about this dichotomy is that the church of the masses no longer counts, except perhaps to provide the money. Its views are never consulted. The church of the religious 'progressives' matters greatly. It is in control of the machinery of administration and policy, and spends the money. As the Church becomes increasingly bureaucratized, the bureaucracies are increasingly peopled by those whose 'mindset' is cast in the second mould. It is they who occupy, certainly not all, but most, of the positions of power.

The Cultural Revolution

It was this division in the inner structures and philosophy of the major Christian denominations which explains the course of our own Cultural Revolution of the '60s whose consequences persist today. The political context of the Cultural Revolution was Vietnam; the social context the Student Revolt. In its results, it was a far more thorough-going cultural revolution than that which Mao initiated in China.

The cultural revolution: two clergymen sing protest songs during an anti-apartheid special service at St Paul's Cathedral, Melbourne.

The central idea of the cultural revolution of the '60s was that the whole of the established order in Church and State no longer possessed authority. Claims to authority were fraudulent and must be repudiated.
Whether you were a President, a Prime Minister, a University Vice-Chancellor, a Governor-General (especially if you were Sir John Kerr), or a Pope, you would be treated with public disrespect, and not infrequently threatened with physical assault — new and calculated methods meant to symbolize the threadbareness of authority's claims to authority.

In almost every Western society, this 'cultural revolution' brought to power governments pledged to the humanist agenda, like the Whitlam Government in Australia. In their turn, these governments — and the judges whom they appointed — pioneered a number of legal principles in form constitutional but in substance revolutionary.

Australia's Family Law Act transformed permanent marriage into temporary concubinage, thereby dissolving the fabric of the family. Abortion was legalized. The consequent attack on the foetus and embryo paved the way for experiments on both IVF, brain transplants and similar processes, which have reduced the body of the unborn child into little more than a chance assembly of spare parts. Homosexuality became a mass phenomenon as did feminism. The alliance between the militant feminists and the militant homosexuals was based on the feminist assumption that there was no fundamental biological difference between men and women of which the law should take cognizance. This led to the central homosexual assumption that sexual relations between males were as 'natural' as those between the sexes — a view repudiated by humanity throughout its long history and of which the AIDS virus does not seem to be aware.

New government policies had their impact on the educational principles which entered the State education system first and then extended from the secular to the religious field, one of the two factors leading to the present crisis in the field of religious education.

It is obvious that the victory of these principles is accomplishing the disintegration of our society both in its secular and religious life. You cannot have an organic society in which 40 per cent of all marriages end in divorce: in which there are no less than 340,000 'sole parents' (mainly women), in which there are approximately half a million children with only one parent, a figure growing by some 40,000 each year. Quite apart from the deep emotional problems represented by this picture of human devastation, Australian Governments are compelled to spend more than they spend on child endowment to make the tragic situation of the sole parent even tolerable.

Furthermore, the world-wide plague of AIDS and other sexually-transmitted diseases has posed obvious questions concerning the validity of the sexual revolution in every section of Australian society.

My attention has been drawn once again to this question by reading the preliminary documents for the new courses, 'Australian Studies' and 'English Studies', which I have pursued with amazement since they seem to contain no intellectual content whatsoever.

The Battle for Hegemony

Is there any solution to this problem?

To me, at least, the key to the solution is to be found in the thought of the Italian Communist leader Antonio Gramsci. Paradoxically enough, while I oppose the ideology he professed, I number myself among his greatest admirers, both as a thinker and as a man.

Gramsci was a Communist. He was also a hero. Crippled from early years as a result of bad medical treatment, he spent nine years of his life in prison under Mussolini. Over six of these years, from 1929 to 1935, he filled 30 notebooks with 3,000 pages of handwritten notes. In these pages he developed his celebrated idea of 'hegemony'. There were two ways in which social groups or classes could change the face of society, he wrote. One was by capturing power as the Bolsheviks had done in Russia, which Gramsci held to be impossible in developed Western states. The other was to win the intellectual and moral leadership of society, which he called "the hegemony", which was the only way in which a total transformation could be brought about.

Winning the hegemony is a dual process. It involves winning the battle of ideas in all of the fields I have mentioned, substituting the Christian concept of the individual person, of the family, of patriotism, of the widespread return to small and medium-sized institutions for the simple cult of size and of monopoly, whether public or private. Those have been the traditional Christian ideas. On the other hand, it involves winning the battle of organizations, and doing what one can to ensure that men and women animated by those ideas, regardless of their religion, their class or their relationship, gradually substitute themselves for the present power-holders in all those institutions which dominate modern societies — political parties, trade unions, judicial and administrative bodies, the universities and teaching services, the media.

The struggle is admittedly unequal. The disparate forces of the Left enjoy both the ascendancy and the support of the material forces of modern society. Those who cleave to Christian orthodoxy — at least in my view — have a greater weapon: the truth. If we fail we have nobody to blame but ourselves.
I share Bob Santamaria's deep-felt concern over the alarming disintegration of the moral and institutional foundations on which our Australian society has hitherto been based: a crisis, perhaps the greatest in our history, in which sections of the Church are playing a less than heroic role. As one would expect from him, Santamaria brilliantly elucidates for us the nature of this crisis.

But I do not think Christianity has entered a phase of terminal decline. In the final paragraph of his strangely haunting autobiographical, Memory-hold-the-Door, John Buchan, the eminent novelist, historian and administrator, wrote, "The Faith is an anvil that has worn out many hammers." That was 50 years ago. The citadels are again being assailed and, at some points breached - as Santamaria shows even within the Church itself.

Church Attendances

One of the reasons for the decline in Church attendances, which he does not specifically mention, is the extraordinary rise in material affluence of the Western societies. Rampant consumerism, the democratization of the motor car, the multitude of Sunday sports and diversions have no doubt lured many away from the portals of the Church. People are too enraptured with the pleasures of the here and now to find time to contemplate the Eternal. As an economist, I have bowed before the present-day God of Growth. We still need it: but Growth piled on Growth? Can you imagine a more nightmarish prospect than an indefinite multiplication of Sanctuary Coves? Mere material affluence will never satisfy the deeper yearnings of the human heart. In the end the growth that really matters is the growth in moral stature, in wisdom and understanding, of human beings themselves.

A second reason for the decline in Church attendances is that the Church has lost touch with the source of religious feeling. True religious feeling has its genesis in humanity's sense of awe and wonder, of its own insignificance in face of the sublime majesty of the Universe, at the miraculous rhythms of Nature, at the great unfathomable Mystery behind it all. This feeling, as all history shows, is an indelible part of Man's very being. Albert Einstein wrote, "The most beautiful thing we can experience in life is the mysterious. It is the source of all true art and science. He to whom this emotion is a stranger, who can no longer pause to wonder and stand wrapped in awe, is as good as dead; his eyes are closed."

Our greatest danger lies in those terrible twins - arrogance and dogmatism. A friend of mine related to me how an acquaintance, carried away with the wonders of science, told her that Man was self-sufficient, that Reason and Science would eventually explain all things and do all things. She listened carefully and then said disarmingly, "Will he be able to make a worm?"

All truly great minds have the quality of humility. They have realized that as higher peaks are scaled by the intellect, still higher peaks are revealed further on...and on and on indefinitely.

Recovery

Christianity, and the principles of conduct it espouses, will survive; but some time may elapse before it regains its pristine vigour. The Church will aid this recovery if it concentrates on its true task, which is to minister to the spiritual dimension in man, and leave economics to others. By contributing to a higher moral, more responsible tone in society, it will be making its contribution to a better, more productive, fairer economy. "Render unto God the things that are God's and to Caesar the things that are Caesar's."

For the moment the light may be dimmed, but though Church numbers may be declining, there is a hard core that remains as unshakeable and as strong as ever: perhaps even stronger now that the enemy is at, even inside, the gates.

Those marvellous lines of the poet Dryden are worth our attention:

"Thus anxious thoughts in endless Circles roll,
Without a Centre where to fix the Soul,
In this wild Maze their vain endeavours end:
How can the less the Greater comprehend?
Or finite Reason reach Infinity?
For what could fathom God were more than He"

C. D. Kemp was a founder of the IPA and its Director from 1947 until 1976.
IPA Gives the Lead

The IPA had been very effective in creating an increased interest in the impact of State budgets on the national economy, according to the President of the IPA, Charles Goode. Speaking at the IPA's Annual General Meeting, Mr Goode pointed out that a number of major newspapers had highlighted the importance of the Institute's work on State budgeting. A detached comparative analysis of State budgets was recently completed by the IPA States' Policy Unit under the direction of Les McCarrey.

Over 200 IPA supporters and friends attended the largest IPA Annual Meeting in memory.

Dame Leonie Kramer (see report below) provided the keynote address and Des Moore, head of the IPA Economic Policy Unit highlighted features of the IPA economic agenda. "The IPA is now promoting the idea that there will need to be a substantial 'permanent' budget surplus in order to offset the reduced propensity for the private sector to save and to take account of the massive unfunded liabilities that governments are entering on our future behalf," Mr Moore said.

Reforming Education

Education reform must proceed on a number of fronts simultaneously said Dame Leonie Kramer addressing the IPA Annual General Meeting in November. It must tackle curriculum, teacher training, school texts, and assessment. Reliable assessment, Dame Leonie pointed out, is the most important source of accountability in education.

Dame Leonie is Professor of Australian Literature at the University of Sydney and head of the newly-established IPA Education Policy Unit. The areas of reform outlined by Dame Leonie will be priority areas of research for the Education Unit.

On classroom texts, Dame Leonie said: "If the kind of scrutiny we apply to selecting goods at a supermarket were applied to the materials currently used in teaching, many texts would simply disappear."

She warned, however, that none of these important fronts of reform will succeed if the problem of the attitudes and values inculcated in schools is not confronted. As an example she read from a pupil's examination paper which rejected history as a myth used by some people to dominate others.

Business-Teacher Workshops

Since 1980, the IPA in Queensland has been conducting a program of after-work, after-school Business-Teacher Workshops, involving, in all, about 7,000 teachers and businessmen. The aim is to improve the knowledge of educators about what is happening in business and to improve the knowledge of business people about changes occurring in schools.

This year the Queensland Institute through its Education Committee, has been working the State Department of Education and its 12 Regional Offices. To date, the Institute has conducted 10 Regional Business-Teacher Workshops which have involved 1,100 people. Topics have included "Management - What can Business and Education learn from each other?" and "Communication in Business and Education - how do you get your message across?"

Business people and teachers who wish to participate in the workshops should contact Mr Ted Hook, IPAQ Workshops Convenor, GPO Box 1844, Brisbane, 4001.
Spreading our wings has given us wider horizons.

At National Mutual we've become more than one of Australia's largest financial organisations. Our global links are giving us an international reputation.

Today the National Mutual Group offers an extensive range of insurance, superannuation and investment services in Australia, Hong Kong, New Zealand and the United Kingdom.

Even though we're big we're still very much committed to the needs of the individual.

We recognise each client is unique. So we're flexible and adaptable.

We have the resources, expertise and local management know-how to service your company's individual needs, wherever we operate around the world.

Group and Associated Company assets now exceed $20 billion.
To celebrate Australia's Bicentenary in 1988
The National Trust and AMATIL Limited are presenting
a Gift to the Nation.
This community-based heritage program is amongst
the largest of its kind ever undertaken in Australia
and consists of thirteen individual projects.

Each project in the Gift to the Nation will
present a different aspect of our heritage.
Historic buildings of national significance will be restored
and important museum and educational facilities
will be developed to assist and encourage all Australians to
better understand and enjoy the architecture,
history and culture of our young nation.

Labassa, Manor Grove, Caulfield, Melbourne.
Built by Alexander Robertson of the famed Cobb & Co.
Labassa, a unique elaborate Italianate mansion remains
remarkably intact. When restoration is completed it will be used
as a community centre for the decorative arts.

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